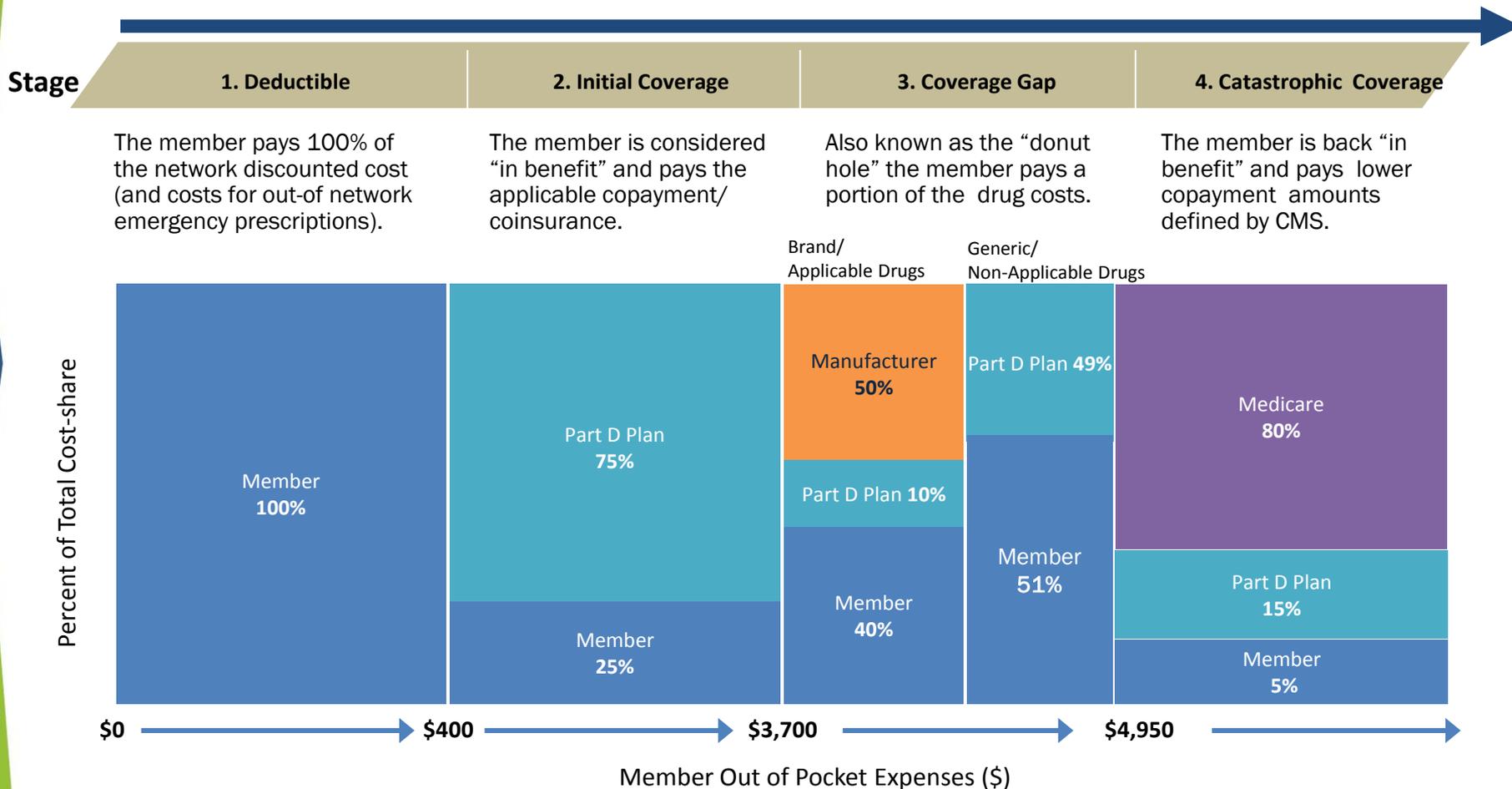




STATE EMPLOYEE BENEFITS COMMITTEE
CY2017 Medicare Part D/EGWP Plan Changes
July 25, 2016

Standard 2017 Medicare Part D Plan

Members systematically move through the 4 stages of coverage based on total drug costs



State of Delaware retirees pay only applicable State copays in all stages. May pay less in catastrophic phase if low income as defined by CMS.

PRESCRIPTION COPAY RATES

No Changes in Copay Rates from Current Plan Year

STATE OF DELAWARE PRESCRIPTION COVERAGE	TIER 1 GENERIC	TIER 2 PREFERRED (FORMULARY)	TIER 3 NON-PREFERRED (NON-FORMULARY)
30-DAY SUPPLY	\$8.00	\$28.00	\$50.00
90-DAY SUPPLY	\$16.00	\$56.00	\$100.00

EGWP Reinsurance Payment Changes

What is Reinsurance? Medicare's reimbursement to plan for 80% of plan costs when member is in catastrophic phase

Payment Methodology:

Current: Payments are sent 13 months after the end of the current year, once CMS reconciliation process is completed.

EGWP CMS Reconciliation process and timeline:

Current CMS Reconciliation	Annual Reinsurance Payment
Calendar Year 2015 Jan 2015 - Dec 2015	1/15/2017
Calendar Year 2016 Jan 2016 - Dec 2016	1/15/2018

Per Member Per Month (PMPM)

EGWP Reinsurance Payment Changes

Calendar Year 2017 and forward:

- **CMS Policy: Baseline will be \$26.50 per member per month. Plan payment will be determined by plan utilization and paid monthly to the plan.**
- **If monthly utilization calculation is over the CMS amount \$26.50 PMPM, payment to the plan will be the \$26.50 PMPM.**
- **If monthly utilization calculation is under the CMS amount \$26.50 PMPM, payment to the plan will be the specific amount.**

CMS Reconciliation:

The CMS reconciliation *process* will continue as it is today to reconcile prospectively paid per member per month payments.

Process:

- **Express Scripts will submit paid claims to CMS by end of June of the following year.**
- **Once CMS completes their reconciliation of the paid claims, CMS will submit the final payment amount to Express Scripts by the end of the following year (December).**

Timeline based on outcome of CMS reconciliation:

- **If reconciliation shows CMS under paid, payment to the plan will be in accordance with current reconciliation processes.**
- **If reconciliation shows CMS over paid, CMS will recoup, by Express Scripts requesting payment back from the plan.**

High Priced Generics

Starting in Calendar Year 2017

- CMS change is to add some high priced generics from Tier 1 to the Non-Preferred Tier 3.
- To avoid member impact of change from \$8 for 30 day supply to \$50 for 30 day supply for these high priced generics, the State of Delaware will keep all generic medications at the Tier 1 copay (\$8.00/\$16 applicable copay) regardless of Tier for January 1, 2017
- The 2017 Formulary changes will be available late August.

Special Medicfill Rates Effective January 1, 2017

Highmark Delaware Medicare Supplement for Pensioners Retired Before July 1, 2012

	Total Monthly Rate	State Share**	Pensioner Rate**	Total Monthly Rate	State Share**	Pensioner Pays**	Pensioner Increase
	<i>Rates thru December 31, 2016</i>			<i>Rates Effective January 1, 2017</i>			
Special Medicfill with Prescription*	\$426.60	\$426.60	\$0.00	\$459.38	\$459.38	\$0.00	
Special Medicfill without Prescription	\$241.86	\$241.86	\$0.00	\$260.44	\$260.44	\$0.00	

Highmark Delaware Medicare Supplement for Pensioners Retired After July 1, 2012

	<i>Rates thru December 31, 2016</i>			<i>Rates Effective January 1, 2017</i>			
Special Medicfill with Prescription*	\$426.60	\$405.28	\$21.32	\$459.38	\$436.42	\$22.96	\$1.64
Special Medicfill without Prescription	\$241.86	\$229.78	\$12.08	\$260.44	\$247.44	\$13.00	\$0.92

*Includes Medicare Supplement coverage and enrollment in Medicare Part D Prescription Plan

**State Share and pensioner contributions depend on years of service and date of hire/retirement.

QUESTIONS?