



The Value of Medicare Advantage for CalPERS Medicare eligible retirees



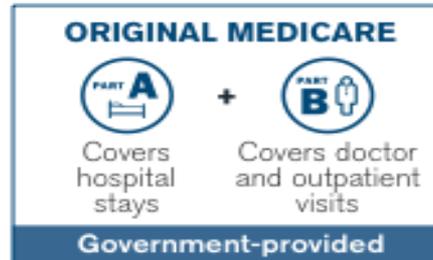
Today's Discussion

- **Introductions**
- **Medicare – Let's Start from the Beginning**
- **UnitedHealthcare Group Medicare Advantage Plan – What it is / How it Works**
- **UnitedHealthcare Group Medicare Advantage Plan – The Member Experience**
- **Medicare Part D Pharmacy**
- **Communication Efforts**
- **Value-Added – For CalPERS Medicare Eligible Retirees**
- **Dental and Vision Benefit**
- **Discussion**
- **Appendix**



Medicare: Let's Start from the Beginning

The ABCs of Medicare



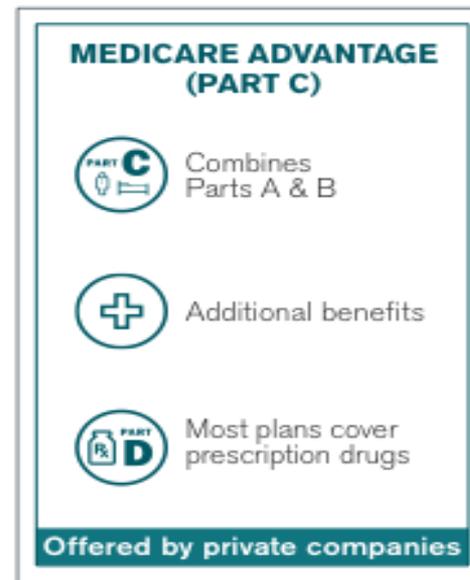
If you need more coverage, you have choices.

Option 1



or

Option 2





CalPERS current choices for Medicare eligible retirees

PPO Med Supp (ASO)

- PERS Select
- PERS Choice
- PERSCare



ORIGINAL MEDICARE



PART A

Covers hospital stays

+



PART B

Covers doctor and outpatient visits

Government-provided

If you need more coverage, you have choices.

Option 1

or

Option 2

Keep Original Medicare and add:

MEDICARE SUPPLEMENT INSURANCE



Covers some or all of the costs not covered by Parts A & B

Offered by private companies

and/or

MEDICARE PART D



Covers prescription drugs

Offered by private companies

MEDICARE ADVANTAGE (PART C)



PART C

Combines Parts A & B



Additional benefits



PART D

Most plans cover prescription drugs

Offered by private companies

Medicare Advantage (Fully Insured)

- United Healthcare
- Kaiser
- Anthem*
- Blue Shield*
- Health Net
- Sharp (Med Supp only)*



*Med Supp plans are offered where Medicare Advantage plans are not available



A Quick Look at PERS

- **PERS Select**
- **PERS Choice** (National)
- **PERSCare** (National)

- Medicare Supplemental - No assignment of Medicare benefits
- Different benefits in-network and out-of-network
- Member pays greater cost share out-of-network
- Prescription Drug plan is not integrated (separate plan).
- Access to any provider who is willing to accept Medicare
- Available in all 58 counties / national

Keep Original Medicare and add:

MEDICARE SUPPLEMENT INSURANCE



Covers some or all of the costs not covered by Parts A and B

Offered by private companies

and/or

MEDICARE PART D



Covers prescription drugs

Offered by private companies

Medicare Advantage Plans



The advantages of a single plan.

Medicare Advantage (Part C) plans are provided through private insurers, like UnitedHealthcare. They include Part A and Part B coverage (and often Part D) all in one plan. Medicare Advantage plans also generally offer additional benefits beyond doctor and hospital visits.



All the benefits of Part A

- Hospital stays • Skilled nursing • Home health



All the benefits of Part B

- Doctor's visits • Outpatient care • Screenings and shots • Lab tests



Prescription drug coverage

- Included in many Medicare Advantage plans



Additional benefits

- May be bundled with the plan



UnitedHealthcare Group Medicare Advantage HMO

Currently offered to CalPERS Medicare eligible retirees

- HMO solution covers all Medicare eligible retirees in 22 counties in California (no out-of-network coverage unless urgent or emergent)
- Current plan design with access to MAPD HMO contracted providers only
- PCP selection required and referrals required to see a specialist
- Value added benefits for Medicare eligible retirees - Silver Sneakers fitness benefit, hi HealthInnovations hearing aids, Solution for Caregivers
- Integrated Medical and Pharmacy benefits eliminating the need for standalone Part D offering
- Dedicated Group Medicare Advantage Service Model:
 - single national network platform
 - single national plan design
 - single ID card
 - single claims and administrative platform

***But what if CalPERS Medicare eligible retirees
could have even more?***



UnitedHealthcare Group Medicare Advantage PPO Plan – What it is and how it works

UHC Group Medicare Advantage PPO

How it works – and why this matters to CalPERS



UnitedHealthcare Group Medicare Advantage PPO	Like	Unlike
Medicare Advantage Plan	Kaiser	PERS Choice / Care
Fully Insured	Kaiser	PERS Choice / Care
Open Access (can go anywhere)	PERS Choice / Care	Kaiser
Member has the same benefits in-network and out-of-network	–	Kaiser and PERS Choice / Care

CalPERS Medicare eligible retirees will have the same benefits in-network and out-of-network



What is Group Medicare Advantage PPO?

	Current Group Medicare Advantage HMO	Proposed Group Medicare Advantage PPO
Geographic availability	Defined Service Area Only 22 counties in California	National All 58 counties in CA and out-of-state lives
Plan type	In-network coverage only	Same benefits in-network and out-of-network
Provider access	HMO contracted providers only	Contracted and all willing Medicare providers
Part D	Integrated Medical and Prescription Drug Plan	Integrated Medical and Prescription Drug Plan

Value to employers

Significantly reduced benefit costs

Little to no disruption to Medicare eligible retirees

Value to Medicare eligible retirees

Equivalent benefits to existing MAPD HMO plan

Broad provider access

One ID card for medical and prescription

UHC Group Medicare Advantage PPO

How it works – and why this matters to CalPERS



- **National PPO solution covers all Medicare eligible retirees**

It Matters

All 58 Counties in CA, as well as all of the United States and 5 U.S. territories.

- **Current plan design ensures your Medicare eligible retirees receive the same benefits in-network or out-of-network**

It Matters

Your Medicare eligible retirees have choice - access to both contracted providers and all willing Medicare providers.

- **No PCP selection required, no referrals required to see a specialist**

It Matters

Medicare eligible retirees enjoy enhanced access to providers.

- **Value added benefits for Medicare eligible retirees - Silver Sneakers fitness benefit, hi HealthInnovations hearing aids, Solution for Caregivers**

It Matters

Wellness and prevention programs help encourage your Medicare eligible retirees to stay healthy.

UHC Group Medicare Advantage PPO

How it works – and why this matters to CalPERS



- **HouseCalls. A unique national program. Effective 1/1/16 in California and offered in 39 other states.**

It Matters

This personal in-home approach helps identify gaps in care and actively engages the member in their health.

- **Integrated Medical and Pharmacy benefits eliminating the need for standalone Part D offering**

It Matters

Medicare eligible retirees gain the simplicity and ease of a single benefit plan.

- **Dedicated Group Medicare Advantage Service Model:**
 - **single national network platform**
 - **single national plan design**
 - **single ID card**
 - **single claims and administrative platform**

It Matters

Easier administration for CalPERS with national capabilities.



CalPERS Medicare Eligible Retiree Benefits

Benefit Coverage	UnitedHealthcare Medicare Advantage PPO In-Network	UnitedHealthcare Medicare Advantage PPO Out-of-Network
Annual Deductible	None	
Annual Out-of-Pocket Max	\$1,500	
Office Visits	\$10	\$10
Inpatient Hospitalization	No charge	No charge
Outpatient (surgery and hospital services)	No charge	No charge
Emergency Services	\$50	\$50
Diagnostic X-ray / Lab	No charge	No charge



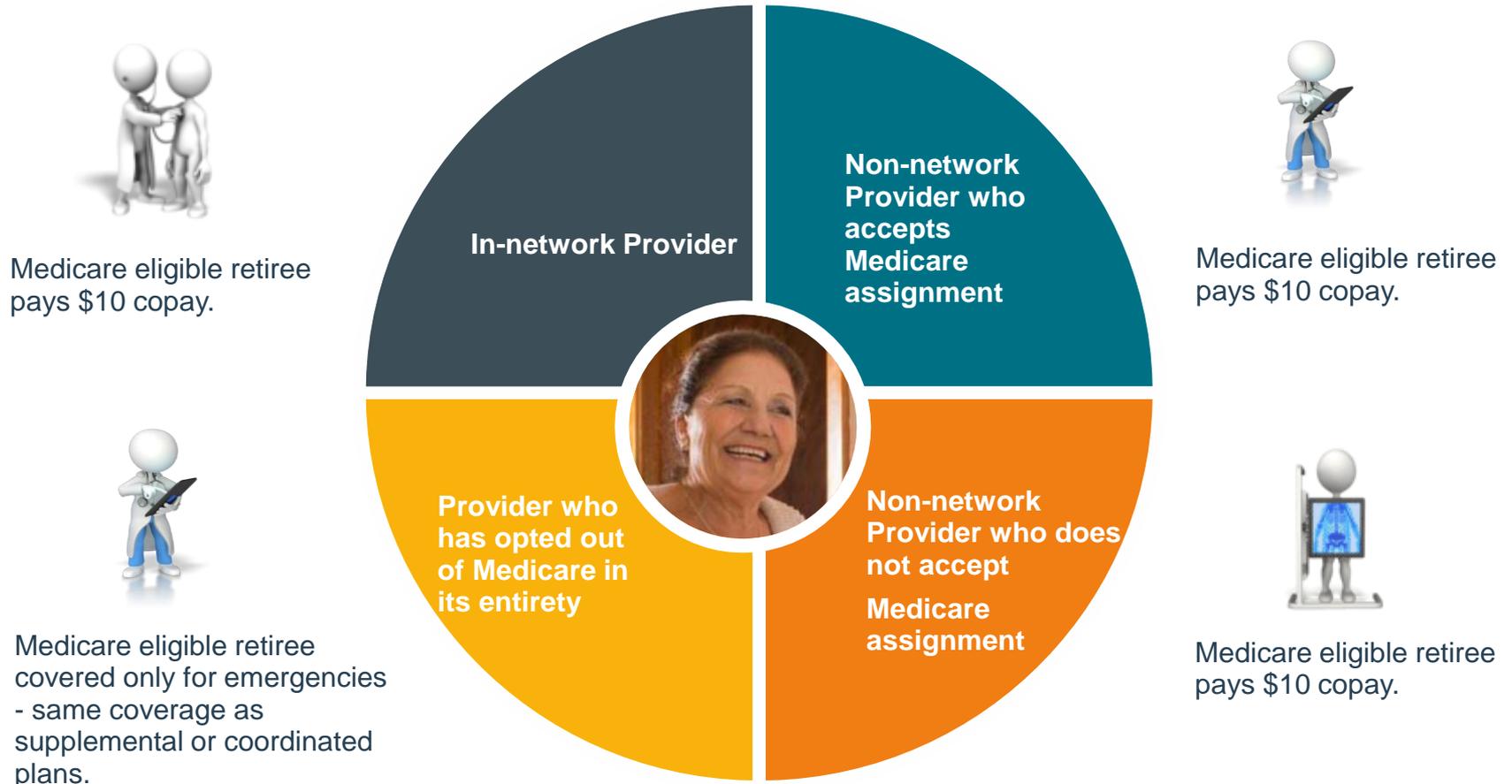
The CalPERS Member Experience

We said, “The member will have the same benefit in-network or out-of-network, right?”

What does that look like?

The CalPERS Member Experience

“I need to go to the doctor. What happens?”



The vast majority of non-network providers will file the member's PPO claim. If not, the member pays the provider directly and then submits to the plan for reimbursement. If the provider does not accept Medicare Assignment, the member will be reimbursed at the same copay - no balance billing amount is paid by Medicare eligible retiree .

UnitedHealthcare Group Medicare Advantage PPO payment scenarios



CalPERS Medicare Eligible Retiree Sees ...	UnitedHealthcare Pays...	CalPERS Medicare Eligible Retiree Pays...
<ul style="list-style-type: none"> One of more than 500,000 of UnitedHealthcare's Medicare Advantage PPO providers 	<ul style="list-style-type: none"> Contracted rate less CalPERS plan copayment 	<ul style="list-style-type: none"> \$10 plan copayment
<ul style="list-style-type: none"> Non-network provider who accepts Medicare assignment 	<ul style="list-style-type: none"> 100% of Medicare Allowable charges, less CalPERS plan copayment 	<ul style="list-style-type: none"> \$10 plan copayment
<ul style="list-style-type: none"> Non-network provider who does not accept Medicare assignment (less than 5% of providers) 	<ul style="list-style-type: none"> 100% of Medicare Limiting charges, less CalPERS plan copayment 	<ul style="list-style-type: none"> \$10 plan copayment <p>Member is not subject to "balance billing"</p>
<ul style="list-style-type: none"> Non-network provider who has opted out of Medicare (1%) OR foreign provider 	<ul style="list-style-type: none"> Only in case of emergency* <p>*Traditional Medicare generally does not cover care outside of the U.S.</p>	<ul style="list-style-type: none"> 100% of all billed charges (except in the case of an emergency)

The vast majority of non-network providers will file the member's PPO claim. If not, the member pays the provider directly and then submits the claim to UnitedHealthcare for reimbursement.



Pharmacy - Integrated Part D Program

Benefits of an Integrated Part D Prescription Drug Plan



No changes to the existing CalPERS MAPD HMO Prescription Plan design



OptumRx administers the Part D pharmacy benefit programs for the UnitedHealthcare Medicare Advantage and Part D plans

Our plan is easy to use

Single prescription drug ID card
Over 65,000 network pharmacies
Mail order facilities in Carlsbad, CA and Overland Park, KS





CalPERS Medicare Eligible Retiree Benefits

Tier	Prescription Drug Type	Your Costs	
		Retail (30-day supply)	Preferred Mail Order (<30/90>-day supply)
Tier 1	Generics	\$5 co-pay	\$10 co-pay
Tier 2	Preferred Brands and some generics	\$20 co-pay	\$40 co-pay
Tier 3	Non-Preferred Brands and some generics	\$50 co-pay	\$100 co-pay
Tier 4	Specialty Drugs and some generics	\$20 co-pay	\$40 co-pay



Pharmacy Saver Program

- Pharmacy Saver reduces costs for Medicare eligible retirees and employers at nearly 20,000 of America's most popular pharmacy locations nationwide
- Medicare eligible retirees pay a small copayment (as low as \$2). The program features contracted rates at select pharmacies that are lower than the plan sponsor copays. The prices are on specific lists of drugs which vary by participating pharmacy
- The program features contracted rates at select pharmacies that are lower than the plan copay. The prices are on specific lists of drugs which vary by participating pharmacy.
- Members are automatically eligible, no other paperwork required
- 10 of our top 10 most utilized generics are included in the program

Website: www.unitedpharmacysaver.com

UnitedHealthcare's Member Savings Promise

UnitedHealthcare is committed to providing you affordable prescription drugs. As a member of our Medicare prescription drug plans, you have our Savings Promise that you will get the lowest price available. That low price may be your plan copay, the pharmacy's retail price or our contracted price with the pharmacy





CalPERS Communication Efforts



Value-Added for CalPERS Medicare eligible retirees



HouseCalls

Uniquely impactful

An innovative home assessment program available nationally to qualified members of select UnitedHealthcare Medicare Advantage plans at no cost to members

Most beneficial for the most vulnerable Medicare Advantage members who:

Are chronically ill

Find it hard to access the care they need

Want to take a more active role in their health but need support

Benefits

Prevents complications by identifying gaps in care

Increases adherence to care plan

More timely, comprehensive and accurate data

Increases care coordination and collaboration with member's Primary Care Physician

HouseCalls nurses are employees of UnitedHealthcare



Effective 1.1.16
in California



HouseCalls - How does it work?

Rosa receives a call from our nurse that explains the HouseCalls program. Rosa can opt out or accept a visit. Rosa replies that she would like visit and an appointment is made

Rosa receives an introductory postcard, letter and appointment reminder postcard.

30-70%

**(average 40%)
acceptance rate**

**Over 1 million
visits
completed**

107,000 care management referrals

7%

Increase in Primary Care Physician visits

30%

Lower risk-adjusted re-admissions

99%

Member satisfaction rate



Here's Rosa,
Our CalPERS Medicare eligible retiree



The day before the visit, Rosa receives a confirmation call from the health care practitioner, Mary.

Mary, our nurse, is a UnitedHealthcare employee.



Mary arrives at scheduled time. Rosa receives the following:

- a comprehensive examination and assessment
- a complete environmental assessment,
- a comprehensive physical and behavioral assessment,
- a complete review of her current medication, and
- an *Ask Your Doctor* form to take to her doctor.



After the visit, urgent or moderately urgent needs receive immediate follow up. Her physician receives a summary of the visit. If appropriate, Rosa is referred to care management programs.



Silver Sneakers® Fitness Program



Stay physically fit and active at no additional cost.

Join SilverSneakers and enjoy:

- Staying active with SilverSneakers® Fitness Program. Choose a fitness center from more than 11,000 participating locations. (Find the nearest location at www.silversneakers.com).
- Classes, cardio equipment, resistance machines, free weights and heated pools (at certain locations). Amenities may vary at each location.
- Many women-only locations, including Curves®, nationwide.

Don't live near a fitness center?

- SilverSneakers Steps is a personalized fitness program for members who can't get to a SilverSneakers location.
- Once you enroll in Steps, you may select one of the four kits that best fits your lifestyle and fitness level-general fitness, strength, walking or yoga.
- The Steps wellness tools can help you be active at home or on the go.

Value-Added Benefits

Hearing aids from hi HealthInnovations

- Typical hearing aid costs range from \$1,000 - \$8,000
- Models as low as \$649 “Behind the Ear” to \$849 “Inside the Canal”
- Significant savings of over \$4,000 for Medicare eligible retirees needing hearing aids
- No program cost
- \$500 hearing aid allowance benefit



Solutions for Caregivers

- Provides help to alleviate the financial and emotional costs of care giving
- No program cost
- Not available in the open market
- 44+ million Americans care for a spouse, parent, relative, or friend
- Caregivers have higher rates of stress, cholesterol, depression, etc.





Dental and Vision Benefit



CalPERS Dental and Vision Benefits

Dental PPO	Network	Out-of-Network
Class 1 Preventive and Diagnostic (P & D)	100%	100%
Class 2 Minor	80%	80%
Class 3 Major	20%	20%
Deductible (P & D not included)	\$100	\$100
Annual Calendar Maximum	\$1,500	\$1,500

Vision	Network
Eye Exam every 12 months	No Charge
Frames and lenses every 24 months	\$70
Contact lenses allowance every 24 months	\$105



Discussion



Appendix

HouseCalls National Availability

