ASRS Health Insurance Committee Report
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At a meeting on August 16, 2010, Pat Klein announced that ASRS had been in negotiations with United Healthcare since April over changes to the health benefits for retirees for 2011.

ASRS did an analysis of each plan to determine cost, trends, and the claims expenses to revenues ratio. They found:

- Medicare Advantage plans had decreased revenue from CMS of 15%.
- Senior Supplement plan had fee increases of 5%.
- PacifiCare HMO provider network is being replaced by the United Healthcare Choice network.
- Medicare expenses increased +3.5% & Non-Medicare expenses +13.2%
- Non-Medicare enrollees increased for HMO plan +6% & PPO plan +20%
- Prescription drug expenses have increased
    - Generic 0.0%
    - Brand +9.3%
    - Injectable Drugs +29.7%

UHC asked to increase non-Medicare premiums from 29% to 90% depending on the plan, and MedicareComplete premiums over 20%. In negotiations ASRS has modified some of the plans and agreed to an increase in premiums (below).

	Medicare Eligible Premiums			Non-Medicare Eligible Premiums			
	MedicareComplete		Senior Supplement	HMO	PPO		
	Urban	Rural			Urban	Rural	Out of State
2010 Monthly Premiums	$158	$230	$342	$498	$662	$448	$700
2011 Final Proposal	$190	$260	$342	$583*	$583*	$583*	$817
% Increase	20.2%	13.0%	0%	17.1%	-11.9%	30.1%	16.7%

The three non-Medicare plans (HMO, Urban PPO, Rural PPO) will be merged into one plan. The major change for HMO folks will be more choice (any doctor in network) and the PPO folks will not be able to go out of network. This plan will be called the United Healthcare Choice open access plan. The network will be the same for PPO folks and has a 92% crossover for HMO folks. There are a number of improvements for in-state and out-of-state members involving additional coverages and copays instead of percentage coverage. Generic drug copays will be lowered, brand names copays raised, and injectable drugs raised substantially. Out of state coverage includes out of network provisions.

The MedicareComplete plan has added a maximum out of pocket provision (good) and has no other changes. The Senior Supplement plan will have more copays than in the past. ASRS also got UHC to agree that excess profits will be returned to ASRS in the future.

These changes will be announced during Open Enrollment, Oct 15-Nov 19. ASRS will consider adding in future years an Alternate High Deductible Plans for healthy members. This will lower their premiums, but probably raise other members premiums.

*Becomes same plan.