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Robert Moser, MD, Secretary  
Kari Bruffett, Director

Sam Brownback, Governor

## **MEMORANDUM**

**TO:** Health Care Commission  
J. Scott Day  
Steve Dechant  
Sandy Praeger  
Nancy Ruoff  
Dennis Taylor

**FROM:** Mike Michael

**DATE:** September 7, 2012

**SUBJECT:** **SilverScript Part D Premium**

Members have the option of purchasing a fully insured Employer Group Waiver Program (EGWP) Medicare Part D plan through SilverScript in addition to their Medicare Supplement or Advantage plan coverage. The EGWP plan offers coverage not traditionally available in the open market, including an expanded formulary, no front end deductible and coverage for all prescription drugs through the coverage gap also referred to as the donut hole. Based upon the Centers for Medicare and Medicaid Services (CMS) rules, those direct bill members who elect the Medicare Advantage option have the option of purchasing either the Medicare Advantage plan standard Part D drug coverage or the SilverScript EGWP Part D plan. Those members who elect the Senior Plan C Medicare Supplement policy may elect the SilverScript EGWP Part D plan or elect to purchase a Medicare Part D plan available in the open market.

As of September 2012, of the 8,534 direct bill members enrolled in Medicare plan options, 4,347 had elected to enroll in the SilverScript Part D EGWP plan, 669 elected the Medicare Advantage plan Part D program and 3,518 had elected to purchase coverage in the open market. A summary of the benefits of the SilverScript program is attached. Renewal rates for the SilverScript program have been received for plan year 2013. The rate for 2012 for the SilverScript plan is \$163 and the proposed rate for plan year 2013 is \$148 per member per month. The reduction in premium is due to changes in Medicare's coverage through the coverage gap. Direct bill members (retirees) with Medicare are responsible for the entire premium cost of their health insurance coverage.

**Recommendation:**

Staff recommends approval of the 2013 EGWP premium of \$148 per member per month for Plan Year 2013.