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Robert Moser, MD, Secretary
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MEMORANDUM

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

FROM: Mike Michael

DATE: August 31, 2011

SUBJECT: **SilverScript Part D Premium**

Direct bill members (retirees) with Medicare are responsible for the entire premium cost of their health insurance coverage. 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 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 June 2011, of the 8,184 direct bill members enrolled in Medicare plan options, 4,597 had elected to enroll in the SilverScript Part D EGWP plan, 592 elected the Medicare Advantage plan Part D program and 3,587 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 2012. The rate for 2011 for the SilverScript plan is \$160 and the proposed rate for plan year 2012 is \$163 per member per month.

Recommendation:

Staff recommends approval of the 2012 EGWP premium of \$163 per member per month for Plan Year 2012.