



MEMORANDUM

TO: Health Care Commission
J. Scott Day
Steve Dechant
Kenneth Selzer
Sarah Shipman
Heather Young

FROM: Mike Michael

DATE: August 21, 2015

SUBJECT: **Medicare Part D Prescription Drug Rates**

Direct Bill members that are Medicare eligible have the option of purchasing a fully insured Employer Group Waiver Program (EGWP) Medicare Part D plan in addition to their State Employee Health Plan Medicare Supplement or Advantage plan coverage. Beginning with plan year 2016 the name will change from First Health, an Aetna Company, to Aetna. There will be no change in the plan design other than the underwriter of the program.

The EGWP plan offers coverage not traditionally available in the open market, including an expanded formulary, no front end deductible and limited coverage for 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 Aetna EGWP Part D plan. Those members who elect the Senior Plan C Medicare Supplement policy may elect the Aetna EGWP Part D plan or elect to purchase a Medicare Part D plan available in the open market. As of July 1, of the 8,953 direct bill members enrolled in Medicare plan options, 3,387 of them have elected to enroll in the First Health Part D EGWP plan.

Renewal rates for the Aetna Part D plan are \$176 per member per month, which is the same rate as plan year 2015. Direct bill members pay the entire premium for their coverage.

Staff Recommendation:

Staff recommends approval of the 2016 fully insured Aetna Part D EGWP rate of \$176 PMPM.