

# CUCEA CUCRA Conference

**Open Enrollment for PY2024**  
**October 25, 2023**

Susan Pon-Gee

Systemwide Human Resources  
Health & Welfare Benefits

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Oct. 26–Nov. 17, 2023

# Agenda

- Rates
- Plan design change highlights

# 2024 Rates Overview: Retirees

Retiree Rate Changes*	UC Cost	Retiree Contributions
<ul style="list-style-type: none"> <li>▶ Aggregate Pre-Medicare increase 10.3%</li> <li>▶ Aggregate Medicare increase 10.4% (includes Part B)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Pre-Medicare 70%</li> <li>▶ Medicare 72.5%; includes a one-time subsidy increase of \$9.1M</li> <li>➤ UC Max for Medicare will increase 11.1% and for Non-Medicare 8.5%</li> </ul>	<ul style="list-style-type: none"> <li>▶ Aggregate increase for pre-Medicare is 16.2% and for Medicare enrollees 13.4%</li> <li>▶ UC Medicare Choice plan will have highest percentage increase, but will remain free with partial Part B reimbursement</li> </ul>

\* Includes dental (without dental rates would be 11% and 11.6%)



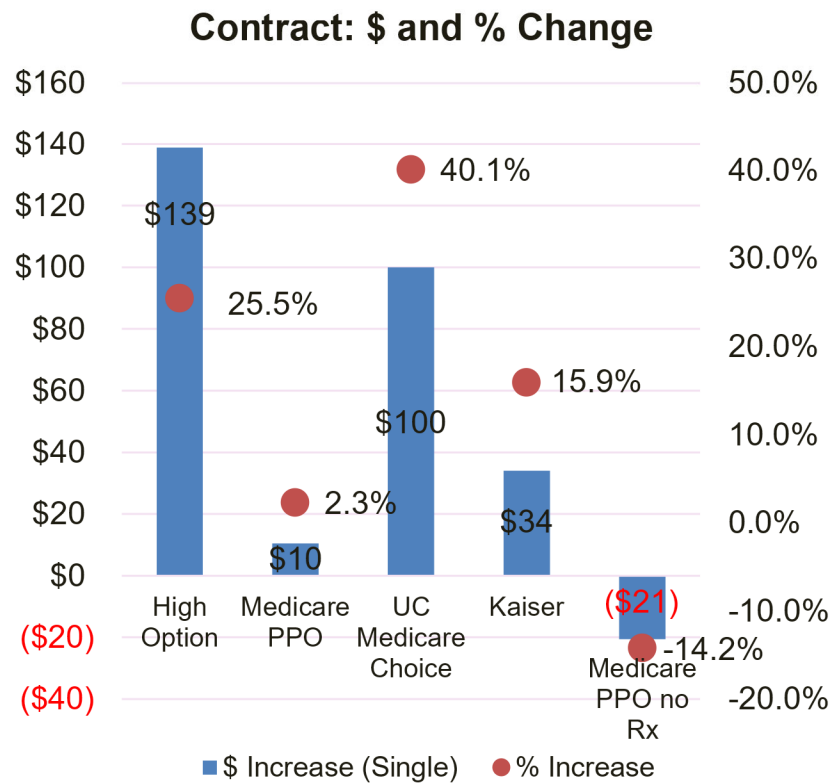
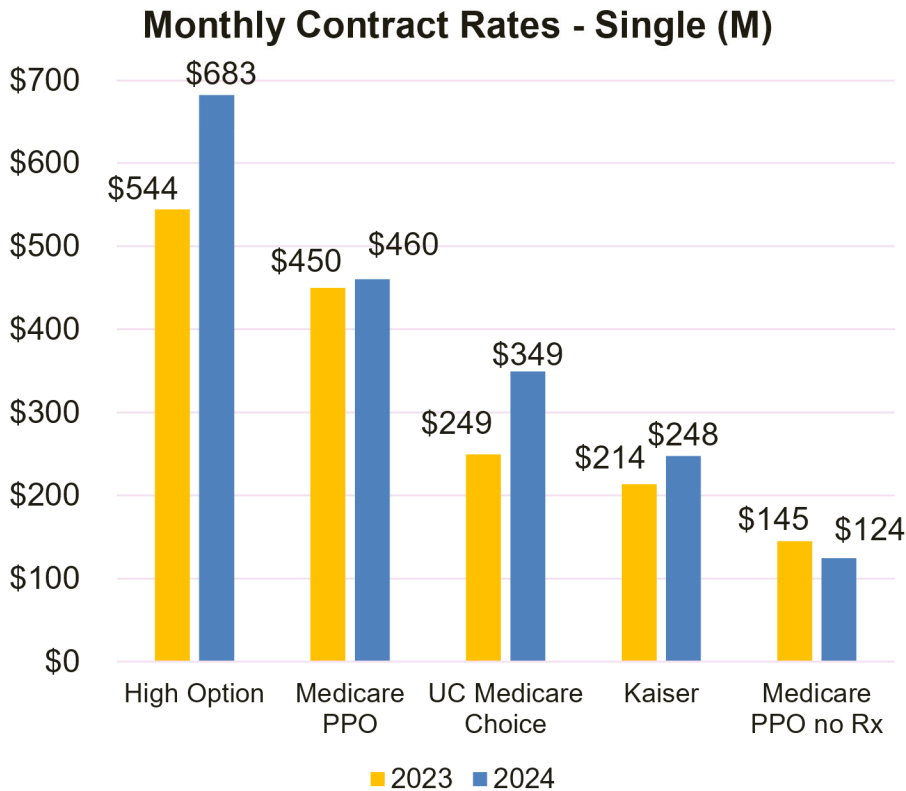
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# 2024 Rate Changes: Medicare Single

Rates



Plans are experiencing large rate increases due to several factors:

- Medicare Choice: Catch-up cost of plan experience and changes to CMS program negatively impacted CMS reimbursement projections, resulting in a higher costs
- High Option: Unfavorable experience, particularly due to high-cost claimants and high healthcare trends
- Kaiser: Changes to CMS program negatively impacted CMS reimbursement projections, resulting in a higher costs for plans; increases in medical and pharmacy trends; unfavorable experience



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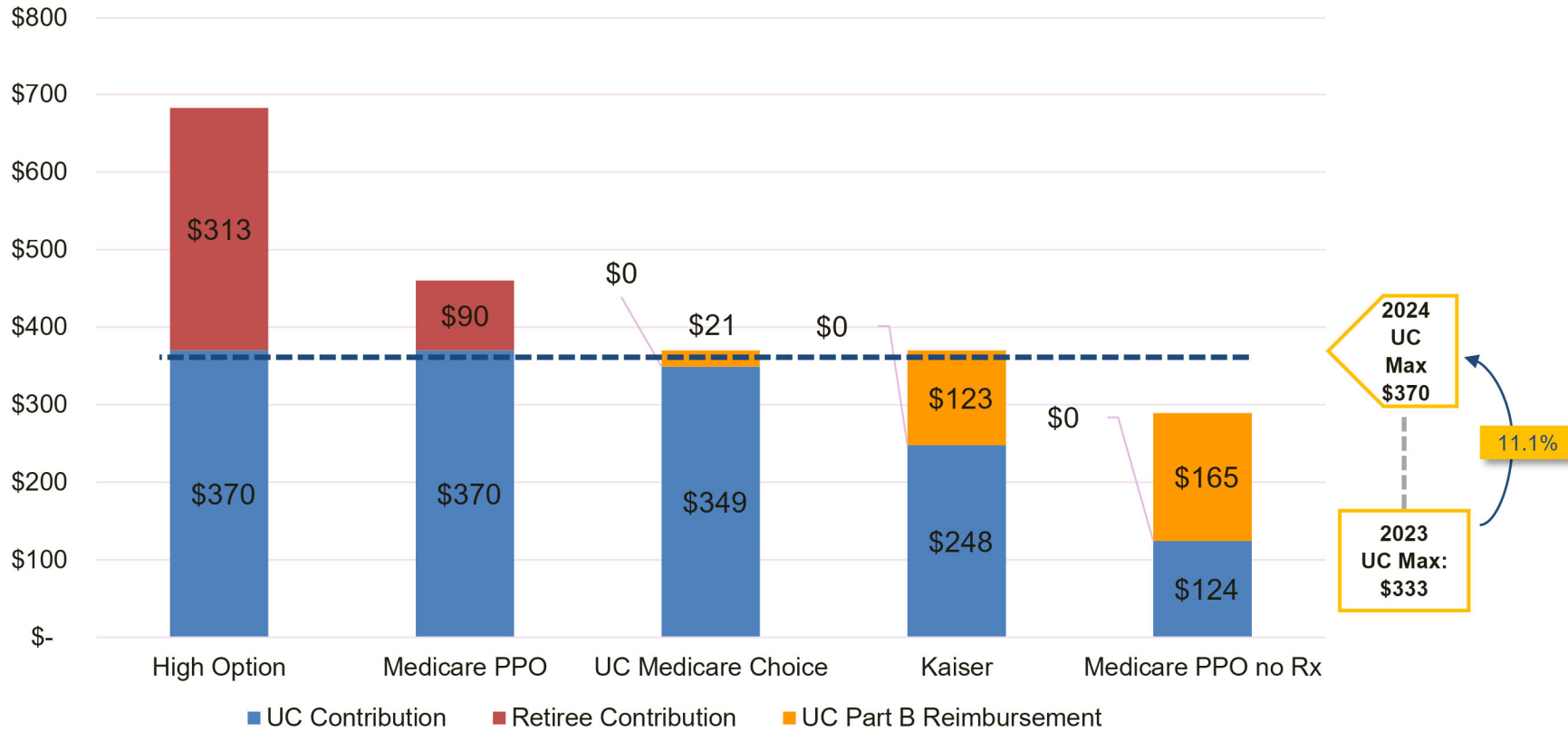
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# 2024 Contributions: Medicare Single

Rates

## UC and Retiree Cost Share



Since UC Medicare Choice, Kaiser, and Medicare PPO w/o Rx are under the UC Max, excess UC contributions above rates will go towards Part B reimbursement.



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# 2024 Medicare Retiree Rates

## Rates

2023 Contributions	Medicare Member Share					
	Medical		Part B Premium		Total	
	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)
UC Medicare Choice Kaiser	\$0.00	\$0.00	\$86.09	\$172.18	\$86.09	\$172.18
High Option	\$210.80	\$421.60	\$170.10	\$340.20	\$380.90	\$761.80
Medicare PPO	\$116.63	\$233.26	\$170.10	\$340.20	\$286.73	\$573.46
Medicare PPO No Rx	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Medicare UC Contribution Part B Premium	
Single (M)	Two Party (MM)
\$84.01	\$168.02
\$119.70	\$239.40
\$0.00	\$0.00
\$0.00	\$0.00
\$170.10	\$340.20

2024 Contributions	Medicare Member Share					
	Medical		Part B Premium		Total	
	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)
UC Medicare Choice Kaiser	\$0.00	\$0.00	\$144.01	\$288.02	\$144.01	\$288.02
High Option	\$312.70	\$625.40	\$164.90	\$329.80	\$477.60	\$955.20
Medicare PPO	\$90.21	\$180.42	\$164.90	\$329.80	\$255.11	\$510.22
Medicare PPO No Rx	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Medicare UC Contribution Part B Premium	
Single (M)	Two Party (MM)
\$20.89	\$41.78
\$122.55	\$245.10
\$0.00	\$0.00
\$0.00	\$0.00
\$164.90	\$329.80

\$ Difference	Medicare Member Share					
	Medical		Part B Premium		Total	
	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)
UC Medicare Choice Kaiser	\$0.00	\$0.00	\$57.92	\$115.84	\$57.92	\$115.84
High Option	\$101.90	\$203.80	(\$5.20)	(\$10.40)	\$96.70	\$193.40
Medicare PPO	(\$26.42)	(\$52.84)	(\$5.20)	(\$10.40)	(\$31.62)	(\$63.24)
Medicare PPO No Rx	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Medicare UC Contribution Part B Premium	
Single (M)	Two Party (MM)
(\$63.12)	(\$126.24)
\$2.85	\$5.70
\$0.00	\$0.00
\$0.00	\$0.00
(\$5.20)	(\$10.40)

% Change	Medicare Member Share					
	Medical		Part B Premium		Total	
	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)	Single (M)	Two Party (MM)
UC Medicare Choice Kaiser	n/a	n/a	67.3%	67.3%	67.3%	67.3%
High Option	48.3%	48.3%	-3.1%	-3.1%	25.4%	25.4%
Medicare PPO	-22.7%	-22.7%	-3.1%	-3.1%	-11.0%	-11.0%
Medicare PPO No Rx	n/a	n/a	n/a	n/a	n/a	n/a

Medicare UC Contribution Part B Premium	
Single (M)	Two Party (MM)
-75.1%	-75.1%
2.4%	2.4%
n/a	n/a
n/a	n/a
-3.1%	-3.1%

Assumed Part B premium used in contribution setting represents the standard monthly premium. Actual retiree Part B contributions will differ based on income level.

Due to the timing of when final Part B premiums are released, the assumed rate for 2024 is based on the 2023 standard Part B premium of \$164.90.



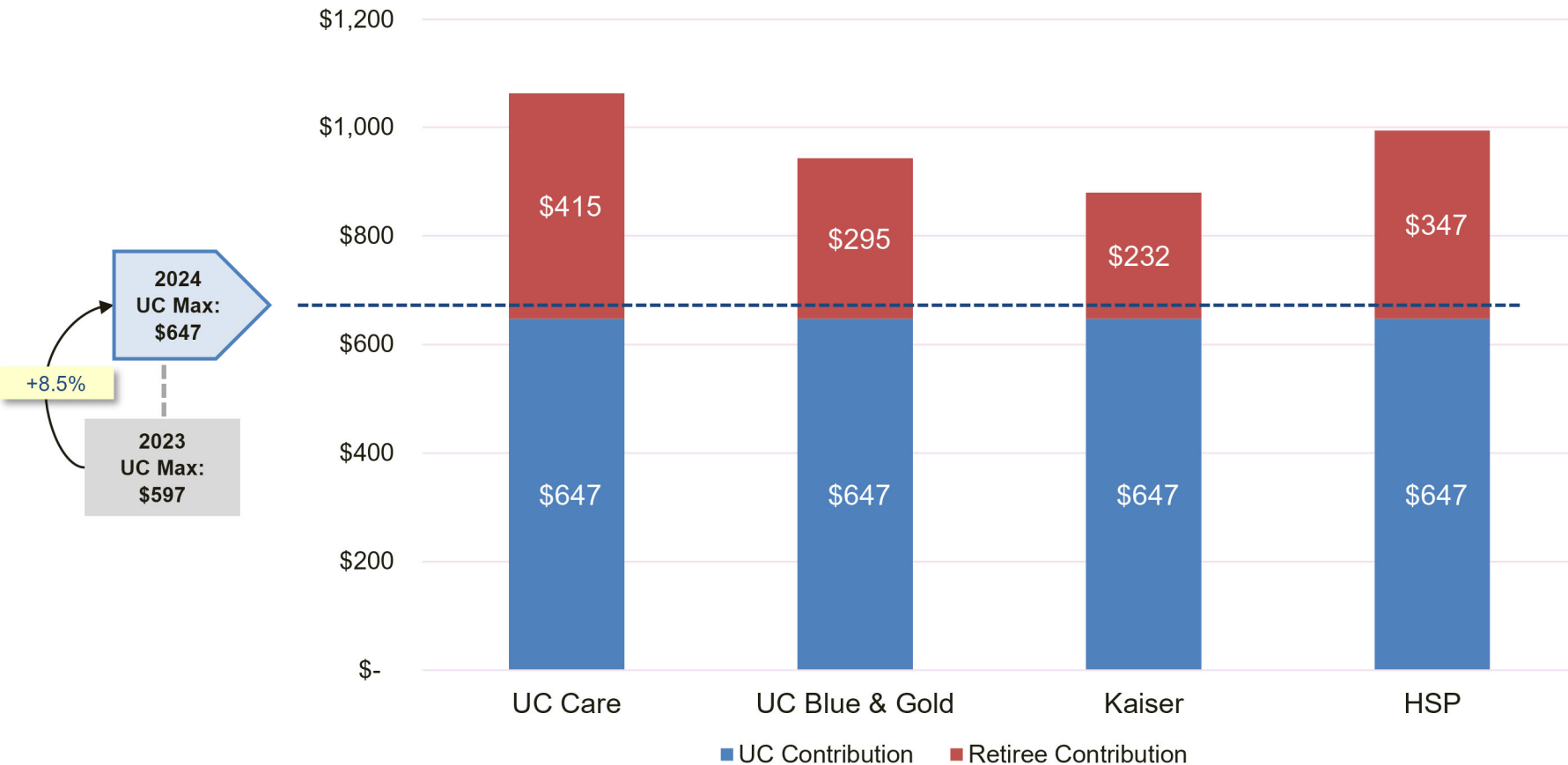
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# 2024 Contributions: Pre-Medicare Retiree Single

Rates

### UC and Retiree Monthly Cost Share



**All plans will be above the 2024 Retiree minimum, \$118/single.**



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# 2024 Pre-Medicare Retiree Rates

Rates

2023 Contributions	Pre-Medicare Member Share			
	Single (U)	Adult plus Child(ren) (UC)	Two Adults (UA)	Family (UAC)
UC B&G HMO	\$270.83	\$487.50	\$620.27	\$836.94
Kaiser*	\$189.91	\$341.84	\$450.34	\$602.27
HSP	\$168.11	\$302.60	\$404.56	\$539.05
UC Care	\$355.49	\$639.88	\$798.05	\$1,082.44

2024 Contributions	Pre-Medicare Member Share			
	Single (U)	Adult plus Child(ren) (UC)	Two Adults (UA)	Family (UAC)
UC B&G HMO	\$295.49	\$531.88	\$676.43	\$912.82
Kaiser*	\$232.44	\$418.38	\$544.02	\$729.96
HSP	\$346.66	\$623.99	\$783.89	\$1,061.22
UC Care	\$415.21	\$747.38	\$927.84	\$1,260.01

\$ Difference	Pre-Medicare Member Share			
	Single (U)	Adult plus Child(ren) (UC)	Two Adults (UA)	Family (UAC)
UC B&G HMO	\$24.66	\$44.38	\$56.16	\$75.88
Kaiser*	\$42.53	\$76.54	\$93.68	\$127.69
HSP	\$178.55	\$321.39	\$379.33	\$522.17
UC Care	\$59.72	\$107.50	\$129.79	\$177.57

% Change	Pre-Medicare Member Share			
	Single (U)	Adult plus Child(ren) (UC)	Two Adults (UA)	Family (UAC)
UC B&G HMO	9.1%	9.1%	9.1%	9.1%
Kaiser*	22.4%	22.4%	20.8%	21.2%
HSP	106.2%	106.2%	93.8%	96.9%
UC Care	16.8%	16.8%	16.3%	16.4%



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# Plan Design Highlights

## 2024 Inflation Reduction Act (IRA) Medicare Part D coverage for Medicare participants with high prescription costs

- Kaiser and UC Medicare Choice
  - \$0 Out-of-pocket costs after catastrophic coverage phase of \$8,000.
  - \$0 Copay for FDA-approved contraceptives without a prescription.
  - \$0 Cost for male sterilization.
- Kaiser only
  - \$0 Copay for insulin administration devices & generic drugs.
  - \$0 Copay for brand name and specialty drugs.
- Catastrophic drug coverage with Via Benefits ends 12/31/23.

## Public Law No: 117-328/HR 2716: Coverage of MFTs and MHCs as Medicare providers

- UC Medicare Choice
  - Members can see state-licensed MFT and MFCCs for Medicare-covered outpatient behavioral health services at \$20/visit.
  - Providers may submit claims directly to UnitedHealthcare for reimbursement.

## Plan Mandates

- Kaiser: Discontinue post discharge meal delivery.

## Other

- UC Medicare Choice: New post discharge meal delivery from Mom's Meals to Roots Food Group Management

# 2024 Medicare CMS Mandates: Part D

Plan Feature	UC Medicare PPO and UC High Option Supplement Kaiser Senior Advantage and UC Medicare Choice	
	2023	2024
<b>TrOOP</b>	\$7,400	\$8,000
<b>Total Drug Cost (TDC)</b>	\$4,660	\$5,030
<b>Low-Income Subsidy</b>	<p><i>Group 2: ≤100% FPL</i> \$1.45 generic; \$4.30 all others</p> <p><i>Group 3: ≤135% FPL</i> \$4.15 generic; \$10.35 brand</p> <p><i>Group 4: ≤150% FPL</i> Annual deductible \$99; catastrophic coverage copay \$4.15 generic; \$10.35 all others</p>	<p>Group 2: ≤100% FPL \$1.55 generic; \$4.60 all others</p> <p>Note: Group 3 (up to 135% FPL) removed by CMS for 2024 and new Group 3 reflects former Group 4 limit of 150%</p> <p>Group 3: ≤150% FPL \$4.50 generic; \$11.20 all others</p>

# Legislative and Plan Mandates: Non-Medicare HMOs

## SB 523: Contraceptive Equity Act of 2022

- \$0 Copay for FDA-approved OTC contraceptive drugs and devices without a prescription.
- \$0 cost for male sterilization.

## Plan Mandates

- UC Blue and Gold
  - Hospital Advisor Tool (WebMD) will be replaced by Leapfrog, Cal Hospital Compare, and Sapphire.
  - Telehealth: Babylon will transition to Teledoc effective 8/10/23.
  - Diabetes Prevention Program: Sharecare will replace Omada; program duration increases from 16 to 22 weeks, with daily lessons.

## Other

- Optum Behavioral Health: \$0 copay for intensive ABA program/ Autism Spectrum Disorder (from \$20/visit).

# 2024 Pre-Medicare Medical Plan Changes

Plan Feature	HSP: IRS Mandate for HSA	
	2023	2024
Deductibles (In-network)	\$1,500 single \$3,000 family	\$1,600 single \$3,200 family
HSA Maximum Contributions	\$3,850 single \$7,750 family	\$4,150 single \$8,300 family

Plan Feature	UC Care, HSP and Core	
	2023	2024
Male/Female Condoms	\$0 copay with prescription required	\$0 copay, no prescription required
Male Vasectomy		<ul style="list-style-type: none"> <li>• \$0 Cost-share for UC Care</li> <li>• Deductible applies for UC HSP and Core</li> <li>• Cost-share applies for non-network providers</li> </ul>



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