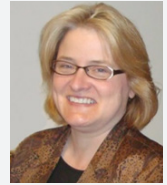


**Jane Cheshire Gilbert, CPA**  
**Director**  
**Retiree Health Care, Teachers' Retirement System (Kentucky)**



## Designing health care benefits for retirees that make a lasting impact

Medicare Advantage plans offer cost and administration savings, in addition to value-added programs to improve retiree health

### **Describe the importance of retiree health issues when designing health care benefits for retirees. What concerns are you focused on?**

From our members' standpoint, they're concerned with the fact that they're living longer and they want to enjoy life. Our retirees have an average age of 74. We have 6,000 retired teachers over the age of 80. We have 48 over the age of 100. As far as what concerns us, quite often it's very hard to reach people who are in a retiree position because they travel or snowbird a certain percentage of the year. Some are also very sick in nursing homes. When we design and look at benefits, we have to make sure they will work with a group who is no longer sitting down the hallway from us.

### **Why is a Medicare Advantage Plan good for retirees and their health?**

We went with a Medicare Advantage plan because we wanted more coordinated care. We thought that Medicare Advantage was less fractured than what exists with Medicare fee-for-service. We really like the SilverSneakers® program, the hearing-aid benefits and podiatry benefits. Our members really embrace the incentive programs, and the incentives get them to do things such as participate in the HouseCalls program offered by UnitedHealthcare®. The incentive programs also get them to do a Medicare annual wellness visit. It's a really good fit. We were able to mirror our existing benefits and offer additional value-added benefits without increasing our premiums.

### **Talk more about the value-added programs you are using to improve retiree health; what impact have you seen with these programs? What do your retirees think about these programs?**

The Medicare Advantage plan offers members several valuable wellness incentives. The favorite is SilverSneakers, where members are encouraged to exercise and socialize

with other retirees. We have 34,000 retired teachers, and approximately 10 percent participate in SilverSneakers on a regular basis. We believe 10 percent is a very good participation level. When I give my presentations around the state, I have retired teachers describe their experience with SilverSneakers and how much they enjoy it. We also have a \$500 hearing-aid allowance that members get every 36 months, and quite a few retirees take advantage of it. UnitedHealthcare also has an incentive program called Renew Rewards, from which members can receive a gift card for annual HouseCalls and wellness visits. About 6,000 of our 34,000 members have had an annual HouseCalls visit in order to receive the incentive gift card. We weren't getting that type of participation prior to offering an incentive.

### **What has been your experience with the UnitedHealthcare® Group Medicare Advantage PPO plan from a cost and administration perspective?**

We've been with UnitedHealthcare since January 2015, as UnitedHealthcare was awarded our contract after winning the cost, technical and customer service elements of our public competitive request for proposal. We recently extended our agreement with them through 2020 and have lowered our premiums and costs. Right now, we are saving about \$27 per person, per month, compared to where our costs were in 2006. That's about \$10 to 12 million per year. In addition to those annual savings, our 30-year actuarial liability, also known as Other Post-Employment Benefit (OPEB) liability, has decreased. We've been able to shave about \$1.9 billion off our 30-year actuarial OPEB liability by using the Medicare Advantage program and the Medicare Part D program.



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