



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
Benefits Department

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April 12, 2016

To: Montana University System Benefit Plan Retiree Members

From: Montana University System Employee Benefits

Subject: Spring Tour Schedule 2016 and Benefit Plan Information

Enclosed is a copy of the schedule for Spring Tour 2016 Retiree meetings as well as for presentations by New West Medicare regarding the Montana University System (MUS) Medicare Advantage Plan (MAP). We encourage you to plan to attend one of these meetings and learn about your benefits for the upcoming plan year as well as options for coverage.

Booklets will be mailed to retirees during the week of April 20-27, 2016. The booklet is also available online and may be accessed at www.mus.edu/choices.

Coverage options for MUS retirees include enrollment in the MUS *Choices* options for both non-Medicare and Medicare retirees. For our Medicare eligible retirees and Medicare eligible spouses, coverage is also available through the New West MAP product.

The marketplace for retirees is changing and providing additional options that were not available, even two years ago. You may recall that February 7-21, 2014 the MUS provided a limited Special Enrollment period to permit our retirees an opportunity to disenroll and find coverage on the new Health Care Marketplace under the Affordable Care Act (ACA). We permitted our retirees who exercised this option a one-time Retreat Right, or the ability to come back and enroll in MUS retiree options. This Retreat Right expires on June 30, 2016 – retirees who exercised this disenrollment option must exercise their option to return during this 2016 spring enrollment period.

The MUS Medicare Advantage Plan (MUSMAP) offering through New West Medicare will also be changing for Plan Year 2017. This plan option has operated on a July 1 – June 30 basis in past years. Beginning this year, the MUSMAP plan will transition to a calendar year to better align with Medicare's calendar year coverage. As of July 1, 2016, those enrolled in MUSMAP will have an 18-month period during which rates will be guaranteed at \$225 per month and coverage will be provided. Accumulators for deductibles and out-of-pocket costs will run through December 31 each year and then reset on January 1. Retreat Rights for MUSMAP will also be ending as of June 30, 2016. Those members who have opted to enroll in MUSMAP and wish to reenroll in MUS *Choices* retiree coverage must exercise that option during this 2016 spring enrollment period.

In October 2015 our retirees received a communication from MUS Benefits outlining mid-year benefits changes and premium increases. We have continued to monitor our claims data and review cost-drivers

for our plan and for our retiree coverage. In 2015 we saw that we had some very high cost claims as well as overall increases in the cost of services, particularly in hospital based claims.

Since that time, we have not continued to see the extremely high cost claims, i.e. those that exceed \$1M in cost. However we have continued to see the cost increases particularly for hospital inpatient and outpatient care. In particular, we have seen pharmacy as a significant cost driver particularly in our retiree population. Our Medicare retirees have seen a sustained increase due to pharmacy.

For the upcoming 2017 Plan Year, our non-Medicare retirees will see medical rate increases in aggregate by 14.7% or \$104-\$251 per month depending on which plan you select and whether you cover dependents.

Our Medicare retirees will see medical rate increases in aggregate by 20.9% or \$68-\$170 per month depending on which plan is selected and whether you cover dependents. Those Medicare eligible retirees opting to enroll with the MUSMAP will see their premiums increase by 14.7% or \$29 per month (from \$196 to \$225). The MUSMAP rate is guaranteed through December 31, 2017.

With respect to benefits changes, it appears that those implemented mid-year were effective in helping to impact utilization appropriately. Looking toward Plan Year 2017, the MUS will not be making significant changes beyond those implemented in December 2015. The most significant impact will be to Rehabilitation Services which will now expand to include Acupuncture and Chiropractic services within the combined annual visit limits. Please review the retiree booklet for additional details.

Retirees may also wish to take an opportunity to research coverage and premium costs on the Montana Health Care Exchange (for non-Medicare retirees) or Medicare Supplement and Medicare Advantage Plans offered commercially.

The Montana Health Insurance Exchange open enrollment season runs from November 1, 2016 through January 31, 2017. You may find information on this option at www.HealthCare.gov or by calling 1-800-318-2596.

The Medicare Open Enrollment season runs from October 15 – December 7, 2016. Information can be found on Medicare options by visiting www.Medicare.gov or calling 1-800-MEDICARE. In addition, the State Health Insurance Program (SHIP) through the Montana Department of Health and Human Services offers assistance to individuals seeking information, counseling, and advocacy regarding Medicare coverage. They may be reached at 1-800-551-3191 or they can direct you to a counselor in your area.

If you have questions or need additional information, we encourage you to contact the MUS Employee Benefits office at 1-877-501-1722 or email us at www.benefit@montana.edu.

Sincerely,



Connie Welsh,
Director of Benefits
Montana University System Employee Benefits