



2024 Retiree Health Care Program

Aug. 18, 2023

- **Health Care Presentations Calendar**
- **Funding Update**
- **Plan Changes**
- **2024 Proposed Premiums**
- **Recap**
- **Proposed Motions**
- **Appendix**
 - Anacronyms & Acronyms
 - Communications
 - 2024 Proposed Premium Chart

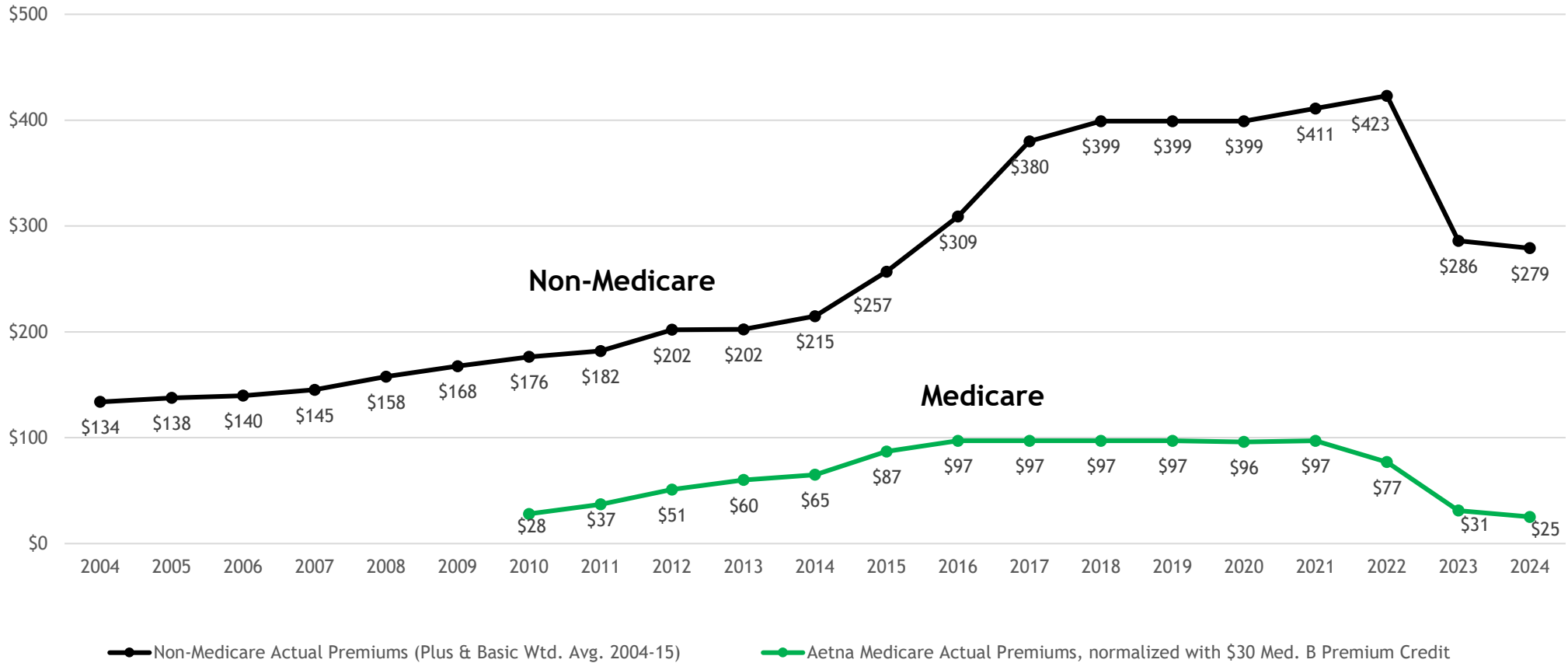
- **Annual planned board presentations**
 - October 2023 – Health care valuation
 - April/May 2024 – Plan changes
 - May/June 2024 – Premiums

- **In 2017, the board approved a motion to freeze the non-Medicare subsidy and cap Medicare subsidy increases at 6% per year**
- **Based on the strength of the health care fund, the board has approved raising these limits in each of the past five years**
- **Staff recommends the board officially rescind these provisions**
 - Taking this action reduces funded ratio by approximately 38 percentage points based on the 2022 health care valuation

Funding Update – Premium History

Premiums for Benefit Recipients with 30+ Years of Service

Historical Premiums



- **Pharmacy**
 - All enrollees will transition to CVS Caremark (CVS) from Express Scripts
 - Nearly 95% should experience no disruption such as formulary changes, utilization management and tier changes
 - Most of the disruption will be a change in tier to either a higher or lower tier
 - If disrupted, CVS will notify individuals by mid-December
 - There are ~66k pharmacies in network including many chains like Kroger and independent pharmacies along with ~9k CVS pharmacies

- **Pharmacy (continued)**

- No changes to deductible, copayments or out-of-pocket limits
 - Deductible \$275 on brand/specialty drugs (generic tier excluded)
 - Copayments (after deductible met for brand/specialty drugs)

Tier	Retail	Mail
Generic	\$10	\$25
Preferred Brand	\$30	\$75
Non-Preferred Drug	\$75	\$187.50
Specialty	8% up to \$450 per 30-day supply	8% up to \$450 per 30-day supply

- Out-of-pocket limit \$4,000

- **Pharmacy** (*continued*)
 - 90-day transition allowance for drugs not on formulary
 - Enrollees can receive 90-day supply at CVS retail locations at the same copay as mail order for non-specialty prescriptions
 - CVS call center, with 21 dedicated staff, will be ready to take calls beginning Sept. 1, 2023
 - Non-Medicare enrollees will be serviced by CVS Caremark (CVS) and Medicare enrollees will be serviced by an affiliate of CVS, SilverScript, a Medicare Part D plan

- **2024 Plan Administrator Transitions - All Medical Mutual, AultCare, Paramount and Health Care Assistance (HCAP) enrollees transition to Aetna**
- **2024 Aetna Medicare Advantage Plan coverage changes (all positive)**

Category	2024 Coverage	2023 Coverage
Annual Deductible	\$0 (in-network)	\$150 (in-network)
Primary Care Physician Copay	\$0 (in-network)	\$15 (in-network)
Hearing Aid Reimbursement Program	\$1,000/36 months (discount program still available)	Discount Program
Skilled Nursing (SNF) Transition (72 hours)	72 hours subject to Ded/Coin (in-network only)	None
Post Discharge Custodial Care (6 hours)	6 hours at 100% (in-network)	None
Wigs (under certain circumstances e.g., chemo)	Up to \$400 at 100%	4% coins. to \$300 max
Transportation for Kidney Dialysis	Unlimited	24 one-way trips

2024 Proposed Premiums

- In 2024, 99% of enrollees will have a premium decrease (\$12M savings overall); AultCare & Paramount non-Medicare enrollees (~650) will have a premium increase

	Total Counts/ % Total Cost Change	2024			2023		
		Total Cost (Spouse Premium)	30/35+ YOS		Total Cost (Spouse Premium)	30/35+ YOS	
			Monthly Premium	Premium With \$30 Med B Credit		Monthly Premium	Premium With \$30 Med B Credit
Medicare							
Aetna MA Plan <small>Includes 22 HCAP</small>	97,374 (10.6%)	\$161	\$55	\$25	\$180	\$61	\$31
Aetna Basic Plan	2,095 ¹ (14.2%)	\$273	\$167	\$137	\$318	\$158	\$128
Aetna Basic HCAP	15 (0.0%) BRs	\$273	\$0	\$0	\$318	\$0	\$0
Non-Medicare							
Aetna Basic Plan	10,047 (2.3%)	\$1,117	\$279		\$1,143	\$286	
Aetna Basic HCAP	13 (0.0%) BRs	\$1,117	\$0		\$1,143	\$0	

HCAP = Health Care Assistance Plan

¹All eligible to be transitioned to Aetna MA; projecting less than 400 to opt back into Aetna Basic Plan

- **Continues strong support for enrollees through premium reductions and coverage improvements**
- **CVS becomes the administrator in 2024 for all prescription coverage**
- **Medical Mutual, AultCare and Paramount enrollees will all transition to an Aetna plan**
- **Motions are proposed to unfreeze the non-Medicare subsidy and eliminate the 6% cap on year-to-year trend for Medicare plans and approve 2024 medical/prescription premiums**



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

275 East Broad Street
Columbus, OH 43215-3771
614-227-4090
www.strsoh.org

PROPOSED MOTION

Approval to remove the non-Medicare and Medicare subsidy caps effective January 1, 2024

August 18, 2023

_____ moved, seconded by _____, to remove the non-Medicare 0% subsidy cap and the Medicare 6% subsidy cap effective January 1, 2024, rescinding previous board action from October 2017.

STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO275 East Broad Street
Columbus, OH 43215-3771
614-227-4090
www.strsoh.org**PROPOSED MOTION***Approval of the 2024 Retiree Health Care Premiums*August 18, 2023

_____ moved, seconded by _____ to approve the following retiree health care premiums for 2024;

- Aetna Medicare Plan medical/prescription monthly premiums at the full plan cost of \$161, with subsidies not to exceed 66%.
- Aetna Medicare Basic Plan medical/prescription monthly premiums at the full plan cost of \$273, with a subsidy maximum of 66% but not to exceed the corresponding Aetna Medicare Plan subsidies.
- Aetna non-Medicare Basic Plan medical/prescription monthly premiums at the full plan cost of \$1,117, with subsidies not to exceed 75%.



Questions?

This material is intended for use by the board of the State Teachers Retirement System of Ohio (STRS Ohio) and not by any other party. STRS Ohio makes no representations, guarantees, or warranties as to the accuracy, completeness, currency, or suitability of the information provided in this material. Nothing included herein is either a legal reference or a complete statement of the laws or administrative rules of STRS Ohio. In any conflict between the information provided herein and any applicable laws or administrative rules, the laws and administrative rules shall prevail. This material is not intended to provide tax, legal or investment advice. STRS Ohio disclaims any liability for any claims or damages that may result from reliance on this material or the information it contains, including any information obtained from third parties.

- **Anacronyms & Acronyms**
- **Communications**
 - Contacting CVS & Aetna
 - Key Notifications
 - Timeline
 - Open Enrollment
- **2024 Proposed Premium Chart**

- **BR** – Benefit Recipient
- **CMS** – Centers for Medicare & Medicaid Services
- **EGWP** – Employer Group Waiver Plan (allows us to have a group Medicare Advantage plan)
- **Med A** – Medicare Part A; Hospital Insurance
- **Med B** – Medicare Part B; Medical Insurance
- **Med C** – Medicare Part C; Medicare Advantage Plans (HMO or PPO, Medicare-approved plan which offers bundled options)
- **Med D** – Medicare Part D; Prescription Drug Coverage
- **RFP** – Request for Proposal
- **Rx** – Prescription

- **Contacting Aetna and CVS regarding 2024 plans**
 - Aetna set to take calls Oct. 2, 2023, regarding:
 - “Is my provider in the network?”
 - “Can I continue my treatment as I am covered under an administrator being discontinued next year?”
 - CVS set to begin taking calls Sept. 1, 2023, regarding:
 - “Is my drug on the formulary and what is the copay?”
 - “Is my drug store in CVS’s network?”
 - “Is my drug subject to UM (prior authorization, quantity limits or step therapy?)”

- **STRS Ohio**
 - August *Board News*
 - Program change announcement letter late September
 - Open-enrollment materials late October
- **Aetna**
 - ID cards with information about accessing Aetna’s customized STRS Ohio microsite mid-December
- **CVS**
 - ID cards with welcome package mailed last half of November
 - Disruption notification letters: non-Medicare early December, Medicare mid-December

Communications – Timeline



Date	Type	Activity
Mid-August	Email	STRS Ohio: August <i>Board News</i> with 2024 Health Care Premiums
Early September	Online	Aetna: Summary of Benefits and Costs [SBC] (Non-Medicare)
Late September	Mail	STRS Ohio: Announcement letter – program changes and what to watch for from plan administrators
Early October	Mail & Microsite	Aetna: Medicare Advantage documents – Annual Notice of Change and CMS plan number change
Mid-October	Email	STRS Ohio: Where to get more information (websites & microsities) and Open-Enrollment Resource Center opens
	Mail	CVS: Medicare Pre-enrollment packet – Summary of benefits, Opt-out material, and Star ratings
Late October	Mail & Email	STRS Ohio: Personalized open-enrollment letter or email for those electing paperless
Nov. 1	Open Enrollment	STRS Ohio: Open enrollment begins (Nov. 1-21)
Mid-November	Mail	CVS: Welcome kit with ID cards to all enrollees
Early December	Mail	CVS: Non-Medicare Disruption letters
Mid-December	Mail	Aetna: ID Cards mailed for all enrollees
	Mail	CVS: Medicare Disruption letters

- Email notifications for those electing paperless and letters to all other current benefit recipient enrollees sent late October
- *Understanding Your Health Care* webinars offered during open enrollment by Member Benefits
 - Monday Oct. 30 Multiple Sessions
 - Wednesday Nov. 1 Multiple Sessions
 - Thursday Nov. 2 Multiple Sessions
 - Webinars will be recorded so you can view online
- Open-Enrollment period is Nov. 1 through Nov. 21

2024 Proposed Premiums – Chart



		Without Medicare	With Medicare	
ELIGIBILITY GROUP* (See requirements below)		Aetna Basic Plan (Indemnity or PPO) Available in any U.S. location	Aetna Medicare Plan (Medicare Advantage PPO) Available in any U.S. location	Aetna Basic Plan (Indemnity or PPO) Available in any U.S. location
BENEFIT RECIPIENT ELIGIBLE FOR SUBSIDY YEARS OF SERVICE		Monthly Premium	Premiums shown below have been reduced by a \$30 Medicare Part B credit for benefit recipients enrolled in an STRS Ohio Medicare plan. Enrollment in Medicare Part B is mandatory.	
Retired before 8/1/2023	Retire on or after 8/1/2023		Monthly Premium	Monthly Premium
30+	35+	279	25	137
29	34	307	28	140
28	33	335	32	144
27	32	363	35	147
26	31	391	39	151
25	30	419	42	154
24	29	447	46	158
23	28	475	50	162
22	27	503	53	165
21	26	531	57	169
20	25	558	60	172
19	24	586	64	176
18	23	614	67	179
17	22	642	71	183
16	21	670	74	186
15	20	698	78	190
BENEFIT RECIPIENT NOT ELIGIBLE FOR SUBSIDY		1,117	131	243
Spouse		1,117	161	273
Per Child		296	161	273
Disabled Adult Child		1,117	161	273

*Eligibility Requirements

- **Retire on or after Aug. 1, 2023:** At least 20 years of service credit is required to qualify for coverage and a subsidy.
- **Retired Jan. 1, 2004 – July 1, 2023:** At least 15 years of service credit is required to qualify for coverage and a subsidy.
- **Retired before Jan. 1, 2004:** No minimum years of service credit is required to qualify for coverage; however, at least 15 years of service credit is required to qualify for a subsidy.