

# City of Boston PEC - June 14, 2016

## Medicare RFP and Prescription Drug Review

### EDUCATION SESSIONS SCHEDULE

PEC Meeting Date	Discussion Topic
February 9	Medicare 101
March 8	Medicare Part C (Medicare Advantage)
April 12	Prescription Drug Carve-out
May 10	Medicare Part D (Prescription Drugs)
<b>June 14</b>	<b>Review and Planning – Next Steps</b>
July 12	Data & Decisions – Segal presents analyses to assist with decisions

### PEC AGREEMENT SUMMARY (2015-2020 MOA) *Medicare Plans and Rx Options Effective July 1, 2017*

#### Medicare Plan Changes

- The Master Medical A & B Carve-out Plan will be eliminated.
- To the extent the plans can comply: Office visit copay will be \$15 and the inpatient hospital copay will be \$50 per admission (max 1 copay/person/quarter).
- The retiree premium share for all Medicare plans shall increase by 1%.

#### Medicare Plans RFP

- RFP will be issued and to consolidate to three Medicare plans (to include an indemnity/nationwide plan, local plan, Medicare Advantage plan) with the agreed upon plan design changes (above)

#### Prescription Drug Carve Out RFP

- The objective of the prescription drug carve out will be to lower costs through competitive pricing terms and not lower costs through limited formularies, pharmacy networks, or modifications to standard pharmacy benefit management practices (i.e., step therapy, quantity limits, or prior authorization).

Through the Medicare Plan RFP and Prescription Drug Carve-out RFP processes, cost savings options such as PDP plans will be evaluated and implemented if savings are generated without significant disruption.

### DECISION POINTS & CRITICAL FACTORS

Decision Point	Critical Factors
Medicare Medical Plans	<ul style="list-style-type: none"> <li>» Savings Estimates</li> <li>» Membership Disruption</li> <li>» Administrative Resources</li> </ul>
Prescription Drug – Part D Plans (PDP)	
Prescription Drug – PBM Carve-out	