

# UMP Medicare Resolution

# UMP Classic Medicare Closure Proposal Reasons (Summary)

- Retirees have historically expressed significant concerns about rising UMP Classic Medicare premiums
- Even a well-managed COB plan, like UMP Classic Medicare, is financially disadvantaged because it cannot receive risk-adjusted CMS subsidies for Part C & D Plans
- The premium cost of UMP Classic has been increasing significantly over time and the value of it to our Medicare members has become more and more limited
  - UMP Classic will continue to have rate increases that outpace other Medicare plan offerings
- Annual 2023 UMP Classic Medicare premium per enrollee is ~\$5,260 (3x the most comparable plan)

# Five-Year Strategic Journey

The specific proposed resolution builds upon five years of growing concerns and analysis:

- The increase in Summer 2017 for 2018 was the warning sign
- 2018 and 2019, actuarial funding and budget proviso to evaluate options to stabilize the offerings in the Medicare portfolio
- Ultimately, procuring and offering a Medicare Advantage plus Prescription Drug (MA-PD) plan(s) was identified as the best option
  - Multiple bidders, one resulting contract
  - MA-PD plans were secured and introduced in plan year 2021 (UHC PEBB Complete's benefit design was customized and based on UMP Classic)

MA-PDs were pursued to proactively respond and ensure that high-quality, comprehensive benefits would remain available to retirees

# Resolution PEBB 2022-12

## Uniform Medical Plan Classic Medicare Premium and Plan Closure

**Resolved that**, the PEB Board endorses the Uniform Medical Plan (UMP) Classic Medicare plan premium for plan year 2023. Effective January 1, 2024, UMP Classic is closed to enrollment for all current and future retirees, survivors, or their dependents who are enrolled in both Parts A and B of Medicare and who are included in the PEBB Medicare risk pool as described in RCW 41.05.080(3).

# Resolution PEBB 2022-15

## Uniform Medical Plan Classic Medicare Premium

**Resolved that,** the PEB Board endorses the Uniform Medical Plan (UMP) Classic Medicare plan premium for plan year 2023.

# Questions?

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