

Medicare Marketplaces

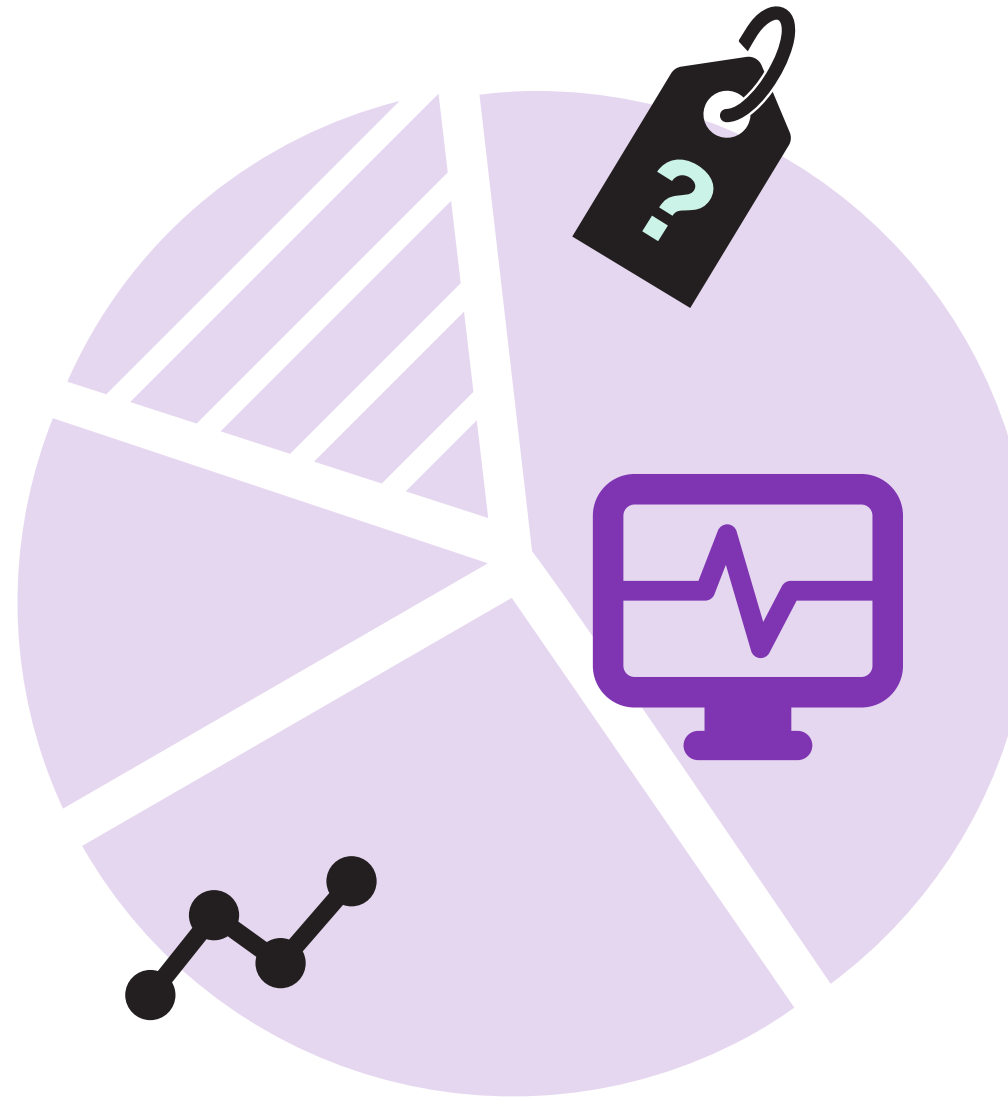
6 Reasons They Offer More Value



VIA BENEFITS®
By WTW

The cost of retiree health care benefits looms larger than ever in these days of economic uncertainty.

Reevaluating how retiree health care benefits are delivered offers a major opportunity for employers and plan sponsors to continue to offer comprehensive benefits while reducing spend and long-term liabilities.





Today, a growing number of organizations are finding substantial savings by moving away from the traditional group health care insurance model to a significantly more affordable solution: a Medicare Marketplace.

It's a move that has saved organizations billions of dollars in liabilities while offering retirees access to a more personalized health care experience, often with lower premiums and less out-of-pocket cost.

A Medicare marketplace has advantages for both plan sponsors and retirees

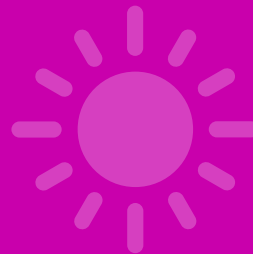
Plan sponsor advantages

1. Delivers superior financial outcomes
2. Lowers administrative burden
3. Reduces or eliminates risks



Retiree advantages

4. Can reduce premiums and out-of-pocket costs
5. Provides a wider range of coverage choices to fit individual needs
6. Delivers lifetime support and advocacy



That's
6 reasons

**Medicare
marketplaces
offer more value**

Reason #1

A Medicare marketplace provides superior financial outcomes, including reducing other post-employment benefits (OPEB) liabilities and health plan costs as a result of:

- **Larger risk pools.** Medicare has 60 million beneficiaries; about half are in the individual market.
- **Carrier competition.** The Medicare marketplace allows retirees to pick from a variety of carriers and plans, putting downward pressure on premiums.
- **Better federal subsidies.** Although an employer can take advantage of federal subsidies in a group plan, they aren't at the same level of those that carriers receive from the federal government for individual Medicare plans.
- **Defined costs.** Subsidies are provided to retirees through health reimbursement arrangements (HRAs) to help defray some or all of the premium costs. It's a way to provide health care, which is unpredictable and inconsistent, through a predefined stipend, giving the plan sponsor control of the cost.

Real results: Plan sponsor savings

\$12 billion

OPEB obligation **reduction** for a large pension fund in the Midwest

\$319 million

OPEB obligation **reduction** for a midsize city in the Southeast

\$85 million

Reduction in health care contribution costs for a public employee benefit program in the Southwest

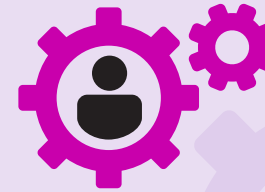
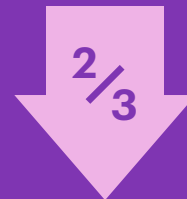
Reason #2

A Medicare marketplace substantially lowers administrative costs and burden on staff

Specifically, the activities that are either eliminated or greatly reduced by moving to a Medicare marketplace include:

- **Vendor procurement**
- **Plan design**
- **Eligibility administration**
- **Billing administration**

One large state retirement system **reduced the staff** required to administer its health care program **by two-thirds** by moving to a Medicare marketplace



Reason #3

Medicare marketplaces mitigate or even eliminate some of the risks inherent in traditional health care plans

The risks that are eliminated or greatly reduced include:



Rising costs due to both general cost trends and the health level of the insured population



Regulatory risk



The risk of **over- or under-insuring** individuals within your population



Potential for **reduced bond ratings**

Reason #4

A Medicare marketplace can reduce premiums and out-of-pocket costs for retirees

Medicare marketplaces force carriers to compete on price. The marketplace allows retirees to pick from a variety of carriers and plans, putting downward pressure on premiums.



Real results: Retiree savings

\$2,900

Average annual savings for retirees of a midsize city in the Southeast

\$1,200 – \$1,800

Range of annual savings for retirees of a public employee benefit program in the Southwest

\$300 – \$1,500

Range of annual savings for retirees of a midsize county on the West Coast

Reason #5

A Medicare marketplace provides a wider range of coverage choices to fit retiree needs

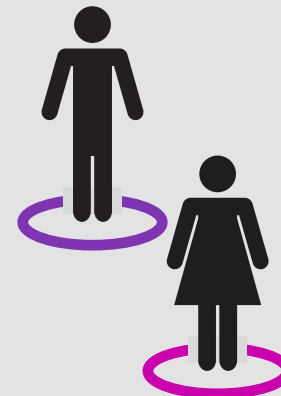
Medicare marketplaces offer thousands of plans from hundreds of insurers.

Departing from the broad-brush approach of a group plan that offers the same plans to retirees with diverse needs, a Medicare marketplace allows retirees to select plans that fit their specific health and budget needs.

James has a chronic health condition and sees various specialists regularly. He has a robust regimen of drugs and requires regular lab tests.



Sarah, his wife, is quite healthy and only goes to the doctor when sick or for wellness visits.



By using a Medicare marketplace, they are able to select different health care plans to meet their individual needs.

Reason #6

A Medicare marketplace provides retiree support and advocacy

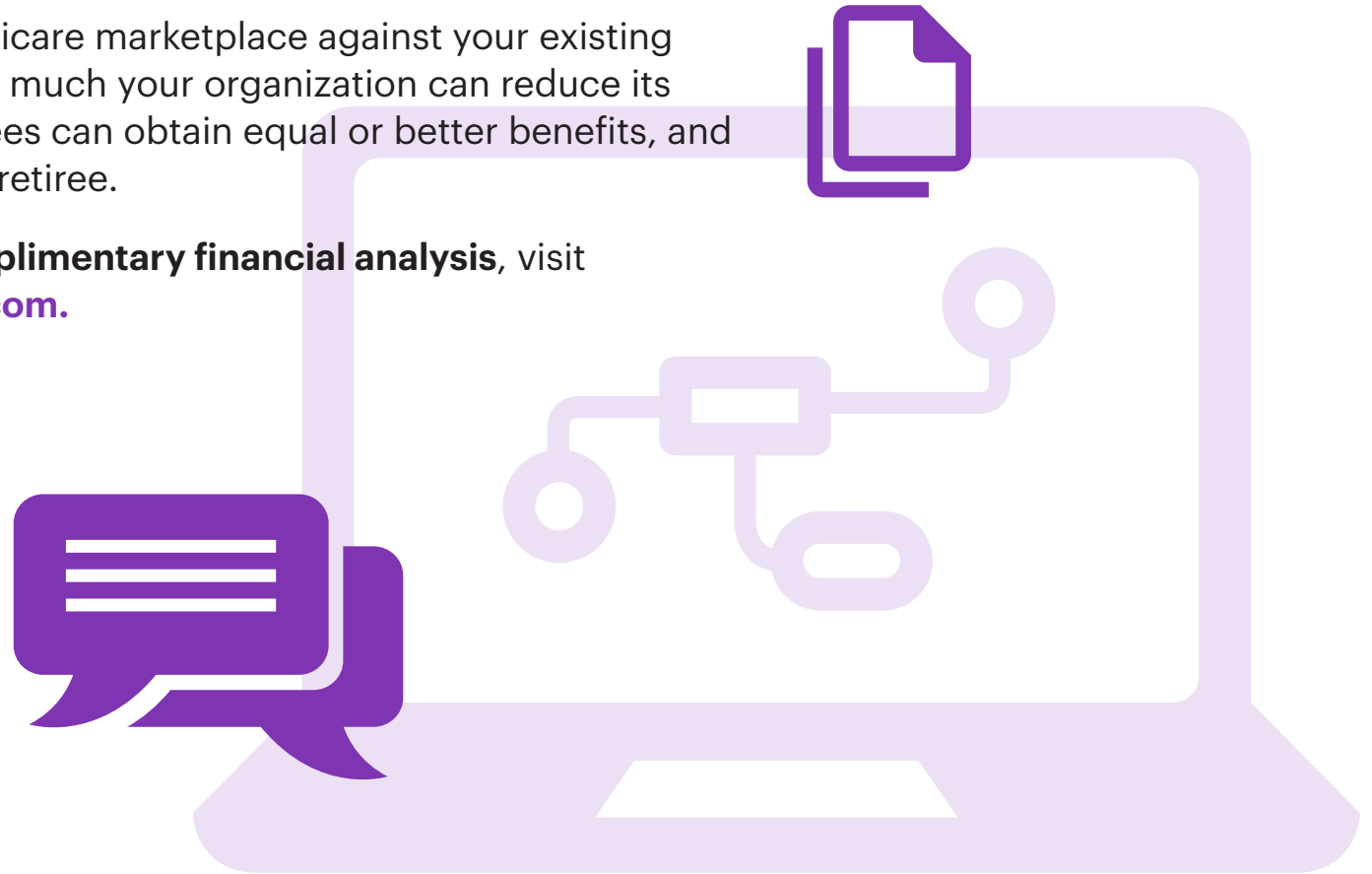
Examples include:

Billing issue assistance		Reinstatement of lapsed coverage assistance	
Support locating in-network providers		Claim denial research and resolution	
Assistance with questions about coverage		Late enrollment penalty help	
Help with appeals		HRA support	

If you'd like to determine if a Medicare marketplace could be a good fit for your organization, request a complimentary financial analysis.

This analysis compares the Medicare marketplace against your existing group plan — and provides how much your organization can reduce its costs, what percentage of retirees can obtain equal or better benefits, and the annual average savings per retiree.

To learn more or request a **complimentary financial analysis**, visit www.optimizeretireebenefits.com.



About Via Benefits by WTW

Via Benefits Insurance Services has helped more than two million people evaluate and enroll in individual health insurance. Via Benefits is a resource offering personal service to help retirees understand coverage options through a robust online experience supported by an award-winning customer service team. Founded in 2004, it operates the first and largest Medicare marketplace in the country and, in 2014, expanded to include individual and family plans for Pre-Medicare retirees.



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