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MEMORANDUM

DATE: OCTOBER 2, 2023

FROM: LOCEY & CAHILL, LLC

**TO: JENNIFER CLEMENT, COMMISSIONER
COUNTY OF ALBANY DEPARTMENT OF HUMAN RESOURCES**

**RE: 2024 MEDICARE ADVANTAGE PROGRAM
REQUEST FOR PROPOSAL (RFP) ANALYSIS AND RECOMMENDATION**

Locey & Cahill, LLC has been asked to provide a review of the Medicare Advantage Request for Proposal ("RFP") responses received from seven (7) different Medicare Advantage Plans.

The RFP was prepared and sent out as a market check after three (3) successful years with Aetna. The monthly premiums increased from 2023 to 202 from \$314.00 to \$320.68, a 2.13% increase and a \$110,000 impact on the County's Budget this year. The goal of the RFP was to identify if there are Medicare Advantage Plans available to the County that would maintain the same level of benefits and program performance at a more cost-effective price. As will be shown in this report, we believe that by continuing to partner with Aetna, at a modest premium rate increase, the County will provide their retirees with a quality, long-term carrier, with limited disruptions.

Quoted Premiums

Mindful that the primary purpose of this RFP Process was to ensure the County was providing equal to or better than the current health benefits, as well a fair and equitable premium rate increase, the first item of consideration in reviewing the proposals was the proposed premium rates for 2024:

2024 Albany County Medicare Advantage Responses

2023 Premium	\$ 314.00	\$ 5,154,624
Members	1,368	

	MVP	CDPHP	Aetna	Empire Blue Cross	Humana	Highmark (NENY)	United Healthcare
2024 Proposed Monthly Premium:	\$466.00	\$375.00	\$320.68	\$424.11	\$367.00	\$304.00	\$298.00
% Increase	48.41%	19.43%	2.13%	35.07%	16.88%	-3.18%	-5.10%
Total Annualized Budget	\$ 7,649,856	\$ 6,156,000	\$ 5,264,283	\$ 6,962,190	\$ 6,024,672	\$ 4,990,464	\$ 4,891,968

Mindful of the proposed rates alone, it was easy to remove MVP, CDPHP, Empire Blue Cross, and Humana as viable proposals. The other three (3) carriers proposed reasonable premiums and were rightfully considered further in this process.

The next level of consideration lies in each of the three (3) carriers' ability to match the benefits that are available to members and present a provider network that would cause as little disruption as possible.

Benefit Structure

As for the benefits that are available to the members, all three of the carriers presented a plan of benefits that matched the current carriers' plan. In fact, all three of these proposals included new aspects of Medicare Advantage Plans that were not included in the previous plan. This includes a meal plan that is available to members after discharge from the hospital along with other customer support programs that are designed to keep people healthy and reduce stress.

Provider Networks

The current Aetna Plan is a provider network-based program that offers a co-pay based program for those members that utilize the Aetna Medicare Advantage Network.

This type of network structured plan presents great problems to the County with the transition from one Medicare Advantage Plan to another. It can be extremely confusing for Medicare aged members to understand the differences in networks and they are very averse to changing doctors. This was the single greatest challenge when the County switched from CDPHP to Empire BCBS then from Empire to Aetna over the years.

Adding to this network problem is the regional focus of the networks associated with CDPHP and MVP. The County does have a sizeable membership that resides outside of the Capital District particularly in areas like Florida and Arizona. Historically, this diverse population distribution caused the retirees great problems regarding finding in-network providers.

Two of the carriers presented proposals that had a network structure that completely eliminated this problem. For the Aetna and Humana Proposals, there is not a network in place that retirees have to try to accommodate. Instead, so long as retirees used a provider that accepted Medicare as reimbursement, they would be covered under these plans subject to only a co-payment (that matches the current co-payment for in-network services) or the benefit would be paid in full. The retirees simply know that if their provider accepts Medicare as payment, they will be covered at little to no cost.

An item of note regarding those rare providers that do not accept Medicare as payment. These providers are not covered under the current plan and would also be excluded from all of the proposed plans. In these rare cases, providers are required to have their patients sign off, in advance, that they are aware that there would be no financial coverage for these services from Medicare and they would be responsible for the payment for the services that they receive.

This represents a significant enhancement of the benefits for the County of Albany's retired Medicare Population. This also greatly diminishes an administratively burdensome program for the County Administration to run and makes the conversion from the previous carrier to the new carrier a far simpler process.

Summary and Recommendation

Based on Locey & Cahill's review of the seven (7) proposals:

- We were first able to remove from consideration the MVP CDPHP, Empire Blue Cross and Humana Proposals due to the quoted premiums.
- We then reviewed, in detail, the benefits offered by each of the remaining proposals and determined that they did match the benefit structure currently in place.
- We then reviewed networks available by the remaining carriers.

- There are network differences that exist between the current network and the proposed networks that would cause significant stress for the retirees through the transitional process due to the disruption of a number of retirees.
- There are also national issues that exist with retirees that reside outside of the Capital District trying to find access to in-network providers.
- The proposal by Aetna included access to all the providers throughout the Country that accepted Medicare as payment. Retirees would no longer have to consider whether a provider is in-network or out-of-network. Quite simply, so long as a provider participates with Medicare, which the overwhelming majority of providers and facilities throughout the Country do, they would be covered by this Plan and the member would simply have to pay a co-payment or receive benefits paid in full.

Due to the considerations listed above, we are strongly recommending the County of Albany renew with Aetna for their Medicare Advantage Plan. Renewing with Aetna means that the County would see their premiums increased only slightly from the 2023 rates by 2.13%.

In addition to the fair premium rate increase with this proposal, Aetna was also able to provide rates for 2025 and 2026 this eliminating what has been a consistent problem for the County's Medicare Advantage Plan. As can be seen on the chart below, the volatility of the rates for the Plan have been very problematic over the past 12 years. The three years of guaranteed rates provide the County a level of stability in this program that has not been in place for a number of years. This was the final piece of the puzzle that led to our recommendation of renewing the County's Medicare Advantage Plan with Aetna.

Year	% Change
2012	
2013	-1.40%
2014	13.01%
2015	5.04%
2016	9.66%
2017	17.06%
2018	-10.26%
2019	-30.37%
2020	15.43%
2021	42.08%
2022	-33.26%
2023	5.37%
2024	2.13%

*Pending

We hope you find our review and summary of the proposals received for the County's Medicare Advantage Plan helpful. As always, should you have any questions or concerns, regarding this information or any other issues facing the County of Albany from an employee benefits perspective, please feel free to contact our office at 315-425-1424.