

TRS Today: Aetna Medicare Advantage Plans

July 25, 2012

Interview Transcription

Host: Rhonda Price (RP)

Guest: TRS Executive Director, Brian Guthrie (BG)

RP: Hello, and welcome to TRS Today, a Communications initiative of the Teacher Retirement System of Texas. I'm your host, Rhonda Price. And our guest today is TRS Executive Director, Brian Guthrie. And Brian, thanks for being with us today.

BG: It's my pleasure.

RP: Our topic today is the new Aetna Medicare Advantage Plans for TRS-Care. And before we discuss the details, can you talk a little bit about why we're adding these plans? Why couldn't we continue on with the current TRS-Care plans?

BG: Sure, Rhonda. We've known for some time that we had a long-term funding issue with the current TRS-Care program, where it was projected to run out of funding in 2015, perhaps sooner. We've been aware of this for some time. We've been working on it with the legislature and with other leadership in the state on how best to address it. And so, a couple of things happened last legislative session. One was they prompted us to conduct a study looking at all the alternatives for the current program and what we could do to change the current benefits or the current structure of the program to improve the sustainability long-term. They also requested that the TRS Board of Trustees not raise member premiums for the plan during the current biennium and that was a request that was honored by our Board. So, the premiums have not been increased for a number of years. But, what we found ourselves having to do was really look long and hard at what our options were. And in the course of our evaluation, we discovered that moving to a Medicare Advantage Plan would be very beneficial – not only for our members, but also for the long-term sustainability of the program.

RP: How was the decision made to choose this option? And why did the Board ultimately decide on the Aetna Medicare Advantage Plans?

BG: Well, we went through a vigorous review process. We requested bids from a number of vendors. And in looking at the proposal by Aetna, it was not only very competitive but it was also very beneficial for our members. And it gave us the ability to offer a program at a lower cost than the current plan but that also improved the long-term sustainability of the program. It was a win-win for the program and for our members, and so, it was an easy choice.

RP: But aren't Medicare Advantage plans themselves in question? We've heard news reports of Medicare funding issues, too.

BG: And that's a fair point. However, we believe that the funding for Medicare will continue. We have no reason to believe that it won't. And, obviously the federal government can change laws and regulations associated with Medicare at any time, and if they do, we'll respond appropriately. But under current law with current funding projected to continue, we believe that it was a good option.

RP: Well let me ask you some of the questions that I think are on retirees' minds. First of all, aren't all Medicare Advantage Plans HMOs?

BG: Actually not. They are actually PPOs, which are Preferred Provider Organizations. And so, that means that our members have the ability to choose a physician in the network. They do not have to get a referral to go to a specialist. And there's no gatekeeper system. They really have flexibility and freedom to choose from a wide variety of physicians and providers within that network.

RP: So then, will retirees be able to keep their current doctors in this new plan?

BG: Almost certainly, and we're working hard to make sure that that's the case. We and Aetna are working together to make sure that that's the case. We believe right now that over 90% of our members won't have an issue. And for that small portion of our population who may find that their provider isn't participating in this program, we're working directly with those providers and with Aetna to make sure that either that provider chooses to join the network. And if that doesn't happen, then find an alternative. So, we want to make sure that our members continue to have choice. We realize that your doctor and who you choose to go seek medical services from is a very personal choice. And it's one that's very important to our members, so we want to respect that.

RP: I understand we will also be offering Medicare Part D prescription plans as well.

BG: That's correct, Rhonda. And let me be clear about a couple of things. First of all, our prescription drug plan is separate from the Medicare Advantage Plans we were just talking about. Even though our members do pay one premium for all their services, it is provided by a different carrier. Now that being said, we did go and evaluate savings...cost-saving options for our prescription drug benefit. And what we came up with is something through Express Scripts, where members get the same level of benefits but at a lower cost, and also realize that there's some cost-savings for our program. So, it's a win-win.

RP: Well, considering all this information, it would be easy for people to get a little bit confused.

BG: Absolutely. And that's why we're very aggressively communicating to our members about the changes that are coming and about the program, so that they understand exactly what they're dealing with. And we're making a number of things available to them in terms of resources. We're sending mail-outs with information about the changes. Information is available online. We have phone counselors on-hand waiting to respond to any questions, provided both through TRS and through Aetna. And so, all of those resources are available to our members and we want to make sure that they get the information they need.

RP: Let me back up to the medical portion again. What additional benefits do these Medicare Advantage plans offer?

BG: Well, we're excited about those, Rhonda. In addition to providing our members the current base of services, they will also be able to receive some lifestyle coaching from Aetna about how to have a healthy retirement and how to live a healthy lifestyle in your retirement years. In addition, we're offering our members membership to a health club as part of their benefits at no additional cost. Also, free eye exams and hearing exams. Just a whole host of things to really help them and provide additional benefits.

RP: Well, what about the cost, though? With all these additional benefits, won't the cost be higher than what retirees are currently paying?

BG: Actually, it won't be. And that's the remarkable thing about all of this. By going through this Medicare Advantage option, we're actually able to reduce the cost to our members. And so the premium that they pay will actually be lower than what they're paying now.

RP: What does someone have to do to join one of these new Medicare Advantage Plans?

BG: Well, that's the great thing about it, Rhonda. If you're eligible, you don't have to do anything. You'll be automatically enrolled.

RP: Well, do retirees have to join the new plans?

BG: No, they don't have to. They can choose to opt out if they wish to. But we really believe—and that's why we're being so aggressive with the information we're providing—that once they see that they're getting increased benefits at a lower cost, that they'll decide to stay in the program.

RP: How will our retirees learn about the new programs?

BG: Well, as I've already mentioned, we have an aggressive communication campaign underway. We're providing a lot of information to people who want to contact us. We're also sending mail—information through the mail. But in addition, we're offering a variety of workshops around the state—over 27 in different locations where Aetna representatives will be present, answering all the questions that our members have. So we're being very aggressive about not only letting people come to us if they have questions, but going out to them as well so that they can access the information they need.

RP: Well, any final thoughts?

BG: Well, I'm very excited about this program. I've been in state government for over 20 years, and it's rare to find a situation where not only can you provide better benefits to your members, but at a lower cost to them and to the program. So, it's a true win-win. And those are such a rarity these days that I'm truly excited about this opportunity.

RP: Well thank you, Brian, for spending time with us and explaining these exciting new changes in store for TRS-Care.

BG: Oh, you're welcome. It's been my pleasure.

RP: And thank you for joining us for this edition of TRS Today. And be sure to check out all of our videos on YouTube and the TRS website.

#####