



Approval of Contract Options for Medicare Advantage PPO Plan for Retirees and their Medicare-Eligible Dependents

Administration Committee
January 11, 2022

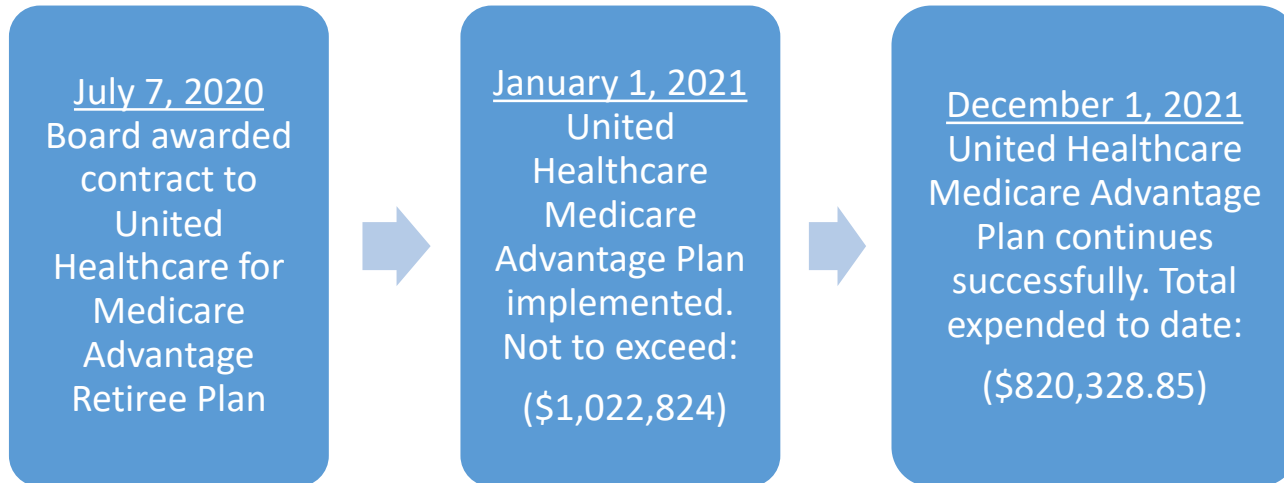
Rosa Medina-Cristobal
Vice President, Human Resources



Recommendation

- Authorization to approve a contract modification for a Medicare Advantage PPO Plan for retirees and their Medicare-eligible dependents with Sierra Health and Life Insurance Company, Inc. (A United Healthcare Underwriting Entity) to: 1) exercise the first and second one-year options; and 2) increase the not-to-exceed amount by \$2,045,648 for a new total authorized amount not to exceed \$3,068,472.
 - DART Cost: \$1,485,012
 - Retiree Cost: \$560,636

Background



Additional fiscal authority required in order to exercise option years

Enrollment Data: United Healthcare (over 65 Plan)
Retirees – 413 Dependents – 409

Blue Cross Blue Shield (under 65 Plan)
Retirees – 220 Dependents - 190

Background (continued)

- DART Retiree Medical Coverages
 - Retirees under age 65 can stay in active employee plans
 - DART pays 50%, retirees pay 50% of the monthly premium
 - Retirees over age 65 participate in “Medicare Advantage” and includes:
 - Medicare Parts A & B
 - United Healthcare Medicare Advantage (provides prescription drug and additional limits which enhance Medicare benefits)
- For Medicare Advantage plans, retirees reimburse DART 20% of the monthly premium and 50% of the dependent monthly premium

Recommended Action

- Authorization to approve a contract modification for Medicare Advantage PPO Plan for retirees and their Medicare-eligible dependents with Sierra Health and Life Insurance Company, Inc. (A United Healthcare Underwriting Entity) to: 1) exercise the first and second one-year options; and 2) increase the not-to-exceed amount by \$2,045,648 for a new total authorized amount not to exceed \$3,068,472.
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Thank You

