

# KEEPING THE PROMISE:

## **How to Future-Proof Retiree Health Care**



Your guide to the individual marketplace for Medicare-eligible retirees – a more efficient way to deliver retiree health care benefits

## It's time to look beyond traditional group plans.

State and local government agencies across the nation are struggling with rising retiree health care costs and, as a result, difficult decisions are being made. The three levers typically contemplated:



Changing the  
plan design



Reducing  
benefits



Increasing  
cost share



Systems  
have saved  
hundreds  
of millions  
a year, and  
retirees find  
savings  
as well.

However, there is another option – moving retirees to an individual, multicarrier **Medicare** marketplace.

With this solution, retirees enroll in individual plans that compete for their business. These plans tend to cost less than traditional group retiree plans because of several factors, including competition, larger risk pools, and more freedom to tailor a plan to specific health need and budget.

By focusing on a Medicare marketplace, you'll discover value for both your organization and its retirees.

When a Medicare marketplace is offered, both the retiree and the organization benefit.



### Organizations

Win by providing better value through the Medicare marketplace, enabling them to lower their costs (including OPEB liabilities) while honoring their health care commitment to retirees.



### Retirees

Win by selecting a plan from a wide array of affordable options that not only best fits their medical and financial needs, but also allows them to obtain equal to or better benefits for less cost.





## Real results

The **City of Memphis** turned to Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees and found that

**99%** of their Medicare-eligible  
**retirees could save** an average of

**\$2,706** in annual health  
care costs

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The health care changes **OPERS** made —  
including the move to the Individual Marketplace  
— are paying off.

**OPERS is saving \$600M** annually,

and **long-term benefits liabilities**  
**(OPEB) have decreased** by **\$12B**

# Medicare-eligible retirees will see more choice and value.

Increased choice and value can be found for the following reasons:

## Larger risk pools.

Premiums are kept low and stable by the size of the Medicare-eligible population and the influx of retiring baby boomers, who are relatively young and healthy.



More than **58M**  
Medicare-eligible  
retirees



**10K** retiring  
baby boomers per  
day through 2028



## Price competition.

Medicare carriers compete annually for their members, enabling a robust and competitive marketplace.

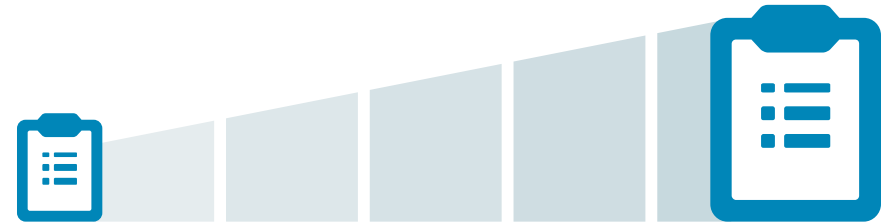


## Federal subsidies.

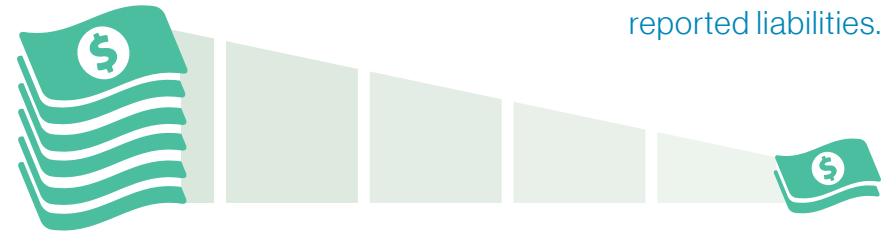
Carriers receive government subsidies to offset the cost of Medicare Advantage and Part D plans.

Your organization will get a new perspective on lowering other post-employment benefits (OPEB) liabilities.

Government Accounting Standards Board (GASB) requires public sector organizations to report their retiree health care liability – the cost in today's dollars of benefits to be paid in the future.



GASB Statement 75 may significantly increase the size of these reported liabilities.



When retiree health benefits are delivered through a Medicare marketplace, organizations are able to efficiently reduce program costs (and thereby associated liabilities)...



...while increasing value for their retirees.

# Reasons your HR staff will love Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees.



## No more carrier negotiations.

Your staff will be relieved of the time-consuming ritual of reviewing plan designs and negotiating premiums with carriers.



## Fewer phone calls.

When retirees move to our Medicare marketplace, we assume the associated administrative burden. Our staff will answer your retirees' coverage-related questions, which will allow your staff to focus on other priorities.



## Retiree advocacy for life.

Our commitment to your retirees doesn't end at enrollment. Our representatives are available on an ongoing basis to answer questions about coverage and reimbursement, and resolve carrier issues that may surface.



## Program visibility.

We provide real-time transition and enrollment metrics so that your staff has the visibility needed to be sure retirees are receiving exceptional service and purchasing appropriate coverage.



# Reasons your retirees will love Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees.



## More choice.

Willis Towers Watson's Individual Marketplace partners with more than 125 trusted insurance carriers to offer thousands of plans throughout the country.



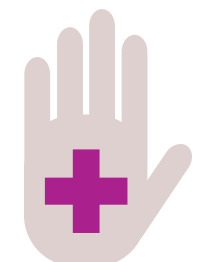
## More convenience.

Retirees can evaluate and enroll in the right plan by speaking to a licensed benefit advisor or through our web platform.



## More help.

Our licensed benefit advisors and online decision support tools help retirees find the right plan for their budget and health care needs.



## Advocacy for life.

Our representatives are always there to answer retirees' questions about coverage and reimbursement, or help resolve other issues when they surface.



## Seeing is believing

### **Request a Financial Impact Analysis.**

The Financial Impact Analysis evaluates the value of Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees — compared to your existing group plan — and provides information about how much an employer can reduce their cost, what percentage of retirees can obtain equal to or better benefits, and the average annual savings per retiree.

Give us a call at [1-888-651-7310](tel:1-888-651-7310), or visit us online at [wtwmedicaremarketplace.com](https://wtwmedicaremarketplace.com).



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