



CT TEACHERS' RETIREMENT BOARD
765 ASYLUM AVENUE 2ND FLOOR HARTFORD, CT 06105-2822
Toll free 1-800-504-1102 (860) 241-8400 Fax (860) 241-9295
"An Affirmative Action/Equal Opportunity Employer"
www.ct.gov/trb

Q&A

What are the difference in Network Services between the Anthem plan and the Stirling Plan?

The Anthem Medicare Advantage plan design includes a national passive network, which is seamless to the members and provides access to any provider who accepts Medicare assignment at the same cost share level of those providers who are considered in network. The Stirling Medicare Supplement plan follows traditional Medicare network guidelines, which also provide access to any provider in the US who accept Medicare assignment.

What is the difference between a Medicare Advantage Plan and a Medicare Supplement Plan?

All services must be covered by Medicare Part A or B in order to be covered by Anthem or Stirling. Medicare has contracted with Anthem to administer covered services. Medicare Advantage plans offer preventive care and ancillary benefits not offered under original Medicare, for example Silver Sneakers. Because the plans are managed by Anthem, they have additional plan guidelines including some prior authorizations. The Medicare Supplement Plan follows original Medicare guidelines. Original Medicare will be primary and the Medicare Supplement will be secondary.

Why does the Stirling Medicare Supplement have deductible and cost shares?

The benefit plan changes were designed as an alternative for those members who would prefer the option to remain on traditional Medicare with secondary coverage provided by a Medicare Supplement plan. This makes the overall cost of the plans more similar.

What is difference between the out of pocket (OOP) maximum and the true out of pocket cost (TROOP) on Express Scripts?

The Prescription Drug plan provided by Express Scripts is a Medicare Part D Prescription Drug plan with an employer group wrap sponsored by the Teachers Retirement Board.

What does that mean?

The TRB provides an enhanced version of a Medicare Part D drug program enabling lower costs for a higher level of benefits. In addition, the TRB plan includes prescriptions not covered under traditional Part D plans such as ED drugs.



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What is Out of Pocket Maximum (MOOP)?

The sum of the deductible and coinsurance under the program, this equals the maximum cost members are required to pay under the plan for covered drugs.

What is the True Out of Pocket Cost (TROOP)?

The sum of the member cost and costs paid on behalf of the member by manufacturers in the donut hole or coverage gap. For 2019 the maximum TROOP is \$5,100.00 Beyond the TROOP members are charged 5% of the cost of the drugs which is referred to as the catastrophic phase (subject to the plan maximum out of pocket costs)

Why have the out of pocket costs for prescription drugs increased so much for 2019?

The issue

The TRB is keenly aware that the increase in out-of-pocket maximums for prescription drugs from \$1,400 to \$3,500, is substantial. The reality is that the cost of specialty drugs (also called biotech drugs) has dramatically increased the cost of many drug therapies. For example, just a few years ago, the highest cost cancer drugs were approximately \$120,000 for a course of treatment. This cost has now increased to approximately \$250,000. Thus, providing the necessary drug coverage to these critically ill individuals is simply not financially sustainable and in fact, at the current rates, threatens the long-term solvency of the plan.

Consequently, costs beyond approximately \$8,500 in annual drug spend on behalf of an individual will have a 5% copay until the out of pocket costs reach \$3,500. This change is driven in large part by the fact that the federal government will provide \$16 for each dollar of member cost share above the approximate \$8,500 of drug spend. In fact, these 5% cost share plans are becoming increasingly common in other drug plans as well because the cost of new drugs are simply unaffordable but the federal government will pay a large part of the cost if the plan requires the member to pay the 5%.

Who will be affected by this change?

The average TRB plan member pays about \$2,000 per year for prescription drugs. Therefore, the average TRB member will not be affected by the cost share increase.

Those affected by the cost share increase will be the 3-4% of TRB plan members that spend over \$8,500 per year on Part D drugs (note: in-hospital Part B drugs are not affected). We estimate that only about 1% of the membership will pay the \$3,500 out of pocket, and those who are likely to be affected are members taking biotech drugs for multiple sclerosis, rheumatoid arthritis, and a number of types of cancer.



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We also expect that any TRB plan member who will have to pay \$3,500 towards drug costs will be receiving drugs annually costing over \$40,000. Thus, this member will be paying less than 10% of the cost of the therapy.

In short, the TRB remains concerned about member costs (both premium and cost share) but unless there is a deep pocket to shoulder these dramatically increasing costs, cost shares will continue to increase. By charging the 5% coinsurance charge above the \$8,500 in drug costs, we are able to obtain matching funds from the federal government which in turn will allow the plan to be able to pay for the continuing cost of these very expensive but very critical services.

Why Is the Stirling Plan so much more expensive than the Anthem plan?

Both of these plans have a base cost of approximately \$13,000 per year. Essentially the Anthem plan is \$13,168 per year and the Stirling plan is \$14,296. Thus the Stirling plan is 8% more expensive than the Anthem plan. To the member this difference appears to much larger because the member only pays the difference in the costs of the plans. That is one plan appears to cost \$168 a year while the other plan appears to cost \$1,296 a year. Some members are confused and think that the Stirling plan cost 9 times as much as the Anthem plan because the member cost is 9 times higher. The plans are actually close in price to each other when viewed in total cost perspective. Medicare and TRB pay the \$13,000 and the member pays the excess of the plan cost over that.