

5 things

you need to know
to turn your
pre-65 retiree
benefits into
your biggest
success story



On a rocky road with your pre-65 retiree benefits? You aren't alone. In fact, not even close. In a recent survey by the HR Policy Association, 41% of employers said they weren't happy with the retiree health benefit offerings for pre-65 retirees in the marketplace. In the same survey, the same percentage of employers indicated they'd like to provide a pre-65 retiree benefit without having to blend with their active employee population.

So what are the underlying causes of so much dissatisfaction with the options most employers are considering? For starters, the high costs of health care for pre-65 retirees certainly don't help. Likewise, pricey benefits and the unpredictability of costs both contribute their fair shares to the pain. With the lack of a solid public exchange option for this population, many employers struggle to present this group with a quality, cost effective and sustainable benefits package. But there are other options! Check out these five keys to success for turning your pre-65 retiree benefits into one of your biggest success stories.





Is it **MANAGING** the cost . . . or just **SHUFFLING** it around?

Most people start to experience their first significant health hurdles in their 40s, so quality health benefits are important to those who plan to retire before they're Medicare-eligible. Health volatility, an increase in chronic and acute conditions for the 45 – 65 age group and the increasing number of employees crossing into this age group all combine to create an unstable cost environment. There's no doubt a bridge to Medicare eligibility is needed.

Here's how to know if the options you're considering are truly managing the overall cost or just using a shell game to shuffle them around:

- **A fully-insured approach for the pre-65 population without the need to blend with your actives:** Why is this at the top of our list? For starters, a guaranteed cost option like this gives you a finite amount that you'll pay for your pre-65 population. It also goes a long way in easing your ERISA issues by accurately estimating outstanding liabilities without creating an implicit subsidy. And by not having to blend your pre-65 retirees with your active population, your retirees get the expert focus they need. It also allows retirees' payment of premium to be eligible for tax free reimbursement using HSA assets.
- **A seamless pre- and post-65 solution:** We're not talking about applying the same benefit plans to your pre- and post-65 populations here. There's no question Medicare-eligible retirees have different needs. But by folding both populations under a single carrier solution, you make it easier for retirees to transition from pre-65 coverage to Medicare coverage and empower your benefits partner to better manage your overall costs.
- **Competitive prices:** No one wants to offer plans to their retirees that are out-pacing plan pricing in the broader market or that will strap retirees with a huge financial strain. Hold out for a competitively priced option, one that gives the ACA a run for its money.





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Does it offer the **FLEXIBILITY** you need?

Every employer navigates its relationship with employees and retirees differently. Look for a pre-65 option with the cost-sharing and plan design options you need — including no requirement for an employer subsidy, if that's what works for your organization.

Are you able to use similar plan designs and cost sharing arrangements that work for you?

- Is no employer subsidy required?
- Do you have the flexibility to choose from a “menu” of standard plans including high deductible health plans?
- Is there an opportunity to include a standard buy-up and buy-down plan as needed?
- With no minimum enrollment requirements?

3

Is the retiree experience **SEAMLESS** or **BEFUDDLING**?

The transition into retirement is overwhelming enough without sorting through Medicare benefits. Look for an inclusive technology platform designed to be personalized and supportive for your retirees regardless of age. A strong solution will integrate everything from guided shopping, enrollment and decision support to your claims and fund account administration and change management strategies. Happy retirees aren't the only advantage of a great benefits platform either. Your data management and reporting efforts can be substantially easier with the right infrastructure as well. Keep your eyes peeled for:

- A single platform designed for both pre- and post-65 retirees
- Guided shopping, decision support and easy enrollment
- Multi-channel communications and change management support
- Integrated claims and fund account administration
- Billing and payment support
- Issue tracking and resolution at the member level



4

Are you connecting your retirees to the **HIGH QUALITY PLANS** they were used to when they were active employees?

As an employee of your organization, there's no question people come to expect a certain level of quality from your benefits program. And if you don't deliver, you're going to hear about it. Yet, how do you continue delivering the high quality service and access your employees are used to for a retiree population?

Find someone who speaks "retiree" fluently. In other words, look for a health benefits partner who has the right mix of quality and cost management features, including excellent networks, plans, member enrollment and service platform and clinical support, designed specifically for retirees. In addition to innovative cost savings strategies, such as a fully-insured option for pre-65 retirees, look for someone who is a true expert in benefits designed for your retiree population – and with a proven track record of making great service and support last beyond open enrollment and throughout the entire year.



5

Is your strategy for early retirees SOLVING problems . . . or CAUSING them?



If managing for your pre-65 population means simply lumping them in with your active employees, it's not likely to be easier in the long run. With very different levels of support and management needed to keep retirees happy and to stay in compliance, dropping them into the active population isn't exactly setting your organization up for success. Here's a glimpse at a better path:

- **A single source for your benefits carrier, administration and retiree communications:** Sure, a single source implementation is more efficient, but that's not the only advantage. You'd also benefit from smooth integration across the board (products, technology, services and more) – and that can make a big difference in your ability to meet your goals and keep your retirees happy and healthy. Smooth = happy.
- **Better performance guarantees:** Look for guarantees that support your objectives across the retiree population, including target medical cost ratio guarantees, call center, claim administration and website availability guarantees.
- **Benefit administration fees included in the premium:** This way, you would see an implementation cost separate from any administration fees.



Designed for employers by employers

The Retiree Health AccessSM solution was established by the HR Policy Association (HRPA), a dedicated group of employers who know first-hand the challenges of providing quality retiree benefits at an affordable price. With special insight into the right solutions to satisfy retiree needs while still meeting shareholder obligations, the HRPA designed Retiree Health Access to make life easier for employers. The unique and valuable insights driven by HRPA leaders led to many of the program's current features.

Consider the Retiree Health Access solution



If you're looking for a best-in-class experience at a competitive price, the Retiree Health Access (RHA) program offers an innovative fully-insured approach for pre-65 retirees side-by-side with group coverage through Group Medicare Advantage. That's one integrated solution for pre- and post-65 group coverage options. The RHA program, delivered by Aetna — one of the nation's largest providers of Group Medicare products — incorporates outsourced benefits administration for you and your retirees powered by bswift, a market-leading technology platform.