

Michigan Public School Employees' Retirement System

Strategic Initiative Package

5/18/2023

Strategic Initiative Package

1. Alignment Between Medicare and Non-Medicare
2. Plan Modernization
3. Next Steps

Strategic Initiative Package

Alignment Between Medicare and Non-Medicare

- Historically, the Plan has tried to maintain alignment between the Medicare plan and the Non-Medicare plan.
 - When the Plan moved to Medicare Advantage, we began to see less alignment between the two plans because of CMS requirements.
- Preventive Services
 - Medicare members receive most preventive care services without cost share.
 - Currently, Non-Medicare members must pay 10% coinsurance and the deductible for select preventive care services.
 - **Recommendation:** Cover pelvic exams, pap smears, mammograms, colonoscopies, and prostate cancer screenings at 100% for Non-Medicare members.

Alignment Between Medicare and Non-Medicare (continued)

- Retail Health Clinics Coverage
 - For Medicare members this is a covered place of service.
 - Non-Medicare members cannot receive care at a retail health clinic because it is not a covered place of service.
 - This causes confusion for members when they want to receive a vaccine at a retail health clinic.
 - **Recommendation:** Allow coverage at retail health clinics for Non-Medicare members.
- 90-Day Retail
 - Retail pharmacies will fill a prescription for 90 days.
 - Currently, only Medicare members can receive a 90-day supply of medication at a retail pharmacy. Non-Medicare members must use the mail order pharmacy.
 - **Recommendation:** Allow a Non-Medicare member to receive a 90-day supply at a retail pharmacy.

Plan Modernization

- Dental Plan Updates
 - Occlusal Guards
 - A clear appliance that is worn over the teeth to protect them from damage.
 - Helps to prevent grinding and/or teeth clenching, which can lead to further dental problems.
 - Currently, a member can receive one occlusal guard per lifetime.
 - **Recommendation:** Allow for a new occlusal guard every five years.
 - Posterior Composite Fillings
 - Another description for composite fillings is a “white filling” instead of the silver fillings.
 - Currently, the Plan does not cover composite fillings on posterior teeth.
 - If a member wants a composite filling on their back teeth, they must pay the difference between a composite filling and a silver filling.
 - The practice of dentistry has evolved where most dentists do not provide silver fillings, which makes it hard for a member to have silver fillings on their posterior teeth.
 - Advancements have made this composite fillings safer and cheaper than in the past.
 - **Recommendation:** Allow for composite fillings on posterior teeth.

Plan Modernization (continued)

- Specialty Copay Card Solution
 - The Non-Medicare members currently use coupon cards for specialty medications. The dollars from the coupon card processes as secondary insurance and are thus contributing to and falsely elevating their costs contributing to the out-of-pocket maximum (OOP max).
 - Example: drug copay equals \$100. The coupon card pays \$50 and the members pays \$50. The member receives credit for the full \$100 dollars towards their OOP maximum.
 - **Recommendation:** Change the set up so that the OOP max reflects the member's true paid out-of-pocket amount.
 - Only applies to Non-Medicare because Medicare does not allow the use of copay coupon cards because pharmaceutical manufacturers are already providing the strongest rebates to Medicare.
- Vision Plan Benefit Frequency
 - The current plan is a 24/24/24 benefit, which means a member can receive an eye exam, new lenses (or contact lenses) and frames every 24 months.
 - Eye disease such as cataracts, glaucoma and age-related macular degeneration can develop without symptoms.
 - Annual eye exams is a way to potentially detect these diseases early.
 - **Recommendation:** Change the benefit frequency to 12/12/12 (eye exam/lenses (or contact lenses)/ frames).

Recommendations Summary

Initiative Summary	Plan	Member Population	Estimated Savings/(Costs)	Effective Date	Notes
Cover pelvic exams, pap smear, mammograms, colonoscopies, and prostate cancer screening with no cost share	Medical	Non-Medicare	(\$1.1M)	1/1/2024	
Allow coverage at retail health clinics	Medical	Non-Medicare	\$0	1/1/2024	
Specialty Copay Card Solution	Prescription Drug	Non-Medicare	\$1.6M	1/1/2024	The savings would come from increased member cost share for those currently using coupon cards for specialty medication.
90-Day Retail	Prescription Drug	Non-Medicare	(\$1.9M)	1/1/2024	Assumes a 10% shift of prescriptions from mail to retail.
Change the benefit frequency to 12/12/12	Vision	Non-Medicare/Medicare	(\$3.7M)	1/1/2024	
Allow for a new occlusal guard every five years	Dental	Non-Medicare/Medicare	(\$60.9K)	1/1/2024	
Allow for composite fillings on posterior teeth	Dental	Non-Medicare/Medicare	(\$913.2K)	1/1/2024	
Total			(\$6.1M)		

Next Steps

Convene a Health Initiative Review Committee

- Health Initiative Review Committee consists of retiree groups
- Allows for them to hear the recommendations and provide feedback
- Meeting dates:
 - Tuesday: June 6, 2023, at 10:30 am (in-person only)
Location: Stevens T. Mason Building
Board Room
530 W. Allegan
Lansing, MI
 - Monday: June 12, 2023, at 10:30 am (virtual only)
Location: Microsoft Teams Meeting