

TRS Retirees

In 2016 the number of TRS retirees was 34,000.

- 29,274 regular retirees
- 2,218 disability retirees
- 2,508 beneficiaries

Average monthly benefit was \$1,727 for all annuitants which equates to \$20,724 Annually.

The average age of TRS retirees was 71.

6,749 were over the age of 80.

1,295 were older than 90.

The lowest paid pensions were among the 1,295 retirees over the age 90. We were unable to get confirmation of the lowest pension's amount nor the number of retirees receiving that amount, but in 2008 and 2011 that amount was \$7,200 and no increases have been given since then. At this time, there are 50,400 retired public employees, survivors and dependents enrolled in Humana /PEIA. From 2010 to 2017, the combined net medical trend (cost of the plan) was 7.11% (excluding benefit changes) which is less than 1% per year. From 2013 to 2017 the net drug trend has been a negative 10.7% (excluding benefit changes). Humana has managed to contain drug costs through member education, manufacturer rebates, and clinical and utilization management programs.

Humana offers:

- A dedicated team that contacts members and providers to resolve issues. This team also visits retiree groups to answer questions and offer guidance.
- A call center team dedicated to group with no cross-over with individual Medicare.
- Reduced cost because members stay in a group plan.
- Includes an aggressive Medicare Risk Adjustment department charged with documenting every diagnosis to ensure appropriate CMS revenue.
- Coordination of care leads to lower hospital readmit rates than traditional Medicare, more days at home, and increase in odds of survival.

We are pleased with the service provided by Humana and encourage this arrangement continue.

Premium Increase Talking Points:

- West Virginia retirees live on fixed incomes and can least afford increases to their premiums or out-of-pocket costs for their healthcare.
- Even after a lifetime of hard work and service to our communities, the ever-increasing costs of health care, prescription drugs, utilities and daily essentials like groceries have eroded the value of a WV retiree's earned benefit and made it harder and harder to get by.
 - About 85% of West Virginia retirees have not received a cost-of-living increase in their retirement benefits since retirement and, as such, have seen the purchasing power of those benefits significantly reduced because of inflation.
- Shifting costs onto the backs of retirees who are no longer in the workforce and have seen their benefits effectively reduced over the years could put vulnerable West Virginians at risk, especially those who are older and have lower income.
- Therefore, we encourage you to continue health benefits for retirees at an affordable premium.

Background on Premium Support or Vouchers:

A premium support plan allows for the beneficiary to choose from among a list of eligible private insurance plans to receive Medicare coverage. If a beneficiary chooses to enroll in the premium support system, the beneficiary will be given a fixed amount of money, or a voucher, to pay for their healthcare coverage. Private plans will vary in cost by geographic region. If the payment allowed by the PEIA is less than the cost of the private plan, then the beneficiary will have to pay out-of-pocket costs for the remainder.

Specifically, premium support plan:

1. Shifts costs onto retirees.
2. Ends the guaranteed benefit structure.
3. If the subsidy amount does not increase at the same pace as premiums, beneficiaries will be forced to pay more and more of their own money to cover costs.
4. May allow private insurers to tailor plans to certain populations, thereby cherry-picking customers.
5. May allow private insurers to determine what network of doctors you can see and what services they will cover. This will result in higher cost for retirees due to the fact there will be no negotiating power.
6. Adds complexity, as beneficiaries and their family caregivers will have to navigate through multiple choices to find an appropriate healthcare provider, if they are able.
7. This would result in retirees losing their accrued sick leave for insurance premiums.

Premium Support Talking Points:

- The voucher system would hurt hardworking West Virginia retirees who have paid into the program their entire working lives.
- The voucher system would dramatically increase health care costs and risks for current and future retirees. It could cost Retirees thousands of dollars out of their pockets at a time in their lives when they can least afford it.
- We're concerned that a premium support system would end the guaranteed benefit structure and shift the burden of rising costs onto Retirees.
- Therefore, we encourage you to continue health coverage for retirees using the present structure with only one provider and preferably Humana.