PART D ADVISORS

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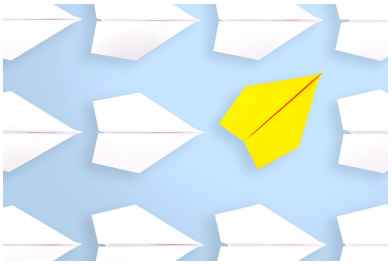

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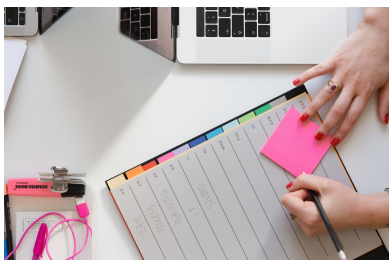

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EXTENDED

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NOW - January 15th 2022

Additional Navigator Resources Added to Support Extended Open Enrollment Deadline[1]

The U.S. Department of Health and Human Services has announced that it is adding additional consumer resources to support consumers' access to coverage during the extended Marketplace Open Enrollment Period. Approximately $10.2 million in additional funding was awarded to current Navigator grantees in Federally-Facilitated Marketplace (FFM) states. This funding is expected to help support outreach, education, and enrollment efforts around the extended Open Enrollment Period.

Coverage plans that are selected after December 15th and by January 15th will generally start February 1, 2022. This extension will give consumers an extra 30 days to review and choose health plans.

Navigators help families and those in underserved communities gain access to health coverage options by assisting them in completing their Marketplace applications. They also offer assistance with determining financial assistance through HealthCare.gov, as well as help enrolling in coverage through the Marketplace, Medicaid, or the Children's Health Insurance Program (CHIP). Navigator grant awardees are community and consumer-focused non-profits, faith-based organizations, hospitals, trade and professional associations, and Tribes or Tribal organizations.

"We have launched one of the strongest Open Enrollment periods — with lower prices, and four times the number of assisters available to walk people through their coverage options. In addition to quadrupling the number of Navigators, we're working to get everyone possible covered with the peace of mind that comes with quality health insurance."

- Xavier Becerra \| Health & Human Services Secretary

The Biden-Harris Administration also announced that as a result of increased investment in the Navigator program, the number of Navigators had quadrupled, with 1,580 Navigators trained and certified to assist customers for the 2022 plan year. Through the American Rescue Plan (ARP), more people than ever are eligible to receive additional financial assistance to help pay for their Marketplace coverage. With the newly expanded financial assistance made available under the ARP, four out of five consumers can find a plan for $10 or less per month.

All consumers shopping for 2022 health insurance coverage through the Marketplace need to enroll or re-enroll by January 15th. They are able to log in to HealthCare.gov or call 1-800-318-2596 to fill out a Marketplace application. To find local help from a Navigator or certified application counselor or be contacted by a Marketplace-registered agent/broker, consumers can visit https://www.healthcare.gov/find-assistance.

[1] HHS Press Office. "HHS Announces Additional Navigator Resources to Support the Extended HealthCare.gov Open Enrollment Period." HHS, HHS.gov U.S. Department of Health & Human Services, 16 Dec. 2021, https://www.hhs.gov/about/news/2021/12/16/hhs-announces-additional-navigator-resources-to-support-extended-healthcaregov-open-enrollment-period.html.

Increasing Subsidy During the RDS-to-Employer Group Waiver Plans (EGWP) Transition

Overview

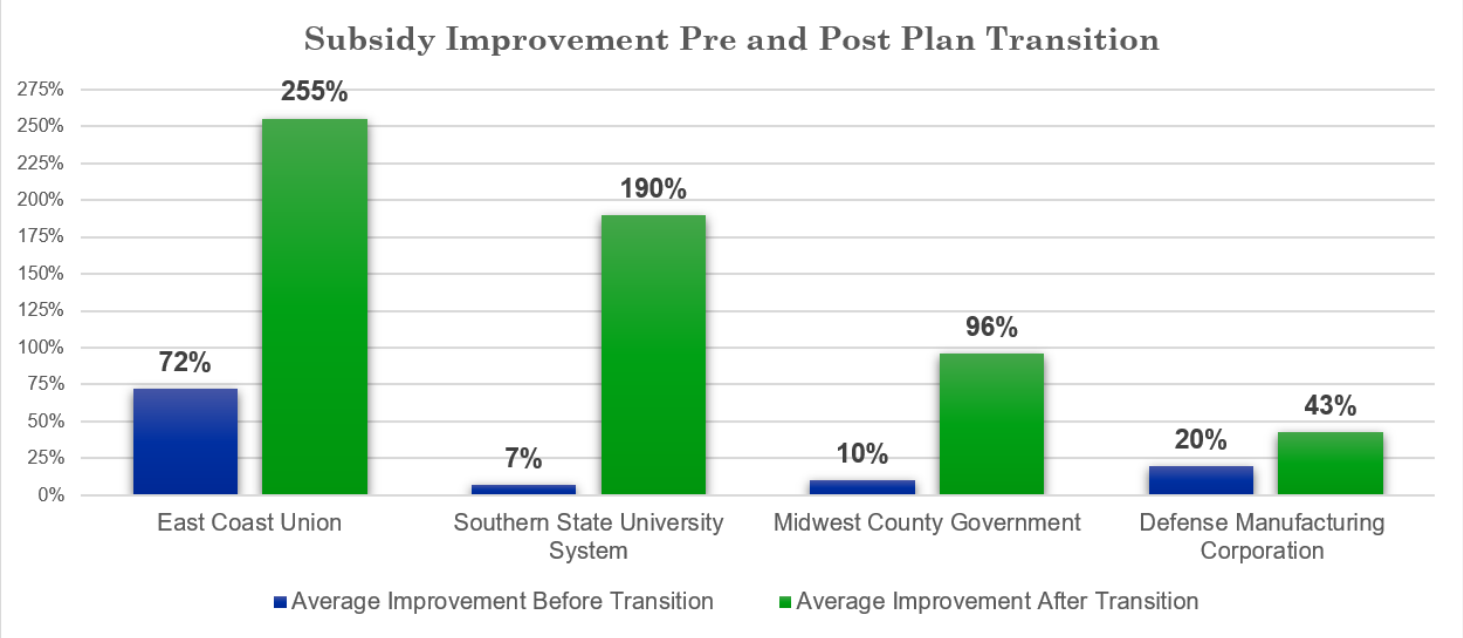
Based on years of experience with the Retiree Drug Subsidy (RDS) program and the reopening appeals process, Part D Advisors (PDA) has identified two time frames where we find the greatest improvement in a plan sponsor's subsidy: the years when they first begin the program and the years they are exiting.

The reason the early years show significant room for improvement is pretty obvious – the plan sponsor is new to the program and, out of an abundance of caution or misunderstanding, leave money on the table they are eligible to collect. However, on the opposite side of the spectrum, plan sponsors exiting the RDS program (generally by transitioning all or some of their RDS eligible retirees to an MA-PD or EGWP plan) leave money behind for a variety of reasons, most of which can be attributed to staff and resource constraints.

Once a plan sponsor makes the decision to move all or some of their retiree population away from the RDS program they are now splitting their time administering at least two, sometimes more, separate health plans. Due to the nature of the program, a plan sponsor's RDS obligations extend well beyond the end of their last RDS application plan year as Final Reconciliation is not completed until 15 months after the plan year ends.

Plan Changes Are Opportunities

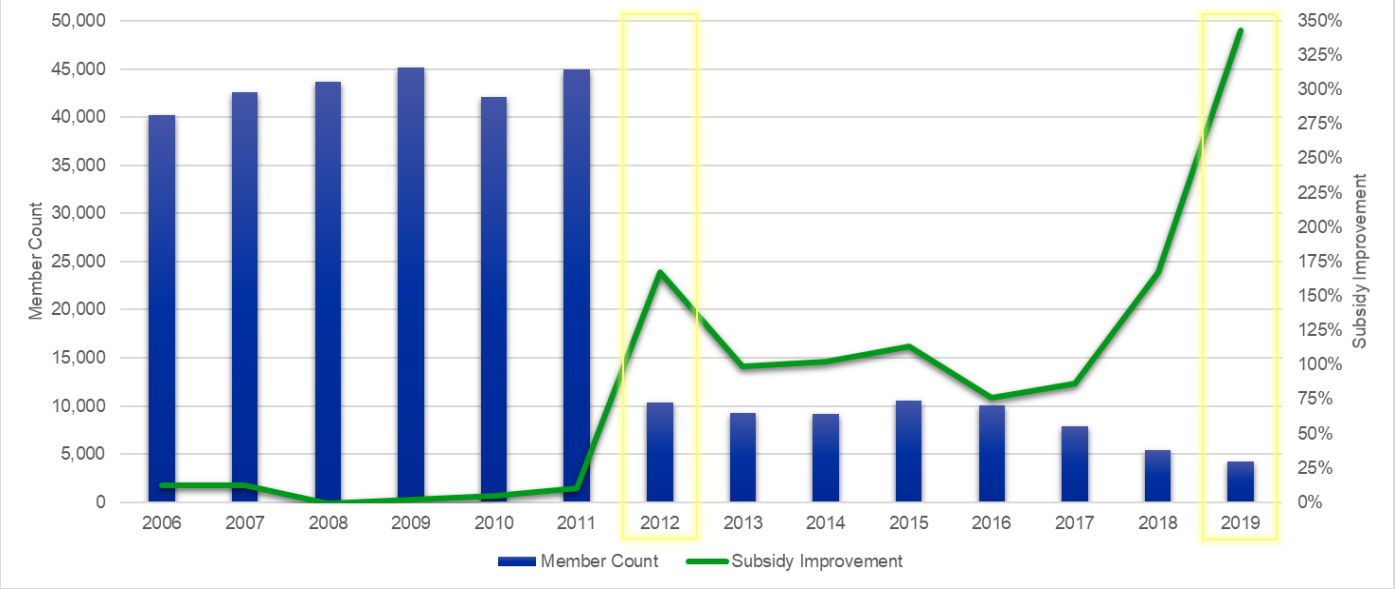
The best way for plan sponsors to recoup additional subsidy left behind during their transition out of the RDS program is by pursuing a reopening. For many plan sponsors, PDA's reopening service has generated **subsidy improvements of 50% or more** during their transition years. The following table illustrates the dramatic increase PDA has found for reopening subsidy recoveries after a major plan change across multiple industries.



RDS-EGWP Transition Case Study | *East Coast Union*

The East Coast Union (ECU) shown in the *Subsidy Improvement Pre and Post Plan Transition* table above first hired Part D Advisors to reopen their previous RDS applications starting with plan year 2006 through 2019. Between 2006 and 2019, ECU underwent plan design changes that resulted in a significant drop in their RDS eligible plan's membership count: 77% in 2012 and by an additional 31% in 2018. As shown in the two tables below, the subsidy improvement does not exceed 13% until a major plan change in 2012, where the reopening improvement jumps to over 160%. Between 2013 and 2018, subsidy improvement remains high but takes a drastic upturn during another plan change in 2019 where it skyrockets above 344%.

East Coast Union Subsidy Improvement **vs.** Member Count Drop Pre & Post Plan Change



2006 - 2019 East Coast Union Reopening Results Data

PYE	Original Filing		Reopening Appeal		Improvements			
	Members	Subsidy	Members	Subsidy	Members		Subsidy	
					(#)	(%)	($)	(%)
2006	32,000	$ 12,600,000	40,200	$ 14,200,000	8,200	25.63%	$ 1,600,000	12.70%
2007	38,000	$ 14,500,000	42,600	$ 16,300,000	4,600	12.11%	$ 1,800,000	12.41%
2008	40,000	$ 15,500,000	43,700	$ 15,400,000	3,700	9.25%	$ 100,000	-0.65%
2009	40,000	$ 16,200,000	45,200	$ 16,600,000	5,200	13.00%	$ 400,000	2.47%
2010	39,000	$ 17,600,000	42,000	$ 18,400,000	3,000	7.69%	$ 800,000	4.55%
2011	42,000	$ 16,600,000	44,900	$ 18,300,000	2,900	6.90%	$ 1,700,000	10.24%
2012	6,400	$ 674,000	10,300	$ 1,800,000	3,900	60.94%	$ 1,126,000	167.06%
2013	7,000	$ 950,000	9,230	$ 1,890,000	2,230	31.86%	$ 940,000	98.95%
2014	6,600	$ 1,000,000	9,130	$ 2,020,000	2,530	38.33%	$ 1,020,000	102.00%
2015	7,200	$ 1,050,000	10,500	$ 2,240,000	3,300	45.83%	$ 1,190,000	113.33%
2016	8,300	$ 1,250,000	10,100	$ 2,200,000	1,800	21.69%	$ 950,000	76.00%
2017	6,300	$ 936,000	7,850	$ 1,740,000	1,550	24.60%	$ 804,000	85.90%
2018	3,600	$ 487,000	5,420	$ 1,300,000	1,820	50.56%	$ 813,000	166.94%
2019	2,400	$ 243,000	4,270	$ 1,080,000	1,870	77.92%	$ 837,000	344.44%
Totals	**278,800**	**$ 99,590,000**	**325,400**	**$ 113,470,000**	**46,600**	**16.71%**	**$ 13,880,000**	**13.94%**

Note: Figures have been rounded to protect the confidentiality of our clients.

Important Considerations for Plan Sponsors

- After a move into an EGWP or PDP, there are still at least two years of RDS obligations, including administrative steps, website user roles, eligibility updates, claims reporting, rebate calculations, and compliance tasks.
- If plan sponsors do not properly meet lingering RDS obligations, they will be forced to pay back all the subsidy they have already been paid for those applications.
- Plans often need assistance, and can benefit from, correcting member demographic records and Medicare eligibility as they move into their new plans.
- Most Funds do not have access to their historical claims data, making the RDS data retention and audit requirements difficult.

The PDA Solution

When a plan sponsor makes the decision to move all or some of their retiree population away from the RDS program, PDA can help by taking over the lingering RDS obligations by completing any outstanding eligibility updates, reconciliations, and administrative tasks. Next, PDA can file reopening appeals, which can generate significant subsidy recoveries and correct issues with historical applications. The reopening process is entirely risk free – if the Fund does not receive additional subsidy, there is no cost. Finally, PDA provides six years of audit support and data warehousing for every application we complete, whether it's for the plan's remaining RDS years or for a reopening appeal.

For additional information about the reopening process during or after an EGWP transition or to discuss the reopening opportunity for your clients, please contact PDA's National Marketing Director, Andrea Prymak, at **(734) 459-8940** or via email at **APrymak@PartDAdvisors.com**.

HHS Announces Increased Marketplace Enrollment Trends with Nearly 4.6 Million New Plan Selections Since the Start of Open Enrollment [2]

The Centers for Medicare & Medicaid Services (CMS) released a new monthly National Marketplace Open Enrollment report showing that, so far, nearly 4.6 million Americans have signed up for 2022 health coverage through HealthCare.gov and State-based Marketplaces since the start of the 2022 Open Enrollment Period on November 1.

Assistance from the American Rescue Plan continues to drive affordability and accessibility of health coverage, nearly doubling the number of consumers getting coverage for $10 or less after tax credits since this time last year.

So far during the Open Enrollment period, consumers have made 3.9 million plan selections in 33 states using the HealthCare.gov platform. Additionally, 625,000 plan selections have been made in 17 states and the District of Columbia with State-based Marketplaces for the 2022 plan year.

95%

of consumers are receiving premium tax credits to lower their monthly premiums

[2] HHS Press Office. "HHS Announces Increased Marketplace Enrollment Trends with Nearly 4.6 Million New Plan Selections Since Open Enrollment's Start." HHS, HHS.gov U.S. Department of Health & Human Services, 09 Dec. 2021, https://www.hhs.gov/about/news/2021/12/09/hhs-announces-increased-marketplace-enrollment-trends-nearly-4-6-million-new-plan-selections-since-open-enrollments-start.html.

HealthCare.gov States *	3,946,945
New Consumers	797,169
Returning Consumers	3,149,776

State-Based Marketplace States *	625,373
New Consumers	126,087
Returning Consumers	499,286

* For a more in-depth data breakdown click here.

CMS Releases Data on Medicare Advantage and Part D Start Ratings[3]

According to data recently released by the Centers for Medicare & Medicaid Services (CMS), nearly 70% of Medicare Advantage plans that offer prescription drug coverage will have at least a four-star rating in 2022. This is a drastic increase from the former 49% of plans that had a four-star rating or higher in 2021.

Medicare Advantage plans that have prescription drug coverage get an annual rating between one and five stars based on up to 38 unique quality performance measures. Plans without prescription drug coverage are rated based on up to 28 measures. Standalone prescription drug plan contracts are rated based on up to 12 measures.

These ratings are typically calculated using prior year data so the 2022 ratings are based on data from 2021. CMS expects Medicare beneficiaries to compare quality using these star ratings, as well as details on cost and coverage. These additional details can be found on the online Medicare Plan Finder tool available on Medicare.gov.

Adjustments were made for the 2022 star ratings due to the impact of the COVID-19 pandemic. However, it is important to note that the rise also reflects improvements in sponsors' scores on several measures.

The increase of plans with higher ratings is expected to drive more Medicare spending to the Medicare Advantage program. Currently, approximately 90% of patients enrolled in Medicare Advantage plans are enrolled in a plan that will earn four stars in 2022.

"The Medicare Advantage and Part D Star Ratings are important tools for beneficiaries to use as they consider Medicare coverage options. CMS' annual ratings deliver meaningful information about the quality of each plan to help people with Medicare make informed healthcare decisions."

- Chiquita Brooks-LaSure \| CMS Administrator

Medicare Advantage Bonuses

Medicare Advantage plans are eligible for bonuses if they reach certain quality ratings (four or more stars). A recent analysis found that annual bonuses for these plans quadrupled from 2015 to 2021, rising from $3 billion to $11.6 billion. This rise is due to both an increase in the number of plans receiving bonuses as well as an increase in the number of enrollees in these plans.

[3] Howden, Catherine, and Jason Tross. "CMS Releases 2022 Medicare Advantage and Part D Star Ratings to Help Medicare Beneficiaries Compare Plans." CMS.Gov, Centers for Medicare and Medicaid Services, 8 Oct. 2021, https://www.cms.gov/newsroom/press-releases/cms-releases-2022-medicare-advantage-and-part-d-star-ratings-help-medicare-beneficiaries-compare.

REMINDER: RDS to Discontinue Support of Internet Explorer

Beginning January 9th, 2022, CMS' RDS Center will no longer support Internet Explorer (IE), the desktop application browser. Microsoft has announced that Internet Explorer 11 will be retired as of June 2022.

As a result, CMS has already started to transition away from IE, as Google Chrome is now the default CMS browser. While CMS' RDS Center recommends the use of Google Chrome, a list of other acceptable browsers includes: Microsoft Edge, Mozilla Firefox, and Apple Safari. If you have any questions, you can contact CMS' RDS Center HERE.

Is Your Client Paying Ineligible Dependent Costs?

As you may already know, Part D Advisors acquired the Dependent Eligibility Verification (DEV) assets of Health Decisions, a company with nearly 30 years of DEV experience and expertise. With the cost of each ineligible dependent exceeding $3,500 annually, a DEV review is a crucial component for your clients who are looking to reduce costs and protect member benefits.

The goal of a successful DEV review is twofold: to identify members ineligible for the plan while achieving the highest response rate possible. Our proven, efficient, member-friendly method has resulted in an average response rate of 98% due to our "high tech, high touch" approach. Our aim is to hear back from every single member of the plan to ensure the highest rate of accuracy in our ineligible reporting.

With our track record of ZERO appeals, PDA has set the standard in conducting successful DEV reviews while maintaining positive member relations. We've generated significant ROIs for clients across the country in union trusts, manufacturing, municipal, retail, healthcare, and technology sectors, including:

- Electrical Workers Insurance Fund
- La-Z Boy
- Massachusetts Laborers' Benefit Fund
- Suffolk County, NY

Estimated Return on Investment Sample

Dependent Eligibility Verification projects demonstrate strong savings due to the removal of ineligible dependents. Every ineligible dependent removed from the plan has the potential for significant savings.

Potential Savings and Return on Investment for a Plan Sponsor with 5,000 Dependents

Dependents Removed (%)	Dependents Removed (#)	Annual Savings*	Audit Fee	Return on Investment
5%	250	$ 895,500	$ 40,000	$22 : $1
10%	500	$ 1,791,000	$ 40,000	$45: $1

* Part D Advisors' book of business average annual benefit expense per dependent is $3,582.

At a fee per dependent, the DEV project costs the equivalent of the average annual health care expense of fewer than 45 dependents. In other words, the sample plan sponsor only needs to remove 45 ineligible dependents in order to essentially pay for the Dependent Eligibility Verification Services.

In addition to the one-time DEV review, Part D Advisors offers an ongoing verification service for a monthly fee that can help plan sponsors maintain the integrity of their eligibility and avoid paying for ineligible dependents' health care costs going forward.

If you would like additional information on PDA's Dependent Eligibility Verification services or a customized quote for your clients, please reach out to Andrea Prymak at **(734) 459-8940** or via email at **APrymak@PartDAdvisors.com**.

The value of PDA's Ongoing and Reopening Retiree Drug Subsidy services for plan sponsors is second to none.

Upcoming RDS Deadlines

Reconciliations

(plan year end | recon. due date)

09/2020 | 01/03/2022
10/2020 | 01/31/2022
11/2020 | 02/28/2022

Applications

(plan year start | app. due date | w/ 30-day ext.)

04/01/2022 | 01/03/2022 | 02/02/2022
05/01/2022 | 01/31/2022 | 03/02/2022
06/01/2022 | 03/02/2022 | 04/01/2022

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