

LaborFirst | RetireeFirst

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# Start Planning for the 2025/2026 Renewal Season

On-Demand

Welcome!

# Meet the Presenters



**Larry Behrman**

SVP, Labor  
Market Growth



**Stephanie Gaffney**

RVP, Public Sector  
Sales



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SVP, Public Sector & Commercial  
Market Growth

# Agenda

1. Year in Review
2. Case Studies
3. Actions for Plan Sponsors to Consider
4. Q&A



# Year in Review

# 2024 Year in Review

## *CMS Annual Rate Announcement*

**Risk Adjustment Model Coding Progression from ICD9 to ICD10;**  
2025 will be the second year of a 3-year phase-in

**Growth Rate Decrease of 0.11% (from 2.44% announced in the Advance Notice to 2.33% in the Final Notice)**

## *Medicare Part D Redesign/IRA*

**Changes to Part D Phases & Contributions Announced**

**Member OOP Capped at \$2,000**

**Medicare Prescription Payment Plan (M3P) Introduced**

## *Final Rule Updates for MA/Part D*

**Improved Access to Behavioral Health**

**Focus on Health Equity**

**Requirement of a Mid-Year Notification of Unused Supplemental Benefits**

**Mid-Year Formulary Substitutions Permitted**

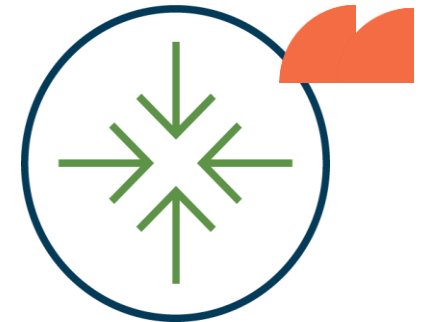
## *Shorter Quoting Season*

**Impact of regulatory changes delayed 2025 rates from insurance carriers and shortened the 2024 quoting season.**

# Impact to Plan Sponsors in 2024

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- Last year was challenging for most plan sponsors due to increased utilization, delays in the timing of proposals and renewals, and pricing increases driven by the impact of the IRA and CMS changes
- Many plan sponsors had not planned for pricing increases putting additional strain on their budgets
- Due to time constraints from delays in renewals, and uncertainty around the Medicare landscape in 2025/2026, many plan sponsors, particularly in the Public Sector, did not fully explore options to reduce costs
- Plan sponsors who had more flexibility around the timing of their decisions made more changes to their options—plan design, member contributions, carrier selection, and formulary—in comparison to the last several renewal cycles
- There was more migration to new carriers compared to the last several renewal cycles



**Data on the impact across our book of business on the next slide.**

# Impact to Our Clients in 2024

## Key Takeaways

- **Premium Increases:** nearly half of all plans across our book of business experienced a YOY premium increase ranging from 6–25%
- **Carrier Migration:** 13% of our clients migrated to a different carrier in 2025, more than double the number (6%) of clients who migrated in 2024. (We will give an example of when this migration made good business sense in our Case Studies section.)

### Our Book of Business: % of Plans YOY Premium Increases

	<6%	6–25%	26–50%	>50%
MA, MAPD, EGWP, & Medicare Supplement	23%	45%	19%	13%

### Our Book of Business: Carrier Migration

	2024	2025
Clients Remained with Same Carrier (%)	94%	87%
Clients Migrated to New Carrier (%)	6%	13%





# Case Studies

# Case Study: Medicare Supplement to MAPD

**Situation:** A public sector client with 400 retirees covered under the retiree benefit. The group pays the majority of the premium, benefits are rich, and the client is paternalistic towards the actives and retirees.

## **Pain Points:**

- Concerns and requirements over maintaining current benefits
- Vocal retiree population
- Needing competitive benefits for recruitment to keep pace with surrounding municipalities
- Budget constraints

## **Goals:**

- Provide additional, richer benefits
- Find cost savings
- Minimize disruption for retirees

**Solution:** Full replacement to MAPD with reputable and national carrier. Delivered a richer plan with cost savings for both employer and retiree. Increased member satisfaction through proactive communication, meetings, and Retiree Advocacy Services.

# Case Study: Benefit Design Change to Mitigate Increase with Same Carrier

**Situation:** A labor client received a 26% premium increase with their Medicare Advantage Prescription Drug (MAPD) plan renewal. The plan covered 150 retirees, and the client was seeking strategies to control costs while maintaining retiree benefits.

**Pain Points:**

- A higher-than-expected premium increase

**Goals:**

- Reduce the premium increase while maintaining retiree benefits
- Minimize disruption and stay with the same carrier

**Solution:** Evaluated strategies to make plan design changes that would impact the least number of members. Changing the specialty cost share from a co-pay to a co-insurance reduced the premium increase from 26% to 12%, and only impacted less than 15 members taking specialty medications.

The new \$2000 MOOP cap provides additional protection to members' annual out-of-pocket expenditures, saving this client an additional \$57K in costs.

# Case Study: MAPD Carrier Change

**Situation:** A labor client had a Medicare Advantage Prescription Drug (MAPD) plan covering 500 retirees. Their 2024 premium was \$250 PMPM, but the renewal for 2025 came in at \$375 PMPM—a 50% increase. The client decided to explore options including looking at other carriers.

**Pain Point:**

- A renewal that exceeded allocated funds

**Goals:**

- Maintain benefit levels within budget
- Manage retirees' fixed costs
- Sustain the fund for active contributors and retirees alike

**Solution:** Evaluated other carriers who could duplicate benefits. The client decided to change carriers effective 1/1/25 for a \$300 PMPM 2025 rate (a 20% increase instead of the 50% increase they would have received if they didn't transition.) Changing carriers saved the client an additional \$450k in costs.

The client and their members experienced a seamless implementation through our dedicated advocacy efforts, retiree education meetings, and proactive communication strategies.

# Case Study: RDS to EGWP or MAPD

**Situation:** A Labor client utilizing **RDS** for retiree drug coverage was looking for a more cost effective pharmacy benefit solution. They also wanted to explore the transition from **Coordination of Benefits (COB)** to Medicare Advantage (MA). They were referred to our solution by other locals within their trade.

## **Pain Points:**

- The RDS program had become cost-prohibitive
- Rising costs of COB were a significant concern

## **Goals:**

- Reduce costs while maintaining benefit levels
- Prevent any negative impact to retiree service levels pre/post transition

**Solution:** Identified a standalone EGWP/Rx carrier and married the Rx to a separate reputable and national Medicare Advantage (MA) carrier; matching current Rx and medical plan designs. Achieved savings via both programs, while our service model gave their board the confidence to proceed with the transition. Through our advocacy, seamless implementation, and proactive communications, we ensured a smooth carrier transition, including continued care needs such as scheduled surgeries.

# Case Study: Advocacy for Actives *Newly Launched at LaborFirst*

## Situation:

- A labor client wanted the same **healthcare navigation and advocacy** we provide their retirees, extended to their **active population**
- The client is committed to engaging their members in wellness programs, care management initiatives, and point solutions, recognizing the importance of these efforts in **improving health outcomes**

## Pain Points:

- Low utilization of **existing point solutions**
- Concerns about effectively engaging members in programs that could improve health outcomes and deliver **ROI**
- Challenges navigating the complexities of the healthcare system (referrals, billing, Rx issues, appointment setting, etc.) in conjunction with member noise/dissatisfaction

## Goals:

- Increase member participation in wellness programs and care management tools
- Cost control and better health outcomes
- Happier active members

**Solution:** Members receive personalized advocacy services to assist **navigating health system** and insurance complexities. Collaborating with a TPA, we gained **access to utilization data** that allowed us to spotlight opportunities for members to benefit from point solutions. Our Advocates use these insights to conduct proactive outreach and "**passive conversations**", fostering trust with members. This trust encourages member participation in programs, leading to improved health outcomes and ultimately reducing the fund's healthcare costs while promoting increased member satisfaction.



# Planning for 2025/2026

# 2025 Roadmap

**JANUARY 10**

## Advance Notice & Draft Part D Redesign

CMS released the Proposed Payment, rules, and methodology for CY 2026 MA and Part D Programs along with the draft for CY 2026 Part D Redesign Program Instructions

**FEBRUARY 10**  
**Feedback Due**

### Q1 Action Items

- Develop your roadmap early and stay informed
- Meet with your broker/consultant to discuss strategies
- Monitor potential changes driven by Trump's new Administration
- **Analyze Advance Notice and Part D Redesign from CMS**

**BY APRIL 7**

## Final Notice & Final Part D Redesign

CMS will publish the Final Notice and Final CY 2026 Part D Redesign Program; carriers will be able to fine-tune their financial and operational models

**EARLY JUNE**  
**Individual Bids Due**

### Q2 Action Items

- Prepare for any changes to plan design, benefits, formularies, products, or carriers
- Request preliminary carrier plan and pricing proposals
- **Determine impact based on Final Notice and Part D Redesign**

**LATE JULY / EARLY AUGUST**

## CMS releases National Average Bid Amount

Based on this release, plans are able to determine the direct subsidy amount

### Q3 Action Items

- **Carrier rate finalization**
- Finalize strategies and decisions on plans and products

**MID-OCTOBER – DECEMBER**

## Open Enrollment

Medicare open enrollment for plans going into effect on January 1, 2026

### Q4 Action Items

- January 1 readiness and preparation



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## Q&A

Book a meeting with us!

**Book a Meeting  
with one of our  
advisors via QR code or  
[info@RetireeFirst.com](mailto:info@RetireeFirst.com)**

