



Rx Case Study

TAGCO
ASSOCIATES, LP
TAGCO Multiple Employer Trust

TAGCO MET Rx Case Study

- Our TAGCO MET client is a mid-market Texas County with 300+ over 65 Medicare eligible Retirees and 300+ under 65 Retirees.
- The Client provides pre and post age 65 Retiree benefits and in reviewing their benefits we discovered the following:
- The County was paying \$195 PMPM (Per Member Per Month) for fully insured post 65 Medicare Supplement Plan “F” type benefits;
- The County self-funded post 65 Rx benefits through their current PBM;
- The County’s plan was in danger of being deemed “non creditable” coverage by CMS (Center for Medicare Studies), based on 2011 benchmarks;
- The County was also responsible for filing for the Retiree Drug Subsidy (RDS) from CMS, but that required extensive paid claims tracking, an expensive annual actuarial attestation and filing delays is receiving the subsidy;
- The County was currently billing and collecting pre and post 65 retiree premium contributions on a monthly basis;
- Due to budget cuts, the County’s HR staff was being cut from 5 people to 2 people effective 01/01/2011;
- The TAGCO MET /Group Administrative Concepts, Inc. (GAC) Solution(s)
- TAGCO Assoc, LP/GAC was able to reduce post 65 premiums to \$182 PMPM due to our large pool of retirees;
- TAGCO Assoc, LP/GAC funded the post 65 retiree drug program with a fully insured group Medicare Part “D” Plan, which is deemed Creditable Coverage. The Plan was also less expensive than the current funding level and we eliminated the cost, overhead and burden of claim tracking, actuarial and CMS filing costs;
- TAGCO Assoc, LP/GAC accepted responsibility for all pre and post 65 premium contribution collections, thereby eliminating County involvement and expense;