



Many employers are looking for options to help older (65+) employees and retirees save on their healthcare costs. Medicare is often the best option for this age group, but federal regulations prohibit employers from making direct premium payments for Medicare or Medicare-related coverages.

**Fortunately, employers have options that do meet federal guidelines:**

- Medicare Advantage Employer Group Waiver Plans (EGWPs) for retirees, which must comply with requirements of the Center for Medicare and Medicaid Services (CMS).
- Health Reimbursement Arrangements (HRAs), which give active employees and retirees a way to receive reimbursements for premiums and medical expenses.

## Employer-Sponsored Medicare Advantage EGWP

Instead of reimbursing retirees for premiums and out-of-pocket expenses, companies may choose to offer an employer-sponsored Medicare Advantage EGWP plan to provide coverage under Medicare Parts C and D (*aka* Parts A, B, and D).

**Here's how EGWPs work:** The employer negotiates with their insurance carrier to design a private Medicare Advantage (MA) plan for their retirees. The MA plan must follow all Medicare Parts C and D requirements except for any that have been explicitly waived by CMS. Then, just as it does for private individuals choosing a commercial MA plan, the federal government pays the insurance carrier a set amount for each plan enrollee.

Due to CMS waivers, EGWPs can set their own enrollment periods and send certain information to members without prior CMS approval. They also have fewer provider network requirements, among other relaxed mandates.

## HRA Reimbursement Plans

By establishing an ICHRA or QSEHRA plan, employers can reimburse active employees and retirees for the healthcare premium costs they incur, such as:

- Medicare Part B (medical care)
- Medicare Part D (prescription drugs)
- Medicare Advantage (*aka* Medicare Part C)
- Medigap/Medicare Supplement
- Private health insurance coverage

**ICHRA plans** can reimburse premiums for Medicare Parts B and D, Medicare Advantage, and Medigap/Medicare Supplement coverage, as well as private health insurance coverage.

**QSEHRA plan** reimbursement requires that the employee have Minimum Essential Coverage (MEC), which can be met by either Medicare Part A or Medicare Advantage. QSEHRA funds can then reimburse premiums for Medicare Parts B and D, Medicare Advantage, and Medigap/Medicare Supplement coverages, in addition to private health insurance coverage.

Depending on plan setup, either of these HRA plan types can incorporate one of our benefits debit cards – the Summit card or the COMPASS™ card – to use with eligible healthcare expenses such as:



Copays



Coinsurance



Deductibles



Dental, vision, and hearing care



Over-the-counter medications

## Medicare Solutions Card Processing and Debit Cards

Whether your administrative platform is proprietary or from a vendor whose card processing services don't meet your needs, you can use DataPath's benefits debit cards and card processing solutions with any of the Medicare-related programs referenced in this brochure.

## Medicare Solutions in Summary

| FEATURE   | ICHRA | QSEHRA | EGWP |
|---|-------|--------|------|
| Can be used with active employees aged 65+ of any sized company                             | X     |        |      |
| Can be used with active employees 65+ by companies that have fewer than 50 employees        |       | X      |      |
| Can be used with retiree plans  | X     | X      | X    |
| Can reimburse premiums  | X     | X      |      |
| Has an annual premium reimbursement limit   |       | X      |      |
| Can provide Medicare Advantage coverage to company retirees                                 |       |        | X    |
| Can pay or reimburse qualified medical expenses, either with or without a linked debit card | X     | X      | X    |

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