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February 9, 2022

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Tara Foster
Compliance Specialist
Health Management Administrators
10700 Northrup Way, Suite 100
Bellevue, WA 98004

Re: Creditable Coverage Certification – 2022 City of Tukwila Medical Benefit Plan

Dear Tara:

Per your request, Actuarial Northwest completed the Medicare Part D creditable coverage test for the City of Tukwila Medical Benefit plan, effective January 1, 2022. Below are our results.

Benefit Plan / Effective Date	Test Result
City of Tukwila Medical Benefit Plan - January 1, 2022	Pass

The prescription drug plan meets the creditable coverage requirements of 42 CFR 423.884, Requirements for Qualified Retiree Prescription Drug Plans, by evaluating the expected amount of claims paid through the Plan. In order to pass the test, the Plan must be actuarially equivalent, or at least as much as, the expected total estimated under Medicare D. Due to the size of the Plan Sponsor’s Medicare-eligible membership, we have used normative data to evaluate the plan.

Data Sources

The calculations and analysis are based on plan design information provided directly by Healthcare Management Administrators. While we have reviewed the data for reasonableness, we have not audited the data.

Plan Design

The key components of the plan design evaluated are listed below.

Prescription Drug Plan Component	Elixir Pharmacy
Deductible (Individual / Family)	N/A
Out-of-Pocket Maximum (Individual / Family)	\$1,500 / \$4,500
Retail Pharmacies	
Generic Drugs	\$5 Copay
Brand Name Drugs	
On Formulary Drug List	\$15 Copay
Not On Formulary Drug List	\$25 Copay
OTC proton pump inhibitors / histamine-2 blockers	\$0 Copay
Dispensing Limit	34 days
Mail Order Pharmacies	
Generic Drugs	\$5 Copay
Brand Name Drugs	
On Formulary Drug List	\$15 Copay
Not On Formulary Drug List	\$25 Copay
Dispensing Limit	90 days

Methodology

Actuaries Northwest performs our analysis based on a combination of various methods and tools. It includes data and tools published by the Centers for Medicare and Medicaid Services, information available through industry studies and resources, and utilization of proprietary in-house data and analysis. Each plan design component is evaluated to determine the effect on actuarial value.

Exhibit I illustrates the results of the test using Actuaries Northwest's normative claim distribution. The Adjusted Plan Expenses for the City of Tukwila Medical Benefit plan exceeds that of Standard Part D and therefore passes the creditable coverage test.

EXHIBIT I

	Medicare D Standard Plan	City of Tukwila Medical Benefit Plan
Eligible Expenses	\$2,411	\$2,411
Adjusted Plan Expenses	\$1,570	\$2,220
Percentage Over Standard Plan	-	41%
Gross Value Test Result	-	Pass

Sensitivity Analysis

Our analysis included measurement of sensitivity to different levels of prescription drug trend. The plan results are as follows:

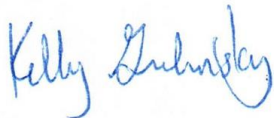
- The City of Tukwila Medical Benefit plan readily passed both tests using annual pharmacy trend variances of +/- 5%.

Creditable Coverage Attestation

This analysis has been prepared to demonstrate the creditable coverage of the City of Tukwila Medical Benefit prescription drug program as determined by the benefits provided by Medicare Part D. To complete my analysis, I have relied on plan design information supplied by Health Management Administrators. For the purpose of this coverage analysis, I applied their prescription drug plan design to Actuaries Northwest normative data to determine creditable coverage.

The analysis was developed using generally accepted actuarial principles and practices and reflects reasonable expectations of anticipated plan experience. This analysis demonstrates the gross value test of actuarial equivalence in compliance with the CMS requirements under 42 CFF 423.884, and is in accordance with applicable laws and regulations. This analysis may not be appropriate for any other purpose. The documentation of the methods and assumptions used in the development of the creditable coverage has been provided in this report. The creditable coverage certification that is associated with this attestation is for the plan year beginning January 1, 2022.

The undersigned is a qualified actuary of Actuaries Northwest, LLC, a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I certify that I meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established from time-to-time by the Actuarial Standard Board. All of the sections of the report are considered an integral part of the actuarial opinion.



Kelly W. Grebinsky, FSA, MAAA, FCA
Member, American Academy of Actuaries
Membership Number: 27090

February 9, 2022

Date

City of Tukwila Medical – Creditable Covg Cert - 020922.doc
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