

Future-Proofing Retiree Health Care

Barnard College's Retiree Medical Strategy

A Case Study

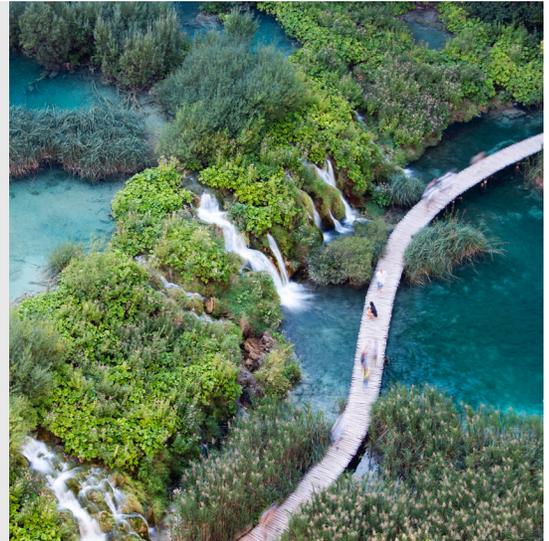
At a Glance

Client: Established in 1889, the New York City women's liberal arts college is a leader in higher education

Challenge: Sustain the level of benefit offerings already in place while redesigning their retiree benefit package to achieve cost savings, reduce administrative burden, and expand their network of health care providers

Approach: Implement the right platform fit for their retiree population with Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees

Result: Reduced retiree medical program costs, diminished administrative burden, and widened network of health care providers



Since it was established in 1889, Barnard has been a leader in higher education, offering a rigorous liberal arts education to women. A diverse intellectual community, Barnard is dedicated to promoting intellectual risk-taking and curiosity, to fostering resilience, agility and creativity, and to preparing their graduates to flourish in the world. Located in the cosmopolitan, urban environment of New York City, Barnard has produced some of America's most talented leaders in business, science, politics and the humanities, including Martha Stewart, Cynthia Nixon, Joan Rivers, Jhumpa Lahiri, Zora Neale Hurston, and Margaret Mead.

Barnard's commitment to fostering intellectual curiosity doesn't stop with their students. A thoroughly maternal institution, the college treats faculty and administrators with the same care and affection shown to their pupils. That same level of personal interest naturally extends to their retirees.

The Challenge

Like many institutions of higher learning, Barnard traditionally offered their retired faculty and administrators a generous 403(b) retirement plan along with a cost-sharing medical benefit program. Pre-Medicare retirees could continue with the same benefit plan they enjoyed while employed, at a 50% cost share. Medicare-eligible folks would enjoy 100% cost share, with the onus on Barnard.

As health care costs rose over time, Barnard absorbed the bulk of the increases. In an effort to move toward greater fiscal responsibility, in 2011, they began exploring alternatives to the retiree medical program currently in place.

While the goal was to sustain the level of benefit offerings already in place, they hoped that by redesigning their benefit package, they could achieve some cost savings while reducing their administrative burden.

Another pain point Barnard needed to address was that the retiree benefits they were offering didn't extend beyond the New York metropolitan area. As Terryann Waldron, Senior HR Manager for Benefits and WorkLife at Barnard says, "a lot of the folks that retire from Barnard migrate to other areas of the US."

"We wanted to make sure we had a platform that could extend benefits to our retirees, no matter where they lived."

The Solution

Waldron describes what would have been the ideal solution for the college in 2011: "Barnard was looking for a **platform that was engaging, that had online tools, and that was the right fit to deal with our retiree population and give them a sense of ease, almost like they were dealing with someone internal here at Barnard.**"

Willis Towers Watson's Individual Marketplace for Medicare-eligible retirees was able to deliver on all these fronts and more.

The concept of a Medicare marketplace with a health reimbursement arrangement (HRA) appealed to Barnard, and Willis Towers Watson was able to serve as the funding administrator, effectively taking on that administrative burden. They appreciated Willis Towers Watson's ability to provide exceptional support for their retirees during the transition.

This benefit structure also enabled Barnard retirees to access medical coverage no matter where they resided, solving the geographic conundrum. **"With their trusted advisors...[retirees] can find a network provider pretty much anywhere in the US,"** Waldron says.

The college also appreciated the prospect of capping their retiree medical liabilities for the long term.

Implementation

Having a deep history in benefits administration, both in the public and private sectors, Waldron was familiar with how retirees traditionally react to change.

"Retiring is somewhat of a pleasant experience," she says, "but it can also be frustrating and can come with some anxiety."

Knowing this, Barnard crafted a targeted mailer to their retiree population, announcing the transition and introducing Willis Towers Watson Individual Marketplace. It contained detailed information about why and how the transition was occurring, as well as what they would be asked to do in order to continue their medical benefits. It explained the HRA, how much they would be getting, and prepared them to receive additional communications directly from Willis Towers Watson.

Waldron reports that in the time she has worked with Barnard, she has been able to confidently respond to most retiree concerns, saying that Willis Towers Watson would be there to guide retirees through the process, end to end.

"Everyone that I've talked to has walked away with a sense of a comfort that the process will be seamless and that they will get what they need when the time comes. I haven't heard any concerns from the retiree population."

Results

Since 2012, Barnard has experienced a reduction in costs associated with their retiree medical program, as well as a diminished administrative burden. Their retirees are happy with a wider network of health care providers, and they are receiving a generous HRA contribution.

Waldron concludes, "It was a sound choice for our population. Barnard made a very wise decision in choosing Willis Towers Watson."

About Willis Towers Watson

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