



What you need to know about Medicare Advantage (MA) Employee Group Waiver Plans (EGWPs)

What are EGWPs?

MA, which began over 20 years ago, is the private plan alternative to Original Medicare (enrollment in Parts A and B). Today, more than half of people enrolled in Medicare are enrolled in an MA plan

MA EGWPs are a type of MA plan. MA EGWPs are group plans negotiated between employers and private insurers and overseen by the federal government.



EGWPs have become a critical tool for public sector employers seeking to manage costs and maintain comprehensive benefits for their retiree populations.

What makes MA EGWPs unique?

Individual MA plans found on Medicare.gov are an agreement between the health insurance company and each individual person. MA EGWPs are unique because the public sector employer negotiates and purchases the health plan on behalf of a group of people. Specifically, MA-EGWPs provide:

- Offer people the **same, affordable** health insurance benefits year-over-year;
- Are **flexible** to the specific **health care** needs of the employees, retirees, and their families;
- Usually includes health insurance coverage for **high-quality care** in hospitals and offices, for **prescription drugs**, and include other benefits while helping with navigating the health care system; and
- **Support states' goals** to hire and retain employees while limiting costs and securing steady spending year-over-year.



Because public sector employers are state and local governments, the “employer share” of MA EGWP contracts are paid for by state and local governments’ budgets.

Who do MA EGWPs cover?

- 13% of the United States workforce are public sector employees, working as teachers, firefighters, police officers, and other state and local government employees. When they retire, public sector employees **receive health insurance coverage** from public sector purchasers **through MA EGWPs**.
- Because of their career, **public sector retirees are more likely to experience chronic illnesses and disabilities**. For example, firefighters are more likely to develop lung cancer and teachers are more likely to have sleep disorders. MA EGWPs are designed to be flexible to meet public sector retirees’ unique needs.



In 2023, about 20% of all MA enrollees were enrolled in an MA EGWP.



EGWPs offer a compelling, innovative value proposition: the ability to deliver integrated, high-quality care at predictable, stable costs while supporting diverse, high-needs populations.

The Importance of Protecting and Strengthening MA EGWPs



Public sector purchasers recruit and retain essential employees by creating strong compensation packages that support workers' health and financial wellness through their retirement. Changes to MA EGWPs could unintentionally harm state and local governments' ability to hire and keep employees to work as educators, public safety officers, emergency responders, and other essential community roles.



Unlike individual MA plans, EGWPs pair insurance plan management with active employer involvement to limit fraud, waste, and abuse, control cost growth, and guarantee retirees receive appropriate, high-quality care.



When looking at the Medicare program overall, it is important to support and learn from public sector purchasers' innovative, flexible, and efficient use of MA EGWPs.

Ways The Roundtable and The Institute are Supporting MA EGWPs

- **Creating resources to educate** policymakers, plan sponsors, plan administrators, and beneficiaries on public sector MA EGWPs, rising drug prices, and shifting federal policies.
- **Discuss challenges and identify solutions** with public sector MA EGWP plan sponsors, plan administrators, and beneficiaries to discuss challenges and identify solutions.
- **Tracking and identifying potential legislative or regulatory changes** in federal and state governments
- **Conducting research to identify trends** in plan benefit designs and spending

About the National Institute for Public Employee Health Care Policy



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The **National Institute for Public Employee Health Care Policy's** (The Institute) mission is to advance and safeguard the interests of public sector employees, retirees, and their dependents by supporting their access to affordable, comprehensive, high-quality health care. Through the development of public policy research and analysis, the Institute raises awareness and advances the knowledge base on key issues impacting public sector purchasers and their health care plans.

About the Public Sector Health Care Roundtable



The **Public Sector HealthCare Roundtable** is a non-profit, non-partisan, member-directed coalition that exists to give public sector health care purchasers and state and local health plan administrators a voice in the design, development, and implementation of national health care policies. The Roundtable brings together 34 members from 19 states, strengthening its ability to advocate on behalf of millions of public employees, retirees, and their families.