

AlaskaCare Retiree Town Hall

Event Summary

- Date** Thursday, October 17, 2019 | 10:00 to 11:00 a.m.
- Recording** <https://vekeo.com/event/stateofalaskadrb-47423/>
- Attendance** Attendees were encouraged to register in advance to ensure their phone number would be called. All retirees who registered online for the event or whose phone number was on file with DRB were included on the auto-dial call list. Approximately 618 attendees participated in the call and an additional 127 streamed the audio online.

Presenters

<i>State of Alaska, Department of Administration Staff + Contractor</i>	
Emily Ricci	Chief Health Administrator, Division of Retirement and Benefits
Steve Ramos	Vendor Manager, Division of Retirement and Benefits
Andrea Mueca	Health Operations Manager, Division of Retirement and Benefits

Introduction

Emily Ricci provided a brief overview of the Town Hall format, encouraged participants to submit questions on the phone during the event or via e-mail, and reminded participants that sharing personal health information or questions about individual claims cannot be addressed publicly in this forum. Participants can submit questions before or during the event at: drbtownhall@alaska.gov.

News from the Division

DVA Plan update

Retiree DVA open enrollment has begun! Enroll any time from October 16 through November 27, 2019 at 5:00 pm Alaska Time. Eligible retirees should have received a **benefit comparison** and **enrollment guide** in the mail. These materials are also available on the DRB webpage: www.AlaskaCare.gov/dva

We encourage all eligible retirees to review the dental benefits in both plans before making a selection. You will have two choices, the plan you have today, the standard plan or the plan that was in place in 2013, the legacy plan. The selection is for the 2020 benefit year. You will be provided an opportunity on an annual basis to make a plan selection. You can enroll using the online form provided on the DRB webpage www.AlaskaCare.gov/dva. If you need any assistance enrolling, please contact the DRB Call Center at (907) 465-4460 or toll-free at (800) 821-2251. If you are currently enrolled in the Dental, Vision, and Audio (DVA) plan and take no action, meaning you do not make any plan selection by the end of the open enrollment period, you will remain in the plan you currently have today, the AlaskaCare retiree standard DVA plan. Vision and audio benefits remain the same in both plans. If you need a paper enrollment form, please contact the division.

Summary of Questions and Answers

The following questions were answered during the call. Presenters answered as many questions as possible during the hour, and chose questions that were representative of the topics being asked most often, from a variety of participants from across Alaska and other locations in the U.S.

1. Question: My husband is in the standard plan, will the premium increase?

For the standard plan for 2020, the premiums are the same. The premiums for the legacy plan are slightly higher. All the premium information is available in the 2020 Dental Benefit Comparison, and online.

Coverage Level	Standard Plan 2020 Monthly Premiums	Legacy Plan 2020 Monthly Premiums
Retiree Only	\$66	\$73
Retiree and Spouse	\$131	\$145
Retiree and Child(ren)	\$119	\$132
Retiree and Family	\$187	\$207

2. Question: I’m confused. If I pick the legacy plan and my dentist is not in-network, will I be penalized?

We recommend that you check if your dentist is currently in the Delta Dental network. When you are considering the standard and legacy plan differences, know that both plans have access to the same broad Delta Dental network. If your provider is already in-network, we don’t anticipate there would be a change in how payment is occurring. In January we will be implementing a PPO network in the standard plan, which will offer deeper discounts if you see a dentist who participates in that network. You may want to see if your dentist is in the Premier Network and see if they are in the PPO network as well. You can call Delta Dental at 855-718-1768 to find out what network your provider is in. If you find out your dentist is not in-network, you will want to look at how the plans handle out-of-network payment. The standard plan pays out of network dentist at a lower rate than the legacy plan. The standard plan pays out-of-network dentists at 75% of the 80th percentile. The legacy plan pays out-of-network dentists at 100% of the 90th percentile.

3. Question: Is my dentist in the network plan?

If you are not sure, you can call Delta Dental and they can assist you with finding out if they are part of the Premier and/or the PPO network. We would encourage you to find out if any of your providers, medical or dental are in-network. When providers are part of the network, there is a contractual agreement between the third- party administrator and the provider. The benefit of the contractual relationship is the provider knows what they will be reimbursed for, they have agreed on a fee with the third-party administrator, the provider and the plan know how services will be reimbursed. The provider also agrees to not balance bill the members. If you go to an out-of-network provider, there is no agreement on how reimbursement will occur, and the provider can balance bill members. If you want to find out if your provider is in network, you can go to the AlaskaCare website and use the provider search tools, or you can call the third-party administrator. If you want to check if your dental provider is in-network, you can call Delta Dental at 855-718-1768.

4. Question: What is the 80th and the 90th percentile?

The standard plan pays out-of-network dentists at 75% of the 80th percentile. The legacy plan pays out-of-network dentists at 100% of the 90th percentile. The percentile is not a percentage, an example for the legacy plan is if you took 100 charges for the same procedure and you lined them up from lowest to

This information is intended to supplement but not replace the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.

highest, the 90th charge would be the 90th percentile. Its not an average or a mean, it literally is the 90th charge.

The charges are based on FAIR Health charges for both the standard and legacy plan for benefit year 2020. FAIR Health is a nonprofit organization, and they collect charges from insurers on a regular basis. FAIR Health looks at the charges for a given procedure for a given zip code, in Alaska there are 5 zip codes considered, and FAIR Health uses those charges as the basis for determining the percentiles. FAIR Health is an organization that AlaskaCare has been using to determine out of network charges for a very long time. www.fairhealth.org

5. Question: What are the premium differences?

There are two premiums sets for the two dental plans. The standard dental plan is the plan that is in place today. It was put in place in 2014 and reflects the 2014 changes. Beginning January 1, 2020, members can also participate in the legacy plan, the plan in place prior to 2014. Each plan option has a premium rate. The premium information can be found online at

<http://doa.alaska.gov/drb/alaskaCare/retiree/information/premiums.html>

The actuaries based the premiums on the value differentials, not on the number of members that participate in each plan. Premiums are based on the overall value the plan provides. The standard plan, because it has deeper provider discounts, incentivizes members to use the provider network, and because it provides a higher benefit coverage level, has lower premiums. The legacy plan has slightly higher premiums which reflects higher out of network payments to providers.

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6. Question: If my wife and I choose different DVA plans, how will they coordinate?

If each of you have vested and have your own policy, you can each select a plan and claim the other spouse as a dependent. For example, you could choose the standard plan and claim your wife as a dependent, and she could choose the legacy plan and claim you as a dependent. The plans will coordinate benefits. The primary plan would be the one that lists you as the subscriber, and your spouse’s plan would be your secondary plan. If both plans covered a service, together they could pay up to 100% of the recognized charge or the contracted amount.

7. Question: I’m a vested Tier 1 retiree since 2006 and enrolled in Medicare in 2016. I really appreciate everything the State of Alaska has provided to me. My question is about my spousal benefits, related to her turning 65 in 2020, and continue to work. Her employers insurance does not require her to enroll in Medicare. Will her not enrolling in Medicare affect her spousal benefits in any way?

I would encourage you to contact the division directly to review your specific situation. The AlaskaCare Health Plan Booklet talks about this situation. When a person has an employee health plan, it will become primary for that person. Your retiree benefits pay as secondary to Medicare part A and Part B.

AlaskaCare, by statute is secondary to Medicare. If you do not enroll in Medicare because you have other primary coverage, AlaskaCare will still pay as if you have Medicare Part B, and would pay in the third position, and typically pay zero. Its very important that even if you have an employee plan, and you take Medicare late, that you understand AlaskaCare will still pay as if you did have Medicare.

8. Question: I retired in 2008. The legacy plan did not have a network provider, we could go to the dentist of our choice and have our cleanings taken care of.

Before 2014 there was not a large dental network in place and AlaskaCare was paying all providers at 100% of the 90th percentile. The changes in 2014 provided and promoted the network option for members. The rationale is that the networks bring cost savings to the plan and the member and protects them from balance billing and allows the plan and the member to pay less for the same service. Particularly in the DVA plan, since its fully supported by member premiums, you pay the plan benefit. Premiums had been increasing each year for the last 10 years. The plan has a \$2000 annual individual benefit maximum. If premiums continue to go up, and there is no effort to contain the overall cost of the plan, retirees could end up paying premiums that negate the benefit of the dental plan. The division is constantly trying to make sure that for the premiums you are paying, you are getting the maximum value. In 2014 when the division made changes to the plan, the changes were focused on two areas.

- Adding a dental network that members could have access to. Right now, 80% of members are receiving services from a network dentist.
- Adopting evidence-based guidelines, for example, the ADA based guidelines for services. Prior to 2014 members were accessing as many cleanings as they want, which is fine, but again all the dental cleanings are paid by the total plan cost. To make sure the premiums did not continue to go up, the 2014 plan implemented ADA standards. For most people 2 cleanings are enough, and for some people there are conditions or situations that provide them access to more cleanings. Also, the 2014 changes improved coverage for periodontal cleanings; they were moved to class I - preventive and covered at 100% and not subject to coinsurance or deductible.

One of the things that is different about the legacy plan, beginning Jan 1, 2020, is that the network discounts will be available to the standard plan and the legacy plan participants, through the premier network. The value of that dental network is important to our members, and we wanted to make sure that members of both plans retain access.

9. Question: When you put covered in both columns of the benefit comparison, the full explanation is not there. Some services are listed as covered, but it's not clear how not how often.

One of the problems that the division was struggling with in 2013 is the legacy plan language was very broad and did not indicate what limitations were being applied or existed. In general, when we say covered, there are not any specific limitations or frequency limits in place, outside of the requirement that the legacy plan 'does not provide benefits for dental services or supplies that are not necessary for diagnosis or treatment of dental conditions as determined by the claims administrator, even if prescribed, recommend or approved by a dental professional'. That was the plan language in effect from 2013 and prior.

In the standard plan, it's called dental necessity. The plan indicates that the services need to be necessary to treat the condition. For example, you must have a cavity in order to receive the service of filling a

cavity. The dental necessity requirement in the Standard Plan is ‘services and supplies are covered in each class when performed by a dentist or dental care provider and when determined to be dentally necessary.’ Both plans have similar language when it comes to dental necessity. Services must be necessary to treat the condition.

The legacy plan language from 2013 was used to develop the comparison sheet. One of our goals in the 2014 plan was to explicitly list the services and rules so members were not surprised.

10. Question: My wife and I are both retirees, and at the time of retirement we choose to be cross covered for Medical, but not DVA. Can we do that now?

During the open enrollment period, eligible members will have the option to increase coverage.

11. Question: I’m reviewing the paperwork you sent. I see the premium difference. It only talks about the dental. Does it cover vision and hearing?

The premiums encompass the dental, vision and audio benefits for both plans.

12. Question: Under the legacy plan, the wording says the claims administrator decides what is dentally necessary. Whereas, the statement under standard seems to indicate my dentist would decide that question.

The claims administrator performs the same function in the legacy plan and the standard plan, but how that function is described differs between the two plans. We replicated the plan language for the Legacy Plan; we moved the 2013 booklet language into the booklet. We would encourage people to contact Delta Dental if you are unsure how a service would be covered. There are thousands of services, and it’s not possible to include them all in the comparison summary. If you call Delta Dental, they can provide information on all services.

Reminders:

1. Keep Up to Date with AlaskaCare Retiree Health Plan News

- a. Subscribe to our monthly e-newsletter.
- b. Invite others to participate in these townhall events

2. Town Hall Events: The Division will be hosting additional Town Hall Events during October and November.

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| a. DVA Event | Tues, Oct 22 nd , 2019 | 10:00 to 11:00 a.m. AKDT |
| b. DVA Event | Thurs, Nov 7 th , 2019 | 10:00 to 11:00 a.m. AKDT |
| c. Regular Event | Thurs, Nov 21 st , 2019 | 10:00 to 11:00 a.m. AKDT |

3. IRMAA

A reminder that we are coming up to the end of the year, and if you have not submitted your IRMAA reimbursement to the division or if you have not finished completing the claim form, we want to remind you to do that. You will have until March of 2020 to submit for reimbursement for any IRMAA surcharges you were assessed in calendar year 2019. We will be sending out reminder in the mail.

4. Pacific Health Coalition - Health Fair

Thank you for the interest in the Health Fairs. Fairs started in September, and wrap up the first week of Nov. The Soldotna and Juneau health fairs are this weekend. The ANC health fairs are Nov 2-3.

5. Contact Information

There is a lot of helpful information available on our website: www.alaskacare.gov

If you have a question you can call the Division at (800) 821-2251

You can also send us an email at drbtownhall@alaska.gov

<input type="checkbox"/> Medical: Aetna Member Services: (855) 784-8646 24-Hour Nurse Line: (800) 556-1555	<input type="checkbox"/> Dental: Moda/Delta Dental Member Services: (855) 718-1768
<input type="checkbox"/> IRMAA: PayFlex Member Services: (800) 416-7053 doa.drb.irmaa@alaska.gov	<input type="checkbox"/> Pharmacy: OptumRx Member Services: (855) 409-6999
<input type="checkbox"/> Long Term Care: CHCS Services, Inc. Member Services: (888) 287-7116	<input type="checkbox"/> Specialty Pharmacy: BriovaRx Enrollment Services: (855) 427-4682