


Proposal Title	Preventive First Program and Annual Dental Maximum (R024)	
Health Plan Affected	Retiree Standard DVA Plan	
Proposed Effective Date	January 1, 2025	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	02/24, 4/9/2024, 5/9/2024, 6/21/2024, 8/8/2024	

1) Background

Upon retirement, AlaskaCare retirees may choose to participate in a voluntary Dental-Vision-Audio (DVA) plan to provide coverage for themselves and their eligible dependents. Effective in plan year 2020, AlaskaCare began offering two retiree dental plan options, the Legacy Dental Plan and the Standard Dental Plan. The Division contracts with Delta Dental of Alaska for claim administration services for both dental plans. The Division has committed to maintaining the Legacy plan (the DVA plan that was in place prior to 2014) as an option for members to choose during open enrollment. To ensure the Legacy DVA Plan maintains fidelity to the plan that was in place prior to 2014, the Division is considering updates and changes to the Standard DVA Plan only.

One of the most frequent requests the Division receives from members is a desire for improvement and modernization of the AlaskaCare DVA plan. The AlaskaCare Standard Dental plan is designed to help retirees offset the cost of their dental care and to support them in maintaining good overall oral health. Currently, the Plan allows for preventive dental services to be covered at 100% coinsurance with no deductible. However, claims for preventive services count toward a member’s annual benefit maximum of \$2,000.

2) Objectives

- a) Support members in maintaining their dental health.
- b) Promote high-value care.
- c) Provide a dental plan option that is modernized and more in line with current dental procedure costs.

3) Summary of Proposed Changes

This proposal considers two options for the AlaskaCare Standard DVA Plan:

- 1. Add the Delta Dental Preventive First program. The program differs from current practice in that any preventive services paid by the Plan would not count toward a member’s annual benefit maximum for dental services. This drives value for the member by freeing up dollars that would normally be applied towards preventive services and allow those monies to be used for more complicated oral health procedures such as treatment of diseases of the gums, fillings, oral surgeries, crowns, dentures and bridges, and other covered dental services. Implementing Delta Dental’s Preventive First program for the Standard DVA plan would provide additional coverage for dental care by exempting preventive services from accruing to the annual benefit maximum.
- 2. Increase the annual benefit maximum from the current amount of \$2,000 to \$3,000. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portion of the program.

4) Actuarial and Financial Impacts of Proposed Changes

The actuarial impact of this proposal on the Standard DVA Plan will vary depending on the option selected for implementation. If the Preventive First program is implemented along with a \$1,000 increase to the annual dental benefit maximum, the following impacts are anticipated:

- 1. Actuarial impact on Standard DVA Plan: a 7.3% increase to actuarial value.
- 2. Financial impact on the entire DVA Program: a 3.6% annual increase, representing \$1,550,000 in additional claims cost.