

Executive Summary	Expanded Preventive Coverage (R007)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	January 1 st , 2022	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	September 9, 2021	

1) Background

The AlaskaCare Defined Benefit Retiree Health Plan (Plan) provides benefits necessary for the diagnosis and treatment of an injury or disease, but outside of a few specific services (mammograms, Prostate-Specific Antigen testing, and Pap smears), the Plan does not provide coverage for preventive care. The Plan is exempt from federal requirements mandating coverage for most preventive services.

Most active employee plans include coverage for preventive services, as does Medicare (which becomes primary for members at age 65). When retirees and their dependents enter the Plan, they are often surprised and frustrated by the absence of coverage for most preventive services. The lack of Plan coverage for most preventive benefits may result in members without other coverage foregoing recommended age-specific vaccinations, screenings, and other preventive services.

2) Objectives

- a) Support members in maintaining their health.
- b) Promote high-value care.
- c) Increase accessibility to patient care for non-emergency health episodes.

3) Summary of Proposed Change

The Division of Retirement and Benefits proposes adding the full suite of evidence-based preventive services in alignment with the Affordable Care Act (ACA) and the AlaskaCare Third Party Administrator’s (TPA) clinical coverage standards. Clinical coverage standards regarding preventive care are subject to change and are updated periodically. The current TPA (Aetna) follows the ACA requirements for coverage of preventive care services, though in some cases, at the recommendation of expert groups outside those defined by the ACA, Aetna’s coverage may be broader than the ACA requirements.

Preventive care would be covered with the following cost sharing provisions:

In-Network	Out-of-Network*
Deductible does not apply. 100% coinsurance.	\$150 deductible applies. 80% coinsurance. Not subject to the individual out-of-pocket maximum.

**If use of out-of-network provider is pre-certified, in-network cost sharing provisions apply.*

Covered preventive services include, but are not limited to, mammograms, Pap smears, prostate cancer screenings, vaccinations, wellness visits, colorectal cancer screenings, and lung cancer screenings. The specific services covered by the Plan will change over time as the recommendations are updated to reflect the most current research and evidence.

4) Actuarial and Financial Impacts of Proposed Change

The proposed change would increase the actuarial value of the Plan by 0.50%. The annual anticipated fiscal impact of this change is estimated to be approximately \$3,350,000 in additional claims costs. This change is anticipated to increase the healthcare Accrued Actuarial Liability associated with the Plan by approximately \$28.6 million.