

Retiree Health Plan Advisory Board Meeting Agenda

Date: Thursday, May 8, 2025
Time: 9:00 am – 11:30 am
Location: [Join the meeting now](#) | ANC Atwood 19th Floor
Telephone Only: [+1 907-202-7104, 592 305 746#](#)
Board Members: Cammy Taylor, Lorne Bretz, Dallas Hargrave, Paula Harrison, Michael Humphrey, Donna White

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|-----------------|---|
| 9:00 am | Call to Order <ul style="list-style-type: none">• Roll Call and Introductions• Approval of Agenda and Minutes• Ethics Disclosure and Public Comment |
| 9:10 am | Public Comment |
| 9:20 am | Modernization Topics/Priorities <ul style="list-style-type: none">• Adjusted cost share for in-network diagnostic breast imaging update• Standard Plan Dental Benefit Enhancement• Foreign Ambulance Services |
| 10:15 am | Break |
| 10:30 am | Continuation of Modernization Topics/Priorities <ul style="list-style-type: none">• Upcoming Modernization Committee Topics<ul style="list-style-type: none">○ Cost share for diagnostic colonoscopies○ Telemedicine○ Teladoc○ Orthodontics |
| 11:20 am | Public Comment |
| 11:30 am | Wrap up/Adjourn |

AlaskaCare Retiree Health Plan Advisory Board
Meeting Minutes
Thursday, February 6, 2025

Board Members		DRB		Guests	
Lorne Bretz	P	Steve Ramos	P	Randall Burns	P
Dallas Hargrave	P	Erika Burkhouse	P	Stephanie Rhodes	P
Paula Harrison		Liz Hawkins	P	Alex (Delta)	P
Michael Humphrey	P	Megan Jones	P	Scott D. (Delta)	P
Cammy Taylor	P	Chris Murray	P	Tammy (Delta)	P
Paula Vrana		Erin Russell	P		
Donna White	P	Marie S.	P		
		Ronan Tagsip	P		
		Richard Ward (Segal)	P		

Call to Order

The meeting was called to order at 9:32 a.m. by Vice Chair Cammy Taylor. Roll call and introductions were done. Steve Ramos mentioned the Division was hiring a new Program Coordinator within the next couple weeks and then they will be fully staffed.

Approval of Meeting Agenda

The agenda was approved.

Ethics Disclosure

Vice Chair Taylor requested that board members state any ethics disclosures.

- No disclosures were stated by board members.

Public Comment

Vice Chair Taylor invited members of the public to comment at this time or at the end of the meeting but to not disclose personal identifying health information.

- Stephanie Rhodes wanted to make the Board aware that Standard Plan members were being denied coverage for 3D imaging but it was covered under the Legacy Plan. 3D imaging was dentally necessary and required by endodontists to diagnose and treat root canal issues and for dental implants.

Modernization Topics/Priorities

Adjusted cost share for breast imaging: Steve Ramos addressed the proposal to cover breast imaging, including mammograms, ultrasounds, and MRIs, at first dollar coverage, meaning 100% of the recognized charge without applying the deductible, regardless if it was diagnostic or for screening. Aetna's plan coding allowed a mammogram once a year at first dollar coverage, regardless of the diagnosis code. Aetna projected this proposed change would increase costs by \$30,000 to \$50,000. Segal calculated a cost increase of close to \$300,000 per year based on diagnostic codes on the claims.

- Vice Chair Taylor noted the memo only talked about mammography and wondered how other breast imaging services contributed to the cost increase.
 - Richard Ward replied that Segal used the term mammography to refer to the broader scope of breast imaging services; therefore, Segal's analysis was comprehensive but it was not articulated in the memo.
 - Vice Chair Taylor emphasized that the language needed to be clear on what was being covered if the Plan adopted this change.

Vice Chair Taylor invited Board Members to ask questions or make comments about this proposal.

- Comments from the Board were in favor of adopting this proposal.

Mr. Ramos thought this change would be implemented as soon as administratively possible and did not need to wait until next year.

- Lorne Bretz asked if this change was part of or being planned for the Active Plan.
 - Mr. Ramos answered no; this change had not been considered for the Active Plan but there was not opposition to talking about it. The financial position of the Active Plan was different than the Retiree Plan. This proposed change was thought to be most impactful for the retiree population.

Motion by Dallas Hargrave to recommend the mammogram plan proposal as presented by the Division.
Second by Michael Humphrey.

Result: Motion passed without objections.

Standard Plan dental benefit enhancement: Mr. Ramos explained that the Standard Dental Plan followed the recommendations of the claim administrator, Delta Dental of Oregon and Alaska; however, the Board can decide to add benefits. Mr. Ramos believed there were not more than two or three 3D imaging machines in Alaska but the exact number was unknown. Mr. Ramos was not aware of 3D imaging denials being a widespread issue for many people. The dental plan received zero to two appeals per month but there were similar complaints. A spreadsheet was provided to the Board that identified items that were appealed or were of concern to retirees. Alex and Scott from Delta were in attendance via phone.

The Oral Health, Total Health program allowed additional prophylaxis (cleanings) per year. Retirees have expressed their concern with the Standard Plan limited frequency and it may be why many chose the Legacy Plan. There were costs associated with mailing information about the Oral Health, Total Health program. The proposal was to change the Standard Plan to allow four prophylaxes per calendar year and remove Oral Health, Total Health. It was assumed that people who needed additional prophylaxis will take advantage of this enhanced benefit whereas others will continue having one or two prophylaxis a year. Delta estimated this proposed change will increase Plan costs by 1%.

The current scaling benefit was twice per year. The proposal was to change the Standard Plan to allow four per year. The estimated impact was a nominal 0.01% increase.

A slide deck was emailed to the Board regarding the retiree dental plan. The majority of retiree members were getting less than two prophylaxes per year. Currently, periodontal maintenance was inclusive of prophylaxis and allowed a total of twice per year. The proposal was to change the Standard Plan to allow a total of four per calendar year and remove Oral Health, Total Health.

Changing the Standard Plan to allow full-mouth x-rays and panoramic x-rays once per calendar year would result in a 1% estimated cost increase to the Plan. The standard in the U.S. was once every five years.

Adding 3D imaging had a 1% estimated impact to the Plan.

The current Standard Plan benefit for topical application of fluoride up to age 19 was twice in a calendar year. The proposal was to change the Standard Plan to allow four per calendar year with no age limit. This change was estimated to result in a 1% cost increase to the Plan.

Sealants were currently covered up to age 19. The proposed change was once per tooth per year with no age limit. The estimated cost impact to the Plan was negligible.

Mr. Ramos stated that retirees get first dollar coverage on dental x-rays because all dental x-rays were processed and coded to the Plan as preventive Class 1 service level, even if it was a Class 2 or 3 service. Mr. Ramos invited comments from Alex or Scott.

- Scott mentioned the Standard Plan currently had no limitation for the number of office visits for emergencies or focused exams; therefore, no changes were proposed.

The current benefit was for gold crowns with a frequency limit of seven years. When members get a crown that is not gold, the EOB shows payment for a gold crown because the benefit in the Plan has been coded to a gold crown. Currently, porcelain crowns were allowed for teeth that were visible when you smile or talk. The proposed change was for the Standard Plan to allow porcelain crowns. A small number of people had problems with their crowns in less than five years. Most people make it past seven years with their crowns. The frequency limit was imposed for cost containment. Lowering the frequency to five years and covering porcelain crowns would result in an estimated 1% cost increase. Retirees have repeatedly complained about wanting better coverage for crowns.

Currently, the Standard Plan frequency for removable prosthetics was seven years. The proposal was to match the Legacy Plan's five year frequency limit for removable prosthetics, which was estimated to result in a 0.5% cost impact.

Overdentures currently have a Standard Plan frequency limit of seven years. The proposal was to match the Legacy Plan's five year frequency limit. The estimated cost impact was negligible.

Once the Board identified which proposed Standard Plan changes they were interested in pursuing, the Division will ask Segal to perform a cost analysis, which will be brought back to the Board. Mr. Ramos recommended coding the Plan to allow items with a nominal cost impact.

- Vice Chair Taylor pointed out that implementing the proposed changes for the first four items on the list (adult and child prophylaxis, scaling, and periodontal maintenance) might result in a savings by eliminating the work associated with the Oral Health, Total Health program.
 - Mr. Ramos agreed.
- Vice Chair Taylor asked if there were any objections from the Board to ask the Division to proceed with a financial analysis on the proposed changes for adult and child prophylaxis, scaling, and periodontal maintenance.
 - There were no objections from the Board.
- Vice Chair Taylor asked if the spreadsheet column for percentage of estimated impact represented an impact to the overall cost of the Plan and how it impacted premiums.
 - Alex explained that their data analysts pulled information from claims. The number of people who would have three or four cleanings within a year was estimated. The estimated impact was based on the estimated dollar of claims for the State of Alaska Retiree Standard Plan. Alex stated that Delta will provide the information to Segal.
- Mr. Ramos asked Mr. Ward what was 1% based on the Standard Plan spend.
 - Mr. Ward replied that a single premium was sixty-some dollars; therefore, a 5% increase at a straight pass-through was \$3. The premium level considered not only projected expenses or impact of benefit changes but also the reserving and funding components. Segal needed to perform an analysis to propose a recommendation to account for all the considerations he mentioned.
- Since the list was a reflection of what retirees had complained about or requested, Vice Chair Taylor wanted to have an analysis for people to see the effect it would have on premiums.
- A Board Member voiced his agreement on getting feedback from members.
- Vice Chair Taylor knew of at least three providers who performed 3D imaging.
 - Alex said they initially believed and had informed Mr. Ramos there were only a few providers in Alaska with the ability to do 3D imaging but it was becoming more widely available. Delta will pull some claims to see how many providers in Alaska were billing for 3D services on the Retiree Plan. Alex will follow up with Mr. Ramos.
 - It was pointed out that a lot of retirees no longer live in Alaska and were getting dental services in the lower 48 states where 3D imaging technology was readily available.
 - Vice Chair Taylor stated that network endodontists do not submit claims for 3D imaging because they know it is not covered. The denials would be for out-of-network endodontists.
- Vice Chair Taylor wondered if 3D imaging technology was used for more than root canals and implants in the lower 48 states.
 - Mr. Ramos replied that when he talks to retirees, they do not go into details as to why they want it covered.

- Vice Chair Taylor was aware of 3D imaging being a covered service by Delta Dental in other states.
 - Alex stated that the Delta Dental Plan Association has talked about 3D imaging.
- Vice Chair Taylor recommended a financial analysis for 3D imaging separate from the financial analysis for the proposed frequency change for full-mouth and panoramic x-ray to weigh the 1% cost impact for the benefit of a new service. Vice Chair Taylor wondered if there were significant complaints about full-mouth and panoramic x-rays.
 - Mr. Ramos said that full-mouth and panoramic x-rays were not an area of complaint. The frequency change was proposed because Mr. Ramos asked Delta to look for variances between the Legacy and Standard Plans.
 - Michael Humphrey agreed with aligning the Legacy and Standard Plans to avoid confusion and surprise bills. Michael Humphrey believed the dental plan needed to evolve with the evolution of practice patterns and acceptance of technologies; however, he was concerned about it resulting in a \$5 or \$10 monthly premium increase for retirees.

Mr. Ramos will have a financial analysis performed of the first four items and separately for each line item with a 1% impact.

Mr. Ramos stated the Division met with Delta at least once a year to discuss the American Dental Association's addition and deletion of CDT codes, member escalations, and Delta's customer service calls. The Vendor Manager team audited the customer service calls and the Division received quarterly reports. The Legacy Plan was expected to become more expensive over time because it allowed members to go out of network or have additional benefits not provided under the Standard Plan; however, the Legacy Plan spend was lower because members were using less dental services. At the onset, the Legacy and Standard Plan rates were the same. Members will be asked during Town Halls or at other venues why they elected the Legacy or Standard Plan. If the Standard Plan was made more attractive and thus members migrated into the Standard Plan, the expanded group pool would spread the cost and potentially keep premiums lower. There were 22,000 members in the Legacy Plan and 18,000 in the Standard Plan. During the last DVA open enrollment, 2000 members moved from the Legacy Plan to the Standard Plan, so there were approximately 20,000 in each Plan now.

Teladoc: Mr. Ramos heard concerns about access to care in Alaska, particularly in Anchorage. Some providers do not want to accept Medicare's rates, so they do not appoint new Medicare enrollees. The Plan turned on Teladoc for retirees during the pandemic but it was not used enough. Teladoc does not bill Medicare. Teladoc billed the Plan a service fee of \$1 per member per month (PMPM) in addition to the fees paid by the Plan and/or member for accessing care. The cost of benefit analysis showed the amount the Plan was paying Teladoc was far greater than the use. The Division asked Aetna about turning on Teladoc for retirees. Teladoc will charge the Plan \$1/PMPM if they only offer acute care. If other services are offered, Teladoc will charge the Plan \$0.50/PMPM. The acute care Teladoc fee is \$58, the proposed member copay is \$25, which left the Plan responsible for \$33. Members would pay 100% for dermatology, psychiatry, and counseling. Segal has not reviewed this yet. Mr. Ramos wanted to know if the Board was interested before doing a cost analysis with Segal.

- A Board Member commented about an article in this morning's Alaska Daily News about some physicians not accepting new Medicare patients. He had heard a lot of conversation in Anchorage about reestablishing a senior clinic but he did not know what Alaska Regional thought.
- Lorne Bretz asked if there was an estimate on how many retirees were having difficulty finding a doctor.
 - Mr. Ramos answered no. The Division had not taken calls from members about this topic nor was there any information on whether people were ultimately able to find a doctor willing to accept them. The Commissioner's Office was concerned about seniors in Alaska having access to care and the Division was looking for opportunities that might make financial sense.
 - Vice Chair Taylor remarked that the closing of the Regional Senior Clinic resulted in a huge number of patients with nowhere to go because private practitioners were not taking new patients. The Providence clinics expanded and absorbed the doctors from the Regional Clinic. Vice Chair Taylor believed Providence expanded at Huffman and Northern Lights and may have at the hospital setting as well. Vice Chair Taylor heard those doctors were accepting new patients although some people reported it took a while to get an appointment but those clinics had urgent cares, so Providence may have helped absorb some of the problem seen a couple years ago.
 - A Board Member wanted an estimate of how many seniors were experiencing difficulty accessing care and some feedback from members.
- A Board Member asked if \$0.50/PMPM was an introductory fee that will later increase.
 - Mr. Ramos replied no. The PMPM fee may increase next year but Mr. Ramos did not expect it to go up to \$1/PMPM. If the Plan tested Teladoc for a year, we would not want to commit to maintaining this service line. Mr. Ramos did not want to introduce this benefit and then have a diminishment conversation because it no longer made sense for the Plan to keep paying for it. The proposed fee schedule was estimated to result in \$106,000 of Plan savings. As long as the Plan was breaking even and some members were getting value out of it, Teladoc can be turned on as an option.
- Michael Humphrey was sensitive to the diminishment concept. He wondered how the Plan could protect itself against rolling something out and having the Alaska Supreme Court decide it was now part of the program.
 - Mr. Ramos said there were some tricks they could use similar to COVID but the Division needed an opinion from Law before doing anything. It was unknown if Lantern's surgical solution was now a constitutionally protected service line because it was not researched as there was no worry about it failing. Teladoc could easily begin to cost the Plan more if they raised our price and the Teladoc member usage was too low to justify it. Lantern was getting us as much as a 50% discount off Aetna's discount. Generally, the Aetna discount was more than 40% off billed charges.
- Vice Chair Taylor thought there would have been a greater incentive to use Teladoc during COVID but it was not used very much. She asked if there was any indication or way of measuring how usage might be different this time.

- Mr. Ramos knew Employee Plan members were using it at a higher frequency than the book of business but potential retiree usage was unknown. During COVID, the Teladoc PMPM fee was higher. The proposed PMPM reduction made financial sense for the Plan.
- Vice Chair Taylor thought Teladoc may appeal to the retiree population living in remoter areas and the Commissioner's Office was interested in looking at alternatives for access, so she wanted to see the financial impact of offering Teladoc.
- The Board agreed with Vice Chair Taylor.

Mr. Ramos will work with Segal to get a cost analysis and bring it back to the Board. Mr. Ramos will ask Law if there was a way for the Plan to offer something provisionally.

- Michael Humphrey stated that Teladoc had to market their service intensely and keep sending the message for people to try it out.
 - Mr. Ramos agreed.

Mr. Ramos stated the Pharmacy Benefit Manager (PBM) RFP was in the final stages with Procurement. The Division will likely invite somebody from the Health Benefit Evaluation Committee on the Employee Plan side in addition to a Retiree Board Member to be part of the Plan Evaluation Committee (PEC). The Division met with legislators and received recommendations about how to run the RFP. The Division wanted to make sure the RFP had the broadest possible response. There were 80 PBMs in the U.S. but the top four or five had 80 percent of the market share. Generally, people felt that the big three PBMs were not good players. The Employee Group Waiver Plan (EGWP) had 54,000 retiree members. The Division needed to make sure that whoever was selected could run an EGWP plan properly and had their own contract with Medicare and therefore the ability to interact directly with Medicare on eligibility. Subsidies from running the EGWP plan were yielding more than \$100 million/year. For the RFP, the Division chose the transparent pricing option and wanted full pass-through of rebates.

RFP priorities for enhanced oncology services: Mr. Ramos stated that Lantern, Transcarent, and Carrum were contacted about giving presentations on their service lines to have a better understanding of what was available in the market and how it could help our members, which would help inform how the RFP is crafted. Because of the pharmacy RFP's size and complexity, work had not started on the RFP for enhanced oncology services; however, the Division was committed to doing something about cancer care as soon as possible.

Public Comment

Vice Chair Taylor invited public comment.

- Randall Burns, President of Public Retirees, asked when the Plan was publishing the 2025 health plan online.
 - Steve Ramos replied there was a delay with getting the authorization up to the Commissioner's Office. It went up about a week ago. It did not come back, so it was assumed the book was going to be approved as amended. It will be posted on the webpage as soon as today if possible.

- Vice Chair Taylor mentioned some folks had reported rollout problems with VSP providers unable to verify benefits. Not everybody had received letters from VSP explaining how to log on, create an account, and get a card. Vice Chair Taylor heard a couple complaints about accessing VSP network information. Vice Chair Taylor noticed she got different search results depending on the link she used. The link on the DRB website provided a network list for her zip code and logging in to her personal account resulted in a different list of providers, neither of those lists included Costco but if she specifically searched for Costco it came up. Calling VSP was helpful in locating providers. Vice Chair Taylor asked if the issue with inconsistent online search results was being addressed.
 - Mr. Ramos explained that the DRB's servers were attacked in November. It took the Division about a month to rebuild the servers, although they were still working out some of the aftereffects. The servers controlling eligibility, open enrollment, and retirement were offline due to the attack. Generally, Ronan's team sent an eligibility file to DRB vendors every Wednesday and the claim administrators show eligibility on Thursday. The new eligibility file overwrites the previous week's file, which is why vendors tell you to call the DRB to change your address because the following week's eligibility file would overwrite what the vendor changed. After the servers were down from the attack, the eligibility files were not sent until the last week of December. In addition, Aetna had to tailor the eligibility file for VSP but the files did not work during testing, so it caused further delay. There were different buckets of eligibility reported for coordination of benefits. The eligibility file for some groups was not working, so no VSP letters were sent to those people. The Division will verify that the number of letters that went out matched the number of households that should have received letters. The Division will research the provider search issue. Mr. Ramos knew Costco in Juneau had an eye doctor who was not a participating provider with VSP, so you have to file your own claim but Costco was part of the VSP network for buying glasses or contacts.
 - Vice Chair Taylor commented then when directly searching for Costco, it gave her a list of the in-network services provided at each Costco in Alaska.
 - If members continued to have an issue with the provider list, Ronan asked to be notified so his team could look into it as well.
 - Michael Humphrey thought VSP was targeted toward the individual ophthalmologist and not big chains, so maybe they were not advertising Costco.
 - Mr. Ramos mentioned that Costco did not have a lower frame allowance because the agreement was for a \$200 frame allowance everywhere.
- Vice Chair Taylor asked about the timeline for the rollout of the new system.
 - The first phase was expected to begin in September.

Mr. Ramos stated the Division periodically received an update about retirees' lifetime maximum. Nobody was close to the \$8 million lifetime maximum. Ten members were between \$2 and \$3 million, so they would have reached their lifetime limit if it had not been increased.

Meeting dates for 2025: Vice Chair Taylor stated the Board had been meeting the day after the quarterly meeting except for the August meeting because the Board waited until September for Richard to work on the proposed premiums. The next meeting will be on May 8. Some dates will be sent for board members to choose when to meet in the fall.

Mr. Ramos asked if the Chair wanted to discuss telemedicine. Vice Chair Taylor stated they had been getting a lot of questions about it. Mr. Ramos stated telemedicine was covered under Medicare with some exceptions but will expire at the end of March and it is unknown if it will be extended. This is not Teladoc. Telemedicine was a virtual meeting with your provider, which was very beneficial to people in Alaska and other rural areas. The Retiree Plan will continue to cover telemedicine to at least the extent it was covered before COVID. Telemedicine was the only way people could receive certain services during COVID, so the code sets were expanded. Prior to COVID, certain codes were not considered appropriate to be handled via a telemedicine visit. Mr. Ramos did not expect Medicare to eliminate telemedicine coverage but it was unknown if Medicare will change coverage to only allow telemedicine if you live in a rural area or if you already have a provider relationship and you have had a face-to-face visit in the last X number of years. The Division was in favor of making sure our retirees can access care. Because the Plan was modeled after Medicare, the Plan would likely follow Medicare coding. Mr. Ramos stated that if Medicare's coding did not address the needs of our retirees in Alaska, we would do an analysis, the Board would make a decision, and the Commissioner would determine the Plan benefits.

Mr. Ramos asked Mr. Ward to comment about the contraction of Medicare's telemedicine benefits.


- Mr. Ward did not want to speculate what the changes will be or when they will occur but it was reasonable to plan for Medicare's coverage to revert to the pre-pandemic level. The benefit had been extended a number of times.
 - In light of the federal interest in trimming the overall budget, a board member commented that he believed Medicare would roll back their telemedicine coverage.
 - Mr. Ramos stated that the American Medical Association said they were in favor of the expanded benefit. The Plan currently covered the expanded benefit and did not differentiate whether the provider was in or out of network.
- Lorne Bretz asked who was responsible for the website content.
 - Mr. Ramos answered the Division controlled what was on the DRB website.
 - Lorne Bretz asked to have that person contact him as there were some issues he wanted to discuss.

Wrap Up / Adjourn

Motion by Michael Humphrey to adjourn the meeting.

Second by Lorne Bretz.

Result: The meeting adjourned without objection.

Executive Summary	Standard Dental Enhancements (R030)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	January 1, 2026	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	May 8, 2025	

1) Background

During the October 2024 Modernization committee meeting and November 2024 Retiree Health Plan Advisory Board (RHPAB) meeting, the Board indicated an interest in exploring additional benefit enhancements to potentially implement under the Standard Dental-Vision-Audio (DVA) Plan’s dental benefit. In February 2025, the RHPAB, in collaboration with the Division, decided to proceed with an analysis of potential benefit enhancement options, grouped by class, service, and estimated impact. Those potential benefit enhancements have been broken into the following categories: Preventive Cleanings, X-Rays and Imaging, Other Class I Changes, Crowns, Dentures, and Inlays and Onlays.

Preventive Cleanings

Effective January 1, 2025, through the implementation of Delta Dental’s Preventive First program, preventive cleanings are covered at 100% of the recognized charge, and do not count toward the member’s annual deductible or benefit limit. Currently, the Standard DVA Plan allows coverage for prophylaxis (cleaning) or periodontal maintenance up to two times per benefit year, or up to four times per benefit year for those with periodontal disease. Additionally, through Delta Dental’s Oral Health Total Health (OHTH) program, Standard DVA Plan members with diabetes have access to two additional yearly cleanings, and members in their third trimester of pregnancy have access to one additional cleaning.

X-Rays and Imaging

Under the terms of the Standard DVA Plan, coverage for X-rays and dental imaging is limited to complete series or panoramic, periapical, occlusal, and bitewing images provided as a Class I preventive service for intra-oral x-rays to assist in determining required dental treatment. Currently, 3-D dental imaging is not a covered benefit under the Standard DVA Plan. All covered dental X-rays are covered under the Class I “Preventive Services” regardless of the reason they are taken. This provides 100% coinsurance for all dental X-rays for all Standard DVA Plan members – even when the X-ray is taken for diagnostic purposes.

Other Class I Changes

Additional Class I preventive services which are being considered for enhancement include the topical application of fluoride, sealant, sealant repair, and preventive resin restoration. Currently, the topical application of fluoride is limited to twice in a calendar year up to age 19, and for those age 19 and older, up to twice in a calendar year only if there is a history of periodontal surgery, high risk of decay due to medical disease, chemotherapy, or a similar type of treatment. Sealant application or repair, per tooth, and preventive resin restoration for a permanent tooth of a moderate to high caries risk patient is also currently covered. However, coverage is limited to the unrestored occlusal surfaces of permanent molars once per tooth in any five-year period. If performed within two years by the same provider, the sealant is not billable

to the patient.

Crowns

Coverage for crowns is provided under the Standard DVA Plan as a Class III Prosthetic Service, when necessary to restore decayed or broken teeth to a state of functional acceptability. Coverage is limited to once in a seven-year period per tooth, and up to the allowable amount for a metallic crown. The difference between the metallic crown and porcelain crown is currently paid by the member.

Dentures

Removable prosthetics (partials and dentures), complete maxillary (upper arch) overdentures, complete mandibular (lower arch) overdentures, and partial maxillary (upper arch) overdentures are also currently covered as Class III Prosthetic Services under the Standard DVA Plan. Coverage is currently limited to once in a seven-year period, only if the tooth, tooth site, or teeth involved have not received a cast restoration benefit in the last seven years.

Inlays and Onlays

Porcelain or ceramic inlays and onlays, and noble and base metal inlays and onlays are also currently covered as Class III Prosthetic Services under the Standard DVA Plan. Coverage is currently limited to once in a seven-year period.

2) Objectives

Continue to modernize the Standard DVA Plan to meet evolving member needs.

3) Summary of Proposed Change

In collaboration with the RHPAB, the AlaskaCare Retiree Health Plan is evaluating potential enhancements to the Standard Dental-Vision-Audio (DVA) Plan. During the meeting held in February 2025, it was recommended the following proposed changes be evaluated further:

- 1.) **Preventive Cleanings:** Remove Delta Dental's OHTH program, and increase Plan coverage from two, to four prophylaxis, scaling, and periodontal maintenance visits per calendar year for all members.
- 2.) **X-Rays and Imaging:** Remove the 5-year restriction for full mouth x-ray and panoramic x-ray and allow coverage for one per calendar year. Allow Plan coverage for 3D imaging, which is currently a Plan exclusion, once per calendar year.
- 3.) **Other Class I Changes:** Increase the allowance for the topical application of fluoride from two times per calendar year based on age criteria, to four times per calendar year with no age limit. Remove current eligibility criteria for sealant application, sealant repair, preventive resin restoration in a moderate to high carries risk patient for a permanent tooth and allow once per tooth per year for each service.
- 4.) **Crowns:** Reduce the frequency limit from once per tooth every seven years, up to the allowable amount for a metal crown, to once per tooth every five years, up to the allowable amount for a porcelain crown.
- 5.) **Dentures:** Reduce the current frequency limits for removable prosthetics (partials and dentures), complete maxillary (upper arch) overdentures, complete mandibular (lower arch) overdentures, and partial maxillary (upper arch) overdentures from once every seven years, to one partial or full

denture per arch every five years.

- 6.) **Inlays and Onlays:** Reduce the current frequency limits for porcelain/ceramic inlays and onlays, and noble and base metal inlays and onlays, from once every seven years to once every five years.

4) Analysis

The current member utilization of each of the services under consideration, based on CY 2024, are provided in the table below.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
<i>Prophylaxis - Adult</i>	17,218	\$2,985,332	1.7
<i>Prophylaxis - Child</i>	115	\$13,211	1.5
<i>Scaling</i>	85	\$7,026	1.2
<i>Periodontal Maintenance</i>	4,882	\$1,754,506	2.3
<i>Full mouth x-ray & panoramic x-ray</i>	3,463	\$448,630	1
<i>3D Imaging</i>	8	\$225	1
<i>Topical fluoride</i>	406	\$26,629	1.5
<i>Sealant application, repair, preventive resin restoration per tooth</i>	47	\$11,009	1.1
<i>Crowns</i>	4,194	\$3,010,432	1.1
<i>Removable prosthetics - partials, dentures</i>	213	\$186,702	1
<i>Overdenture - Complete Maxillary</i>	0	0	N/A
<i>Overdenture - Complete Mandibular</i>	0	0	N/A
<i>Overdenture - Partial Maxillary</i>	0	0	N/A
<i>Inlays (porcelain/ceramic)</i>	0	0	N/A
<i>Inlays (noble and base metal)</i>	0	0	N/A
<i>Onlays (porcelain/ceramic)</i>	0	0	N/A
<i>Onlays (noble and base metal)</i>	0	0	N/A

5) Impacts

Actuarial Impact to AlaskaCare | Increase

The Division's contracted benefit consultant, Segal, has provided the following actuarial value estimates for the Standard DVA Plan by each proposed enhancement set (for a breakdown by individual service added, please see the accompanying Segal memo):

- 1.) **Preventive Cleanings:** Actuarial increase of 1.60% total
- 2.) **X-Rays and Imaging:** Actuarial increase of 2.00% total
- 3.) **Other Class I Changes:** De minimis impact
- 4.) **Crowns:** Actuarial increase of 1.00% total
- 5.) **Dentures:** Actuarial increase of 0.50% total
- 6.) **Inlays and Onlays:** De minimis impact

Financial Impact to AlaskaCare | Increase

Segal has provided the financial impact estimates for each proposed enhancement set below. In their analysis, Segal indicated each of these estimates are based on the most recent DVA claims projection of

approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated financial impact to the entire DVA program in 2026 is as follows:

- 1.) **Preventive Cleanings:** An additional \$480,000, or 0.80%, of projected annual claims cost
- 2.) **X-Rays and Imaging:** An additional \$600,000, or 1.00%, of projected additional claims cost
- 3.) **Other Class I Changes:** A negligible impact, with less than 0.01% of projected additional claims cost
- 4.) **Crowns:** An additional \$300,000, or 0.50% of projected additional claims cost
- 5.) **Dentures:** An additional \$150,000, or 0.25% of projected additional claims cost
- 6.) **Inlays and Onlays:** A negligible impact, costing less than 0.01% of projected additional claims cost.

Total Actuarial and Financial Estimated Impact

Category	Actuarial Impact*	Financial Impact (%)**	Financial Impact (\$)
Preventive Cleanings	1.60%	0.80%	\$480,000
X-Rays and Imaging	2.00%	1.00%	\$600,000
Other Class I Changes	De Minimis	De Minimis	De Minimis
Crowns	1.00%	0.50%	\$300,000
Dentures	0.50%	0.25%	\$150,000
Inlays and Onlays	De Minimis	De Minimis	De Minimis
Total	5.10%	2.55%	\$1,530,000

* Impact to Standard Dental Plan

** Impact to entire DVA program

Potential Standard DVA Plan Premium Impacts

The charts below illustrate the relative cost impact to retirees by Plan based on potential rate changes:

Coverage Level	Standard Monthly	1%		2%		5%		10%	
		Rate	Annual Incr.	Rate	Annual Incr.	Rate	Annual Incr.	Rate	Annual Incr.
Ret Only	\$ 71	\$ 72	\$ 12	\$ 72	\$ 12	\$ 75	\$ 48	\$ 78	\$ 84
Ret & Spouse	\$ 142	\$ 143	\$ 12	\$ 145	\$ 36	\$ 149	\$ 84	\$ 156	\$ 168
Ret & Children	\$ 129	\$ 130	\$ 12	\$ 132	\$ 36	\$ 135	\$ 72	\$ 142	\$ 156
Ret & Family	\$ 202	\$ 204	\$ 24	\$ 206	\$ 48	\$ 212	\$ 120	\$ 222	\$ 240

Coverage Level	Legacy Monthly	1%		2%		5%		10%	
		Rate	Annual Incr.	Rate	Annual Incr.	Rate	Annual Incr.	Rate	Annual Incr.
Ret Only	\$ 75	\$ 76	\$ 12	\$ 77	\$ 24	\$ 79	\$ 48	\$ 83	\$ 96
Ret & Spouse	\$ 149	\$ 150	\$ 12	\$ 152	\$ 36	\$ 156	\$ 84	\$ 164	\$ 180
Ret & Children	\$ 135	\$ 136	\$ 12	\$ 138	\$ 36	\$ 142	\$ 84	\$ 149	\$ 168
Ret & Family	\$ 212	\$ 214	\$ 24	\$ 216	\$ 48	\$ 223	\$ 132	\$ 233	\$ 252

Member Impact | Enhancement

Members of the Standard DVA Plan would benefit from the proposed enhancements. However, the degree of potential impact varies by the enhancement option(s) selected. The changes would allow all members to access additional cleanings, receive coverage for services that are not currently available under the terms of the Plan, or where frequency limits are reduced, increase access to care sooner. For some of the proposed changes, current utilization is low, and therefore the estimated member impact is anticipated to be low. Depending on the option(s) selected, the potential enhancement(s) may result in the need to increase monthly premiums to support the changes implemented.

Operational Impact (DRB) | Minimal

The Division anticipates minimal operational impacts. The Division will follow the standard process for making plan changes per 2 AAC 39.390 and provide directions to the Third-Party Administrator to implement the selected changes. Once the implementation activities are complete, the Division does not anticipate any additional operational impact.

Operational Impact (TPA) | Minimal

The impact to the Third-Party Administrators (TPAs) is anticipated to be low. If the decision is made to remove the OHTH program, the administrative burden of communicating eligible members from the Medical TPA to the Dental TPA, and the outreach made by the Dental TPA regarding the OHTH program, would be removed.

Provider Impact | Minimal

Provider impact is expected to be minimal.

6) Implementation and Communication Overview

Division staff will follow the standard process to make changes to the AlaskaCare Retiree Standard DVA Plan, which includes completion of the following:

- Proposal analysis and stakeholder input
- Public comment period(s)
- Any needed language updates to the Retiree Insurance Information Booklet

7) Proposal Recommendations

DRB Recommendation

The Division recommends...

RHPAB Board Recommendation

The RHPAB board voted on ##/##/## to recommend/not to recommend...

Description	Date
Proposal Drafted	February/May 2025
Reviewed by Modernization Subcommittee	
Reviewed by RHPAB	February 6, 2025; May 8, 2025

Memorandum

To: Steve Ramos, Chief Health Administrator, Division of Retirement and Benefits

From: Richard Ward, FSA, FCA, MAAA

Date: April 3, 2025

Re: Standard Plan Dental Benefit Enhancements

The State is evaluating the following potential enhancements to the dental benefits offered under the Standard Retiree Plan (Oral Health, Total Health is abbreviated to OHTH):

Service Name	Standard Plan Benefit (Current)	Standard Plan Proposed Changes
Preventive Cleanings		
Prophylaxis – Adult	2x per calendar year	Remove OHTH and change to 4x per calendar year
Prophylaxis – Child	2x per calendar year	Remove OHTH and change to 4x per calendar year
Scaling in presence of generalized moderate or severe gingival inflammation	2x per calendar year	4x per calendar year
Periodontal maintenance	2x per calendar year	Remove OHTH and change to 4x per calendar year
X-Rays and Imaging		
Full mouth x-ray & panoramic x-ray	1x every 5 years	1x per calendar year
3D Imaging	Plan Exclusion	1x per calendar year
Other Class I Changes		
Topical application of fluoride	2x per calendar year up to age 19. 19 and older 2x per calendar year based on history.	Change to match cleaning frequency (4x per calendar year), no age limit
Sealant application per tooth, Sealant repair per tooth, Preventive resin restoration in a moderate to high caries risk patient – permanent tooth	Limited to the unrestored occlusal surfaces of permanent molars once per tooth in any 5 year period. If performed within 2 years by the same provider, the sealant is not billable to the patient.	1x per tooth per year – no age limit
Crowns		
Crown	1x 7 years, up to metal allowable	1x 5 years; enhance benefit to allow full benefit for porcelain crown
Dentures		
Removable prosthetics – Partial, dentures	1x every 7 years	1x every 5 years
Overdenture – Complete Maxillary (Upper arch)	1x every 7 years, alternate benefit of D5110	Partial or full denture per arch 1x every 5 years

Service Name	Standard Plan Benefit (Current)	Standard Plan Proposed Changes
Overdenture – Complete Mandibular (Lower arch)	1x every 7 years, alternate benefit of D5120	Partial or full denture per arch 1x every 5 years
Overdenture – Partial Maxillary (Upper arch)	1x every 7 years, alternate benefit of D5130	Partial or full denture per arch 1x every 5 years
Inlays and Onlays		
Inlays (porcelain/ceramic)	1x every 7 years D6600 Alt benefit of D6602 on teeth 1, 2, 15-19, 30-32 D6601 Alt benefit of D6603 on teeth 1, 2, 15-19, 30-32	1x every 5 years
Inlays (noble and base metal)	1x every 7 years	1x every 5 years
Onlays (porcelain/ceramic)	1x every 7 years D6608 Alt benefit of D6610 on teeth 1, 2, 15-19, 30-32 D6609 Alt benefit of D6611 on teeth 1, 2, 15-19, 30-32	1x every 5 years
Onlays (noble and base metal)	1x every 7 years	1x every 5 years

As part of this review, Segal conducted an actuarial analysis incorporating current estimated impacts provided by Delta Dental of Alaska (DDAK), alongside projections of expected utilization and the associated cost impacts of the proposed changes. The following sections outline the key benefit changes and the resulting financial implications.

Below is a table outlining the current benefits offered under the Dental plan benefits:

Dental Benefits	Standard Plan	Legacy Plan
Deductible		
Annual individual deductible (applies to Class II and III)	\$50	\$50
Coinsurance		
Class I (preventive) services	100%	100%
Class II (restorative) services	80%	80%
Class III (prosthetic) services	50%	50%
Benefit Maximums		
Annual individual maximum (applies to all classes)	\$3,000	\$2,000

The Standard Plan dental benefits include a Prevention First provision, which excludes preventive services from the annual deductible and benefit limit.

No changes are being made to the vision or audio benefit. No changes are being made to the Legacy plan benefits.

Actuarial Value – Preventive Cleanings

The State is considering enhancement to prophylaxis benefits by removing the Oral Health, Total Health program and allowing all plan members to receive up to 4 cleanings per calendar year. The covered benefits include prophylaxis for adults and children, scaling in presence of generalized moderate or severe gingival inflammation, and periodontal maintenance. Exams and bitewing x-rays would still be limited to twice per calendar year.

Below is a summary of the utilization for the reviewed services for calendar year (CY) 2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Prophylaxis – Adult	17,218	\$2,985,332	1.7
Prophylaxis – Child	115	\$13,211	1.5
Scaling	85	\$7,026	1.2
Periodontal maintenance	4,882	\$1,754,506	2.3

Many utilizers are currently receiving fewer than two prophylaxis cleanings per year, and for those that are receiving two annually, many will not seek additional cleanings beyond the ADA recommended two per year. Therefore, the overall impact will be limited to a subset of members. There are already programs in place to allow for periodontal maintenance, which results in members on average receiving more than two services per year.

The estimated overall actuarial value impact for each plan changes is below.

Service Name	Actuarial Value Impact
Prophylaxis – Adult	0.79%
Prophylaxis – Child	0.05%
Scaling	0.01%
Periodontal maintenance	0.75%
Total	1.60%

Financial Impact – Preventive Cleanings

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be an additional \$480,000 or 0.80% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may, not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

Below is the estimated impact for each individual component.

Service Name	Financial Impact (%)	Financial Impact (\$)
Prophylaxis – Adult	0.39%	\$235,000
Prophylaxis – Child	0.03%	\$15,000
Scaling	0.01%	\$5,000
Periodontal maintenance	0.38%	\$225,000
Total	0.80%	\$480,000

Actuarial Value – X-Rays and Imaging

The State is considering enhancement to the frequency limitation of full mouth and panoramic x-rays and removing the plan exclusion of 3D imaging. Exams and bitewing x-rays would still be limited to twice per calendar year.

Below is a summary of the utilization for the reviewed services for CY2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Full mouth x-ray & panoramic x-ray	3,463	\$448,630	1.0
3D Imaging	8	\$225	1.0

We are expecting a sharp increase in utilization of services after frequency limitations of one every five years are dropped to once per year for full mouth and panoramic x-rays and removing the plan exclusion of 3D imaging.

The estimated overall actuarial value impact for each plan changes is below.

Service Name	Actuarial Value Impact
Full mouth x-ray & panoramic x-ray	1.00%
3D Imaging	1.00%
Total	2.00%

Financial Impact – X-Rays and Imaging

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be an additional \$600,000 or 1.00% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may, not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

Below is the estimated impact for each individual component.

Service Name	Financial Impact (%)	Financial Impact (\$)
Full mouth x-ray & panoramic x-ray	0.50%	\$300,000
3D Imaging	0.50%	\$300,000
Total	1.00%	\$600,000

Actuarial Value – Other Class I Changes

The State is considering enhancement to the frequency limitation for the topical application of fluoride to align with the number of cleanings and removing the age limit. In addition, the State is considering enhancement to the sealant and preventive resin restoration frequency limit.

Below is a summary of the utilization for the reviewed services for CY2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Topical application of fluoride	406	\$26,629	1.5
Sealant application per tooth, Sealant repair per tooth, Preventive resin restoration in a moderate to high caries risk patient – permanent tooth	47	\$11,009	1.1

The estimated overall actuarial value impact for each plan changes is below.

Service Name	Actuarial Value Impact
Topical application of fluoride	De Minimis
Sealant application per tooth, Sealant repair per tooth, Preventive resin restoration in a moderate to high caries risk patient – permanent tooth	De Minimis
Total	De Minimis

Financial Impact – Other Class I Changes

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be negligible, costing less than 0.01% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

Below is the estimated impact for each individual component.

Service Name	Financial Impact (%)	Financial Impact (\$)
Topical application of fluoride	De Minimis	De Minimis
Sealant application per tooth, Sealant repair per tooth, Preventive resin restoration in a moderate to high caries risk patient- permanent tooth	De Minimis	De Minimis

Actuarial Value – Crowns

The State is considering enhancement to the frequency limitation of crowns along with an enhancement to reimbursement of materials being based on porcelain rather than metal.

Below is a summary of the utilization for the reviewed services for CY2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Crowns	4,194	\$3,010,432	1.1

During CY2024, there was approximately \$250,000 in billed charges denied due to frequency limitations.

The estimated overall actuarial value impact for the crown benefit change is 1.0%.

Financial Impact – Crowns

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be an additional \$300,000 or 0.50% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may, not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

The estimated impact for the crown benefit change improvement is 0.50%.

Actuarial Value – Dentures

The State is considering enhancement to the frequency limitation of dentures and removing the benefit paying at alternate levels in some instances.

Below is a summary of the utilization for the reviewed services for CY2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Removable prosthetics – Partial, dentures	213	\$186,702	1.0
Overdenture – Complete Maxillary (Upper arch)	0	\$0	N/A
Overdenture – Complete Mandibular (Lower arch)	0	\$0	N/A
Overdenture – Partial Maxillary (Upper arch)	0	\$0	N/A

The estimated overall actuarial value impact for each plan changes is below.

Service Name	Actuarial Value Impact
Removable prosthetics – Partial, dentures	0.50%
Overdenture – Complete Maxillary (Upper arch)	De Minimis
Overdenture – Complete Mandibular (Lower arch)	De Minimis
Overdenture – Partial Maxillary (Upper arch)	De Minimis
Total	0.50%

Financial Impact – Dentures

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be approximately \$150,000 or 0.25% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

Below is the estimated impact for each individual component.

Service Name	Financial Impact (%)	Financial Impact (%)
Removable prosthetics – Partials, dentures	0.25%	\$150,000
Interim Complete denture	De Minimis	De Minimis
Overdenture - Complete Maxillary (Upper and Lower arch)	De Minimis	De Minimis
Overdenture - Partial Maxillary (Upper and Lower arch)	De Minimis	De Minimis
Total	0.25%	\$150,000

Actuarial Value – Inlays and Onlays

The State is considering enhancement to the frequency limitation of inlays and onlays and changes to alternate benefits in some instances.

Below is a summary of the utilization for the reviewed services for CY2024. The CY2023 statistics were materially the same.

Service Name	Utilizers	Plan Paid	Claims per Utilizer
Inlays (porcelain/ceramic)	0	\$0	N/A
Inlays (noble and base metal)	0	\$0	N/A
Onlays (porcelain/ceramic)	0	\$0	N/A
Onlays (noble and base metal)	0	\$0	N/A

The estimated overall actuarial value impact for each plan changes is below.

Service Name	Actuarial Value Impact
Inlays (porcelain/ceramic)	De Minimis
Inlays (noble and base metal)	De Minimis
Onlays (porcelain/ceramic)	De Minimis
Onlays (noble and base metal)	De Minimis
Total	De Minimis

Financial Impact – Inlays and Onlays

The financial impact is based on the most recent retiree Dental, Vision and Audio (DVA) claims projection of approximately \$58,119,000 for 2025 (dated September 2024) and trended forward at 3% to \$59,863,000 for 2026. The estimated impact would be negligible, costing less than 0.01% of projected additional claims cost to the program in 2026. This percentage represents the impact to the entire DVA program. The impact to the actuarial value noted above represents the impact to the Standard Dental Plan only. There is no impact to the Legacy Dental Plan, the Vision, or the Audio portions of the program.

The impact on premiums will be determined by the Commissioner of Administration and may, or may, not align with the expected impact on expenses. This decision will consider the current asset level, and the anticipated future funding needs of the DVA program.

Below is the estimated impact for each individual component.

Service Name	Financial Impact (%)	Financial Impact (%)
Inlays (porcelain/ceramic)	De Minimis	De Minimis
Inlays (noble and base metal)	De Minimis	De Minimis
Onlays (porcelain/ceramic)	De Minimis	De Minimis
Onlays (noble and base metal)	De Minimis	De Minimis

Summary

Below is a chart summarizing each category of plan change and the associated actuarial and financial impact.

Category	Actuarial Impact*	Financial Impact (%)**	Financial Impact (\$)
Preventive Cleanings	1.60%	0.80%	\$480,000
X-Rays and Imaging	2.00%	1.00%	\$600,000
Other Class I Changes	De Minimis	De Minimis	De Minimis
Crowns	1.00%	0.50%	\$300,000
Dentures	0.50%	0.25%	\$150,000
Inlays and Onlays	De Minimis	De Minimis	De Minimis
Total	5.10%	2.55%	\$1,530,000

* Impact to Standard Dental

** Impact to entire DVA program

Additional Notes

The data used for this analysis was reviewed, but not audited, and found to be sufficient and credible.

The above projection is an estimate of future cost and is based on information available to Segal at the time the projection was made. Segal has not audited the information provided. A

projection is not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, change in demographics, overall inflation rates and claims volatility. Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled, or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.


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cc: Chris Murray, Division of Retirement and Benefits
Ronan Tagsip, Division of Retirement and Benefits
Noel Cruse, Segal
Amy McClendon, Segal
Quentin Gunn, Segal

Service Name	Codes	%	Standard Plan Benefit (Current)	Legacy Plan Benefit	%	Standard Plan Proposed Changes	Estimated impact
Class I							
Prophylaxis- Adult	D1110	100	2x calendar year	No frequency	100	Remove OHTH and change to 4	1%
Prophylaxis- Child	D1120	100	2x calendar year	No frequency	100	Remove OHTH and change to 4	0.05%
Scaling in presence of generalized moderate or severe gingival inflammation (Class II)	D4346	80	2x calendar year	No frequency	80	Allow 4x calendar year	0.01%
Periodontal maintenance	D4910	100	2x calendar year	No frequency (class II)	100	Remove OHTH and change to 4	0.75%
Exam	D0120, D0150, D0180, D0484, D9310	100	2x calendar year	No frequency	100	2x calendar year	N/A
Bitewing	D0272, D0273, D0274, D0277	100	2x calendar year	No frequency	100	2x calendar year	N/A
Full mouth x-ray & panoramic x-ray	D0210, D0330	100	1x5 years	1x per calendar year	100	1x per calendar year	1%
3D Imaging	D0364, D0365, D0366, D0367	N/A	Plan Exclusion	No frequency	100	1x calendar year (Should this be 2x per yr?)	1%
Topical application of fluoride	D1206	100	Twice in a calendar year up to age 19. 19 and older twice in a calendar year if there is history of periodontal surgery, or high risk of decay due to medical disease, chemotherapy or similar type of treatment.	No frequency or age limit	100	DDAK: Change to match cleaning frequency (4x per calendar year), no age limit	0.1%
Sealant application per tooth	D1351	100	Limited to the unrestored occlusal surfaces of permanent molars once per tooth in any 5 year period. If performed within 2 years by the same provider, the sealant is not billable to the patient	Any tooth, no frequency, covered up to age 19	100	1x per tooth per year – no age limit	Negligible
Sealant repair per tooth	D1353						Negligible
Preventive resin restoration in a moderate to high caries risk patient-permanent tooth	D1352						Negligible

Service Name	Codes	%	Standard Plan Benefit (Current)	Legacy Plan Benefit	%	Standard Plan Proposed Changes	Estimated impact
Class III							
Crown	D2710, D2712, D2720, D2721, D2722, D2740, D2750, D2751, D2752, D2753, D2780, D2781, D2782, D2783, D2790, D2791, D2792, D2794	50	1x 7 years, up to metal allowable (in the case of a porcelain crown, benefits pay up to metallic allowable, and the difference is billable to the patient)	D2740-D2753, D2783No frequency Alternate benefit of D2790 on teeth 1, 2, 15-19, 30-32 Remaining codes no frequency	50	1x 5 years; enhance benefit to allow full benefit for porcelain crown (no downgrade in benefit between metallic and porcelain crown)	1%
Removable prosthetics- Partial, dentures	D5110, D5120, D5130, D5140, D5211-D5214, D5221-D5228, D5282, D5283, D5284, D5586	50	1x7 years	1x5 years	50	1x5 years	0.5%
Interim partial denture (temporary)	D5820, D5821	50	1x7 years per arch, covered within 2 months of extraction of permanent anterior teeth. Temporary or interim prosthetic benefits are a separate from permanent prosthetic benefits	No frequency	50	No Change	
Overdenture - Complete Maxillary (Upper arch)	D5863	50	1x7 years, alternate benefit of D5110	Partial or full denture per arch once in a 5 year period, no alternate benefit	50	Partial or full denture per arch once in a 5 year period	Negligible
Overdenture - Complete Mandibular (Lower arch)	D5865	50	1x7 years, alternate benefit of D5120	Partial or full denture per arch once in a 5 year period, no alternate benefit	50	Partial or full denture per arch once in a 5 year period	Negligible
Overdenture - Partial Maxillary (Upper arch)	D5864	50	1x7 years, alternate benefit of D5130	Partial or full denture per arch once in a 5 year period, no alternate benefit	50	Partial or full denture per arch once in a 5 year period	Negligible

Service Name	Codes	%	Standard Plan Benefit (Current)	Legacy Plan Benefit	%	Standard Plan Proposed Changes	Estimated impact
Inlays (porcelain/ceramic)	D6600, D6601	50	1x7 years D6600 Alternate benefit of D6602 on teeth 1, 2, 15-19, 30-32 D6601 Alternate benefit of D6603 on teeth 1, 2, 15-19, 30-32	No frequency , D6600 Alternate benefit of D6602 on teeth 1, 2, 15-19, 30-32 D6601 Alternate benefit of D6603 on teeth 1, 2, 15-19, 30-32	50	1x5 years	Negligible
Inlays (noble metal)	D6602, D6603	50	1x7 years	No frequency limit	50	1x5 years	Negligible
Inlays (base metal)	D6604, D6605, D6606, D6624	50	1x7 years	No frequency	50	1x5 years	Negligible
Onlays (porcelain/ceramic)	D6608, D6609	50	1x7 years D6608 Alternate benefit of D6610 on teeth 1, 2, 15-19, 30-32 D6609 Alternate benefit of D6611 on teeth 1, 2, 15-19, 30-32	No frequency , D6608 alternate benefit of D6610 on teeth 1, 2, 15-19, 30-32 D6609 Alternate benefit of D6611 on teeth 1, 2, 15-19, 30-32	50	1x5 years	Negligible
Onlays (noble metal)	D6614, D6615	50	1x7 years	No frequency	50	1x5 years	Negligible
Onlays (base metal)	D6611, D6612, D6613, D6634	50	1x7 years	No frequency	50	1x5 years	Negligible

Executive Summary	Foreign Ambulance Services (R031)	
Health Plan Affected	Defined Benefit Retiree Health Plan	
Proposed Effective Date	January 1, 2026	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	May 8, 2025	

1) Background

Under the terms of the AlaskaCare Defined Benefits Retiree Health Plan (Plan), coverage for transportation by professional ambulance is limited to services received within the United States. Specifically, the Plan states:

The Medical Plan pays travel and ambulance costs within the contiguous limits of the United States, Alaska, and Hawaii. This includes:

a) Transportation to the nearest hospital by professional ambulance. A professional ambulance is a land or air vehicle specially equipped to transport injured or sick people to a destination capable of caring for them upon arrival. Specially equipped means the vehicle contains the appropriate stretcher, oxygen, and other medical equipment necessary for patient care enroute. A medical technician trained in lifesaving services accompanies the transported patient. Following an emergent event, returning transportation costs to the site of illness or injury are eligible for reimbursement subject to the provisions as outlined in section b.

Therefore currently, if a member is traveling or living outside of the United States, and requires emergency medical transportation services, they would be unable to receive Plan coverage for their foreign ambulance claim.

2) Objectives

To support members traveling or living outside of the United States who may require emergency medical transportation services.

3) Summary of Proposed Change

The Division is considering an enhancement to the benefit, by extending coverage to medically necessary professional ambulance services received outside of the United States. This would include ambulance transportation by ground or air, via fixed wing aircraft and/or helicopter, for patients with life-threatening conditions needing immediate medical attention.

4) Analysis

The potential cost of ambulance travel outside of the United States varies by country. Segal, the Division's contracted benefit consultant, indicates most countries charge an initial flat fee, with additional charges by distance, similar to the United States, while a small number of remaining countries provide services free of charge or at a low rate. Based on current enrollment data, there are less than 250 retirees and dependents residing outside of the United States.

5) Impacts

Actuarial Impact to AlaskaCare | Neutral

The Division's contracted benefit consultant, Segal, has indicated that since the extension of this coverage would be considered an enhancement only for the small population of members who reside or travel outside of the United States, and benefits for those living and receiving treatment within the United States would not be impacted, the total impact to the Plan's actuarial value would be de minimis.

Financial Impact to AlaskaCare | Minimal Increase

Segal indicated the anticipated financial impact of this change, based on the most recent retiree medical and pharmacy claims projection of \$856,400,000 for 2025 (dated September 2024), and trended forward at 7% to \$916,400,000 for 2026, equates to an annual cost increase to the Plan of between 0.02% and 0.04%.

Since this is not currently a benefit under the terms of the Plan, the estimate is based on a review of AlaskaCare emergency ambulance transportation claims (not including the cost of services received during transport or subsequent hospitalization) incurred by the entire AlaskaCare Retiree population. Based on their analysis, it's estimated coverage of foreign emergency ambulance services would cost an additional \$150,000 to \$300,000 annually.

Member Impact | Enhancement

Members of the Retiree Plan who are traveling or living outside of the United States and find themselves in a situation where they would need emergency medical transportation services would benefit from the enhancement. Members who receive medical services domestically would not be affected by the change. As for all foreign claims submitted under the Medical Plan, members with claims for foreign ambulance services would need to submit their claim to the Medical Third-Party Administrator (TPA) directly.

Operational Impact (DRB) | Minimal

The Division anticipates minimal operational impacts. The Division will follow the standard process for making plan changes per 2 AAC 39.390 and provide directions to the Third-Party Administrator to implement the enhancement. Once the implementation activities are complete, the Division does not anticipate any additional operational impact.

Operational Impact (TPA) | Minimal

The impact to the Medical TPA is anticipated to be low.

Provider Impact | Minimal

There is no anticipated impact on providers as a result of this change.

6) Implementation and Communication Overview

Division staff will follow the standard process to make changes to the Defined Benefit Retiree Health Plan, which includes completion of the following:

- Proposal analysis and stakeholder input
- Public comment period(s)
- Any needed language updates to the AlaskaCare Retiree Insurance Information Booklet

7) Proposal Recommendations

DRB Recommendation

The Division recommends implementation of the proposal.

RHPAB Board Recommendation

The RHPAB board voted on ##/##/## to recommend/not to recommend...

Description	Date
Proposal Drafted	May 2025
Reviewed by Modernization Subcommittee	
Reviewed by RHPAB	May 8, 2025



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Memorandum

To: Steve Ramos, Chief Health Administrator, Division of Retirement and Benefits

From: Richard Ward, FSA, FCA, MAAA

Date: April 15, 2025

Re: Addition of Foreign Emergency Ambulance Transportation

The State is considering the addition of foreign emergency ambulance transportation for the Retiree plan, which is currently not covered. This would include coverage for ambulance transportation via ground and air, including both helicopters and fixed wing planes, for patients with life-threatening conditions needing immediate medical attention.

The cost of ambulance transportation varies widely by country. Most countries charge an initial flat call out fee with additional charges based on distance, similar to the United States. While a small number of other countries provide ambulance transportation free of charge or at very low cost.

Generally, Medicare does not cover the cost of medical services received outside of the United States, including ambulance transportation, with certain exceptions.

Based on enrollment data, there are currently less than 250 retirees and dependents that reside outside of the United States. This would be in addition to any members who may encounter a medical emergency while traveling abroad.

Below is a table outlining the current benefits offered under the Plan:

Deductibles	
Annual individual / family unit deductible	\$150 / up to 3x per family
Coinsurance	
Most medical expenses	80%
Most medical expenses after out-of-pocket limit is satisfied	100%
Second surgical opinions, Preoperative testing, Outpatient testing/surgery • No deductible applies	100%
Out-of-Pocket Limit	
Annual individual out-of-pocket limit • Applies after the deductible is satisfied • Expenses paid at a coinsurance rate other than 80% do not apply against the out-of-pocket limit	\$800

Benefit Maximums		
Individual lifetime maximum • Prescription drug expenses do not apply against the lifetime maximum	\$8,000,000	
Prescription Drugs		
Up to 90 Day or 100 Unit Supply	Generic	Brand Name
Network pharmacy copayment	\$4	\$8
Mail order copayment	\$0	\$0

Actuarial Value

The extension of this coverage would be considered an enhancement only for the small population of retirees and dependents who are residing or traveling outside of the United States. Benefits for those living and receiving treatment within the United States would not be impacted. As a result, the total impact to the plans actuarial value would be de minimis.

Financial Impact

Segal performed a review of AlaskaCare ambulance claims incurred during calendar years 2023 and 2024. Ambulance claims were identified as either emergency or non-emergency and ground or air based on medical billing codes associated with each claim.

Only the costs related to the ambulance transport were included. We did not include the cost of services performed during the ambulance trip or cost of subsequent hospitalization. We also excluded any non-emergency transportation to other facilities once the patient was stabilized.

Due to the limited number of members living outside of the United States and because these services are not currently covered for this population, we relied on the ambulance incidence rates for ground and air ambulance for the entire AlaskaCare retiree population. We assumed the average cost for ground and air foreign ambulance would be similar to that of AlaskaCare retiree population living in the United States; however, the cost can vary significantly depending on the country in which the services are received as well as the foreign currency exchange rate.

Costs can also vary widely depending on the severity of the medical emergency and we have seen claims as high as \$100,000 for emergency air ambulance services. As a point of comparison to our estimate, Aetna, the health plan administrator for AlaskaCare, provided Segal with a claims summary of billed ambulance charges submitted for those who reside outside of the United States.

Based on our analysis, we estimate the financial impact of covering foreign emergency ambulance would result in an additional cost of approximately \$150,000 to \$300,000.

Using the most recent retiree medical and pharmacy claims projection of \$856,400,000 for 2025 (dated September 27, 2024), trended forward at 7% to \$916,400,000 for 2026, this equates to an annual cost increase to the Plan of between 0.02% and 0.04%.

Additional Notes

The data used for this analysis was reviewed, but not audited, and found to be sufficient and credible.

The above projection is an estimate of future cost and is based on information available to Segal at the time the projection was made. Segal has not audited the information provided. A projection is not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, change in demographics, overall inflation rates and claims volatility. Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled, or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.

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cc: Chris Murray, Division of Retirement and Benefits
Ronan Tagsip, Division of Retirement and Benefits
Noel Cruse, Segal
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