


**Retiree Health Plan Advisory Board
Modernization Committee
Meeting Agenda**

Date: Wednesday, July 16, 2025
Time: 10:00 am – 12:00 pm
Location: [Join the meeting now](#) | ANC Atwood 19th Floor
Telephone Only: +1 907-202-7104, 598 911 268#
Committee Members: Cammy Taylor, Michael Humphrey, Mauri Long, Judy Salo

- 10:00 am **Call to Order**
- Roll Call and Introductions
 - Approval of Agenda
 - Ethics Disclosure
- 10:05 am **Public Comment**
- 10:10 am **Modernization Topics/Priorities**
- Telemedicine
 - Teladoc
 - Travel
 - Licensed Massage Therapists
 - Long-Term Care
 - Long Term Care themed Town Hall event on July 17th
 - Covid Vaccine
 - If the COVID vaccine is recommended by the organizations listed in section 3.3.11 Preventive Care and Screening Services of the Retiree Plan Booklet, the COVID vaccine will be covered at first dollar coverage
 - If it is not, it will be covered under normal Plan provisions
- 11:50 am **Public Comment**
- 12:00 pm **Wrap up/Adjourn**

Executive Summary	Telemedicine Policy Continuation (R033)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	September 1, 2025	
Reviewed By	RHPAB – Modernization Committee	
Review Date	June 13, 2025	

1) Background

In response to the COVID-19 national public health emergency declared on January 31, 2020, the Division of Retirement and Benefits (Division) implemented temporary changes to the AlaskaCare Retiree Health Plan (Plan) to support the public health response and members’ access to care. One change was the expansion of telemedicine services beyond those covered at the time. The scope of temporary expanded services was established in alignment with the Centers for Medicare & Medicaid Services’ (CMS) temporary COVID-19 related telemedicine coverage, as they were the fastest to expand coverage and served as a common industry reference. In 2023, the Division decided to continue supporting the liberalized COVID-19 telemedicine services under the Plan, in alignment with CMS guidelines.

According to the March 2025 Full-Year Continuing Appropriations and Extensions Act, Medicare will no longer cover the liberalized telehealth services for non-behavioral health visits after September 30, 2025. Therefore, the Plan’s telemedicine coverage practices must be reassessed to determine the appropriate benefit design. The Division is considering an acceptable standard that provides the right balance of benefit coverage with the ability to modernize as practices in the United States change over time. Since CMS is likely to constrict its benefits beyond the Plan’s comfort zone, we are not considering adopting CMS as a standard. We are proposing the adoption of our claims administrator’s standard, which covers more services than CMS, but slightly less than the Plan’s current telemedicine coverage. The Division recommends waiting to see what action CMS takes (currently planned for September 2025) before moving forward with a benefit design change. As the Plan is secondary coverage to Medicare for Medicare-eligible claims, and a majority of Plan members have Medicare as primary, it is anticipated that the decision to adopt the claims administrator’s telemedicine coverage policies would have a financial impact to the Plan.

2) Objectives

To continue to support members in their ability to access timely care, potentially from rural locations, or for those who have limited mobility by adopting the claims administrator’s telemedicine policies.

3) Summary of Proposed Change

The AlaskaCare Retiree Health Plan proposes to continue to provide Plan coverage for telemedicine services which were previously expanded as part of the COVID-19 liberalizations, in alignment with the claims administrator’s policy.

4) Impacts

Actuarial Impact to AlaskaCare | Neutral

Segal, the Division’s contracted benefit consultant, indicates the addition would be considered a continuation of provider service approach options and does not have an actuarial impact on the current Plan benefits.

Financial Impact to AlaskaCare | Increase

Segal indicated the anticipated financial impact of maintaining the current coverage, 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 0.16% and 0.27%. The estimated financial impact to the Retiree Plan for adopting the claims administrator's telemedicine coverage is an additional cost of \$1.5 to \$2.5 million, without anticipating changes in provider or member behavior due to the adjustments made by Medicare.

The additional cost would primarily be driven by the Plan becoming the primary payer due to Medicare no longer supporting expanded telehealth services for non-behavioral health visits. During Segal's independent review of AlaskaCare Retiree Plan claims from CY 2023 and 2024, impacted claims were determined using the list of liberalized COVID-19 services provided by Aetna, repriced to assume the Plan would become primary payer.

Member Impact | Moderate

It is expected that members of the Retiree Plan would benefit from continued coverage of telehealth and telemedicine services, especially those in rural areas or with limited mobility. If the decision were to be to align with the claims administrator's policy, there would be a reduction of accepted procedure codes to what's currently covered, yet significantly more codes than the changes proposed by CMS. Based on the claims incurred in 2024, alignment with the claims administrator's policy is anticipated to result in 7.8% of claims from retirees under 65 to be denied, and 17.7% of claims from retirees over 65 to be denied.

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 proposal. 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 Administrator (TPA) is anticipated to be low.

Provider Impact | Minimal

Provider impact is estimated to be minimal as there would not be a change in coverage currently available.

5) Implementation and Communication Overview

Division staff will follow the standard process for making changes to the Defined Benefit Retiree Plan.

6) Proposal Recommendations

DRB Recommendation

The Division recommends waiting until CMS confirms their changes will take effect to reassess the Plan's telemedicine coverage policy.

RHPAB Board Recommendation

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

Description	Date
Proposal Drafted	May 2025
Reviewed by Modernization Subcommittee	June 13, 2025; July 16, 2025
Reviewed by RHPAB	



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Memorandum

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

From: Richard Ward, FSA, FCA, MAAA

Date: April 2, 2025

Re: Telemedicine Policy Continuation

The State is considering continuing to cover telemedicine services for the Retiree plan based on the current policy despite a change in the Medicare policy towards coverage for non-behavioral health visits. These telemedicine and telehealth services are covered through the Aetna medical benefits and are separate and distinct from services provided via Teladoc.

The State is currently covering certain procedure codes based on the liberalized COVID-19 telemedicine services. During 2023, the State decided to continue supporting the liberalized telemedicine services despite the end of the COVID-19 pandemic and changes to Aetna's Standard Virtual Policy. Based on the March 2025 Continuing Resolution, Medicare will no longer cover the liberalized telehealth services for non-behavioral health visits after September 30, 2025.

The State may continue to cover the liberalized telemedicine services; however, Medicare will no longer pay primary resulting in additional claims cost incurred by the State. Alternatively, the State may decide to align with Medicare and Aetna's Standard Virtual Policy and no longer cover these telemedicine services.

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

This addition would be considered a continuation of provider service approach options and does not impact the current plan benefits.

Financial Impact

Aetna, the health plan administrator for AlaskaCare, provided Segal with a claims summary and preliminary estimate of the financial impact of continuing telehealth services for the retiree population. The additional cost would primarily be driven by the State becoming the primary payer due to Medicare no longer supporting the expanded telehealth services for non-behavioral health visits.

Segal performed an independent review of AlaskaCare retiree claims during calendar years 2023 and 2024. Impacted telemedicine claims were determined using the list of liberalized COVID-19 services identified as being conducted via telemedicine based on their procedure code modifiers which was provided by Aetna. The telemedicine claims were then repriced assuming the State would become the primary payor and compared to current plan costs.

Based on our analysis, we estimate the financial impact to the retiree plan of continuing the current telemedicine coverage would result in an additional cost of \$1.5 to \$2.5 million. In our analysis, we are not anticipating major changes in either provider or member behavior due to the broader adjustments being made by Medicare.

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 0.16% to 0.27%. Due to an effective date of September 1, 2025, there would also be an impact to the claims incurred in the last quarter of 2025.

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



ENGAGEMENT | SIMPLICITY | VALUE

AlaskaCare: Retiree Teladoc Analysis

July 15, 2025





Teladoc Health is the global leader in virtual care

90M+

Members¹

5000+

Employees Worldwide²

500M+

Health Interactions³

60M+

Cumulative Virtual Care Visits⁴

60+

NPS⁵

#1

Most recognized virtual care brand⁶

1. Includes U.S. paid members and visit fee only access

2. Teladoc Health data, 2023

3. Includes health interactions across all Teladoc Health businesses

4. Teladoc Health data, virtual care visits delivered since 2015

5. Member surveys across Teladoc Health products and services, 2021-2022

6. Based on Unaided Virtual Care Service Recall for September 2022

Retiree Teladoc Analysis – Services Proposed

Proposed Virtual Services

Acute Primary Care

- 24/7 on demand access to board-certified doctors by phone or video. Request a visit or schedule an appointment for a later time.

Dermatology

- Upload images and provide details about your skin condition and receive a response in just 1 business day from a licensed dermatologist.
- Includes 7-day in-app messaging follow up for any questions or needs.

Behavioral Health

- Meet with a therapist, psychologist or psychiatrist 7 days a week (7 am to 9 pm local time) from the comfort of your home by video or phone and get support for anxiety, depression, stress and more.
- Services available for adolescents 13-17 as well (video only)

NOTE: Teladoc would be covered in a primary position for all members, as they do not bill Medicare.



General Medical can be used for:



Pediatric care
for all ages (0+)



If your **doctor**
is unavailable



If there's **no time**
for an office visit



If **distance** makes
an office visit difficult



If you need a short-term
prescription refill*



If you're on **vacation**
or a business trip in
the U.S.

Acute Care Services



General Medical



How General Medical works:

Convenient, cost-effective care

- **General Medical Services** provide convenient, high-quality care at a lower cost, available 24/7
- **Members have the choice** of on-demand or scheduled visit with a U.S. board-certified doctor via phone or video
- **They can be** diagnosed, treated or prescribed medication, if necessary
- **Treatment for a wide range** of non-emergency conditions within minutes including: flu, cough, seasonal allergies, rash, backache and more

1

Register

The member **provides basic information through web, mobile, or phone.**

S/he completes medical history similar to the paperwork requirements at a doctor's office.

2

Request

The member **requests a visit on demand** or schedules an appointment.

3

Visit

A physician reviews the medical history and any uploaded images and **contacts the member via their preferred method—**by phone or video.

4

Follow-up

A physician diagnoses the member and, if necessary, **provides treatment plans or prescribes medication electronically** to the member's pharmacy of choice.

A member can also be referred to a brick-and-mortar setting.

Dermatology Services

Dermatology

Quick, reliable access to skin specialists

- Upload images and provide details about your skin condition to a **board-certified dermatologist** via web or app
- Receive a **diagnosis within one business day** from the dermatologist through the online message center
- **Treats acute or ongoing skin conditions** like psoriasis, skin infection, rosacea and more
- **Providers can prescribe** approved medications
- **Follow-up with the doctor** via in-app messaging within 7 days after the visit at no additional charge

How Dermatology works:

1

Register

The member provides **basic information** about skin issue through web or mobile app.

2

Upload Images

Upload a minimum of three pictures of the skin issue for **the dermatologist to review**.

3

Visit results online

Within one business day, the licensed dermatologist will respond through the online message center.

Members can be diagnosed, treated or prescribed medication if necessary.

4

Follow-up

Follow-up with the doctor through in app message center for free within 7 days of visit.

Behavioral Health / Mental Health Services



Mental Health Care

Ongoing support

- **Patients select their choice** of board-certified psychiatrists, licensed psychologists, therapists or counselors
- **Talk to the same provider** on-going for anxiety, eating disorders, depression, grief, family difficulties and more
- **Available 7 days a week** from 7am–9pm local time by video or phone
- **Receive support** from wherever the member is most comfortable



How Mental Health Care works:

1

Register for the program

The **member initiates** through app or web.

*Provider options include Psychiatrist, Psychologist, or Licensed Therapist.
**If the selected provider does not have individual appointment slots available, the member can propose 3 appointment times that work for them. The provider will review their proposal and work to coordinate the appointment with them through their Teladoc Health account.

Teladoc
HEALTH

2

Choose a Provider*

The **member chooses a care provider** by reviewing provider profiles, including specialty, language, gender and ability to prescribe medication.
May use the same provider through course of care.

3

Select date and time**

The member selects an appointment time that works best for them from the providers available appointment slots. The first available visit time will always be 72 hours from the current day/time.

Access a provider 7 days a week, 7 am to 9 pm member's local time.

4

Meet with Provider

The care **provider meets with the member by video or phone** and provides treatment and goal setting.

5

Ongoing treatment as needed

The member can **schedule future appointments** with the same provider and follow-up through the secure online message center.

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Retiree Teladoc Analysis – Fee and Cost Structure

Costs: 2026-2028

Administration

- \$0.45 PRPM (per retiree per month)

Cost Per Service

- The total allowed cost per service from 2026-2028 are as follows:
 - Acute Primary care - \$58
 - Dermatology - \$85
 - Behavioral Health Psychiatrist – initial visit - \$215; follow-up visit \$100
 - Behavioral Health Licensed Therapist - \$90

Copay

- Proposed copay of \$25 for all services

Retiree Teladoc Analysis – Financial Impact

Administration

- \$0.45 PRPM (per retiree per month) - **\$255K per year** based on an average of 47,200 retiree subscribers

Financial Analysis (6.0% utilization of general medical services)

- General Medical Visit Cost: **\$141K per year**, 4,260 visits
- Avoided costs:
 - 807 NonMedicare Primary Care/Urgent Care visits: **\$161K savings per year (there is no difference in visit cost for Medicare Primary members at a \$25 Teladoc Copay)**
 - 253 Avoided Emergency Room Visits (NonMedicare and Medicare group with appropriate per visit savings for each group): **\$346K savings per year**
- **Net Impact: \$112K annual savings considering administration, the cost of care and the savings from more expensive avoided care**
- **Net Impact (3.0% general medical utilization):**
 - To show multiple assumptions and to be conservative – we wanted to also model the scenario of 3.0% utilization (half of Book of business), all other assumptions about where folks would have gone without Teladoc being proportional.
 - **Scoring at 3.0% utilization instead of the 6.0% book of business usage rate is an annual cost of \$70K (administration, claims, avoided claims saved combined)**

Dermatology / Behavioral Health Impact is negligible

- Weighting based on utilization rates and cost of ‘like’ visits on both the Medicare Primary and Non-Medicare populations, the cost per visit is roughly \$26 more expensive with Teladoc for dermatology and \$24 less expensive for Behavioral Health.
- Based on utilization of each service type by Medicare Primary and NonMedicare retirees (see details on assumptions slide) – the resulting net impact is \$5-\$10K. We assumed the same overall consumption of services with Teladoc included in the package. If 20% more Medicare Primary members use this service, proportionally, it could score at a plus \$40-\$50K annual cost.

Retiree Teladoc Analysis – Methods and Assumptions

Benchmark utilization (visits per year divided by members enrolled, 7.5M members)

- General medical: 5.9% (AlaskaCare active employees – 6.4%)
- Mental Health: 1.4% (AlaskaCare active employees – 2.9%)
- Dermatology: 0.3% (AlaskaCare active employees – 0.8%)

Assumptions

- Financial analysis was done assuming BoB utilization for retirees (6%) as well as a more modest of 3%
- We assumed 90% of Teladoc visit would have resulted in a visit elsewhere had Teladoc not been offered (and that 6.6% of visits would have used the ER, and 93.4% would have used a PCP or Urgent Care, based on Teladoc post-visit survey data)
- We assumed 10% wouldn't have received care at all.
- We performed separate analysis for the costs and savings based on the specific economics (and membership size) of the Medicare and non-Medicare retirees
- For dermatology, we assumed a 2.0% utilization rate, considering the higher frequency of dermatologic utilization and diagnosis rate in retiree population.
- For behavioral health, we assumed a 2.5% utilization rate, considering retirees are using far less behavioral health compared to the active population, but also considering Teladoc would create additional access to the Medicare population who today are expressing some challenges finding providers with appointment access who are accepting Medicare.
- For both dermatology and behavioral health, we assumed the same baseline number of visits and analyzed the differences in per visit costs for the Medicare Primary and non-Medicare population separately, weighting the composite marginal costs and savings based on the utilization rate of 'like' services consumed by those two populations today.