

## Retiree Health Plan Advisory Board – Special Meeting Meeting Agenda

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**Date:** October 8th, 2019  
**Time:** 10:00 am – 12:00 am **\*New Time**  
**Location:** Teleconference Only  
**Teleconference:** 1-650-479-3207 or [1-855-244-8681](tel:1-855-244-8681) (toll-free) ID#: 805 300 102

[Click Here to Join](#)

**Committee Members:** Judy Salo (chair), Joelle Hall, Gayle Harbo, Dallas Hargrave, Mauri Long, Cammy Taylor, and G. Nanette Thompson

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**10:00 am**     **Call to Order – Judy Salo, Board Chair**

- Roll call and introductions
- Approval of agenda
- Ethics disclosure

**10:40 am**     **Retiree Dental, Vision, and Audio Plan**

- **2020 Dental Plan Comparison**                     **Page 02**
- **2020 Enrollment Guide**                             **Page 05**
- **Memo to Commissioner**                             **Page 10**
- **Memo from Segal**                                     **Page 15**
- **Memo from Buck**                                     **Page 21**
- **Budget Projections**                                   **Page 26**
- **Communication Plan**                                   **Page 36**

**11:30 am**     **Public Comment**

**11:45 am**     **Final Thoughts**

**12:00 pm**     **Adjourn**

# AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Comparison



AlaskaCare retiree Dental-Vision-Audio (DVA) plan members have a choice between the Standard Dental Plan and the Legacy Dental Plan for the 2020 benefit year. You can choose the plan that works best for you and your family.

This comparison provides an overview of the two plans and highlights some, but not all, of the benefit provisions. For complete coverage details, please consult the plan booklets available at [www.AlaskaCare.gov](http://www.AlaskaCare.gov).

## 2020 Retiree DVA Plan Monthly Premiums

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

## Plan Structure, Annual Deductible, Coinsurance, and Maximum Benefit

	Standard (Current)	Legacy (Prior to 2014)
<b>Covered household member options</b>	✓ Retiree only Retiree and spouse Retiree and child(ren) Retiree and family	✓ Retiree only Retiree and spouse Retiree and child(ren) Retiree and family
<b>Plan funding</b>	✓ 100% funded by member-paid premiums.	✓ 100% funded by member-paid premiums.
<b>Annual deductible</b>	✓ \$50 per individual. Applies to class II (restorative) and class III (prosthetic) services.	✓ \$50 per individual. Applies to class II (restorative) and class III (prosthetic) services.
<b>Coinsurance</b>	✓ Class I (preventive): 100% Class II (restorative): 80% Class III (prosthetic): 50%	✓ Class I (preventive): 100% Class II (restorative): 80% Class III (prosthetic): 50%
<b>Annual individual benefit maximum</b>	✓ Plan will pay up to \$2,000 for dental services each benefit year.	✓ Plan will pay up to \$2,000 for dental services each benefit year.

## Network Provisions

	Standard (Current)	Legacy (Prior to 2014)
<b>Access to a broad network of dental providers</b>	✓ Yes	✓ Yes
<b>Access to an additional exclusive network of preferred dental providers who accept reduced fees for the same services.</b>	✓ Yes	✗ No
<b>Recognized charge: In-Network</b>	✓ Lesser of 100% of negotiated fees, billed charges, or covered expense.	✓ Lesser of 100% of negotiated fees, billed charges, or covered expense.
<b>Recognized charge: Out-of-Network</b>	✓ 75% of the 80th percentile; members may be billed for additional charges.	✓ 100% of the 90th percentile; members may be billed for additional charges.

## Dental Necessity Requirement

	Standard (Current)	Legacy (Prior to 2014)
<b>To be eligible for coverage, dental services and supplies must meet these dental necessity requirements and be a covered service or supply under the plan.</b>	✓ The Retiree Standard Dental Plan covers dental services and supplies when performed by a dentist or dental care provider and when determined to be dentally necessary.	✓ The Retiree Legacy Dental Plan does not provide benefits for dental services or supplies that are not necessary for diagnosis or treatment of dental condition as determined by the claims administrator even if prescribed, recommended, or approved by a dental professional.

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## Covered Dental Services: Class I - Preventive

	Standard (Current)	Legacy (Prior to 2014)
<b>Diagnostic</b>		
Oral exam	✓ Covered 2 times per benefit year.	✓ Covered
Complete series x-rays/panoramic	✓ Covered once every five years.	✓ Covered if required for diagnosis; not more than one full mouth or series per year.
Bitewing x-rays	✓ Covered once per benefit year.	✓ Covered
Diagnostic casts & study models	⊘ Not covered	✓ Covered
<b>Preventive</b>		
Cleanings (prophylaxis)	✓ Covered 2 times per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered
Periodontal maintenance	✓ Covered as a class I service at 100% and no deductible. 2 times per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered as a class II service at 80% and \$50 deductible.
Topical fluoride: 18 years or younger	✓ Covered 2 times per benefit year.	✓ Covered
Topical fluoride: 19 years or older	✓ Covered 2 times per benefit year if recent periodontal surgery or high risk of decay due to chemotherapy or medical disease.	✓ Covered
Sealants: 18 years or younger	✓ Covered once every five years with tooth limitations.	✓ Covered
Sealants: 19 years or older	✓ Covered once every five years with tooth limitations.	⊘ Not Covered
Space maintainers	✓ Covered for 14 years and younger, once per tooth space with tooth limitations.	✓ Covered as a class II service at 80% and \$50 deductible.

## Covered Dental Services: Class II - Restorative

	Standard (Current)	Legacy (Prior to 2014)
<b>Restorative</b>		
Fillings	✓ Covered	✓ Covered
Inlays	✓ Covered, considered an optional service. Alternate benefit of composite filling. Covered as a class II service at 80% and \$50 deductible.	✓ Covered as a class III service at 50% and \$50 deductible.
Crown buildups	✓ Covered as a class II service at 80% and \$50 deductible if necessary for tooth retention.	✓ Covered as a class III service at 50% and \$50 deductible.
<b>Oral Surgery</b>		
Extractions (including surgical)	✓ Covered	✓ Covered
Alveoplasty (procedure to smoothen or re-shape jaw bone)	✓ Covered when performed as part of other covered service. Not covered as a separate charge.	✓ Covered
Brush Biopsy	✓ Covered 2 times per benefit year.	✓ Covered
<b>Endodontic</b>		
Root canal & treatment	✓ Covered; retreatment not covered for same tooth by same dentist within 24 months. Initial service should include retreatment within this timeframe if necessary.	✓ Covered
Pulpal therapy (pulp capping)	✓ Covered when pulp is exposed.	✓ Covered

## Covered Dental Services: Class II - Restorative Continued

	Standard (Current)	Legacy (Prior to 2014)
<b>Periodontic</b>		
Gum disease and supporting tissue treatment	✓ Covered	✓ Covered
Periodontal maintenance	✓ Covered as a class I service, 100% and no deductible. Two per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered as a class II service at 80% and \$50 deductible.
Periodontal scaling & root planing	✓ Once per quadrant in any 2 year period.	✓ Covered
Periodontal splinting	⊘ Not covered	✓ Covered
Full mouth debridement	✓ Covered once in a 3-year period if no cleaning (prophylaxis) occurred within preceding 24 months.	✓ Covered
<b>Anesthesia</b>		
Nitrous Oxide	✓ Covered	✓ Covered
General anesthesia/ IV sedation	✓ Covered for surgical procedures only or if needed due to a medical condition.	✓ Covered
<b>Other</b>		
Palliative care	✓ Covered	✓ Covered
Apicoectomy (surgical removal of root tip)	✓ Covered	✓ Covered
Denture repair	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Denture reline	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Denture adjustments	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Tissue conditioning	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered

## Covered Dental Services: Class III - Prosthetic

	Standard (Current)	Legacy (Prior to 2014)
<b>Restorative</b>		
Crowns (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Onlays (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Lab veneers (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Inlays	✓ Covered, considered an optional service. Alternate benefit of composite filling. Covered as a class II service at 80% and \$50 deductible.	✓ Covered as a class III service at 50% and \$50 deductible.
Crown buildups	✓ Covered as a class II service at 80% and \$50 deductible if necessary for tooth retention.	✓ Covered as a class III service at 50% and \$50 deductible.
Porcelain restorations	✓ Covered for visible teeth. Coverage limited to cost of metallic prosthetic if placed on upper second or third molars or lower first, second, or third molars.	✓ Not covered if tooth can be restored with amalgam (metallic) filling. Coverage limited to appropriate charges for amalgam or similar material.
<b>Prosthetic</b>		
Bridges	✓ Covered once in 7 year period if tooth, tooth site, or teeth have not received a cast restoration benefit in last 7 years.	✓ Covered

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## Covered Dental Services: Class III - Prosthetic Continued

	Standard (Current)	Legacy (Prior to 2014)
<b>Prosthetic</b>		
<b>Dentures full &amp; partial</b>	✓ Covered once in 7 year period if tooth, tooth site, or teeth have not received a cast restoration benefit in last 7 years.	✓ Covered once every 5 years if previous dentures cannot be made serviceable or if previous denture was temporary and installed within previous 12 months.
<b>Dentures temporary</b>	✓ Partial denture covered if placed within 2 months of anterior tooth extraction. Additional limitations may apply.	✓ Covered
<b>Denture adjustment</b>	✓ Covered twice in 12-month period, unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
<b>Denture repairs</b>	✓ Covered unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
<b>Denture reline</b>	✓ Covered once in 12-month period, unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
<b>Tissue conditioning</b>	✓ Covered twice per denture in a 36-month period.	✓ Covered as a class II service, 80% coverage and \$50 deductible.
<b>Implants</b>	✓ Covered. Limited to once per lifetime per tooth space. Some implant charges may be eligible for coverage under medical plan. Associated cast restoration over implant and other implant related procedures are covered as a Class III prosthetic service.	✗ No coverage for implants under dental plan. Some implant charges may be eligible for coverage under medical plan. Associated cast restoration over implant and other implant related procedures are covered as a Class III prosthetic service.
<b>Other</b>		
<b>Athletic mouthguards</b>	✓ Covered once per year if 15 or younger; covered once every 2 years if 16 or older.	✗ Not covered

## Other Services and Benefits

	Standard (Current)	Legacy (Prior to 2014)
<b>Orthodontics</b>	✗ Orthodontics services are not covered in the AlaskaCare Dental Plan.	✗ Orthodontics services are not covered in the AlaskaCare Dental Plan.
<b>Vision Benefits</b>	✓ No changes to plan benefits.	✓ No changes to plan benefits.
<b>Audio Benefits</b>	✓ No changes to plan benefits.	✓ No changes to plan benefits.

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### For questions about how specific services may be covered under each plan, please contact Delta Dental.

For more information about the DVA Plan, contact:

**Dental:** Moda/Delta Dental of Alaska  
Toll Free (855) 718-1768

**Vision and Audio:** Aetna Concierge  
Toll Free (855) 784-8646

[www.AlaskaCare.gov/DVA](http://www.AlaskaCare.gov/DVA)

### Contact the Member Services Contact Center:

Juneau: (907) 465-4460  
Outside Juneau: (800) 821-2251  
Email: [doa.drb.benefits@alaska.gov](mailto:doa.drb.benefits@alaska.gov)  
PO Box 110203 Juneau, AK 99811-0203

Monday - Thursday: 8:30 a.m. to 4 p.m. (Alaska Time)  
Friday: 8:30 a.m. to 3 p.m. (Alaska Time)

# AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Enrollment Guide



Effective January 1, 2020, eligible AlaskaCare retirees will have a choice between the current dental plan (standard plan) and the dental plan in place prior to 2014 (legacy plan) as part of their Dental, Vision, and Audio (DVA) coverage. You can choose the plan that works best for you and your family for the upcoming benefit year.



**The Division of Retirement and Benefits will host a retiree DVA plan open enrollment period from October 16 through November 27, 2019.**

Open enrollment was originally set to begin November 6. We know this process is new, so we expanded the enrollment window to begin October 16. The enrollment period for the 2020 benefit year will begin early to give you more time to consider your options and make your choice! We want you to make an informed decision and choose the option that best meets your needs.

This enrollment guide contains information about your choices, and instructions for participating in open enrollment. It is designed to answer questions about your options and how to enroll.

Open enrollment is a four step process:

1. **Learn:** Learn about the open enrollment process
2. **Verify:** Verify your eligibility to participate in open enrollment
3. **Compare:** Compare your options for dental benefits in the DVA plans
4. **Enroll:** Enroll in the plan of your choice

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

**DVA Open Enrollment Period:  
October 16 through  
November 27, 2019**

Find the online enrollment form at [www.AlaskaCare.gov/DVA](http://www.AlaskaCare.gov/DVA)

For more information about the DVA plan, to view the FAQs, or to sign up for the AlaskaCare Retiree e-newsletter visit: [www.AlaskaCare.gov/DVA](http://www.AlaskaCare.gov/DVA)

## Need more information?

There are additional Frequently Asked Questions (FAQ) on our website. You can find answers to questions retirees have asked. Check our FAQ page often, new questions are added regularly! [www.AlaskaCare.gov/retiree/faqs](http://www.AlaskaCare.gov/retiree/faqs)

Send us an email at [doa.drb.benefits@alaska.gov](mailto:doa.drb.benefits@alaska.gov) or call us toll-free at (800) 821-2251 or in Juneau at (907) 465-4460.

# Frequently Asked Questions



## What are some of the differences between the standard plan benefits and the legacy plan benefits?

### Standard Plan

- Features an additional dental network with deeper discounts that save you more money when you use a network dentist. This allows you to receive coverage for more services before you reach your annual benefit maximum.
- Supports evidence-based coverage limitations, including those developed by the American Dental Association, such as frequency and age limitations for exams, cleanings, and periodontal maintenance.
- Pays less if you visit an out-of-network dentist.
- Has lower premiums.

### Legacy Plan

- Does not have pre-determined frequency or age limitations on most services.
- Features a wide dental network that saves you money when you use a network dentist.
- Pays out-of-network dentists at a higher rate.
- Has higher premiums.

Some dental procedures fall into different service classes, depending on which plan you elect. If you would like to know how a specific service would be covered under each plan, call Delta Dental of Alaska at (855) 718-1768.

Please consult the AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Comparison for more details about the differences between the plans. The AlaskaCare Retiree Insurance Information Booklets will contain the complete benefit provisions for both the standard and legacy dental plans.

## What are some of the similarities between the standard plan benefits and the legacy plan benefits?

- Both plans have the same annual benefit maximum: \$2,000.
- Both plans provide coverage for dental preventive, restorative, and prosthetic services.
- Both plans have the same coinsurance levels:
  - Class I (Preventive): 100%
  - Class II (Restorative): 80%
  - Class III (Prosthetic): 50%
- Both plans have the same annual deductible: \$50 per individual (Class II and III Services).
- Both plans are fully funded by member premiums.
- Vision and audio benefits are the same.

## Can I see any dentist?

Yes, both the standard plan and the legacy plan let you see any licensed dentist you want. Both plans give you access to a wide network of dental providers that will save you money. If you choose the legacy plan and see an out-of-network provider, the plan will cover a greater portion of the charges so you may pay less for out-of-network services. If you choose the standard plan, you have access to an additional network of providers that offer deeper discounts, saving you more money, but you may pay more if you use out-of-network dentists.

Remember, if you use an out-of-network dentist, you may receive additional bills for charges that the plan will not cover.

## Why are monthly premiums different for the two plans?

The dental plan monthly premiums are set to reflect the overall value of each plan across all enrolled members. The value of each plan varies based on differences in benefit design, network access, and how much the plan pays out-of-network providers. The rates are not impacted by how many people elect one plan or the other.

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## Is the DVA Open Enrollment mandatory?

Open enrollment is not mandatory, but it is the time period during which you can make changes to your dental benefits. **We encourage all eligible AlaskaCare retirees to review the plan options and participate in open enrollment.** If you currently have AlaskaCare DVA coverage and do not make a plan selection during open enrollment, you will remain enrolled in your current dental plan (standard plan).

## If I have dental services scheduled before the end of 2019 will this impact my benefits?

The benefit election you make during open enrollment will become effective January 1, 2020. This means that the coverage you have today will still apply through December 31, 2019, including any claims for services provided before the end of 2019. If you are not currently enrolled in the DVA plan but are eligible to do so during open enrollment, your coverage under the plan does not take effect until the new benefit year beginning January 1, 2020.

## Can I change my plan next year?

You will be able to change your dental plan during the open enrollment period for as long as the State offers two dental plans. Outside of the open enrollment period, you will not be able to make changes to your selections unless you have a qualifying life event or would like to decrease your coverage. You may decrease your coverage at any time by contacting the Division.

Remember, if you are a current DVA plan member and do not take action during open enrollment, you will remain enrolled in your current dental plan (standard plan). **We encourage all eligible AlaskaCare retirees to review the plan options and participate in open enrollment.**

## Will I get a new ID card?

Yes, you should expect to receive a new dental benefit ID card in early January 2020. **You can continue to use your current card until your new card arrives, even if you changed dental plans.**

## I am currently enrolled in the DVA plan with coverage for myself and my dependent spouse. Can I choose the legacy plan, and can my spouse choose the standard plan?

No, a retiree may only select one plan for themselves and any covered dependents. However, if you and your spouse each have a separate AlaskaCare DVA policy, you may select different plans and cover each other as dependents.

## I don't currently have DVA coverage but am eligible to enroll during the upcoming open enrollment period. Will I have another opportunity to enroll?

**If you retired on or after January 1, 2014 and did not elect DVA coverage at the time of retirement, or you disenrolled from DVA coverage on or after January 1, 2014, the fall 2019 open enrollment is a one-time opportunity for you to enroll in DVA coverage.** If you elect coverage during this year's open enrollment, you can change your coverage options at every open enrollment going forward.

## Key Terms

- Deductible** is the amount you pay each benefit year before a portion of your costs are paid by the dental plan. The deductible for both the standard and legacy retiree dental plans is \$50 for class II and III services.
- Coinsurance** is the percent of covered expenses paid by AlaskaCare once you meet your deductible. Coinsurance levels vary depending on the class of service.
- Annual Benefit Maximum** is the total amount that the plan will pay for dental services you receive during that benefit year. The annual maximum for both the standard and legacy retiree dental plans is \$2,000.

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# Ready to Enroll?

## Find the Online Enrollment Form at [www.AlaskaCare.gov/DVA](http://www.AlaskaCare.gov/DVA)

You can make elections 24 hours a day, 7 days a week from **October 16, 2019 through November 27, 2019** at 5 p.m. Alaska Time.

### Online Enrollment Instructions

- **Open your web browser** and **navigate** to [www.AlaskaCare.gov/DVA](http://www.AlaskaCare.gov/DVA)
- Click on the enrollment link: **“Ready to Enroll? Click Here!”** You will be taken to the Retiree DVA Plan Open Enrollment online form.
- The online enrollment form is completed in four easy steps. Click on **Get Started** to begin!

#### Step 1. Learn

Open enrollment begins with important reminders about your plan options, eligibility information, and where to find answers if you have questions. After reviewing the information, click the **Next** button to move on.

#### Step 2. Verify

You will be prompted to enter information to verify that you are eligible to enroll. Enter the information and click on **Check Eligibility**

- If your eligibility was confirmed, you will see the message **Eligibility Verified!** Confirm or update your contact information and click the **Next** button.
- If your eligibility was not confirmed, you will see the message **Unable to Verify**
- *If the system is unable to verify your identity, please contact the Division at (800) 821-2251 or (907) 465-4460 in Juneau as soon as possible so we can help.*

#### Step 3. Compare

Review the monthly premium rates, the benefit comparison table, and your plan booklet to decide which plan is best for you. After reviewing the information, click the **Next** button to move on.

#### Step 4. Enroll

Make your plan election, choose your coverage level, and click **Enroll**

- Please print the confirmation page for your records.

- If you need to update your dependent information, complete the Retiree Health Dependent Change Form provided on this page and submit it to the Division of Retirement and Benefits.
- If you click on the **Exit to AlaskaCare webpage** button, you will close the enrollment site. Congratulations! You have successfully completed your AlaskaCare DVA open enrollment!
- You may change your plan election at any time during the open enrollment period by filling out the online enrollment form. The last election you make before open enrollment closes on November 27 at 5:00 p.m. Alaska Time will determine your plan election for the 2020 benefit year.

If you need assistance to complete your enrollment, or if you need a paper enrollment form contact:

#### Member Services Contact Center:

Juneau: (907) 465-4460 | Outside Juneau: (800) 821-2251  
Email: [doa.drb.benefits@alaska.gov](mailto:doa.drb.benefits@alaska.gov)  
Monday - Thursday: 8:30 a.m. to 4 p.m. (Alaska Time)  
Friday: 8:30 a.m. to 3 p.m. (Alaska Time)

If you have questions about how a specific service would be covered under each plan, contact Delta Dental of Alaska at (855) 718-1768.



# Memorandum

To: Kelly Tshibaka  
Commissioner of Administration

Date: October 4, 2019

From: Ajay Desai  
Director  
Division of Retirement and Benefits

Subject: Retiree Rate Setting: CY20

At the request of the Division of Retirement and Benefits (Division), Segal Consulting Group (Segal Consulting) completed the annual analysis of the AlaskaCare retiree-paid medical plan and the Dental, Vision, and Audio (DVA) plans. A copy of Segal Consulting’s memo outlining the premium analysis is attached for your review.

**DEFINED BENEFIT RETIREE MEDICAL PLAN:**

Based on their analysis, Segal Consulting recommends the following premiums for the Defined Benefit (DB) medical plan effective January 1, 2020:

*Table 1. DB Retiree Medical Coverage Monthly Premium Rates*

DB Medical/Pharmacy	CY19 Actual	CY20 Proposed	\$ Change
Retiree Only	\$823	\$741	(\$122)
Retiree & Spouse	\$1,647	\$1,482	(\$82)
Retiree & Child(ren)	\$1,163	\$1,047	(\$165)
Retiree & Family	\$1,987	\$1,788	(\$116)
Composite	\$1,223	\$1,101	(\$199)

The proposed 2020 premiums represent a 10% reduction in the DB medical plan premiums which is attributable primarily to two items:

- 1) the savings impact of implementing the new Medicare Part D Employer Group Waiver Program (EGWP) on January 1, 2019; and
- 2) an increase in the proportion of Medicare-eligible retiree members.

The Division recommends adoption of the proposed 2020 DB medical plan premium rates. This will reduce costs for members who are not eligible for “system-paid” premiums (e.g. premiums paid by the respective retirement system) while maintaining a slight increase in the health trust funded levels.

**DEFINED CONTRIBUTION RETIREE MEDICAL PLAN:**

Segal Consulting recommends the State continue the existing Defined Contribution Retiree (DCR) medical plan premium rates for calendar year 2020 as proposed in Table 2.

*Table 2. DCR Medical Monthly Premium Rates*

Defined Contribution Medical/Pharmacy– Medicare Primary			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$314.50	\$314.50	\$0
Retiree & Spouse	\$629	\$629	\$0
Retiree & Child(ren)	\$833	\$833	\$0
Retiree & Family	\$1,147.50	\$1,147.50	\$0
Defined Contribution Medical/Pharmacy – Medicare Secondary			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$1,073	\$1,073	\$0
Retiree & Spouse	\$2,146	\$2,146	\$0
Retiree & Child(ren)	\$1,592	\$1,592	\$0
Retiree & Family	\$2,665	\$2,665	\$0
Defined Contribution Medical/Pharmacy – Medicare/Non-Medicare Split			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$1,387.50	\$1,387.50	\$0
Retiree & Spouse	\$1,906	\$1,906	\$0

The Division recommends adoption of the proposed 2020 DCR medical plan rates. There are very few members participating in the plan, mitigating any financial risk of extending the rates for this small population for 2020. The Division plans to review these rates annually and will update them once the population has grown and credible experience has been established.

**DENTAL, VISION AND AUDIO PLANS:**

Effective January 1, 2020, the Division will offer eligible retirees a choice between two dental plans as part of their Dental, Vision, and Audio (DVA) coverage:

The standard plan - the plan that is currently available to participating retirees

The legacy plan - the plan that was available prior to 2014

The Division is offering retirees a choice between dental plans for the 2020 benefit year to comply with an April 2019 court ruling that enjoined the State from offering the current dental plan as the only plan available to retirees.<sup>1</sup> The State is appealing the decision, but during the appeal will offer members the option of selecting the current plan, or the plan in place prior to 2014.

<sup>1</sup> The court ruling resulted from a lawsuit filed against the State alleging the changes made to the DVA plan in 2014 resulted in an unconstitutional diminishment of benefits.

Offering two dental plans necessitated the determination of an appropriate methodology to calculate rates for the standard plan and the legacy plan. The Division approached premium development with the following intentions:

- 1) spread risk and purchasing power across the entire participating DVA population;
- 2) delineate differences in covered services; and
- 3) delineate differences in payments for services.

Notably, the Division did not assume any differences in anticipated utilization or participation when establishing premiums for the legacy plan. While utilization of services is typically an important part of establishing premium rates, in this instance the Division recommends an approach towards premium setting that is not based on anticipated enrollment or expected experience in either plan. This approach results in more favorable premiums for legacy plan members and some subsidization of the legacy plan by standard plan participants. The magnitude of that subsidization is best determined with actual claims data. As this is the first time the legacy plan is being offered in conjunction with the standard plan, there is no established utilization data to rely on. The Division recommends that when utilization data is mature this approach be re-evaluated.

To determine the legacy plan coverage provisions the Division, in consultation with Delta Dental of Alaska and Segal Consulting used, in order of precedence, the following documents:

- 1) Legacy plan booklet language
- 2) *RPEA v. Tshibaka* court documents
- 3) Review of 2012 and 2013 actual claims data

The Division and Delta Dental of Alaska compiled a comparison table of the benefit provisions clearly outlined in the standard and legacy plan booklets. This table was then reviewed against the Superior Court documents in *RPEA v. Tshibaka*, including, but not limited to, the benefit comparison table included in the Court's April 2019 order. Delta Dental of Alaska identified CDT codes for specific services that could not be coded based on the information compiled up to this point for various reasons (e.g. benefit provisions were unclear, or perhaps CDT codes were new since 2014). Segal Consulting then used actual claims data from 2012 and 2013 for each CDT code to provide insight into how each code was covered prior to 2014. Based on that information, the Division, with advice from Delta Dental and Segal Consulting, then made determinations as to how each code or service should be covered in the legacy plan.

In addition to the analysis performed by Segal Consulting, the Division utilized Buck Consulting to perform a peer review of the premium recommendations and methodology for the DVA plans. A formal memo outlining their review will be provided as an addendum to this memorandum, but the review did not identify any areas of concern.

Based on the DVA benefit analysis, Segal Consulting proposes the following premiums:

*Table 3. DVA Monthly Premium Rates*

DVA with Standard Dental Plan	CY19 Actual	CY20 Proposed	\$ Change
Retiree Only	\$66	\$66	\$0
Retiree & Spouse	\$131	\$131	\$0
Retiree & Child(ren)	\$119	\$119	\$0
Retiree & Family	\$187	\$187	\$0
DVA with Legacy Dental Plan	CY19 Actual	CY20 Proposed	
Retiree Only	N/A	\$73	N/A
Retiree & Spouse	N/A	\$145	N/A
Retiree & Child(ren)	N/A	\$132	N/A
Retiree & Family	N/A	\$207	N/A

The Division recommends the adoption of Segal Consulting’s proposed premiums. It is important to note a few items for future consideration:

- 1) The DVA plan is well reserved with assets significantly higher than target reserve levels. The recommended 2020 premiums will result in a gradual spend down of the reserve levels from \$20.6 million in FY20 declining to \$18.3 million in FY21; however, the reserve levels remain well above the high end of the recommended target range of \$5.1 to \$5.4 million. A gradual spend down approach ensures members receive the benefit of stable premiums. However, the plan should be monitored closely with consideration that as rate increases are deferred and the reserve levels are spent down, the difference between plan experience and the premiums will grow and the level of that difference will impact the size of future premium increases.
- 2) The introduction of more deeply discounted network rates in the standard plan through the PPO network will reduce the standard plan costs by an additional 4.6% and could result in reduced standard plan PPO monthly premiums outlined below in table 4.

*Table 4. DVA Monthly Premium Rates Adjusted for PPO*

	2019 Standard	2020 Standard (Recommended)	2020 Standard (PPO Adj = 4.6%)	2020 Legacy
Retiree Only	\$66	\$66	\$63	\$73
Retiree & Spouse	\$131	\$131	\$125	\$145
Retiree & Child(ren)	\$119	\$119	\$114	\$132
Retiree & Family	\$187	\$187	\$178	\$207

At this time, the Division does not recommend adopting the PPO adjusted Standard plan premium rates. Given the gradual spend down described in the prior consideration, maintaining the current standard plan premiums will defer the need for a future increase. It is important to note that this further contributes to the subsidization of the legacy plan premiums by standard plan participants.

The above charts and the attached letter from Segal Consulting, represent the proposed recommendations by the Division in concert with Segal Consulting. Please note your approval or disapproval of the recommended CY20 retiree premiums:

Approve CY20 retiree premiums as outlined.

Disapprove, and direct the Division to calculate other alternatives.



10/4/19

\_\_\_\_\_  
Kelly Tshibaka  
Commissioner of Administration

\_\_\_\_\_  
Date

Once CY20 rates are approved, your approval will be shared with:

- Paula Vrana, Deputy Commissioner
- Amanda Holland, Acting OMB Director
- Emily Ricci, Chief Health Administrator
- Kathy Lea, Chief Pension Officer
- Kevin Worley, Chief Financial Officer
- Brad Ewing, Director, Administrative Services
- Tim Adair, Administrative Manager
- Betsy Wood, Deputy Health Official
- Andrea Mueca, Health Operations Manager
- Members, Retiree Health Plan Advisory Board

Attachments:

Segal Consulting Group Memorandum October 2, 2019



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Richard Ward, FSA, FCA, MAAA  
Senior Vice President & Health Practice Leader  
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October 2, 2019

Ms. Emily Ricci  
Chief Health Policy Official  
Department of Retirement and Benefits  
State of Alaska  
Department of Administration  
333 Willoughby Ave, 6th Floor  
Juneau, AK 99811

**Re: Recommended AlaskaCare Retiree Plan Rates for Jan 1, 2020 – Dec 31, 2020**

Dear Emily:

This memorandum highlights the results of our analysis for the retiree health plan data and plan year 2020 rate calculation for the Defined Benefit (DB) medical/pharmacy and Dental-Vision-Audio (DVA) coverages, and an assessment of the Defined Contribution (DC) medical/pharmacy premium rates. Long-Term Care premium rate adequacy will be reviewed separately.

Our analysis relied on information provided by Aetna for medical, pharmacy, vision, and audio and Delta Dental of Alaska (DDAK) provided information for dental. OptumRx provided pharmacy data for January through June 2019. Segal did not audit claims and enrollment information and our review was limited to determining that it appears to be reasonable and acceptable for the projection of future costs. Segal also utilized audited and unaudited financial statements for the respective trusts as provided by the State of Alaska. We developed projected rates for plan year 2020 DB Medical/Pharmacy and DVA based on paid claims and enrollment data from July 2018 through June 2019.

Our projections are estimates of future costs and are based on information available to Segal Consulting at the time of the analysis. Projections are not a guarantee of future results. Actual experience may differ due to, but are not limited to, such variables as changes in the regulatory environment, local market forces, health trend 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.

### **DB Retiree Medical/Pharmacy**

It is our recommendation that the DB medical/pharmacy premium rates for the Retiree Plan in 2020 be reduced from the current 2019 rate tiers by 10%. Segal's analysis of the projected cost of the DB retiree medical/pharmacy coverage indicates that expenses will remain well below the current premium rates due primarily to the implementation of the Medicare Part D Employer Group Waiver Plan (EGWP) and the continued shift in membership towards a larger portion being Medicare eligible. We have determined that

projected premium rates are expected to be sufficient to cover the projected cost of coverage and associated administrative costs.

Exhibit 1 below outlines the proposed DB retiree medical/pharmacy premium rates for 2020:

<b>Exhibit 1: DB Retiree Medical/Pharmacy Coverage Monthly Premium Rates</b>			
	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Tier II/III Retiree Only	\$823	\$741	(\$122)
Tier II/III Retiree and Spouse	\$1,647	\$1,482	(\$82)
Tier II/III Retiree and Child(ren)	\$1,163	\$1,047	(\$165)
Tier II/III Retiree and Family	\$1,987	\$1,788	(\$116)
Composite	\$1,223	\$1,101	(\$199)

Exhibit 2 shows projected income and expenses for the 2019 and 2020 plan year. The projected rates are anticipated to generate revenue for the DB Retiree Medical/Pharmacy plan which will, at a minimum, preserve the Trust Fund's assets and reserves through 2020.

<b>Exhibit 2: DB Retiree Medical/Pharmacy Projected Revenue, Expenses and Assets for Plan Year 2019 and 2020</b>			
	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Projected Revenue	\$644,638,408	\$581,552,604	(\$63,085,804)
Projected Paid Expenses	\$540,142,684	\$539,922,086	(\$220,599)
Operating Surplus/(Deficit)	\$104,495,724	\$41,630,518	(\$62,865,205)
End of Year Gross Assets*	\$10,882,988,346	\$10,924,618,864	\$41,630,518
Target Reserve Level (150% of IBNR)	\$75,974,000	\$80,787,000	\$4,813,000

\*Gross Assets are the sum of Net Assets and Accrued Liabilities.

Segal calculated the DB Retiree Medical/Pharmacy rates for plan year 2020 using the following methodology:

1. Claim costs per member per month (PMPM) were developed for each line of coverage based on paid claims experience from July 2018 through June 2019. As requested by the State, the forecast does not include a paid to incurred claims adjustment (also known as a change in Incurred But Not Reported) but instead projects claims on a cash equivalent basis for the forecast period.
2. Historical paid claims PMPM were trended forward from the experience period, July 2018 through June 2019, to the 2020 plan year using 3.0% annual medical trend and 6.0% annual pharmacy trend. The trends have been modified from previous years to reflect actual plan performance and change in demographics due to a higher percentage of members becoming Medicare eligible.
3. Total projected claims cost was calculated based on projected paid claims PMPM and projected enrollment. Projected enrollment levels are based on the latest month's enrollment (June 2019) and does not include any considerations for material change in enrollment due to layoffs, buy-outs or other workforce reductions in the employee population that would necessitate a spike in the early retiree population.
4. Total projected administrative costs were added to claim costs to determine the total projected medical and pharmacy cost. The administrative cost were estimated based on actual administrative expenses for



fiscal year 2019, and have been adjusted to account for differences between the 2019 and 2020 medical and pharmacy contracts with Aetna and OptumRx, respectively.

5. Projected pharmacy costs for plan year 2020 include adjustments to reflect improved contracting terms and drug rebates due to the pharmacy benefits manager request for proposals effective January 1, 2020. Additionally, the impact of the transition from the Retiree Drug Subsidy to an Employer Group Waiver Plan (EGWP) is included in the projection analysis.
6. The total projected costs for plan year 2020 were compared to total projected income for plan year 2020 based on current rates and assuming all retirees are system paid.

#### **Retiree Dental-Vision-Audio (DVA)**

The Legacy Dental Plan will be offered effective January 1, 2020. The Legacy plan replicates the plan that was in effect prior to January 1, 2014. The dental plan that has been in effect since January 1, 2014 will become the Standard plan effective January 1, 2020. Segal's recommendation is to maintain the Standard Plan's premium rates in CY2020 and to establish the Legacy Plan premium rates based on differences in in plan design, network configurations and recognized charge methodology for non-network provider payments between the two plans.

Beginning in 2020, an additional provider network will be available to Standard Plan members. Compared to the current DDAK Premier network, the DDAK PPO network is a narrower network with better provider discounts. All of the PPO network's providers are also in the Premier network; therefore retirees will be able to access the same network of providers in 2020 that is available in 2019, but with lower pricing for some providers. The Legacy Plan will utilize the Premier network only.

The out-of-network recognized charge for the Legacy plan will be the 90<sup>th</sup> percentile of Fair Health, as was the case in 2013 and prior, while the Standard plan will continue to use 75% off the 80<sup>th</sup> percentile of Fair Health.

Regarding the plan designs, the Standard Plan provides a greater overall level of benefits, primarily due to

1. Periodontal prophylaxis being covered as a Class I benefit in the Standard Plan compared to Class II in the Legacy Plan
2. The Standard Plan covers implants, which were not widely covered prior to 2014
3. Crown related build-ups are Class II covered services in the Standard Plan compared to Class III in the Legacy Plan

To determine the difference in plan values for the differences in benefits and the two networks, we reviewed detailed claims files provided by DDAK and HealthSmart, who was the administrator prior to 2014. DDAK provided guidance on the impact of the difference in recognized charge for non-network services.

The total differential between the Standard and Legacy plans is 14.3% (impact is multiplicative):

<b>Exhibit 3: Legacy and Standard Plan Value Differentials</b>			
<b>Plan Design Diff</b>	<b>Network Diff</b>	<b>Recognized Charge</b>	<b>Total</b>
-1.0%	4.6%	10.4%	14.3%

This differential was applied to the Dental portion of the DVA premiums, which is about 70% of the total DVA program costs.

Exhibit 4 below outlines proposed retiree dental, vision, and audio premium rates for 2020:

<b>Exhibit 4: Monthly Premium Rates</b>			
<b>Standard Plan</b>	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Retiree Only	\$66	\$66	\$0
Retiree and Spouse	\$131	\$131	\$0
Retiree and Child(ren)	\$119	\$119	\$0
Retiree and Family	\$187	\$187	\$0
<b>Legacy Plan</b>	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Retiree Only	N/A	\$73	N/A
Retiree and Spouse	N/A	\$145	N/A
Retiree and Child(ren)	N/A	\$132	N/A
Retiree and Family	N/A	\$207	N/A

As a result of the new network, the Standard Plan's cost are expected to decrease. However, for 2020, we recommend maintaining the current premiums in order to manage the asset reduction. The recommended Legacy Plan premiums are based on the Standard Plan premiums adjusted for the impact of the adding the PPO network. Exhibit 5 illustrates this process.

<b>Exhibit 5: Monthly Premium Rates</b>				
	<b>2019 Standard</b>	<b>2020 Standard (Recommended)</b>	<b>2020 Standard (PPO Adj = 4.6%)</b>	<b>2020 Legacy</b>
Retiree Only	\$66	\$66	\$63	\$73
Retiree and Spouse	\$131	\$131	\$125	\$145
Retiree and Child(ren)	\$119	\$119	\$114	\$132
Retiree and Family	\$187	\$187	\$178	\$207

Some of the features of the Legacy Plan are anticipated to be attractive to retirees with specific needs, such as numerous cleanings or multiple fluoride treatments annually or the desire to utilize non-network providers. Such retirees may find the Legacy Plan, with higher premiums, a better value than the Standard Plan. When individuals choose a higher premium plan option, it is anticipated their costs and utilization will be higher, in aggregate, than that of the individuals in the lower cost plan. This is often referred to as

selection. Due to the features and higher premiums for the Legacy Plan, we anticipate that there will be some selection for the retirees that choose the Legacy Plan, which we anticipate to be 10-15%.

Due to the unknown future plan experience and enrollment for the Legacy Plan, the rate differentials were developed based on the difference in plan design and provider payment levels from the Standard plan, and anticipated differences in costs due to selection have not been factored into the rate development for 2020. Future experience should be reviewed and potentially considered in subsequent years.

Additionally, Segal modeled the voluntary DVA Standard and Legacy premiums using a solvency model that projected premiums, expenses and assets out to FY2026 based on historical paid claims and enrollment data. The model assumes overall membership growth of 2.0% per year, consistent with past enrollment growth patterns, dental/vision annual trend of 3.5%, audio annual trend of 4.0%, and plan administration annual trend of 2.0%. We further assumed a 5% migration in enrollment from the Standard to the Legacy plan.

FY2019 DVA gross assets (the sum of net assets and accrued liabilities) of approximately \$20.6 million, target reserves of 150%-250% of IBNR and a desired strategy to manage future premium increases by gradually reducing assets to the target reserve level. The table below shows a five year solvency projection and assumes no premium increase for plan year 2020, and variable premium increases between 4.0% and 5.0% for plan years 2021-2024, and then subsequent plan year premium increases more closely reflective of trend.

<b>Exhibit 6: Projected Revenue, Expenses and Assets for DVA Trust Fund</b>					
	<b>Revenue</b>	<b>Expenses</b>	<b>Surplus / (Deficit)</b>	<b>End of Year Gross Assets</b>	<b>Target Reserve Level</b>
Estimated FY2019	\$44,540,768	\$44,887,031	(\$346,263)	\$20,600,306	\$4,584,000
Projected FY2020	\$44,722,479	\$46,949,406	(\$2,226,927)	\$18,373,379	\$5,251,023
Projected FY2021	\$46,441,513	\$48,784,896	(\$2,343,383)	\$16,029,997	\$5,479,423
Projected FY2022	\$49,430,598	\$51,653,612	(\$2,223,015)	\$13,806,982	\$5,804,124
Projected FY2023	\$52,884,713	\$54,705,028	(\$1,820,315)	\$11,986,667	\$6,149,257
Projected FY2024	\$56,693,508	\$57,952,177	(\$1,258,669)	\$10,727,997	\$6,516,223

Results are quite sensitive to premium increases (or the lack thereof). Our recommendation is based on the State's desire to prudently manage the fiscal sustainability of the plan while keeping premiums affordable and initiating premium increases only when absolutely necessary. However, caution should continue to be exercised as the difference between premiums and overall claims cost will continue to grow the longer a rate increase is deferred, and this will exert upward pressure on the size of any future premium rate change.

**DC Retiree Medical/Pharmacy**

Segal also reviewed the pricing assumptions and rate development in place for the DC Retiree Medical/Pharmacy that was initially effective July 1, 2016. This is a voluntary plan that as of June 2019 had thirty-eight (38) Medicare primary retirees and six (6) non-Medicare Retirees participating in the program. Claims experience for a group this size is not credible and therefore not a good predictor of future costs.

It is our recommendation that the State continue the existing premium rates for 2020, consistent with the renewal rate strategy for the DB Medical/Pharmacy plan. The current low level of participation in the DC

plan does not represent a material financial risk if current rates are extended (as opposed to a trend increase) and the DB premium rates have a level of margin (safety) to absorb foregoing any change to the DC rates. Exhibit 7 below outlines proposed DC Retiree Medical/Pharmacy premium rates for 2020.

<b>Exhibit 7: DC Retiree Medical/Pharmacy Monthly Premium Rates</b>			
<b>Medicare Primary</b>	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Retiree Only	\$314.50	\$314.50	\$0
Retiree and Spouse	\$629.00	\$629.00	\$0
Retiree and Child(ren)	\$833.00	\$833.00	\$0
Retiree and Family	\$1,147.50	\$1,147.50	\$0
<b>Medicare Secondary</b>	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Retiree Only	\$1,073.00	\$1,073.00	\$0
Retiree and Spouse	\$2,146.00	\$2,146.00	\$0
Retiree and Child(ren)	\$1,592.00	\$1,592.00	\$0
Retiree and Family	\$2,665.00	\$2,665.00	\$0
<b>One Medicare/One Not Medicare</b>	<b>CY2019</b>	<b>CY2020</b>	<b>\$ Change</b>
Retiree and Spouse	\$1,387.50	\$1,387.50	\$0
Retiree and Family	\$1,906.00	\$1,906.00	\$0

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health claims, costs and funding practices. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and certify that all analysis was conducted in accordance with all applicable Actuarial Standards of Practice. All sections of this report are considered an integral part of the actuarial opinion.

I am happy to discuss any questions about our analysis you may have. Please do not hesitate to call me.

Sincerely,



Richard Ward, FSA, FCA, MAAA  
 Senior Vice President, National Public Sector Health Practice Leader



October 7, 2019

Ms. Emily Ricci  
Chief Health Administrator  
Alaska Department of Administration  
Division of Retirement & Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

Dear Emily,

As requested, we have reviewed the 2020 AlaskaCare Retiree Dental, Vision, and Audio (DVA) Plan rates that were calculated by Segal Consulting. For 2020, members will now be offered a choice between two dental plans. Prior to 2020, only one plan was offered.

### **Background**

Effective January 1, 2014, Alaska made changes to the dental portion of the DVA Plan. Because of ongoing litigation related to this change, Alaska will be offering two plans for 2020:

- (1) Standard Plan – the plan design that has been offered from 2014 through 2019, and
- (2) Legacy Plan – the plan design offered prior to 2014.

### **Data Provided**

Segal provided us with the following information to review their calculations:

- ) Claims and enrollment data for the months of July 2018 through June 2019, which were used in the development of the rates. (Data was also provided for earlier months, but that information was not used in the analysis.)
- ) Financial statements for the prior four fiscal years
- ) Memo dated June 27, 2019 providing a preliminary analysis of the changes and their financial impact
- ) Presentation dated September 24, 2019, that was titled “2020 AlaskaCare DVA Budget Projection Notes”. The last page of this document provided calculations of the average and total projected cost. An updated version dated September 26, 2019 was provided to reflect some revisions after a call we had on September 25, 2019 and a final version was provided on October 4, 2019 that reflected the issues discussed during our second call on September 27, 2019.
- ) Spreadsheet used to measure the impact of the plan design differences between the Standard and Legacy Plans. This file contained detailed summaries of the estimated impact of changes that were developed in conjunction with Delta Dental of Alaska. As discussed during our call on September 27, 2019, Buck did not attempt to replicate this analysis due to time constraints and the understanding that Delta Dental was in the best position to provide the estimated impact of those changes.

- ) Memo and spreadsheet supporting the calculation of the total plan differential, which consisted of the plan design differences (mentioned in the prior bullet point), the recognized charge differential, and the network differential.
- ) Letter dated October 2, 2019, providing the recommended rates for 2020

### **Review Methodology**

The first step in our review was to replicate the underwriting analysis that was shown on the last page of the document titled "2020 AlaskaCare DVA Budget Projection Notes".

- ) Using the claims and enrollment data provided by Segal, we were able to verify the monthly claims used in the analysis. There were a couple months with slight differences, which Segal indicated were due to different data sources, but those differences were immaterial (less than \$2,000 out of over \$43 million in claims).
- ) We also verified the total average member months of 55,712, which was the average for the same months as the claims (July 2018 – June 2019). Given that the IBNR indicates a payment lag of approximately 1 month, we suggested that a 1-month enrollment lag could be used in the analysis. Doing so would change the average member months from 55,712 to 55,606. Segal indicated that these projections have historically not reflected an enrollment lag, but that they would consider that for future projections given that the IBNR is about 1 month for all three coverages.
- ) The enrollment reports included groups that were labeled 'Double Retiree', 'Double Retiree OHTH', and 'Triple Retiree'. On the retiree medical side, the enrollment reports that we receive from the administrator include members that are counted more than once. For those retirees with dual coverage (married members who both retired from the State and are covered as both a retiree and a dependent), the counts of members are too high. For example, a married couple that is covered as both a retiree and dependent spouse show up in the member counts as 4 because they each are counted as a retiree and a dependent spouse. We asked if this could affect the dental enrollment counts and Segal indicated that their understanding was that the enrollment figures they provided were only counting each unique individual once and that they had previously received enrollment numbers from the State in support of the enrollment provided by Delta Dental.
- ) Trend rates of 3.5% for dental and vision and 4.0% for audio were assumed to project the average cost from the experience period to the 2020 projection period. These rates are within a reasonable range of rates that we'd expect to be used for these benefits.
- ) The administration fees were assumed to be \$2,242,432. Segal indicated that these are based on the annual administrative fees as reflected by the financial statements. In the financial statements that Segal provided, the actual administrative amounts for the prior two fiscal years averaged \$2,246,212 (\$2,115,654 and \$2,376,770 for the respective years), which is very close to the number used in their projections.
- ) The interest assumed to be earned by the trust in 2020 is \$378,684. Segal indicated that this amount is calculated based on historical performance and input from DRB accounting staff. The actual return for the prior two years was \$597,230 and \$208,438. The average of those two returns is \$402,834, which is reasonably close to the 2020 expected return.

After discussing the above points on September 25, 2019, Segal provided files to review the differences in plan design, recognized charge, and network differential. We had a call on September 27, 2019 to discuss these factors and Segal followed up with a revised memo on September 30, 2019 to reflect a refinement in the documentation of the network differential.

Below is a summary of our review of the plan design, recognized charge, and network differential factors:

- ) **Plan Design.** Segal used a claims file provided by Delta Dental of Alaska to measure the percentage impact of differences in plan provisions. As described in their memo, these differences included allowed amounts, coinsurance, number of services, service limitations and member age. The analysis determined that the value of the Legacy Plan was lower than the Standard Plan by 1.7%. Buck did not attempt to replicate this detailed analysis, which you agreed was appropriate given the time constraints. Based on a high-level review, we saw nothing that looked unreasonable with the percentage impact that was determined to result in a 1.7% decrease in cost to the plan for members who elect to change from the Standard to the Legacy Plan (because the Legacy Plan has a lower plan value as mentioned above). On October 4, 2019, Segal provided an updated memo that clarified some changes in the benefit differences between the two plans, which resulted in a revised impact of 1.0% (instead of 1.7%). Based on our high-level review, we believe the revised estimate of 1.0% is reasonable.
- ) **Recognized Charge.** The Standard and Legacy Plans have differences in the way the recognized charge is calculated for out-of-network claims. Because the recognized charge data is proprietary, Delta Dental provided Segal with factors to estimate the overall difference. This ratio was multiplied by the expected percentage of out-of-network claims to arrive at an expected increase of 10.4% for claims incurred in the Legacy Plan.
- ) **Network Differential.** For in-network claims, Segal indicated that the Standard Plan will use Delta's PPO network and that the Legacy Plan will use the Premier network. Because the PPO network is narrower and has greater discounts, claims costs are expected to be lower for members in the Standard Plan. In addition, because members in the Standard Plan currently use the Premier network, their cost is expected to decrease by approximately 4.6%. This percentage was calculated by taking the ratio of the discounts between the PPO and Premier networks and multiplying that ratio by the expected percentage of in-network claims. (In the revised memo that Segal provided on September 30, 2019, the one minor point we noticed is that the 4.6% impact could round up to 4.7% depending on how the rounding is done in the steps of calculating this factor.)

Combining the three factors described above, Segal estimated that the Legacy Plan claims cost will be 14.3% greater than the Standard Plan. This 14.3% aggregate impact is the product of the three factors above:  $[(1 - 1.0\%) \times (1 + 10.4\%) \times (1 + 4.6\%)] - 1 = 14.3\%$ . We agree with this methodology (which reflects a change from using an additive impact in the original analysis).

Segal did not include a factor for selection in the Legacy Plan rates. We agree that some selection is likely to occur which will increase the cost of the Legacy plan relative to the Standard plan. We also agree that there is currently insufficient enrollment and experience data to support

a specific selection assumption and that experience should be monitored and a selection factor should be considered in the future.

In the final version of the presentation provided on October 4, 2019, the underwriting analysis on page 10 indicates a 2020 monthly premium for the Standard Plan (including the 4.6% decrease for the expected reduction in cost due to the new PPO network having greater discounts than the current Premier network) of \$69. This was calculated as the Total Projected Cost of \$46,642,986 / Projected Enrollment of 56,037 / 12 = \$69.36.

However, because of the current asset levels of the DVA trust, a policy decision was made to maintain the current rate of \$66 as the starting point rather than increase the rate to \$69. The 2020 single retiree rate for the Standard Plan was then determined to be \$63 per month, which is \$3 less than the 2019 rate of \$66 per month to reflect the 4.6% decrease for the expected reduction in cost due to the new PPO network having greater discounts than the current Premier network. The Legacy Plan rates were then calculated by increasing the Standard Plan rates by the 14.3% cumulative differential for the three factors mentioned above. Because rates were rounded to the nearest dollar, the percentage difference between the Standard Plan rate of \$63 and the Legacy Plan rate of \$73 is not exactly equal to 14.3%.

Rather than decreasing the Standard Plan rates, the recommendation is to keep them unchanged from the 2019 amounts. While this is a common and defensible approach for the reasons outlined in the supporting analysis, since this plan is the subject of litigation, additional scrutiny could raise issues such as the following:

- J Since the DVA plan is fully paid by retirees, will the members or courts have any concerns with the Standard Plan rate charged for 2020 being slightly higher than calculated rate? While the difference is relatively small (e.g. \$63 vs \$66 for the single rate), it could become a point of contention. In response to that issue, using a calculated rate of \$69 based on page 10 of Segal's presentation would result in a Standard Plan rate of \$66 after reflecting the 4.6% reduction in cost for the new PPO network having greater discounts than the current Premier network.
- J The Legacy Plan rates were determined relative to the calculated rates for the Standard Plan, not the recommended rates. In keeping the Standard Plan rates unchanged from 2019, the Legacy Plan rates would be approximately 11% higher than the Standard Plan rates, which is different than the 14.3% difference determined by the analysis. Could this also be a point of contention?
- J Pages 9 and 10 of the presentation dated October 4, 2019 indicate different monthly rates for the Standard Plan reflecting the updated network discount (\$63 on page 9 and \$69 on page 10). As mentioned above, this differential reflects the policy determination made to maintain the current rate as the starting point. If a decision were made to use a higher Standard Plan rate, then the Legacy Plan rates would need to be updated as well.

Except as noted above, based on the data, assumptions, and methodology used in Segal's analysis, we believe the approach used to calculate the 2020 DVA rates is reasonable and in compliance with applicable Actuarial Standards of Practice.



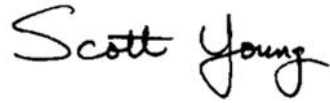
Ms. Emily Ricci

October 7, 2019

Alaska Department of Administration

Please call me at (216) 315-1929 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Scott Young". The signature is written in a cursive, flowing style.

Scott Young, FSA, EA, MAAA  
Director  
Buck

cc: Mr. David Kershner, Buck  
Mr. Christian Hershey, Buck



# 2020 AlaskaCare Budget Projection– Retiree Plan: Dental, Vision and Audio Plan

**October 4, 2019**

**Presented by:  
Richard Ward, FSA, FCA, MAAA**

 **Segal Consulting**

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# Executive Summary

- Segal projects the following financial results for 2020:

	DVA
Total Projected Claims	\$44,779,238
Administration and Operational Expenses*	\$1,863,749
<b>Total Projected Cost</b>	<b>\$46,642,986</b>
Premium Based Revenue	\$44,729,664
\$\$ Funding Overage/(Gap)	(\$1,913,322)
% Funding Overage/(Gap)	(4.3%)
<hr/>	
Est. IBNR Liability As Of Dec 31, 2020	\$3,509,000

\* Net of Interest

- 2020 funding in the projection includes both the voluntary Legacy and Standard DVA (Dental/Vision/Audio) plans. The projected funding with Standard Plan premiums remaining at 2019 levels is \$1.9M lower than the estimated cost.
- The DVA assets are expected to continue to be above the minimum reserve target of 150% of IBNR. We have included both the Legacy and Standard plans in the model and show a possible combination of rate increases to manage a controlled reduction to being assets to target level reserves (150%-250% of IBNR) without sharp premium increases afterwards.

# Methodology and Assumptions

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- Latest 12 months of paid claims through June 2019 and enrollment data through June 2019 used as basis.
- Claims cost projected on a paid basis consistent with DRB's desire for rates to correspond with expenses in a given year.
  - Consistent with employee plan.
- Annual claims trend rates are market expectations for per capita increases assuming no plan changes and do not necessarily equal net AlaskaCare trend rates. These are trend rates prior to any actions employed to mitigate trend.
- Trend estimates for Dental – 3.5%, Vision – 3.5%, and Audio – 4.0% were based on a confluence of factors: actual PMPM AlaskaCare cost changes, Segal's Book of Business trend norms and Delta Dental of Alaska and Aetna's expected unit cost changes in the Alaska marketplace.

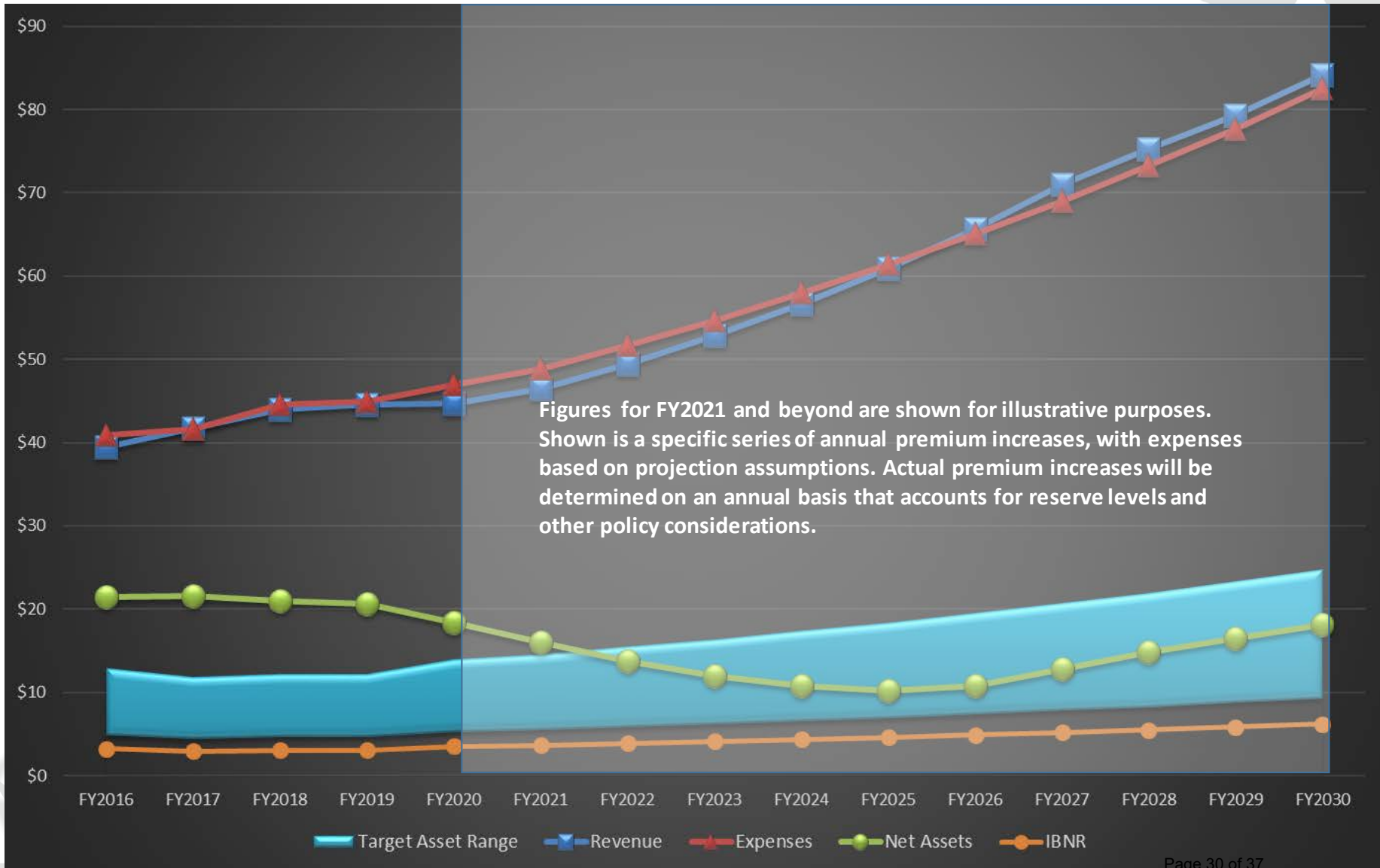
# Dental, Vision, and Audio

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- The Legacy Dental Plan will be offered effective January 1, 2020. The Legacy plan replicates the plan that was in effect prior to January 1, 2014. The dental plan that has been in effect since January 1, 2014 will become the Standard plan.
- The gross asset (\$20.6M) to IBNR (\$3.1M) ratio is 674% as of June 30, 2019. The current target ratio is a range from 150% to 250%, which equates to \$4.6M to \$7.6M in assets.
  - The gross assets are net assets plus accrued liabilities.
- There are no one-time additional non-claims expenses included in the projection. Prior projections had included the effect of the eligibility and premium tier review. It is our understanding any additional future impact is expected to be negligible.
- Segal's recommendation is to maintain the Standard Plan's premium rates in CY2020 and to establish the Legacy Plan premium rates based on differences in plan design and provider payment levels (see slide 9).
- Based on our projections, we anticipate the Standard and Legacy premium rates should increase beginning in CY2021 to manage the rate of the spenddown and moderate the increases required once assets have been reduced to the reserve target.
  - Model assumes a 2% growth in enrollment each year.
  - Enrollment growth accelerates asset reduction, when revenues are less than with expenses.
  - The Standard and Legacy premium rates are projected to increase by the same amount each year.
  - FY2019 results are based on unaudited financial statement and are subject to revision.

# Projected DVA Revenues, Expenses, Net Assets (\$millions)

## No Change in Standard Premiums for 2020 and Moderate Subsequent Increases



# Projected DVA Revenues, Expenses, Net Assets (\$millions)

## No Change in Standard Premiums for 2020 and Moderate Subsequent Increases

	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Starting Net Assets</b>	<b>\$21,487,089</b>	<b>\$21,584,732</b>	<b>\$20,946,569</b>	<b>\$20,600,306</b>	<b>\$18,373,379</b>
<b>Total Revenue</b>	<b>\$41,687,294</b>	<b>\$43,921,856</b>	<b>\$44,540,768</b>	<b>\$44,722,479</b>	<b>\$46,441,513</b>
Total Deductions	\$41,589,652	\$44,560,018	\$44,887,031	\$46,949,406	\$48,784,896
IBNR	\$2,959,000	\$3,056,000	\$3,056,000	\$3,500,682	\$3,652,948
<b>Ending Gross Assets</b>	<b>\$21,584,732</b>	<b>\$20,946,569</b>	<b>\$20,600,306</b>	<b>\$18,373,379</b>	<b>\$16,029,997</b>
Change in Assets	\$97,642	(\$638,162)	(\$346,263)	(\$2,226,927)	(\$2,343,383)
Assets to IBNR Ratio	729%	685%	674%	525%	439%
Target Assets	\$4,438,500	\$4,584,000	\$4,584,000	\$5,251,023	\$5,479,423
			<b>Eff 1/1/2019</b>	<b>Eff 1/1/2020</b>	<b>Eff 1/1/2021</b>
<b>Rate Change (from Previous Year)</b>			<b>0.00%</b>	<b>0.00%</b>	<b>4.00%</b>

	FY2022	FY2023	FY2024	FY2025	FY2026
<b>Starting Net Assets</b>	<b>\$16,029,997</b>	<b>\$13,806,982</b>	<b>\$11,986,667</b>	<b>\$10,727,997</b>	<b>\$10,216,177</b>
<b>Total Revenue</b>	<b>\$49,430,598</b>	<b>\$52,884,713</b>	<b>\$56,693,508</b>	<b>\$60,898,886</b>	<b>\$65,661,231</b>
Total Deductions	\$51,653,612	\$54,705,028	\$57,952,177	\$61,410,706	\$65,095,380
IBNR	\$3,869,416	\$4,099,505	\$4,344,149	\$4,604,467	\$4,881,516
<b>Ending Gross Assets</b>	<b>\$13,806,982</b>	<b>\$11,986,667</b>	<b>\$10,727,997</b>	<b>\$10,216,177</b>	<b>\$10,782,028</b>
Change in Assets	(\$2,223,015)	(\$1,820,315)	(\$1,258,669)	(\$511,820)	\$565,851
Assets to IBNR Ratio	357%	292%	247%	222%	221%
Target Assets	\$5,804,124	\$6,149,257	\$6,516,223	\$6,906,700	\$7,322,274
	<b>Eff 1/1/2022</b>	<b>Eff 1/1/2023</b>	<b>Eff 1/1/2024</b>	<b>Eff 1/1/2025</b>	<b>Eff 1/1/2026</b>
<b>Rate Change (from Previous Year)</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.50%</b>	<b>6.00%</b>

- Maintaining the current Standard Plan premiums for CY2020 will enable assets to reduce to target reserve levels (150%-250% of IBNR), while providing consistent to retirees. FY2019-2025 are expected to run in a deficit.
- Due to the increase in the gap between expenses and revenue, a higher than trend increase will be required to prevent the fund from falling below the target reserve level.
- Beyond FY2026, our analysis projects revenues and expenses will closely align, and that annual rate increases will parallel trend.
- Gross Assets are the sum of the net assets and the accrued liability.

Figures for FY2021 and beyond are shown for illustrative purposes. Shown is a specific series of annual premium increases, with expenses based on projection assumptions. Actual premium increases will be determined on an annual basis that accounts for reserve levels and other policy considerations.

FY2019 results are based on unaudited financial statement. Rates are rounded to the nearest dollar.

The above projection is an estimate of future cost and is based on information provided by Aetna and Moda to The Segal Company at the time the projection was made. The Segal Company 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, 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.

# 2020 Dental, Vision, and Audio Funding Rates

- The Standard plan rates have remained level since 2017. Due to the unknown future plan experience and enrollment for the Legacy Plan, the rate differentials were developed based on the difference in plan design and provider payment levels from the Standard plan.
  - We anticipate that there will be some selection for the retirees that choose the Legacy Plan.
  - Projections assume 5% of retirees enroll in the Legacy Plan with 10-15% selection possible (selection is not considered in developing the recommended premiums – experience should be reviewed and potentially considered in subsequent years).
  
- Maintaining rates from 2019 to 2020 helps to maintain stability while offering a new plan option and continues a controlled spend down of reserves to reach, and remain in, the target funding range.

Standard Plan Rates	2019	2020	\$\$ Change
Retiree	\$66.00	\$66.00	\$0.00
Retiree & Spouse	\$131.00	\$131.00	\$0.00
Retiree & Child	\$119.00	\$119.00	\$0.00
Retiree & Family	\$187.00	\$187.00	\$0.00
Legacy Plan Rates			
Retiree	N/A	\$73.00	N/A
Retiree & Spouse	N/A	\$145.00	N/A
Retiree & Child	N/A	\$132.00	N/A
Retiree & Family	N/A	\$207.00	N/A



# Legacy Plan Cost Differential

- The Legacy Dental Plan will be offered effective January 1, 2020. The Legacy Plan replicates the plan that was in effect prior to January 1, 2014. The dental plan that has been in effect since January 1, 2014 will become the Standard plan.
- Legacy Plan's 2020 rates will be set equal to the difference in plan design, network configurations and recognized charge methodology for non-network provider payments with the Standard plan.
  - The Legacy Plan will utilize the Premier network, while the Standard Plan will utilize the Premier and PPO networks.
  - The out-of-network recognized charge for the Legacy plan will be the 90<sup>th</sup> percentile of Fair Health, while the Standard plan will use 75% off the 80<sup>th</sup> percentile of Fair Health.
- Based on information provided by Delta Dental of Alaska and in review by Buck Consultants the following differentials were developed:

Plan Design Diff	Network Diff	Recognized Charge	Total
-1.0%	4.6%	10.4%	14.3%

- The total differential between the Standard and Legacy plan is 14.3% (impact is multiplicative).
  - This differential was applied to the Dental portion of the DVA premiums.
- The following factors are not being used to determine Legacy Plan rates:
  - Projected enrollment
  - Projected utilization differences
  - Selection/Risk factors

# Standard Plan Changes

- The Standard Plan will utilize both the Premier network and the PPO network.
  - The PPO network is narrower, but offers deeper discounts compared to the Premier network. All PPO network providers are also in the Premier network. Incorporating the PPO network provides better discounts for some of the same Premier network providers.
  - Based on a review of AlaskaCare claims, the Standard Plan costs are estimated to be 4.6% lower with the addition of the PPO network.
- As a result of the new network, the Standard Plan cost are expected to decrease. However, for 2020, we recommend maintaining the current premiums in order to manage the asset reduction. These rates were utilized to develop the recommended Legacy Plan premiums.

	2019 Standard	2020 Standard (Recommended)	2020 Standard (PPO Adj = 4.6%)	2020 Legacy (Recommended)
Retiree	\$66.00	\$66.00	\$63.00	\$73.00
Retiree & Spouse	\$131.00	\$131.00	\$125.00	\$145.00
Retiree & Child	\$119.00	\$119.00	\$114.00	\$132.00
Retiree & Family	\$187.00	\$187.00	\$178.00	\$207.00

- Regarding the plan designs, the Standard Plan provides a greater overall level of benefits, primarily due to
  - Periodontal prophylaxis being covered as a Class I benefit in the Standard Plan compared to Class II in the Legacy Plan.
  - The Standard Plan covers implants, which were not widely covered prior to 2014.
  - Crown related build-ups are Class II covered services in the Standard Plan compared to Class III in the Legacy Plan.
  - Overall difference accounts for some benefit reductions in 2014 as well, such as denture realign, repair, and readjustment being covered as a Class III benefit in the Standard Plan, but will be a Class II Legacy Plan benefit. Also some benefits (such as cleanings and fluoride treatments) with frequency limits in the Standard Plan will not have frequency limitations in the Legacy Plan, to be consistent with the 2013 plan.

# Projection Summary

Month	Dental	Vision	Audio	Total DVA
Jul-2018	\$2,210,686	\$669,181	\$216,265	\$3,096,132
Aug-2018	\$2,336,883	\$622,120	\$293,300	\$3,252,303
Sep-2018	\$2,894,870	\$591,675	\$193,511	\$3,680,056
Oct-2018	\$2,404,217	\$705,374	\$276,544	\$3,386,135
Nov-2018	\$2,274,092	\$607,323	\$185,347	\$3,066,762
Dec-2018	\$2,951,254	\$645,691	\$201,775	\$3,798,721
Jan-2019	\$2,378,577	\$795,197	\$279,616	\$3,453,390
Feb-2019	\$2,875,832	\$654,935	\$267,063	\$3,797,830
Mar-2019	\$3,293,769	\$653,548	\$339,146	\$4,286,462
Apr-2019	\$2,782,647	\$721,209	\$270,176	\$3,774,032
May-2019	\$2,795,341	\$806,273	\$286,557	\$3,888,171
Jun-2019	<u>\$2,931,098</u>	<u>\$711,718</u>	<u>\$265,476</u>	<u>\$3,908,292</u>
Est. Paid Claims	\$32,129,265	\$8,184,245	\$3,074,775	\$43,388,286
Avg. Member Months	55,712	55,712	55,712	
Adj. Paid Claims PMPM	\$48.06	\$12.24	\$4.60	\$64.90
Annual Trend	3.5%	3.5%	4.0%	
Extended Trend	1.05	1.05	1.06	
Trended Paid Claims PMPM	\$50.60	\$12.89	\$4.88	\$68.37
Total Projected Annual Claims - Current Plan Design	\$34,025,666	\$8,667,803	\$3,281,527	\$45,974,996
Impact of Legacy and PPO Administration	-\$1,195,759	\$0	\$0	-\$1,195,759
Interest				-\$2,242,432
Total Projected Cost				-\$378,684
				\$46,642,986
Est. IBNR Liability As Of Dec 31, 2020	\$1,957,000	\$1,000,000	\$552,000	\$3,509,000

# AlaskaCare Retiree Dental-Vision-Audio Plan

## 1 Communication Goals and Objectives

This Communication Strategy endeavors to deliver information to retirees and other stakeholders in a manner that is timely, clear, consistent, and specific to the needs of each stakeholder type. The goals of the communication strategy are to:

**Provide information that will improve members’ understanding of the DVA plan options and aid them in making a plan selection.**

**Develop a feedback and input loop regarding health plan changes.**

## 2 Communication Campaigns

Topic	Recipients	Frequency	Goal
Awareness	DVA-Eligible Retirees	One-Time	Information, Feedback
Open Enrollment	DVA-Eligible Retirees	Annual	Information, Member Action, Feedback

## 3 Awareness Campaign

The focus of the awareness campaign is to provide timely, clear, and accurate information to impacted retirees about their impending choice between two dental plans.

### 3.1.1 PAPER LETTER TO IMPACTED MEMBERS – GROUP 1 CURRENT DVA PLAN MEMBERS

**Number of Recipients:** 36,005

**Target Mail Date:** September 2019

### 3.1.2 PAPER LETTER TO IMPACTED MEMBERS – GROUP 2 RETIREE WHO DID NOT ELECT

**Number of Recipients:** ~2,300

**Target Mail Date:** September 2019

### 3.1.3 PAPER LETTER TO IMPACTED MEMBERS – GROUP 3 RETIREE WHO DROPPED DVA

**Number of Recipients:** TBD

**Target Mail Date:** September 2019

### 3.1.4 SPECIAL EDITION RETIREE E-NEWSLETTERS

**Target E-Mail Date(s):** September 2019

**E-Newsletter List Size:** ~15,945

### 3.1.5 WEBSITE UPDATES 2019

**Initial Update Date:** September 2019

### 3.1.6 REGULAR RETIREE E-NEWSLETTERS

**Target E-Mail Date(s):** September, October, November

**E-Newsletter List Size:** ~15,945

### 3.1.7 TOWN HALL EVENTS

The Division will be hosting Special Town Hall Events to review the new Retiree DVA plan options and upcoming Open Enrollment and answer your questions. Please join us on :

- **Tuesday October 1<sup>st</sup>, 2019** | 10:00 to 11:00 a.m. AKDT (1 hour)
- **Tuesday October 22<sup>nd</sup>, 2019** | 10:00 to 11:00 a.m. AKDT (1 hour)
- **Thursday November 7<sup>th</sup>, 2019** | 10:00 to 11:00 a.m. AKDT (1 hour)

The division will also continue to host the regularly scheduled Town Hall Events on the third Thursday of each month. Upcoming events will be held on:

### 3.1.8 SOCIAL MEDIA

## 4 [Open Enrollment](#)

The DVA Plan enrollment will be timed to coincide with the standard Open Enrollment period, which begins Wednesday, November 6<sup>th</sup> and runs through Wednesday, November 27<sup>th</sup>.

### 4.1.1 DVA ENROLLMENT PACKET

**Target Mail Date:** October 2019

**Projected List Size:** ~40,000

### 4.1.2 RETIREE E-NEWSLETTER OPEN ENROLLMENT SPECIAL EDITION

**Target E-Mail Date(s):** October 2019

**E-Newsletter List Size:** ~15,945

### 4.1.3 RETIREE OE EMAIL REMINDERS

**Target E-Mail Date(s):** PreOE, 3 during OE, OE Close

**Email List Size:** ~15,945

## 5 [Plan Booklet Updates for DVA](#)

The Division will update the Plan Booklets to reflect the new DVA plan options.

The draft booklets will be available for review and public comment September 25<sup>th</sup>, 2019 through October 25<sup>th</sup>, 2019.