

HealthMatters

Spring 2022

Number 38

AlaskaCare Retiree Health Plan Settlement Agreement

The Division of Retirement and Benefits (the Division) is pleased to announce a settlement agreement with the Retired Public Employees of Alaska, Inc. (RPEA) in two lawsuits involving the AlaskaCare Retiree Medical and Dental, Vision, and Audio (DVA) plans. Nothing in the settlement agreement impacts the constitutional protections against diminishment of retiree benefits afforded by the Alaska State Constitution. The terms of the settlement are agreeable to the State, and both parties agree that the terms are more favorable to retirees than the likely outcome had either case continued to trial. Some of the settlement terms fall outside the scope of what RPEA could have achieved at trial, enhance the process the Division uses to consider changes to the health plan, and provide retirees with additional, meaningful opportunities to engage with the Division.

Background Information

In 2014, after a competitive procurement process, the State of Alaska selected Aetna to serve as the AlaskaCare medical third-party administrator and selected Delta Dental of Alaska (Moda) to serve as the dental third-party administrator. Also in 2014, the Division adopted a plan amendment intended to eliminate areas of ambiguity in the plan, provide clarity to members, confirm prior practices, and align with best industry practices while maintaining affordable, valuable, and sustainable benefits for retirees. The 2014 plan amendment and changes applied to both the AlaskaCare Retiree Health Plan and

the AlaskaCare Retiree Dental-Vision-Audio (DVA) Plan.

AlaskaCare Retiree DVA Plan Suit

In 2016, RPEA filed suit against the Division, alleging the optional retiree DVA plan was diminished through changes made to the plan in 2014. A trial was held in 2018 and the Alaska Superior Court ruled in RPEA's favor. The Division appealed the decision to the Alaska Supreme Court. In January 2022, the Supreme Court ruled that the option to buy dental insurance is an accrued protected benefit for retiree members. However, the Supreme Court found that the trial court erred by failing to consider the reduction in premiums paid by retirees when evaluating the impact of the 2014 changes. Therefore, the Supreme Court vacated the judgment and sent the case back to the superior court for a new diminishment analysis using the correct legal standard.

AlaskaCare Retiree Medical Plan Suit

In 2018, RPEA filed a second lawsuit against the Division alleging the AlaskaCare retiree defined benefit medical plan was diminished as a result of the 2014 plan amendment. The trial was set to begin at the end of January 2022. However, rather than incur the significant expense of a trial, continued motion practice, and a likely appeal to the Supreme Court, the parties agreed to explore the possibility of settling the claims remaining in the case through mediation.

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AlaskaCare Retiree Health Plan Settlement Agreement

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Mediation

The parties mediated the outstanding issues in both the DVA and medical plan cases on February 11, 2022, and a final agreement was signed on February 28, 2022.

DVA-Specific Settlement Terms

Continued Access to the Legacy DVA Plan:

The Division has agreed to continue to offer retirees the option to participate in the Legacy DVA plan (the plan in place prior to 2014) so long as the Legacy plan remains financially viable for the retirees who fully fund it through their monthly premiums.

DVA Plan Premium Development:

Premiums for each DVA plan offered by the Division will be determined based on the cost of each plan. The Division will continue to share publicly the process used to determine premiums for each plan and will provide members with advance notice if premiums increase (or decrease), and an opportunity to elect their plan of choice during an open enrollment period.

Medical-Specific Settlement Terms

Plan Amendment to Clarify Medical Necessity Terms:

The Division proposed a Plan Amendment to clarify certain terms, detail the Plan's procedures for determining whether services are medically necessary, and to affirm the Plan Administrator's (Commissioner of Administration) ultimate authority to make medical necessity determinations. The amendment included a 60 day public comment period prior to the June 1, 2022 effective date.

Rehabilitative Care Coverage Clarification:

The Division issued a benefit clarification to specify that when treatment is being provided for musculoskeletal disorders, a

medical necessity review will be performed after 25 visits in a year for a specific episode of care. If the review determines the course of treatment is necessary for maintenance care, 10 additional visits will be allowed in that year for that episode of care.

General Settlement Terms

Expansion and Continuation of RHPAB:

The Division recommended:

- The Retiree Health Plan Advisory Board (RHPAB, or the Board) be expanded to include an additional seat for an RPEA member, to be selected from a list of candidates proposed by RPEA
- The continuation of the Board and the removal of the current sunset clause
- The membership of the Retiree Health Plan Modernization Subcommittee be expanded to include a member of RPEA. This subcommittee is the working group where potential changes to the Retiree Health Plan are discussed and analyzed in detail
- The Board establish a Regulations Subcommittee to review proposed updates to regulations impacting the retiree health plan and that the Board include a member of RPEA on this newly created subcommittee.

Regulations Related to Plan Changes:

The Division will draft administrative regulations to formalize the process currently employed to review proposed changes to the retiree health plans. These regulations will be reviewed with the appropriate RHPAB subcommittee, and the public will have at least 60 days to comment on any resulting proposed regulations.

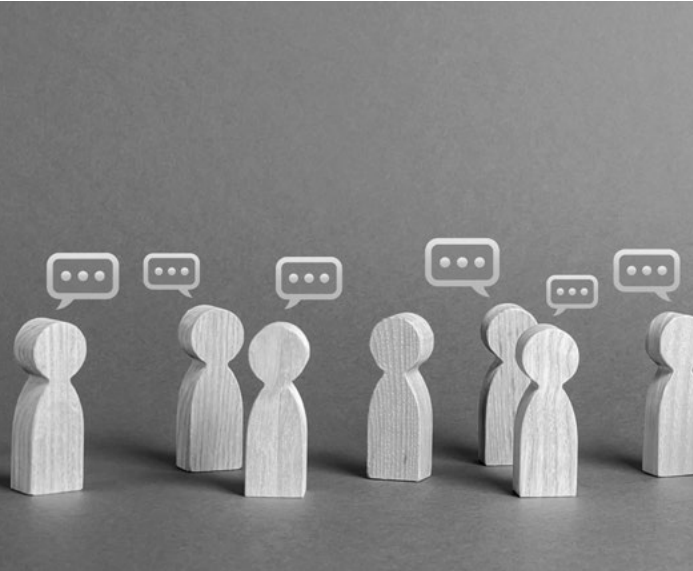
The Retiree Health Plan Advisory Board

The Retiree Health Plan Advisory Board (RHPAB) was created through Administrative Order No. 288/319 on September 29, 2017 to facilitate engagement and coordination between the State of Alaska's retirement systems' members, the Alaska Retirement Management Board, and the Commissioner of Administration regarding the administration of the retiree health plan.

The seven-member board is a group of individuals that represent you, the retirees. It consists of PERS, JRS, and TRS retired and/or active members, a public member, an Alaska Retirement Management Board trustee, and an HR Official or Financial Officer employed by an entity that participates in the State's retirement systems. The board members are appointed by the Governor.

The RHPAB provides valuable input and has been instrumental in evaluating new proposals that would help modernize the retiree health plan while sustaining the benefit level. The modernization effort undertaken between RHPAB and the Division is intended to help align the plan with the current healthcare environment. An example of a recent change is the board voted in favor of implementing EGWP effective January 1st, 2019, and coverage of preventive care effective January 1, 2022.

We invite you to attend or listen to any or all the meetings, members are always welcome. The meeting dates are posted to Online Public Notices and to [AlaskaCare.gov](#). If you would like to offer public comment for the board to review, send an email to alaskarhpab@alaska.gov.



COVID-19 and Your AlaskaCare Health Plan

The COVID-19 outbreak has caused us all to make adjustments and changes to our daily routines. Here at AlaskaCare, we made temporary changes and limited benefit expansions to your health plan to support the public health COVID-19 response, reduce the strain on the medical system, and to assist you in accessing the care you need. You can find up to date information about the temporary changes to your benefits at [AlaskaCare.gov](#).

The following benefit is temporarily available to all AlaskaCare retiree plan members:	The following benefits are permanently available to all AlaskaCare retiree plan members:
<p>Over the Counter COVID-19 Testing: Effective January 15, 2022 and through the end of the COVID-19 national public health emergency, your AlaskaCare health plan's pharmacy benefit will cover at-home, over-the-counter (OTC), FDA-authorized COVID-19 tests. AlaskaCare will cover up to eight tests per month per covered person. Depending on where you obtain them, you can either get your tests without having to pay anything up front, or you will be reimbursed up to \$12 per test. Though the AlaskaCare Retiree plan is exempted from federal OTC test kit coverage requirements, the Division is temporarily covering OTC test kits to support Retiree plan members during the national public health emergency.*</p>	<p>COVID-19 Testing: If you receive laboratory tests to diagnose or treat COVID-19, AlaskaCare is waiving your deductible and coinsurance. To qualify, your laboratory tests must be deemed medically necessary under the terms of the plan, and they must be FDA-approved.</p> <p>COVID-19 Vaccines: The AlaskaCare health plan covers the cost for FDA approved COVID-19 vaccines, subject to recognized charge, under both the medical and pharmacy plans, at any authorized site of care. AlaskaCare members receive the vaccine at no cost.</p>

**In response to the COVID-19 national public health emergency declared on January 31, 2020 and the State of Alaska public health disaster emergency declared on March 11, 2020 by Governor Mike Dunleavy, the Division of Retirement and Benefits has implemented temporary plan changes and suspensions in the AlaskaCare health plans. Please note, these temporary changes are the result of Federal and State health mandates, suspension orders, and other guidance. The Division's compliance with these various requirements is temporary in nature and does not create a vested benefit in relation to these changes. All temporary administrative changes will be automatically rescinded upon the expiration of relevant enabling documents.*

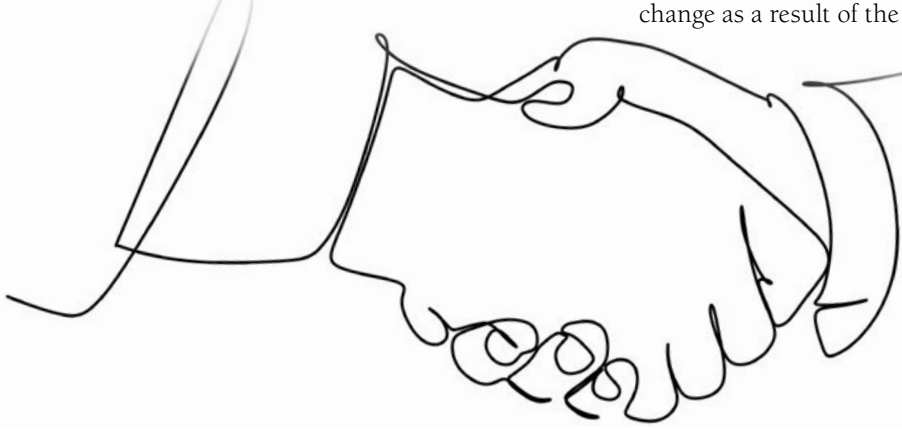
Retiree FAQs: RPEA Settlement Agreement

Will my DVA benefit options change as a result of the settlement agreement?

No. The Division will continue to offer eligible retirees a choice between the Standard and Legacy DVA plans for as long as the Legacy DVA plan remains financially viable.

Will my medical benefits change as a result of the settlement agreement?

Some retirees seeking care for musculoskeletal conditions may receive coverage for additional visits if their individual medical circumstances allow. Otherwise, your medical benefits will not change as a result of the settlement agreement.



Access Form 1095-B Online—April 2022

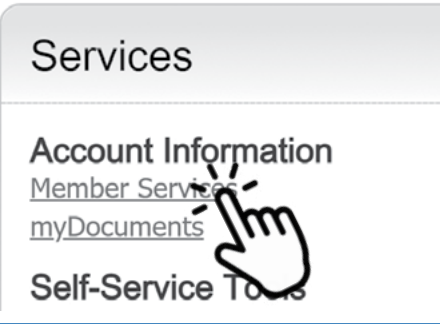
Form 1095-B is a tax form that reports the type of health insurance coverage you have, any dependents covered by your insurance policy, and the period of coverage for the prior year. The Division has provided this form to members under age 65 to verify on your tax return that you and your dependents have at least minimum essential health insurance coverage. If you are over age 65, Medicare will provide this form for you.

In 2022, for the 2021 tax year, this information is automatically provided to the IRS, and it is no longer necessary to have a printed copy of Form 1095-B in order to file your taxes.

The Division will provide members under age 65 access to an electronic version of Form 1095-B online starting in April 2022.

Members age 65 or older can contact Medicare at 1-800-MEDICARE to obtain a copy of their Form 1095-B. If you are under age 65 you can access your Form 1095-B in your MyRNB account under myDocuments.

If you would like to request a printed copy of your 2021 Form 1095-B be mailed to you, please contact the Division toll-free at (800) 821-2251, or in Juneau at (907) 465-4460. 🌲



What You Need to Know About IRMAA Reimbursement

Certain high-income retirees enrolled in the AlaskaCare enhanced Employer Group Waiver Program (EGWP) are required to pay an extra Medicare Part D premium surcharge, known as an Income Related Monthly Adjustment Amount, or IRMAA. This is similar to the IRMAA surcharge for high-income enrollees in the Medicare Part B plan. If you are an individual or a married couple earning more than the income threshold set by the federal government, you will be required to pay an extra surcharge for being enrolled in the AlaskaCare EGWP because it is a group Medicare Part D plan. Retirees whose household income is below this threshold will not be subject to the IRMAA premium surcharge.

If you are subject to the Medicare Part D IRMAA surcharge, you will be reimbursed.

For all Medicare plans, the IRMAA will be deducted directly from your monthly Social Security check (if you qualify for Social Security) or will otherwise be invoiced to you directly each month. If you are charged a Medicare Part D IRMAA for your prescription drug coverage, the Division of Retirement and Benefits will reimburse you for the full cost of the Medicare Part D premium surcharge each month, through a tax-advantaged Health Reimbursement Arrangement (HRA) account. If you receive a bill from Medicare, you should pay the bill timely, and contact the Division to learn about your reimbursement options.

The Division of Retirement and Benefits has partnered with OptumRx and Optum Bank to create an efficient way for members to receive reimbursement for their Part D IRMAA surcharge.

What do you need to know?

- You need to set up your HRA account every year, since IRMAA surcharges are based on your annual income and your income may change from year to year.
- If you are not assessed a 2022 IRMAA surcharge this does not apply to you this year.

- The deadline for submitting your 2021 IRMAA for reimbursement is December 31, 2022.

How do I establish a HRA account or Setup Direct Deposit?

OptumRx will handle all your IRMAA needs.

Follow these steps to establish your Part D IRMAA reimbursement account online:

- Register and/or log in to your [OptumRx.com](#) account either online or through the mobile app.
- Navigate to forms by clicking on the “Information Center” tab on the Navigation bar at the top, select “Programs and Forms”, “AlaskaCare Reimbursement and Exception Forms”, then click “IRMAA HRA Enrollment Form”.
- Complete the online *IRMAA HRA Enrollment Form*.
- Upload as an attachment a copy or image of your letter from Social Security or a Medicare Bill that shows what your Part D IRMAA surcharge will be.
- OptumRx will confirm your eligibility and set up your Health Reimbursement Account (HRA) with Optum Bank within 5 to 7 business days of receipt.
- Once your HRA has been set up with Optum Bank, they will send you a Welcome Packet within 5 to 7 business days, which will include information on signing up for Direct Deposit. (If you currently have Direct Deposit set up with OptumBank, that information does not need to be submitted again).
- Once you receive your Welcome Packet, log in to [OptumBank.com](#) to view your HRA account status/balance or to sign up for Direct Deposit.

If you have any questions on how to submit your IRMAA documents online or if you do not have internet access and would like to submit paper documentation, please contact OptumRx at (855) 409-6999 or email alaskacare_irmaa@optum.com. 🌲

AlaskaCare Opioid Guidelines

State and federal guidelines were developed to address the opioid epidemic in the United States and Alaska. New safety guidelines were adopted for the AlaskaCare plans on January 1, 2018 and were further enhanced on January 1, 2019. The guidelines limit the dispensing of opioids as follows:

For patients that do not normally use opioids

- The plan limits the maximum dosage per day to 50 mme and only allows up to a 7-day supply every 91-days.
- A pre-authorization is required to obtain more than a 7-day supply within any 91-day period.

For patients that regularly use opioids

- The plan limits the maximum dose per day to 90 mme and only allows up to a 30-day supply.
- A pre-authorization is required periodically.

For patients age 19 or under

- A pre-authorization is required for cough medications that contain opioids, and the prescription is limited to a 3-day supply.

Members are encouraged to discuss the effect of the AlaskaCare opioid dispensing policy with their providers and to contact OptumRx at (855) 409-6999 for support.

Opioids are a type of narcotic pain medication. They can have serious side effects if you don't use them correctly.

Opioid Drugs Include:

- Codeine (only available in generic form)
- Hydromorphone (Dilaudid, Exalgo)
- Meperidine (Demerol)
- Methadone (Dolophine, Methadose)
- Morphine (Kadian, MS Contin, Morphabond)
- Fentanyl (Actiq, Duragesic, Fentora, Abstral)
- Oxycodone (OxyContin, Oxaydo)

- Oxycodone and acetaminophen (Percocet, Roxicet)
- Oxycodone and naloxone
- Hydrocodone (Hysingla, Zohydro ER)
- Hydrocodone and acetaminophen (Lorcet, Lortab, Norco, Vicodin)

Recommendations that influenced the AlaskaCare opioid dispensing policies:

- Alaska Opioid Policy Task Force (AOPTF)
- dhss.alaska.gov/AKOpioidTaskForce/Pages/default.aspx
- Center for Disease Control (CDC) updated their Guideline for Prescribing Opioids for Chronic Pain on 8/29/17
- cdc.gov/drugoverdose/prescribing/guideline.html
- The FDA released an action plan to help address the opioid crisis:
- fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm484714.htm
- fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm338566.htm
- OptumRx: [Current AlaskaCare Pharmacy Benefit Manager](#) complies with the CDC and FDA guidelines:
- optum.com/resources/library/opioid-risk-management0.html 🌲



Alaska Quit Line Smoking Cessation Programs

Quitting smoking isn't easy, but it's worth it. The good news is that once you stop, your body starts healing right away. Carbon monoxide levels normalize in just 12 hours, and your risk for heart disease can drop significantly after just 12 months as a non-smoker.

Why wait when you can make a clean start today?

1-800-QUIT-NOW



Coordination of Benefits Explained

Coordination of Benefits (COB) is a method of ensuring that people covered by more than one medical plan will receive the benefits they are entitled to but not more than 100% of their covered expenses. The AlaskaCare health plans coordinate benefits with other group health care plans to which you or your covered dependents belong. Coordination of benefits can be very confusing, even for people who work at a physician’s office. With COB, if you are covered by more than one health care plan, the plans work together to provide benefits. One plan is considered “primary” and pays your covered expenses first. The other plan is “secondary” and pays any remaining covered expenses up to 100%. In some cases, there may be a third or fourth plan, as well. It is important to remember that not all expenses are covered expenses.

Who sets COB rules?

Most COB rules are set by the National Association of Insurance Commissioners (NAIC). Rules for coordinating with Medicare and Medicaid are set by federal and state law. Most plans follow the NAIC rules, but there is no requirement that they do so. The AlaskaCare health plans follow standard NAIC rules to ensure ease of coordination with other plans.

What are the rules?

Examples of common COB situations and rules:

If You Are Covered Under...	How the Plans Pay
Active employee plan and retiree plan	Primary: Active employee plan Secondary: Retiree plan
Retiree plan and as dependent under another person’s plan through active employment	Primary: Retiree plan Secondary: Other person’s plan
Retiree plan and Medicare eligible	Primary: Medicare Secondary: Retiree plan
Two retiree plans	Primary: Plan in force the longest Secondary: Other plan
Retiree plan, as dependent under another person’s plan through active employment, and Medicare-eligible	Primary: Other person’s plan Secondary: Medicare Pays third: Retiree plan
Active employee plan, retiree plan, as dependent under another person’s plan through active employment, and Medicare-eligible	Primary: Active employee plan Secondary: Other person’s plan Pays third: Medicare Pays fourth: Retiree plan

If your dependent children are covered under more than one plan, in most cases, the plan of the parent whose birthday falls earlier in the year (not the oldest) is primary. If both parents have the same birthday, the plan that has covered the children longer is primary. If the parents are separated or divorced, here is how the plans pay:

- **Primary:** The plan of the parent whom the court has established as financially responsible for the child’s health care (the claims administrator must be informed of the court decree)

- **Secondary:** The plan of the parent with custody of the child
- **Pays third:** The plan of the spouse of the parent with custody of the child
- **Pays fourth:** The plan of the parent who does not have custody of the child

What if none of the rules describe my situation?

If none of the above rules applies, the plan that has covered the patient the longest is primary.

How do the plans coordinate if my AlaskaCare plan is secondary?

When an AlaskaCare plan is secondary, the amount the plan pays after the deductible is met is figured by subtracting the benefits payable by the other plan from 100% of expenses covered by the AlaskaCare plan on that claim.

Will the coverage from two AlaskaCare plans always pay 100% of what the provider charges?

No, you may receive a balance bill if you use an out-of-network provider. In this case, the plan will pay up to the recognized charge for this service in your area. For more information on how recognized charges are calculated, see the Recognized Charges FAQ on the AlaskaCare website.


Subscribe to the Monthly Retiree Health Plan Newsletter

Retiree newsletters are sent electronically to Health Plan members that have subscribed to receive updates. Each month we feature an article that helps you Get to Know your Benefits, provides you with updates about the Health Plan, and information about health events and resources. You can subscribe or unsubscribe at any time by managing your preferences.

To sign up:

In your internet browser, go to AlaskaCare.gov.

1. Click the hamburger icon (≡) on the right side of the page to open the fly out menu.
2. At the very top, enter your email address and click “submit.”
3. Select “AlaskaCare Retiree News and Updates” under AlaskaCare and click “submit.”



AlaskaCare Town Hall Events

Town Hall Events are group calls hosted by the Alaska Department of Administration, Division of Retirement and Benefits for all interested AlaskaCare retirees and families to ask questions about the AlaskaCare health plans. They are held on the third Thursday of each month at 10 a.m. Alaska Time. You can join the call to learn more about your health plan and ask Division staff any questions you have about your benefits. This format gives retirees a chance to connect directly with Division staff to hear the latest news on all things AlaskaCare, raise questions, share comments, and learn more about the health plans. AlaskaCare.gov/townhall



The Divisions Website Gets a New Look!

New AlaskaCare Webpage Design

The Division of Retirement and Benefits is excited to announce that we unveiled a brand-new, completely redesigned website on May 3, 2022. The new website has a similar look and feel as the main State of Alaska (SOA) and most SOA department and division websites, with a streamlined layout designed to be easy to use and navigate.

You can find the new Division of Retirement and Benefits website at drb.alaska.gov.

Our team has been working to bring you an improved user experience. Some of the new features include:

- **An interface designed for you, the user.** You can access the information you need based on whether you are an employee, a retiree, or an employer.
- **No hidden or buried pages.** All the information on the website is available from the drop-down menus at the top of the home page. Quick links and helpful tools are also available from the right-side fly-out menu. Access this menu by clicking the hamburger icon (≡) on the upper right side of your browser window.
- **No duplicate information.** The website contains the same helpful information organized in a way that is easier to

We Value Your Feedback!

As an AlaskaCare member, your input is valued and important. Below, please see a list of ways to contact us with your feedback. Also, a full list of AlaskaCare health plan and partner contact information can be found on our website at drb.alaska.gov/contact.

AlaskaCare—Plan Administrator

- Toll Free: (800) 821-2251
- In Juneau: (907) 465-4460
- TDD: (907) 465-2805
- Fax: (907) 465-3086
- Email: doa.drb.benefits@alaska.gov

Send us a letter

State of Alaska
Division of Retirement
and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

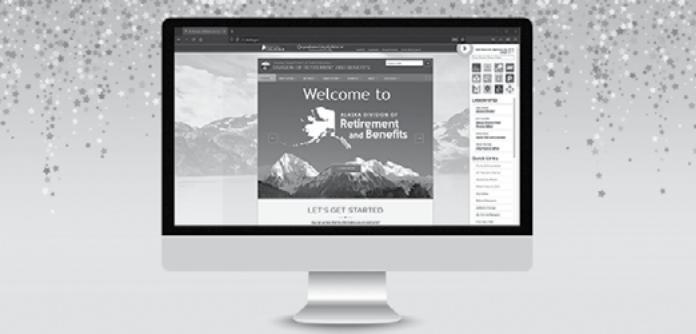
Come visit us

State Office Building
6th Floor
333 Willoughby Avenue
Juneau, AK 99801

locate, ensuring that what you read is correct and up-to-date.

- **ADA-accessibility.** The State of Alaska and the Division is committed to serving all Alaskans. We use the Web Content Accessibility Guidelines 2.1, Level AA as our guide to make our website more accessible for everyone and our content easy to use and understand.
- **More responsive design for mobile devices.** You should see improved usability on your phone or tablet.

Questions? Visit the Welcome page on our website for more help to find the information you need, or contact our Member Service Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460 or by email at doa.drb.mscc@alaska.gov.





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[Twitter.com/AlaskaDRB](https://twitter.com/AlaskaDRB)

The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). This health newsletter is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits at (907) 465-4460 or contact the TDD for the hearing impaired at (907) 465-2805.

Disclaimer: Information in this newsletter summarizes the plan provisions, is supplemental only, and does not supersede the applicable Information Booklet's provisions. The Division is unable to unsubscribe members from our mailing list at this time.

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Health Benefit Contact Information

Division of Retirement and Benefits

Member Service Center:

(907) 465-4460 | Toll Free: (800) 821-2251

Medical Benefits: Aetna Concierge

Member Services: (855) 784-8646

Dental Benefits: Moda/Delta Dental

Member Services: (855) 718-1768

Pharmacy Benefits: OptumRx

Member Services: (855) 409-6999

Long Term Care Benefits: CHCS Services, Inc.

Member Services: (888) 287-7116

