

Executive Summary	Diagnostic Colonoscopy Coverage (R032)	
Health Plan Affected	Retiree Health Plan	
Proposed Effective Date	January 1, 2026	
Reviewed By	RHPAB Modernization Committee; RHPAB	
Review Date	June 13, 2025; July 21, 2025	

Contents

1) Background.....	1
2) Objective	2
3) Summary of Proposed Change.....	2
4) Impacts	2
Actuarial Impact to AlaskaCare Increase	2
Financial Impact to AlaskaCare Minimal	2
Member Impact Enhancement	2
Operational Impact (DRB) Minimal	2
Operational Impact (TPA) Minimal	2
Provider Impact Minimal	2
5) Implementation and Communication Overview.....	2
6) RHPAB Recommendations	2

1) Background

A colonoscopy is a procedure to check for any abnormal tissue, polyps, or other signs of cancer in the colon or rectum. There are two types of colonoscopies: screening and diagnostic.

- A diagnostic colonoscopy is a procedure furnished to a person with signs and symptoms of colorectal cancer, a prior positive colorectal cancer screening (such as Cologuard at home testing), or a personal history of polyps, abnormal tissue, or gastrointestinal conditions or symptoms.
- A screening colonoscopy is a procedure furnished to a person without signs or symptoms of gastrointestinal conditions, no family or personal history of colorectal cancer, and no previous polyps or other irregularities in the large intestine, for the purpose of early detection of colon cancer.

Currently, diagnostic colonoscopies are subject to the medical plan’s general benefit provisions, and covered at 80% of the recognized charge, with a retiree coinsurance of 20%. Under the preventive care provisions, screening colonoscopies are covered at 100% of the recognized charge when received in-network, or when precertification is obtained when a network provider is not available. The Division of Retirement and Benefits (Division) is considering the removal of the members’ cost share (coinsurance and deductible) for non-preventive colonoscopy services when received in-network.

2) Objective

Provide access to colonoscopies for diagnostic purposes with no out-of-pocket costs for our members.

3) Summary of Proposed Change

The AlaskaCare Retiree Health Plan (Plan) would remove the member cost-share for colonoscopies when received in-network.

4) Impacts

Actuarial Impact to AlaskaCare | Increase

The Division's contracted benefit consultant (Segal) has estimated an actuarial value increase for the Plan to be between 0.01% and 0.02%.

Financial Impact to AlaskaCare | Minimal

The financial impact to the Plan, based on the retiree medical and pharmacy claims projection of \$856,400,000 for 2025 (dated September 27, 2024) and trended forward at 7% to \$916,400,000 for 2026, equates to approximately \$100,000 to \$155,000 in additional annual costs to the Plan, which is equal to 0.01% to 0.02%.

Member Impact | Enhancement

Members of the Retiree Plan would benefit from the ability to access diagnostic colonoscopies without a cost share.

Operational Impact (DRB) | Minimal

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

Operational Impact (TPA) | Minimal

The impact to the Third-Party Administrator (TPA) is anticipated to be low.

Provider Impact | Minimal

The provider impact is estimated to be minimal.

5) Implementation and Communication Overview

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

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

6) RHPAB Recommendations

The Retiree Health Plan Advisory Board voted on July 21, 2025 to recommend implementation of this

proposal.

Description	Date
Proposal Drafted	May 2025
Reviewed by Modernization Subcommittee	June 13, 2025
Reviewed by RHPAB	July 21, 2025



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Memorandum

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

From: Richard Ward, FSA, FCA, MAAA

Date: April 21, 2025

Re: Removal of Cost Share for Non-Preventive Colonoscopies (Retiree Plan)

The State is considering removal of cost-sharing for non-preventive colonoscopy procedures, including sigmoidoscopy, as a benefit under the Retiree Plan.

Currently, the plan covers routine cancer screening colonoscopies based on age, family history, and frequency guidelines, which are:

- a. Evidence-based items or services that have in effect a rating of A or B in the recommendations of the United States Preventive Services Task Force; and
- b. Evidence-informed items or services provided in the comprehensive guidelines supported by the Health Resources and Services Administration.
- c. Found in the American Cancer Society guidelines for colorectal cancer screening.

However, when there is a diagnostic need for a colonoscopy or related screening, the Plan applies the general benefit provisions, such as deductible, coinsurance and out-of-pocket limits, to determine any portion of the costs that are the member's responsibility. If the member has additional coverage, such as Medicare or other employer provided coverage, any portion of the costs covered by that plan is also considered.

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

Deductibles	
Annual individual / family unit deductible	\$150 / up to 3x per family
Coinsurance	
Most medical expenses	80%
Most medical expenses after out-of-pocket limit is satisfied	100%
Second surgical opinions, Preoperative testing, Outpatient testing/surgery • No deductible applies	100%
Out-of-Pocket Limit	

Annual individual out-of-pocket limit • Applies after the deductible is satisfied • Expenses paid at a coinsurance rate other than 80% do not apply against the out-of-pocket limit	\$800	
Benefit Maximums		
Individual lifetime maximum • Prescription drug expenses do not apply against the lifetime maximum	\$8,000,000	
Prescription Drugs	Up to 90 Day or 100 Unit Supply	
Up to 90 Day or 100 Unit Supply	Generic	Brand Name
Network pharmacy copayment	\$4	\$8
Mail order copayment	\$0	\$0

Actuarial Value

Most colonoscopy procedures are preventive in nature and are currently covered with no cost share requirement from the member. As a result, the inclusion of this benefit for the Plan can be viewed as an enhancement favorable that will have a slight impact on actuarial value. The anticipated increase in actuarial value for the plan is anticipated to be between 0.01% and 0.02%.

Financial Impact

Segal's analysis included a comprehensive review of colonoscopy claims with member cost share greater than \$0 without restriction based on a diagnostic categorization. We then projected forward based on future expectations of costs.

Based on the most recent retiree medical and pharmacy claims projection of \$856,400,000 for 2025 (dated September 27, 2024), and trended forward at 7% to \$916,400,000 for 2026, this equates to approximately \$100,000 - \$155,000 in additional annual costs to the Plan, which equates to 0.01% to 0.02%. Depending on the effective date of the plan change, there could be a partial fiscal year impact during the first year.

Additional Notes

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

The above projection is an estimate of future cost and is based on information available to Segal at the time the projection was made. Segal has not audited the information provided. A projection is not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, change in demographics, overall inflation rates and claims volatility. Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree

benefits for active, disabled, or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.

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