Retiree Health Plan Advisory Board
Regulation Subcommittee Meeting Agenda

Date: Wednesday April 20th
Time: 01:00 pm – 04:00 pm
Location: Video Tele-Conference & Atwood 19th Floor Conference Room
Teleconference: 855-244-8681 ID: 2467 277 7872 Pswd: 47292324
Committee Members: Lorne Bretz, Nanette Thompson, Wendy Woolf

01:00 pm Call to Order – Lorne Bretz, Regulation Subcommittee Chair
- Roll Call and Introductions
- Approval of Agenda
- Ethics Disclosure

01:10 pm Working Session
AlaskaCare Retiree Health Plan
-Division of Retirement & Benefits Regulation Process
-Process Regulation

04:00 pm Adjourn
AlaskaCare Retiree Health Plan
-Division of Retirement & Benefits Regulation Process
-Process Regulation

Retiree Health Plan Advisory Board
Regulations Subcommittee
April 20, 2022

Emily Ricci, Chief Health Administrator
Betsy Wood, Deputy Health Official
Division of Retirement and Benefits
Division of Retirement and Benefits Regulation Process
Statutory Authority

Regulations adopted related to the AlaskaCare Retiree Health Plans are **not** subject to the Alaska Administrative Procedure Act

- Public Employees Retirement System (PERS)
  - [AS 39.35.005 Regulations](#)
- Teachers Retirement System (TRS)
  - [AS 14.25.005 Regulations](#)
- Judicial Retirement System (JRS)
  - [AS 22.25.027 Regulations](#)
- Dental-Vision-Audio (DVA), Long-Term-Care (LTC)
  - [AS 39.30.098 Regulations](#)
1. Regulations are **published** in the Alaska Administrative Register and Code.

2. Regulations must **conform to style and format requirements** outlined in the State’s *Drafting Manual for Administrative Regulations*.

3. Proposed regulation changes must be **publicly noticed at least 30 days** prior to adoption by the Commissioner.

4. The Commissioner may hold a **public hearing** on proposed regulation changes.

5. Regulations **take effect 30 days after adoption** by the Commissioner.

6. The Commissioner may make **emergency regulation changes** that are effective immediately. Emergency regulations must be publicly noticed within 10 days.
Process Overview

**Prep Work**
1. Initiate Project
2. Draft Language
3. Open File

**Public Comment**
4. Public Notice
5. Solicit Comments
6. Intake Comments

**Finalization**
7. Final Language
8. Adoption Order
9. Transmit to Law

**Regulations Take Effect**
10. Final Legal Review
11. Effective Date
12. Filing and Publication
Prep Work

1. Initiate Project
   • Outline scope of changes.
   • Establish project timeline.

2. Draft Language
   • Draft initial version of proposed changes.
   • Prepare public notice, additional information, and fiscal note (as applicable).

3. Open File
   • Submit request for new regulations file to Department of Law, Legislation & Regulations Section.
4. Public Notice
• Proposed changes and any additional information are publicly noticed and distributed.

5. Solicit Comments
• Minimum of 30 days.
• Public comments are accepted via email or mail, and a public hearing may be held.

6. Intake Comments
• Public comments are logged, reviewed, and summarized.
• A record of any resulting action is maintained.
Finalization

7. Final Language
• Prepare final proposed regulations, incorporating any changes resulting from public comment period.

8. Adoption Order
• Commissioner of Administration signs adoption order.

9. Transmit to Law
• Final regulations package is transmitted to Department of Law, Legislation & Regulations Section.
10. Final Legal Review
- The Division’s agency attorney reviews the final package.
- A Legislation & Regulations attorney then conducts a final review.

11. Effective Date
- Regulations are effective 30 days after adoption by the Commissioner of Administration.

12. Filing & Publication
- The Lieutenant Governor files the final regulation and maintains the supporting documents.
- The final regulation will be published in the Alaska Administrative Register and Code.
Settlement Terms: Drafting the Process Regulation

• **Within 120 days** of the Settlement Effective Date (February 28, 2022), the Division of Retirement & Benefits (DRB) shall **draft a regulation** describing the process for making changes to the Plan (the “Process Regulation”).

• DRB will **solicit input** from the Retiree Health Plan Advisory Board (RHPAB), and the Retired Public Employees of Alaska, Inc. (RPEA) will have an opportunity to participate through its representative on the RHPAB or one of its Subcommittees.

• This shall not be construed as a waiver of the administrator’s sole authority to formulate and recommend to the commissioner of administration regulations.

• Nothing in this paragraph or Settlement Agreement is intended to constitute negotiated rulemaking pursuant to AS 44.62.710-.800.
Settlement Terms: Content of the Process Regulation

The Process Regulation will:

1. Encapsulate DRB’s current process for evaluating proposed Plan changes (background, objective, details of proposed change, impacts on beneficiaries, and the actuarial, financial, and operational impacts).

2. Account for the need for flexibility, so that DRB may quickly respond to advances in medicine and medical technology, pandemics, and other emergencies.

3. Provide beneficiaries an opportunity to comment on proposed changes prior to adopting any final proposal.

4. Articulate notice and outreach requirements to inform beneficiaries of proposed changes.
1. The Commissioner of Administration will support the adoption of the Process Regulation.

2. RPEA will publicly support DRB’s adoption of the Process Regulation.

3. The Process Regulation will be made available for public comment for a period of 60 days.
   a. Comments may be submitted in writing, via email, or through the Alaska Online Public Notice System.
   b. A public teleconference will be held during the public comment period.
Current Process: Stakeholders

Who is involved in proposing and developing AlaskaCare Retiree Health Plan changes?

- Health Plan Members
- Commissioner of Administration
- Division of Retirement & Benefits
- Department of Law
- Retiree Health Plan Advisory Board
Current Process: Proposal Development

What Goes Into a Retiree Health Plan Proposed Change?

1. **Background**: What are the current plan provisions? What information is important for decision-makers to consider as they evaluate the proposal?

2. **Objective**: What do we hope to accomplish with this change?

3. **Beneficiary Impact**: How would this change impact plan members?

4. **Actuarial Impact**: How would this change impact the overall actuarial value of the plan?

5. **Financial Impact**: How would this change financially impact the plan and members?

6. **Operational Impact**: How would this change impact health plan operations?
Current Process: Overview

Idea for Proposed Change
Can originate from any stakeholder

Initial Discussion
- RHPAB
- DRB/Law

Review and Analysis
- Modernization Subcommittee
- DRB

Updates
- RHPAB
- DRB/Law

Public Review and Comment on Proposal
- Health Plan Members

Final Review and Advisory Recommendation
- RHPAB
- DRB/Law

Final Decision to Implement
- Commissioner of Administration

Public Review and Comment on Plan Amendment
- Health Plan Members

Implementation
Process Regulation Development Draft Timeline

**Propose Regulation Framework**
Solicit input from RHPAB Regulations Subcommittee

April

**Draft Regulation Language**
Coordinated effort between DRB & LAW

May

**Public Comment Period**
60 days

June

**Finalize Regulation**
Review and address public comment

July

**Regulations Adopted**
Commissioner of Administration signs and adopts final regulations

August

September

**Regulations Take Effect**
30 days after adoption

October
Discussion
Process Regulation: Proposed Framework

When evaluating amendments to the AlaskaCare Defined Benefit Retiree Health Plan (Plan), the Division of Retirement and Benefits (Division) has established the following process that will serve as the foundation for the Process Regulation:

1. **Initial Proposal:** The Division drafts an initial proposal that considers the background, objectives, details of proposed change, impacts on beneficiaries, and the actuarial, financial, and operational impacts.

2. **Review Process:** The Division reviews, updates, and analyzes the proposal. During this process, the Division seeks feedback from stakeholders.

3. **Draft Final Proposal:** The Division produces a draft final version of the proposal, incorporating any relevant feedback or necessary changes identified during the review process.

4. **Public Comment Period – Draft Final Proposal:** The Division solicits comments from the public on the draft final proposal.
   a. Minimum of 30 days (with an exception for emergencies or if deemed necessary and to the benefit of the plan as determined by the Commissioner of Administration).
   b. The Division maintains a record of public comments and any resulting action.

5. **Recommendation:** The Division makes a recommendation to the Commissioner of Administration regarding adoption of the final proposal.
   a. This recommendation articulates and considers input from stakeholders and the public.

6. **Decision:** The Commissioner of Administration considers the Division’s recommendation and determines whether to implement the final proposal.

7. **Draft Plan Amendment:** If the Commissioner of Administration decides to adopt the final proposal, the Division drafts a Plan amendment.

8. **Public Comment Period – Draft Plan Amendment:** The Division solicits comments from the public on the draft Plan amendment.
   a. Minimum of 30 days (with an exception for emergencies or if deemed necessary and to the benefit of the plan as determined by the Commissioner of Administration).
   b. The Division maintains a record of public comments and any resulting action.

9. **Final Plan Amendment:** The Division incorporates input provided during the public comment period (as appropriate) into a final Plan amendment.

10. **Plan Amendment Adoption:** The Commissioner of Administration reviews and adopts the final Plan Amendment, thus incorporating the change(s) into the Plan.