

AlaskaCare Retiree DVA Town Hall

Event Summary

Date Tuesday, October 1st, 2019 | 10:00 to 11:00 a.m.

Recording <https://vekeo.com/event/stateofalaskadrb-47515/>

Attendance Approximately 665 attendees participated in the call and an additional 111 streamed the audio online.

Presenters

<i>State of Alaska, Department of Administration Staff + Contractor</i>	
Emily Ricci	Chief Health Policy Administrator, Division of Retirement and Benefits
Steve Ramos	Vendor Manager, Division of Retirement and Benefits
Andrea Mueca	Health Operations Manager, Division of Retirement and Benefits

Introduction

Emily Ricci provided a brief overview of the Town Hall format, encouraged participants to submit questions on the phone during the event or via e-mail, and reminded participants that sharing personal health information or questions about individual claims cannot be addressed publicly in this forum. Participants can submit questions before or during the event at: drbtownhall@alaska.gov. In today's town hall event, we will answer any questions you have about your health plan.

Today's Discussion is all about the DVA Plan. As you have probably heard by now, we have some exciting news about your dental benefit plan options – more choices are headed your way in 2020!

If you are a dental plan member, you should have already received a letter letting you know that beginning January 1, 2020 you will have a choice between two dental plans: the current dental plan, which is the standard plan, or the dental plan that was in place prior to 2014, the legacy plan.

You can choose which of these plans works best for you and your family.

Here's what you need to know about your options:

- You don't need to do anything today.**
- Your vision and audio benefits are not changing. Regardless of which dental plan you select, your audio and vision benefits will be the same.
- You will have a choice between two dental plans, that become effective January 1, 2020.
- The coverage provisions and premiums will be different between the two plans and today we are going to spend some time talking about some of that.
- Beginning the week of October 11th, you should be getting more information in the mail including plan benefit comparisons and plan premium information.
- You'll be able to select the plan of your choice during the open enrollment period.

This morning we have some good news about the enrollment period. We've been working hard the last few weeks and are excited to announce that you have an opportunity to enroll early! Beginning Wednesday, October 16th you will be able to enroll in the dental plan of your choice. The plan coverage will take effect January 1, 2020. The enrollment period will run for six weeks from October 16th through November 27th. The Division will offer an

online form for members to complete with a paper form option for those who aren't as comfortable using the computer.

We will be sending more information out about this but wanted to let you know today that you have more time to go online and enroll. We know you'll need more information before you make your choice, so you're going to be hearing from us a lot over next few months. We'll be sending you more information in the mail, by email, and we'll be holding extra town hall events like this one to answer your questions.

Today we are focusing on dental, and that's because a lot has happened over the past few months. You may have heard about a lawsuit related to the dental plan. In 2014 the Division made changes to the dental plan. The goal was to protect members from rising premiums and to preserve the value of the plan.

The DVA plan is fully paid by member premiums and is an optional plan, meaning members chose to participate and pay premiums for the plan at the time of their retirement. The plan has a \$2000 maximum annual benefit. For covered services, the plan will pay up to \$2000.

Six years ago, in 2013 the Division was concerned that rising premiums would reduce the value of your dental plan and result in fewer members participating. At the time, premiums were increasing annually from between 5% to over 10% per year. In 2014 the Division implemented changes to avoid more premium increases and preserve the value of the plan. As a result, premiums decreased for the first time in 2014. These changes included adopting American Dental Association standards reflecting practices that are supported by updated science and evidence.

The Division also implemented a network. A network is a series of contracts between dentists and the plan. Generally, dentists agree to charge less for their services and not to bill the member for the difference. This is good for the member and the plan.

Network discounts mean members can receive more services before reaching their \$2,000 annual maximum; and using a network provider protects them from additional bills by the dentist.

Today, more than 80% of services in the dental plan are performed by a network dentist. At the same time, the dental plan changed how it paid out-of-network providers reducing the amount they received. The goal was to incentivize providers to join the network and members to use network providers.

In January of 2016, a lawsuit was filed saying the changes made to the plan in 2014 were unconstitutional. The case was heard in the Alaska Superior Court and in April 2019 the Court found in favor of the plaintiff. The State is appealing to the Alaska Supreme Court, and in the meantime is complying with the court's order by offering members the choice of both the current plan, which is called the standard plan, or the plan that was in place prior to 2014, called the legacy plan.

In general, the two plans are similar. They both have the same annual individual maximum of \$2,000- meaning the plan will only pay \$2,000 annually for covered services for each covered member.

They both have three levels of coverage:

- The first level is called Class I, and it covers preventive and some diagnostic services. These include things like cleanings, exams, and x-rays. Both plans cover these services at 100% with no deductible. But there are some differences including the number of cleanings allowed between the two plans. Also, the standard plan includes some services like periodontal maintenance as a class I service, while the same services are covered as a class II service in the legacy plan.

- The second level of coverage is called Class II, and it covers restorative services. These are things like fillings, extractions, and root canals. Both plans cover these services at 80% with a \$50 deductible. There are some differences in how services related to dentures are covered in this class of service.
- The third level of coverage is called Class III, and it covers prosthetic services. These include things like crown, bridges, and dentures. Both plans cover these services at 50%, with a \$50 deductible. While both plans generally cover the same type of service, there are some differences in how frequently these services are covered by the two plans. In general, the standard plan has limitations on how frequently certain services are covered. For example, crowns, bridges and dentures are covered once every 7 years. That time period reflects advances in technology and improved strength and durability of the materials used to create these items. The legacy plan does not have similar provisions but does require that the services be dentally necessary.

Another difference between the two plans is how out-of-network providers are reimbursed. In the legacy plan, out of network providers are reimbursed at higher levels than the standard plan. I'll talk a little more about that later and I'm sure we will get some questions about that.

Network Provisions:

I mentioned earlier that we would be talking about difference in network provisions between the two plans. There are two main differences between the plans. We'll start with an overview of the network difference. Both plans have access to Delta Dental's premier network. If you look on your dental card today, you will see a note, maybe in tiny script, that says Premier on it. The Delta Dental premier network is the same network that is in place today, and members in both the standard and the legacy plan have access to it.

Beginning January 1, 2020, members in the standard plan will also have access to an additional network called the PPO network. This network has fewer providers in it, but those providers have even lower charges than the premier network. The PPO network is a passive network, which means that if you are in the standard dental plan, you can see a dentist in the PPO network and pay less for services than you do today without doing anything differently. This lets you stretch your dollars and get more out of your health plan because you can get more services before reaching the \$2,000 annual individual maximum.

The other difference between the two plans is how out-of-network dentists are paid.

- The legacy plan pays for services received at an out-of-network dentist at 100% of the 90th percentile while the standard plan pays 75% of the 80th percentile.
- For example, in the legacy plan, the claim administrator will take 100 charges for the same service in geographic area and line them up, highest to lowest. Out-of-network services in the legacy plan are paid at 100% of the 90th percentile. So, looking at that line of 100 charges, the 90th charge is the 90th percentile and becomes the basis for reimbursement.
- In the standard plan, the 80th charge would be the 80th percentile and the plan would pay 75% of the amount of that 80th charge.
- Remember: when you use an out-of-network dentist, they can bill you for the difference between what they charge and what the plan pays. This is called balance billing.
- Network dentist have agreed not to bill members for that difference, which is an important benefit and protection of using a network dentist.

Summary of Questions and Answers

The following questions were answered during the call. Presenters answered as many questions as possible during the hour, and chose questions that were representative of the topics being asked most often, from a variety of participants from across Alaska and other locations in the U.S.

1. Question: Do both my wife and I have to both opt into which plan we want, and can we have different plans?

We encourage everyone to participate in Open Enrollment. If you and your spouse have each vested in your own retirement benefit, you can each select the plan of your choice, either the standard or the legacy, and if you claim each other as dependents the plan will coordinate. However, if your wife is covered as a dependent under your plan, and you are the retiree, you may elect one choice for both yourself and your spouse. If you do not participate in open enrollment, you will remain in the plan you have today, which is the standard plan.

2. Question: Can I have periodontal cleanings 4 times a year?

In the standard plan, periodontal cleanings are a Class I service, so they are not subject to deductible and are covered at 100% two times per benefit year. If you have diabetes, are in the last trimester of pregnancy, or have other dentally necessary or qualifying condition, you can receive additional cleanings. Under the legacy plan periodontal maintenance is covered as a class II service, so it would be covered at 80% with a \$50 deductible subject to dental necessity, with no frequency limitations. What I want to clarify is that periodontal maintenance is different than routine cleanings. If you go into the dentist and receive cleanings those are covered two times per benefit year in the standard plan at 100% with exceptions for people with diabetes, who are pregnant or other medical reasons and covered with no frequency limits in the legacy plan. All services are subject to dental necessity.

3. Question: How do I get a list of the network providers in Alaska and Utah?

You can go online to www.Alaskacare.gov, there is a link that says 'Find a Dentist' which will allow you to access a search tool. You can also call Delta Dental and ask them.

4. Question: Can you switch back and forth. What is the cost of the different plans ?

For as long as we offer the two plans, there will be an annual enrollment. You will have an annual opportunity to select the plan that is right for you. The premiums will be different, and we will have them available to share with members prior to open enrollment.

5. Question: I have tried the Moda health page and can't find the providers available in Austin TX.

From the Modahealth.com page, there is a find care tool that will link you out to the national search tool, and you can search in the area you live in. You can also call Delta Dental at (855) 718-1768.

6. Question: Is there a date for the court decision. If you select the standard plan now, and the court finds for the plaintiff mid-year what happens?

It's hard to say definitively since the case is open. We felt offering two plans was the best choice for all members. We did not want to unilaterally move all members into the Legacy Plan. We also wanted to make sure the Legacy Plan was available to those that wanted access to it. That's why we decided to move forward by adopting two plans and giving members a choice. Depending on how things evolve, we will evaluate from the perspective of what is in the best interest of the members. When we think about this, we are thinking of the membership as a whole. What we think is most helpful, is to provide choice. Rather than move everyone into one plan or another,

we want to give members choice, so you can choose what is best for you. We will keep members informed as things progress.

7. Question: *I am interested in the plan offering preventive health, such as Silver Sneakers, so we can have an exercise plan to help us preventatively.*

Regarding preventive services, they are widely covered in the active employee health plan. It's often surprising for retiree members to find out they are not covered in the retiree plan. This is something the division would like to see changed. We are working with the Retiree Health Plan Advisory Board (RHPAB) on potential plan changes to add items such as preventative services. You can send your feedback to AlaskaRHPAB@alaska.gov. Wellness programs like Silver Sneakers are something we have been looking at and have discussed with the RHPAB board.

8. Question: *I was wondering which plan I should choose if we want to keep our same dentist, who is not an in-network dentist?*

In the legacy plan, out-of-network services are paid at a higher level than the standard plan. The legacy plan pays at 100% of the 90th percentile, while the standard plan pays 75% of the 80th percentile. For the legacy plan, the claims administrator will take 100 charges for the same services in a geographic area and line them up highest to lowest, the 90% percentile is literally the 90th charge in that line up. In the legacy plan, OON dentists are reimbursed at 100% of the 90th percentile for a geographic area. In the standard plan they are reimbursed at 75% of the 80th percentile. Those are some considerations you may want to evaluate. Both the legacy plan and standard plan will have access to the Delta Dental premier network. Beginning in January members in the standard plan will also have access to a PPO network, a passive network, which lets you stretch your dollars and get more service before reaching the \$2000 maximum.

9. Question: *Root canals are reimbursed at 80% and crowns are under cosmetic and covered at 50%, why?*

Root canals are a class II - restorative service. Crowns are a class III - prosthetic service. The class III categorization of a crown is not meant to indicate they are cosmetic in nature; it indicates that they are prosthetic in nature. That's why the service falls under a different category.

10. Question: *Can you change coverage during enrollment from retiree to retiree and spouse.*

Yes, you will have the ability to do that if you retired on or after Jan 1, 2014. Everyone who is eligible to participate in open enrollment will have the opportunity to increase their coverage.

11. Question: *Can we have 4 periodontal cleanings per year.?*

For the standard plan, the number of covered cleanings per year is not changing. You can still have additional cleanings if you have diabetes, are in the last trimester of pregnancy or have a medically necessary reason.

12. Question: *Will the legacy plan offer a higher benefit for crowns? Can I increase my benefit for crowns, bridges or dental implants?*

Both plans consider crowns a class III service, that means coverage is at 50% coinsurance with a \$50 deductible. Both pay the same. One of the differences is the crown buildups. Crown build ups are a class II in the standard plan, covered at 80% with \$50 deductible if necessary, for tooth retention.

In the standard plan crowns are covered once in a 7-year period, the legacy plan does not have a stated frequency limitation for crowns.

Bridges are similar. In the standard plan, bridges are a class III service, covered at 50% with a \$50 deductible. They are covered once in a 7-year period if the tooth site has not received a cast restoration in the last 7 years. A cast restoration includes crowns, onlays, and veneers. If you are thinking about getting a bridge, I would encourage you to call Delta Dental to review the benefit and make sure meets the coverage provisions. In the legacy plan, bridges are covered as a class III service, covered at 50% with a \$50 deductible, but there are no frequency limitations. Both plans are subject to dental necessity. There is not a way to increase the coverage within the class III service category.

13. Question: *With the current plan we have now, if you get a root canal, and you are referred to endodontist, there is only one in-network. Is there any way to increase the in-network providers?*

Endodontists is an area where there are challenges with increasing in-network providers. There is a difference in how out-of-network endodontists are reimbursed in Alaska. In the standard plan they are reimbursed at a higher level than other out-of-network providers, specifically due to this issue. That doesn't mean that with a higher out of network payment that the bill will be covered in full. First, in general with out-of-network providers, the plan does not pay billed charges out right, it pays based on a percentile, or some other measure. Part of that is protection for the plan. The other reason you may get a bill is because there is a \$2000 annual individual maximum, and charges need to be dentally necessary. When you see an out-of-network provider, you may be balance billed. We are exploring ways to provide more network access to endodontists.

14. Question: *How are deductibles handled between Medicare and PERS Medical?*

Each of the deductibles are managed separately. The Medicare deductible will apply, and then you will have the \$150 deductible from your AlaskaCare plan.

15. Question: *How can DRB offer a plan when the recent lawsuit stated the standard plan was unconstitutional. Why is it appropriate to offer it, and offer it as the default plan?*

The Court order said the 2014 changes were unconstitutional, and it enjoined the state from continuing to offer the 2014 plan as the only plan available to retirees. The Court order then provided three remedy options for the State to consider, one of which was providing individual retirees the option of returning to the 2013 plan or continuing with the 2014 plan. We evaluated the other options the Court provided, including moving everyone to the 2013 plan, and we felt that offering two plans was in the best interest for the members as a whole. There are a couple of reasons for this. The first is that the legacy plan will cost more money, it does not have the same payment to providers, and it does not have the same benefit schedule as the standard plan. It is a more expensive plan, and I don't say that negatively, because members are paying the premiums for the plan. We did not want to automatically move everyone into a plan that historically had higher premiums. Also, there are members who benefit from the standard plan, and we were concerned that if everyone was moved to the legacy plan, they would be negatively impacted. In addition, for those who have retired since 2014, the standard plan is the only plan they have known. Over 80% of all dental services are received from in-network providers and members have benefited from the network access. We are complying with the court order. We are focusing on trying to identify what is most beneficial to the membership as a whole and we believe giving members choice is the best approach to that.

16. Question: *I have two retirements, and two dental plans. Can I pick one of each?*

Right now, each subscriber can select a plan. If you have two retirements and dental plans, you will still be able to have coverage under two plans, but they will need to be the same selection.

17. Question: It's my understanding that the work that has to be done if you need bone replacement and a cap on the tooth, both plans cover it differently. The legacy plan covered the bone under medical, and dental for the implant. I think it should be covered under one plan, and not limited to in-network.

Dental implants can be expensive. The two plans have different implant provisions. I would encourage retirees who are thinking about getting implants to call Delta Dental at (855) 718-1768.

The recognized charge is the amount a provider is paid if they are out of network. If you are receiving services from an in-network provider in either plan, the network provider has agreed to contractual terms for those services. If you use a network provider the provider has agreed to not bill the member for the difference, so it's a way that members can avoid a surprise bill from providers. If you go to an out of network provider, the coverage provisions are different. The legacy plan pays out-of-network providers at 100 % of the 90th percentile. In the standard plan out-of-network providers are paid at 75% of 80 percentile. For implant coverage we are putting a proposal together for the board to consider about how to enhance coverage of implants, possibly on the medical plan side.

18. Question: Can you make the print larger on the cards that we receive? Why is most of the card blank and the writing so small?

We have been working with our vendors to see if we can address the small print on the cards, and the number of cards retirees must carry.

Reminders:

On October 8th, we will be holding a Special RHPAB meeting next week and talk through a comparison chart of the dental benefits and the premiums, and the on-line enrollment form. You are always welcome and encouraged to participate. Information is available at www.alaskacare.gov .

If we were not able to get to your questions today, please send us an email at DRBtownhall@alaska.gov .

We will be holding extra townhall meeting over the next couple of months, in addition to the regularly scheduled events. The next townhall is Oct 17st and will focus on the Dental Plan.

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| • Regular Event | Thurs, Oct 17th, 2019 | 10:00 to 11:00 a.m. AKDT | Click here to register |
| • DVA Event | Tues, Oct 22 nd , 2019 | 10:00 to 11:00 a.m. AKDT | Click here to register |
| • DVA Event | Thurs, Nov 7 th , 2019 | 10:00 to 11:00 a.m. AKDT | Click here to register |
| • Regular Event | Thurs, Nov 21st, 2019 | 10:00 to 11:00 a.m. AKDT | Click here to register |

We have FAQs online and more information can be found at www.alaskacare.gov/DVA