

AlaskaCare Retiree Town Hall 4

Event Summary

Date Thursday, November 15, 2018 | 10:00 to 11:00 a.m.
Location Live teleconference
Recording <https://vekeo.com/event/alaskacare-42753/>
Attendance Attendees were encouraged to register in advance to ensure their phone number would be called. All retirees who registered online for the event or whose phone number was on file with DRB were included on the auto-dial call list. Approximately 749 attendees participated in the call.

Presenters

<i>State of Alaska, Department of Administration Staff + Contractor</i>	
Leslie Ridle	Commissioner, Department of Administration
Michele Michaud	Chief Health Official, Division of Retirement and Benefits
Emily Ricci	Chief Health Policy Administrator, Division of Retirement and Benefits
Julian Nadolny	Director of Employer Group Waiver Plans, OptumRx
Stephany Gaffney	Operations Manager, OptumRx
Richard Ward	Segal Consulting (contracted actuary for AlaskaCare plans)

Introduction

Leslie Ridle 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 the last Town Hall, participants were polled about what topic they'd like to see the next event focus on. The most popular response was the Dental, Vision and Audio plan offered by the Division for retirees. (This will be the main topic of today's event, but please feel free to also ask other questions about the retiree health plan.)

As shared in last month's event, AlaskaCare is transitioning to a new Pharmacy Benefit Manager (PBM) on January 1, 2019: OptumRx will be the PBM for all AlaskaCare plans and will handle all pharmacy claims beginning next year. Aetna will remain the third party administrator for medical claims. OptumRx will administer all pharmacy plans for retirees and active employees. All AlaskaCare members are receiving information this month about the changes and other information provided annually about your plan, and will receive more information periodically through January 2019, including a welcome kit and new ID cards in November. Staff invited additional questions from participants about this topic.

The Dental, Vision and Audio (DVA) plan is a plan offered by and administered by the Division, but individual members pay the plan's monthly premium, and these premiums provide the funding for services covered under this plan.

Several years ago, the costs for this plan were increasing an average of 7% per year. The Division made some changes to the plan in 2014 to address increasing costs, such as implementing dentally necessary

frequency standards and providing a dental network, so the plan and the members pay less when they use a network provider. This has allowed the plan to accrue some savings, which helps offset cost increases in the plan over time. However, there is current litigation about the changes made to the plan, with the legal issue being whether the Division could legally make those changes to the plan. This lawsuit will be decided in the next several months. Should the State lose this suit, premiums could increase by an estimated 20% because the plan would be required to revert back to the original (pre-2014) version before the cost savings were put in place.

The next Town Hall is scheduled for Thursday, December 20, 2018 at 10 a.m. AKST. This Town Hall will focus on the transition to OptumRx as the pharmacy benefit manager, and the implementation of an enhanced EGWP for Medicare eligible retirees.

The Division gave two other general announcements:

1. If you have questions about the 2019 transition of the AlaskaCare pharmacy benefit manager, and/or questions about the Employer Group Waiver Program (EGWP) for Medicare eligible retirees and dependents, visit the following pages on DRB's website:

2019 Pharmacy Benefit Manager Transition Guide:

<http://doa.alaska.gov/drb/alaskacare/transitionGuide.html>

EGWP FAQ: <http://doa.alaska.gov/drb/alaskaCare/retiree/faqs/egwpFaqs.html>

2. The draft version of the AlaskaCare retiree health plan booklet is available for review, and the public comment period for the draft is open through December 3, 2018. The booklet changes are detailed in the draft, available for download online, and include information about the new pharmacy benefit manager, the transition to the enhanced EGWP for Medicare eligible retirees and dependents, and other changes to make the plan booklet easier to use as a reference. The new booklet, with any additional changes made as a result of the public comments received, will take effect January 1, 2019.

To download a copy of the draft and find out more about the changes and how to submit public comments, visit: <http://doa.alaska.gov/drb/alaskaCare/retiree/publications/booklets.html>

Summary of Questions and Answers

The following questions were answered during the call. While there was not enough time to address all callers' questions, presenters answered as many 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. For retirees who have children under age 26, why does the health plan not allow coverage up to age 26 like most other health plans? The plan only covers children up to age 23, if they are enrolled in school full-time. What would it take to change this?**

Expanding dependent coverage to age 26 is one of the provisions in the Federal Patient Protection and Affordable Health Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) that became effective March 2010. However, the retiree health plan is not subject to these provisions. On June 14, 2010, the U.S. Departments of Health and Human Services, Labor, and Treasury issued regulations on Grandfathered Health Plans under PPACA. In the preamble to the

Interim Final Rule, the Secretaries clarify that it is not their intent to apply the PPACA coverage to retiree-only health plans.

Rather dependents coverage is outlined in the retirement statutes. For the Public Employees' Retirement System, this is under AS 39.35.680(12) which states, "dependent child" means an unmarried child of an employee, including one adopted, who is dependent upon the employee for support and who is either (A) under 19 years old or (B) under 23 years old and registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education and Early Development; age restrictions set out in this paragraph do not apply to a child who is totally and permanently disabled." The Teachers' Retirement and Judicial Retirement Systems have nearly identical provisions under AS 14.25.220 and AS 22.25.090 respectively.

These statutes would need to be amended in order to expand dependent coverage under the retiree health plan.

2. *I did not choose to enroll in the Dental, Vision and Audio (DVA) plan when I first retired. Can I enroll in this plan now?*

No, for most retirees there is a one-time election to join the plan at time of retirement. However, there is an exception for retirees who were not eligible for premium free medical benefits at time of retirement: they may elect dental during open enrollment if they are also electing medical coverage for the first time.

3. *Will OptumRx provide a concierge service for plan members, like Aetna provides now, with a single point of contact to address my questions?*

Yes, OptumRx provides a concierge service that is available to members now. The OptumRx concierge service can be accessed at this number: 1 (855) 409-6999. This concierge will only handle pharmacy services; Aetna continues to be the administrator for medical claims. If you have questions that are outside their service area, they will transfer you to the appropriate call center.

4. *The dental plan allows for annual x-rays, every 12 months plus one day. Why can't this policy be once every calendar year?*

The dental plan was changed in early 2014 to address this, it currently allows "once per plan benefit year" or "twice per plan benefit year" to allow more flexibility for members to get these services.

5. *I live in another state. Would I be considered out of network, since I do not live in Alaska? Will I still be able to find in-network providers in my home state?*

AlaskaCare plans maintain national networks through the third party administrators. A more specific answer about which services are covered at what amount will depend on the individual plan (medical, pharmacy, etc.) but in general, using an in-network provider will likely be lower cost. To find a network provider near you, you may call the third party administrator or use the *Find a Doctor*, *Find a Dentist*, or *Pharmacy Locator Tool* at AlaskaCare.gov.

6. *Regarding the current lawsuit about the DVA plans, if the State is successful in the lawsuit, will the costs for this plan remain the same?*

This will depend on the details of the outcome of the case, but generally speaking, the Division's analysis indicates that if the State loses the lawsuit and is required to go back to the terms of the

previous plan, plan costs may increase by approximately 20% to 30% to reflect the current costs of that previous plan's design.

7. *When I retired, my spouse and I enrolled in the DVA plan as well as the long term care (LTC) plan. If I pass away before my spouse, would they still be able to access these plans?*

If you designated your spouse as a survivor at the time of enrollment, they would be able to continue accessing those benefits until your surviving spouse passes away. If you did not designate your spouse as a survivor, your spouse could still have access to these plans via COBRA for up to 3 years.

8. *The audio plan only covers \$2,000 for every three years. Audio equipment is now much more expensive given the advances in technology, and I have found that the costs tend to be at least \$4,000 to \$8,000 for hearing aids. Is there a plan to increase this coverage limit in the future?*

For these supplemental plans, it is challenging to balance setting an appropriate and reasonable maximum benefit for members, while keeping premiums affordable for all members. This limit has not been increased for several years and is therefore a good candidate for further discussion in the plan modernization project. Please submit this and other recommendations to the Retiree Health Plan Advisory Board (RHPAB) at alaskarhpab@alaska.gov. DRB staff will also make note of this for further discussion with RHPAB in the modernization project.

9. *One of my dependents is leaving my plan soon. Can I elect COBRA for this dependent, only for the DVA plan and not the medical plan?*

Yes, this is an option. You may elect COBRA for one or more of the plans your dependents is currently enrolled in.

10. *There is no longer an ophthalmologist working in my community, Juneau. Will the plan pay for travel to another community, such as Anchorage or Seattle, to use these services?*

The DVA plan does not have travel benefits. However, if your health needs include services that would be covered under the medical plan, there are some options for coverage of travel to receive certain medical services when treatment is not available locally.

11. *When I see my regular dentist, often I need to pay a significant amount out of pocket. How are dental services covered under this plan?*

It is possible your regular provider is not part of the DVA plan's network. One way to avoid additional charges for routine services is go to an in-network provider. In-network dentists generally charge a reduced premium, and as part of the terms for being in network, cannot charge you for the remaining balance of the charge. You would still need to pay co-insurance for the services you receive, 20% for restorative services (fillings, extractions, etc.) or 50% for prosthetic services (crowns, dentures, etc.).

Division staff also clarified that the DVA plan, unlike the medical plan and pharmacy plan, are not paid for directly by the State, but are funded through retiree members' premiums paid into this plan. The State offers and administers the plan for retirees but does not fund the plan in the same way as the medical and pharmacy plans.

12. I received dental implants, and my procedure was covered in part through the medical plan. Why are some of the portions of dental implant procedures not covered by the current plan, but some portions of the procedure were covered?

The medical plan covers some, but not all, dental related services; please refer to the plan booklet for details about what procedures are or are not covered. It would require research into this specific case to determine what was or was not covered under the respective plans.

Division staff encouraged the caller to contact the Division for research and discussion as to why the plan did or did not cover certain services. Ideas for changes to the plan benefits, but not specific case information, can be shared with the Retiree Health Plan Advisory Board (RHPAB) at alaskarhpab@alaska.gov. Please note: RHPAB cannot take action on individual claims, and its business is conducted publicly and there are therefore limits on what protected health information (PHI) or individual members' claim information can be shared. However, understanding this specific situation can help Division staff and RHPAB members determine if there is a policy issue to address or a change to the plan may be needed.

13. Regarding cataract surgery, how would this service be covered? I understand that Medicare provides coverage for this service, and that Medicare is the primary payer for the medical plan, and it would need to be medically necessary. Is this also covered under the DVA plan, and if not, why not?

Staff were unsure of the answer to this question, but upon follow up, were able to confirm that cataract surgery is a covered expense under the medical plan, not the dental, vision and audio plan. For retiree who have Medicare as their primary payer, the medical plan would rely on the Medicare determination of medical necessity and would pay after Medicare.

14. I retired several years ago. How can I determine whether I am enrolled in the DVA plan, and what I am paying in premiums?

You would have elected into the plan when you retired. Your monthly premium is paid directly by you as a member, but may be deducted automatically each month from your pension payments rather than you receiving an invoice each month for your premium. Please check your current and past pension statements to confirm whether this is the case, and if so, the monthly premium amount should be documented on that statement.

15. I remember receiving monthly statements in the mail detailing the premium amounts for the DVA plan, deducted from my pension payment. I am no longer receiving these statements—how can I get information about the premium amounts?

Members receiving direct deposit pension payments by default no longer receive paper statements, but monthly statements are available on the MyAlaska website, under MyRnB (Retirement and Benefits). All past statements can be accessed as electronic documents through this portal, similar to electronic bank statements or other monthly account statements.

If you wish to receive paper statements instead or do not have regular access to a computer, please call Division staff to reinstate you receiving paper statements. You can reach the Division at (907) 465-4460, or toll-free at (800) 821-2251.

16. Regarding the vision plan, I have found that transitional lenses [progressive lenses] used to be covered, but now the plan appears to only cover bifocal or trifocal lenses. Will you consider allowing the plan to cover progressive lenses directly?

Division staff clarified terminology: typically, these lenses are referred to as progressive lens, a form of multi-focal lens. Transition lenses are the term for lenses that can adjust tinting according to light level, acting like sunglasses in bright light.

The vision plan provides coverage for up to two single vision, bifocal, trifocal or lenticular lenses, but does not cover progressive lenses. However, when a claim for progressive lenses is received, the plan will pay up to the amount it would have paid for bifocal or trifocal lenses

17. My spouse and I both have AlaskaCare retiree health plans, and we live in another state. When we fill our prescriptions at a retail pharmacy, the pharmacy requires that we pay the co-pay upfront and get reimbursed via a paper claim. Will this still be the case after the transition to OptumRx?

For members covered under more than one AlaskaCare plan (coordinated benefits), co-pays for prescriptions at a retail pharmacy coordinate to be \$0. Division staff are working with OptumRx to address this and ensure that the claim will process automatically at point-of-sale for both the primary and secondary coverage, so that members do not need to submit a paper claim for reimbursement. Members with coordinated benefits should not need to pay a co-pay for prescription medications at a retail pharmacy, in Alaska or another state.

18. I currently receive a medication through the specialty pharmacy program. Will this program continue under OptumRx, starting in January?

Yes, both Aetna and OptumRx offer a specialty pharmacy program. OptumRx partners with BrivoRx specialty pharmacy to provide this service. Members will need to transfer their prescriptions to BrivoRx and the Division is working with our vendors to identify members who have specialty prescriptions and will follow up with affected members to provide more information. If you have a specialty medication prescription, please contact OptumRx prior to January 1 to ensure your account is set up to receive specialty medications under BrivoRx. The concierge service can be reached at 1 (855) 409-6999.

Members with specialty prescriptions can also receive their medications at a retail pharmacy with the same co-pays as all other retail medications. BrivoRx is the only specialty pharmacy in which members can receive specialty medications by mail for a \$0 co-pay.

19. My spouse and I travel frequently and may need to access our prescriptions at a pharmacy in another state. Will we need to pay more?

Just like today, the AlaskaCare plan will have a national pharmacy network, in which most of Alaska's pharmacies participate in as well as many others across the U.S. OptumRx has a national network of 67,000 participating pharmacies, and options for accessing your prescriptions if you live or are traveling outside the U.S. Information will be mailed to you from OptumRx that will include a list of network pharmacies within a 25-mile radius of your location, and there will also be an online search tool to check to find a network pharmacy in other locations. The Division does not anticipate significant changes to pharmacy access for members living or traveling outside Alaska. If you have questions or have a unique situation, please contact OptumRx.

As a reminder, your co-pays will also stay the same: at a retail pharmacy, \$8 for a brand name drug, \$4 for a generic drug, and \$0 for those with coordinated benefits; via the mail order pharmacy program, there is a \$0 co-pay. Prescriptions can be filled up to a 90 day supply.

20. *My spouse is an AlaskaCare retiree, and I am a dependent on that plan. We both have Medicare Parts A and B, but not Part D. Will we need to enroll in Medicare Part D? How will this impact us?*

The new enhanced EGWP for Medicare eligible retirees and dependents is a group Medicare Part D pharmacy plan, and does not require an individual to separately enroll in another Part D plan. You will be automatically enrolled in this plan starting January 1, 2019, will have the same co-pays as under today's plan, and your new OptumRx ID card will be the only card you need to present to a pharmacy the first time you fill a prescription after the transition date.

21. *I recently went to an optometrist and learned that my plan will cover 20% for lenses and frames. Please clarify if I am responsible for that 20%, or if the plan covers 20%.*

This is known as co-insurance, the split of responsibility between the plan and the member for the cost of a service covered under the plan. Co-insurance of 20% in this case means that the plan will pay 80% of the cost, and the member is responsible for the remaining 20%.

22. *My spouse and I are currently employed, and are both AlaskaCare retirees. We have opted for the family plan premium, and understand that the plan is responsible for 80%. How does this apply to our specific situation?*

The DVA plan does coordinate benefits for covered expenses. The primary plan will pay 80% of the recognized charge for a filling, for example, and the secondary plan pays the remaining 20%. However, if you go to an out of network dentist, the dentist may be charging more than the recognized charge, and the member is responsible for the additional out of pocket charges beyond what is covered under the plan. Please contact the Division to discuss your specific situation in more detail.

23. *Regarding the pharmacy benefit transition, we currently receive multiple prescriptions via mail order. Do we need to get new prescriptions from our doctor upfront, or will this be automatically transferred over? I recall during the last transition, it took approximately a month to sort out and get our prescriptions by mail, and we want to avoid this during the upcoming transition.*

Yes, OptumRx provides an equivalent mail order program. The Division is working with our vendors to set up an automatic transfer of open prescription refills of members currently using Aetna's mail order program to the new OptumRx home delivery program. In order to verify that your information was transferred correctly and to manage your current prescriptions, please look in your welcome kit from OptumRx and complete the process to create a new online account in OptumRx's system. This will allow you to view and manage your prescriptions online.

If you need help with this process or have other questions about the mail order pharmacy program, please contact OptumRx at 1 (855) 409-6999.

24. My spouse and I are both Tier 1 retirees with AlaskaCare plans. Should we anticipate any changes based specifically on our tier status during the transition on January 1, 2019? I also elected to enroll in the DVA plan, does the upcoming transition affect that plan?

Tier 1, Tier 2 and Tier 3 (PERS) retirees have the same health plan benefits and are enrolled in the same health plan. The Division is working with the Retiree Health Plan Advisory Board (RHPAB) to discuss a number of proposed changes to the plan as part of the modernization project, including managing the costs of the plan over time, addressing the unfunded liability in the health plan trust, and discussing modernization (changes to the plan design) to serve members and achieve cost management goals. The transition taking place in January is specific to the pharmacy plan, which is currently managed by Aetna and will be managed by OptumRx.

At this time, the DVA plan does not anticipate premium changes for the upcoming year, the premium rates for 2019 were finalized recently and are available online. Pending the outcome of the lawsuit described earlier in the call, if the State is required to roll back the plan to its previous design, this would also change the savings accrued to that plan, and may require premium increases. That information will not be available until the outcome of the pending lawsuit is known.

25. I recently experienced a problem at my vision provider's office, they quoted me the wrong benefits on the wrong plan with Aetna, and it required additional paperwork to sort out the issue and access the correct plan. How can I avoid this in the future, and ensure my provider is using the correct information when providing a quote for services, and initiating billing?

This is a known issue with some vision providers outside of Alaska. Aetna does have a standard vision product offering (EyeMed), but this is not the plan offered to retirees. Many providers are familiar with the Aetna EyeMed program and don't realize there is a separate plan that retirees utilize that has a different plan design than Aetna's standard plan. Please let your provider know you have a separate plan and ask your provider to call Aetna directly to clarify your coverage. In general, the retiree plan covers 80% of vision services.

26. There are only a few dental providers in my region, two of which are specialist providers. I have had difficulty with Moda Health to access my dental benefits. Will the changes taking effect in 2019 impact the dental plan?

The changes taking place in 2019 do not impact the dental plan, so Moda will continue to be the provider for the coming year. However, the State has issued an RFP for the third party administrator of AlaskaCare medical and dental plans, requiring the current provider and any interested vendors to prepare a new bid for providing services beginning January 1, 2020. This procurement process is underway, and the successful vendor will be awarded sometime the third quarter of 2019. This may result in AlaskaCare retaining the same vendors (Aetna for medical, Moda for dental), or transitioning to one or more new vendors. This will be known later in 2019.

27. I appreciate the retiree health plan! However, I would like to be able to access progressive lenses, as these are now a standard in vision care. Would the plan consider covering progressive lenses?

As shared with a previous caller, the vision plan covers an amount equal to the cost of bifocal or trifocal lenses, but does not currently cover progressive lenses directly.

The DVA plan has not been substantially updated in several years. There is ongoing discussion about possible changes to make, including addition or expansion of benefits, for the retiree health plans, including the DVA plan. When considering changes to benefits, however, the Division must carefully review the scope and potential additional cost of those changes, whether to the State or to individual members. In the case of the DVA plan, because members pay premiums directly and this determines the total funds available for this plan, it is especially important to research the cost impacts of adding benefits to the plan and whether they would impact members who pay the premiums directly. The intent is to provide high-quality benefits, but not to raise the cost of the plan such that many retirees would not be able to afford the premiums.