

AlaskaCare Retiree Town Hall 7

Event Summary

Date	Thursday, February 21, 2019 10:00 to 11:00 a.m.
Location	Live teleconference
Recording	https://vekeo.com/event/alaskacare-44711/
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 770 attendees participated in the call.

Presenters

<i>State of Alaska, Department of Administration Staff + Contractor</i>	
Emily Ricci	Chief Health Policy Administrator, Division of Retirement and Benefits
Betsy Wood	Deputy Health Official, Division of Retirement and Benefits
Andrea Mueca	Operations Manager, Division of Retirement and Benefits
Steve Ramos	Vendor Manager, Division of Retirement and Benefits
Richard Ward	Segal Consulting (contracted actuary for AlaskaCare plans)

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. Today's town hall event will focus on retirees' questions about the 2019 transition to a new pharmacy benefit manager and adoption of the enhanced EGWP for Medicare eligible members, as well as any other questions you have about your health plan.

Some updates from the Division:

- The Department of Administration welcomes our new commissioner, Kelly Tshibaka. Commissioner Tshibaka was born and raised in Alaska and has extensive experience working in the public and private sectors. She has returned to the state after living and working for several years in Washington, D.C. Staff look forward to working collaboratively with her on the AlaskaCare health plans.
- In October 2018 the Division released a Request for Proposals (RFP) for vendors to bid on providing Third Party Administrator (TPA) services for AlaskaCare plans, effective in 2020. This contract provides claims administration and network services for the employee and retiree health plans and dental plans. The current health plan contractor is Aetna and the current dental plan contractor is Moda. Periodically, the Division competitively bids the TPA contracts through an RFP. This gives the Division an opportunity to seek better service at lower cost for members of the AlaskaCare plans. The Division has selected a preferred bidder and is in negotiations with this bidder to secure a contract and agree on performance guarantees, known

as the clarification period. Information about this bidder or details of the clarification period cannot be made public at this time but will be shared when the contract is awarded. The contract, which will begin January 1, 2020, includes a clear outline of the State's expectations, as well as performance guarantees and other requirements of the vendor, to ensure high quality and cost effective care for AlaskaCare members.

As all AlaskaCare members know, transitions can have a lot of impact on members, even if the State selects the same vendor(s) to manage the plan. The Division is therefore seeking to minimize disruption for members in the future by negotiating a five-year contract, with up to five one-year renewals.

Regardless of the vendor selected, there will be some transition activities up to and after January 1, 2020: the Division and the vendor will have a coordinated outreach process to inform members of any upcoming changes, provide information and materials to members to help them navigate the transition smoothly, and communicate any changes to well in advance. Look for more information from the Division later this year!

- The Retiree Health Plan Advisory Board (RHPAB) met Wednesday, February 6. Audio recording and documents from the meeting posted online. The modernization committee will meet in late March. The Division is working closely with RHPAB to review several proposed changes to the retiree medical plan. This ongoing effort, known as the modernization project, is intended to make improvements to the health plan, including many recommendations and requested plan benefits from retirees, while ensuring that the plan is financially sustainable over the long term. More information about the modernization project is coming soon, including updates and discussion at the quarterly RHPAB board meetings. DRB staff also want to hear from you! What changes would you like to see to the health plan? Is there a benefit that is not covered today, that you believe should be offered to retirees? Let us know at AlaskaRHPAB@alaska.gov!

And, some reminders about recent changes to the AlaskaCare health plans:

AlaskaCare transitioned to a new Pharmacy Benefit Manager (PBM) on January 1, 2019: OptumRx is now the PBM for all AlaskaCare plans and will handle all pharmacy claims. Aetna remains the third-party administrator for medical claims, and Moda continues to administer dental claims. All AlaskaCare members received their welcome kit and new ID cards and the other information provided annually about your plan. Please remember to show your new ID card to your pharmacist when fill your next prescription or update this information online if you receive prescriptions by mail!

Additionally, the State implemented an enhanced Employer Group Waiver Program (EGWP), a federal subsidy program for Medicare Part D group pharmacy plans, also effective January 1, 2019. This is an administrative change to how Alaska's retiree pharmacy benefits are paid for and reimbursed by the federal government. An enhanced EGWP provides more federal subsidies for retiree pharmacy costs, while the wrap of benefits in addition to the Medicare Part D plan means that retirees keep the same pharmacy benefits they have today. Medicare eligible retirees and their Medicare eligible dependents were automatically enrolled in the plan on January 1, 2019. If you or your dependents are not yet Medicare eligible, but will be in the future, you will be enrolled when you are Medicare eligible.

The next Tele Town Hall will be Thursday, March 21, 2019 at 10:00 a.m. AKST. Please register online by Wednesday, March 20!

<http://doa.alaska.gov/drb/headlines/2018/08/eqwp-tele-town-hall/>

Contact Information

State of Alaska Department of Administration, Division of Retirement and Benefits

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

Medical Benefits: Aetna

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

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. *I have requested a reimbursement for the IRMAA surcharge. When can I expect to see the first reimbursement payment?*

Once you send your paperwork to the Division to set up your health reimbursement arrangement (HRA) account, PayFlex (a subsidiary of Aetna) is the administrator of these accounts and will be in touch to set up your reimbursement. Welcome kits were sent in mid-January for those who were enrolled January 1; if you were enrolled later in the year, expect to receive this information soon, including a welcome letter and instructions for setting up your account. You can receive your reimbursement as an automatic deposit each month, or a receive a check in the mail. New enrollments are processed weekly after they are received by PayFlex, with follow-up to the member within 10 business days. If you submitted information more than two weeks ago, please contact PayFlex at 888-678-8242. If you have had a longer delay, please let the Division know at doa.drb.irmaa@alaska.gov.

2. *I will be traveling outside the U.S. and am Medicare eligible. Because Medicare does not extend outside the U.S., does AlaskaCare become primary if I need medical care in another country?*

Yes, AlaskaCare becomes primary if you are not in a geographic location where Medicare is covered.

3. *My spouse and I have experienced some difficulties with the pharmacy transition. We were informed we needed a prior authorization for a prescription, which we completed with our*

physician, but were since informed that the prescription would not be covered. How can we resolve this issue and continue to have this medication covered?

Please call the Division directly at (800) 821-2251 to address this question. The Division has identified several prescriptions that have been coded incorrectly in the system, and we are correcting these as we discover them. If you have difficulty with an existing medication, please call or send us an e-mail, provide your name and the medication name so we can research the issue.

4. I understand there is a \$2 million lifetime maximum benefit in the retiree health plan. Would this maximum be lifted as a policy, and if so, when?

This is one of the items under consideration under the modernization project and has been identified as an area that members would like to see us change. The modernization project is in the first phase, vetting this idea and other proposals, such as coverage of preventive benefits, as well as ensuring that the plan remains fiscally sustainable to continue to provide benefits to retirees. This particular policy is one of the Division's priorities to consider. There is not a definite timeline at this point, as the analysis and discussion of each proposal continues and must consider the overall package of proposed changes to the plan, which will be developed over the next several months. In the meantime, please submit your thoughts and ideas for plan changes to AlaskaRHPAB@alaska.gov.

5. My spouse has a serious diagnosis, and there is some emerging research that treatment with a hyperbaric chamber may be effective for their condition. We are attempting to determine whether this treatment is covered under AlaskaCare, and where we may be able to travel outside Alaska to receive this treatment.

Please contact Aetna to discuss your options for this circumstance, including travel options for seeking treatment in another location if it is not available locally. Your travel may be at least partially covered, if the treatment is determined to be medically necessary and is not available in your area. You can also contact the Division at (800) 821-2251 to learn your options.

6. Regarding the modernization project proposal to cover preventive services: would this include coverage of colonoscopy screenings?

Yes, the preventive care proposal that the Division and the Retiree Health Plan Advisory Board are vetting would include this service. It is a recommended preventive screening by the U.S. Preventive Services Task Force (USPSTF). Many members have requested coverage of this service.

7. I understand that the Division is reimbursing Medicare eligible members for the IRMAA surcharge. I have been charged an IRMAA on my existing Medicare plan, will members be reimbursed retroactively for this charge?

The Division's reimbursement for the monthly IRMAA surcharge is limited to the amount associated with the EGWP Medicare Part D plan. This does not include Medicare Part B, which members are required to enroll in when eligible and are responsible for the surcharge for that plan. If you have another Part D plan that you previously enrolled in, including all individual plans, the Division will not reimburse for an IRMAA of a non-AlaskaCare-EGWP plan.

8. I am being charged an IRMAA surcharge for the EGWP plan and have applied for the monthly reimbursement. When can I expect a reimbursement?

You can receive your reimbursement as an automatic deposit each month, or a receive a check in the mail. New enrollments are processed weekly after they are received by PayFlex, with follow-up to the member within 10 business days. If you submitted information more than two weeks ago, please contact PayFlex at 888-678-8242. If you have had a longer delay, please let the Division know at doa.drb.irmaa@alaska.gov.

9. Regarding the \$2 million lifetime maximum: are pharmacy charges included in the calculation of this limit? How can I determine what level of benefits I have accessed?

Pharmacy benefits do not count toward the lifetime maximum benefit, this is limited to medical charges. Please contact Aetna to determine your current benefit use and what health plan services do or do not count toward the limit. However, there are some pharmacy-related services that are covered under the medical plan instead, such as some infusion treatments, that will accrue towards the lifetime maximum. Each explanation of benefits (EOB) includes a statement of services used compared with the lifetime maximum.

10. Is the Division considering adding a wellness program to the retiree plan such as Silver Sneakers, a Medicare Advantage program?

Thank you for this input! This is one of the top requests from retirees, along with preventive benefits and removing the lifetime maximum. The modernization committee will be reviewing the preventive care proposal in March. If you have ideas about what this program should cover, or any suggestions and changes for the retiree health plan, please submit them to rhpab@alaska.gov.

11. Regarding the \$2 million lifetime maximum: I would like to request a clear statement of my benefit usage and which services were included or denied related to the maximum. I have also had a frustrating experience with the concierge service on this topic.

Each explanation of benefits (EOB) includes a statement of services used compared with the lifetime maximum. Once a member has reached the maximum benefit, there is a \$5,000 reinstatement each year, but this is typically not sufficient to meet members' needs when they have utilized enough health services to trigger this situation. The Division will follow up with Aetna to improve training for concierge specifically about this benefit.

12. I have had a frustrating experience with OptumRx, who has not been responsive when I contacted about my benefits. I would like the Division to follow up.

The Division agrees, does not want to see bad customer service from vendor. We will follow up with training, OptumRx provides AlaskaCare members a dedicated call center in Oregon, and staff have worked with OptumRx on training. Please provide information about the dates of your calls so the recordings can be reviewed, and coaching opportunities identified as appropriate.

13. I am currently enrolled in the Long-Term Care Bronze plan: are my benefits still in effect? Can I upgrade to a higher-level plan?

When the new long-term care plans were offered in 2000, retirees who were already enrolled in the existing plan were given a one-time opportunity to increase coverage or opt into the new plans.

Retirees enrolled in long-term care plans may also reduce their level of coverage at any time but may not opt into a higher level of coverage later. Please note that members may not opt into the legacy Bronze plan – that plan is closed to new entrants.

14. Regarding the \$2 million lifetime maximum: how does this impact people with disabilities who are enrolled in other programs such as Medicare Part A, but do not yet qualify for Medicare Part B?

The impact of removing the lifetime maximum would apply to all members, and lift restrictions on services covered under the plan, if the only barrier to receiving services is that they have already met the lifetime limit. Whether or not a specific service is covered would also still depend on the individual member's situation and medical necessity. AlaskaCare would still coordinate with Medicare as it does today.

15. I am also interested in AlaskaCare covering a program similar to Silver Sneakers.

Thank you for this input! The modernization committee will be reviewing the preventive care proposal in March. If you have ideas about what this program should cover, or any suggestions and changes for the retiree health plan, please submit them to rhpab@alaska.gov.

16. I submitted IRMAA reimbursement information for my spouse but have not received a welcome kit from PayFlex.

New enrollments are processed weekly after they are received by PayFlex, with follow-up to the member within 10 business days. If you submitted information more than two weeks ago, please contact PayFlex at (888)-678-8242. If you have had a longer delay, please let the Division know at doa.dr.irmaa@alaska.gov. You can also re-submit your paperwork to the Division at this e-mail address, to verify that it was received.

17. I will soon be Medicare eligible. What can I expect, and what should I plan to do to enroll?

The Division recommends applying for Medicare approximately 3 months before you turn 65 and are eligible, which provides sufficient time for Social Security to determine what programs you are eligible for and whether you will be charged a surcharge based on income. Information about applicable surcharges will be shared with you when you apply, and annually each fall when you are enrolled in Medicare.

Your eligibility for premium-free Medicare Part A (inpatient services) will depend on whether you have paid Medicare taxes while working for enough time to have earned this benefit. Everyone is eligible and must pay a premium for Medicare Part B (outpatient services). If you are not eligible for premium-free Medicare Part A, Social Security will send you a letter to that effect. You must provide a copy of that letter to the Division, and AlaskaCare will continue to pay as your primary coverage for Part A services. More information is available on the [Division's website](#).

18. I am concerned about incidents related to both Aetna and OptumRx / United Health Care and recent news about poor performance. To what degree is quality a factor in the procurement process for the new third-party administrator, in addition to factors like cost?

Providing good service to our members is important to us, and the Division has made quality a high priority in selecting vendors to administer our health plans. There are multiple factors considered during the proposal evaluation process. The Division recently changed its evaluation criteria for the

third-party administrator contracts to give greater weight to quality and the vendor's ability to meet or exceed the State's expectations and have correspondingly reduced the weight of cost in the evaluation process. The Division is also following a new process to negotiate the contracts, with an extensive clarification period to negotiate terms with the vendor prior to signing the contract. This ensures the Division and the vendor are clear about the state's expectations and how they would like to operate, before the agreement is executed.

The Division understands that members may have concern about specific vendors, based on national news about these companies. However, the AlaskaCare plans are self-insured, and the vendors are only paid a per member per month amount, which means they do not have incentives for denying claims or otherwise reducing members' access to benefits. This is intended to ensure members receive high quality service and can access their benefits consistent with the plan.

19. *In the past, I filled a prescription via a pharmacy in Canada, and filed a paper claim with Aetna for reimbursement. Filling my prescription this way resulted in approximately 90% savings for my prescription. I recently attempted to do the same and was informed that neither Aetna nor OptumRx could cover this. Is this option still covered?*

Please call the Division directly at (800) 821-2251 to address this question. This option for filling prescriptions is still available, but you may be required to submit paper reimbursement as you have in the past. You can also contact OptumRx to ask how to submit a paper reimbursement.

20. *Why are eligible dependents not covered on the retiree health plan up to age 26? I understand this is a required feature of health plans according to the Affordable Care Act.*

The AlaskaCare retiree health plan, which is a retiree-only plan for which the State is the plan fiduciary, is exempt from the requirements of the Affordable Care Act. The retiree plan is instead subject to requirements of Alaska statute, which allows coverage of children up to age 19, or up to age 23 if they are a full-time student. Changing this age limit would require a statute change.

21. *I have had challenges filling an existing prescription, I was informed that I was not able to get a refill because it was too soon.*

This may be an issue with your prior authorization for this prescription: during the transition, most prior authorizations were able to transfer automatically from Aetna to OptumRx. However, some prescriptions, particularly those with safety concerns such as opioid pain medications, require a new prior authorization on file, even if the Division and vendors can see the prior prescription information in the system. This may require your physician re-submitting paperwork for this prescription: contact OptumRx at (855) 409-6999 to learn if a new prior authorization is needed.

If you do have a prior authorization on file, you may not be able to re-fill the prescription yet because it is too soon since the last fill: OptumRx has access to members' prescription history and may be following the existing schedule on your refill.

22. I understand that Gov. Dunleavy's proposed FY 2020 budget includes significant cuts to state services. What if any reductions are there to the Division in terms of staff or other funding, and/or changes to the state retiree programs?

The budget does not include any significant reductions to the Division's staff or expenditures. The Division is authorized to access sufficient funding for expenses related to transition and administration of the plans; effectively administering the AlaskaCare health care plans is a priority for the State. Additionally, the defined benefit (DB) retiree health plan is protected in the Alaska Constitution. The proposed changes considered under the modernization project will not be impacted by the state's annual budgeting process and will undergo their own extensive outreach and vetting process.

23. I understand that AlaskaCare has begun covering additional vaccines for retirees. Does this include coverage of the pneumonia vaccine?

Adopting the enhanced EGWP allowed AlaskaCare to cover vaccines covered under Medicare Part D for all retirees, such as the shingles vaccine, and to extend this coverage to all retirees whether or not they are enrolled in the EGWP. This does not include all vaccinations, such as the pneumonia vaccine:

Currently the retiree plan has very limited coverage of preventive services. Coverage of preventive services such as vaccines is being considered through the modernization project, including whether the plan coverage should be 100% or 80% of the cost. Please share feedback on this and any other ideas at AlaskaRHPAB@alaska.gov.