Retiree Health Plan Advisory Board
Meeting Agenda

Meeting:	Advisory Board
Date:	May 8, 2018
Time:	9:00am to 4:00pm
Location:	Juneau: State Office Building, 333 Willoughby Ave, 10th Floor Large Conference Room Anchorage: Atwood Building, 550 W 7th, 5th Floor Conference Room
Teleconference:	(907) 269-3000 / Meeting Number: 801 225 055 # WebEx Link: https://stateofalaska.webex.com/stateofalaska/j.php?MTID=m22381b66b2cde215dedae2ace9a96a54
Board Members:	Mark Foster, Joelle Hall, Gayle Harbo, Dallas Hargrave, Mauri Long, Judy Salo, Cammy Taylor

May 8, 2018

9:00am **Call to Order – Judy Salo, Board Chair**
Roll Call
Approval of Agenda*
Ethics Disclosure
Approval of Minutes*
- February 7, 2018

Calendar Update

9:30am **Bylaws Review and Adoption***
Bylaws Committee

10:15am **Public Comment**
- Retiree Groups
- General Public

10:45am **Break**

11:00am **Calendar 2018/2019***

11:30am **Department Update -** Leslie Ridle, Commissioner

12:00pm **Lunch on your own**

1:00pm **Presentation**
Employee Group Waiver Program (EGWP)
EGWP Frequently Asked Questions

2:00pm **Break**

2:15pm **Discussion**
Introduction of Retiree Modernization Concepts

4:00pm **Adjourn***

**Indicates a required motion*

Ethics Disclosure Form

Outside Employment or Services

TO: _____, Designated Ethics Supervisor, _____

(Department, Agency, or Public Corporation)

I am providing notice of my outside employment or provision of services for compensation, as required by AS 39.52.170(b).

Note: You are not required to disclose volunteer work unless it is a potential conflict with your state duties or you receive any type of compensation, including travel or meals.

This employment or service consists of the following *(describe in detail, identify employer, attach separate sheet as needed)*:

The hours and days I work or provide services are _____

If I work as an independent contractor or a consultant, a list of my clients is attached.

Note: If your outside job duties are the same or similar to your State service, or if you will be dealing with people or entities with whom you deal or may deal as part of your official duties, you must explain why no potential conflict exists between your outside employment and your official duties. If a potential conflict exists, you must refrain from taking any action until it is approved by your designated ethics supervisor. See AS 39.52.210.

I certify that I will not use or allow the use of any State owned/operated facilities, supplies, equipment, vehicles, or personnel time and effort for any employment outside State service, and that my outside duties will not affect my usual State duties or duty hours in this Department. I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

_____ _____

(Signature) *(Date)*

_____ _____

(Printed Name) *(Division, Agency)*

_____ _____

(Position Title) *(Location)*

Work Supervisor Recommendation: ☐Approve ☐Disapprove *(attach reasons for disapproval recommendation)*

_____ _____

(Work Supervisor's Signature) *(Date)*

_____

(Printed Name)

Ethics Supervisor Determination: ☐Approve ☐Conditioned ☐Disapproved

_____ _____

Designated Ethics Supervisor* *(Date)*

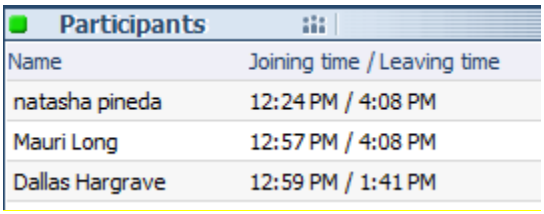
This form can be found on the Ethics webpage at http://law.alaska.gov/doclibrary/ethics.html

Retiree Health Plan Advisory Board

Draft Minutes 2-7-2018

Retiree Health Plan Advisory Board
Meeting Agenda

Meeting:	Advisory Board
Date:	February 7, 2018
Time:	1:00pm
Location:	Juneau: State Office Building, 333 Willoughby Ave, 10th Floor Large Conference Room Anchorage: Atwood Building, 550 W 7th, Suite 1970 Conference Room
Teleconference:	(907) 269-3000 / Session No: 809 838 994# / Attendee No:# WebEx Link: https://stateofalaska.webex.com/stateofalaska/e.php?MTID=ma228d64c4154185a25e05a6c8d908e75
Board Members:	Mark Foster, Joelle Hall, Gayle Harbo, Dallas Hargrave, Mauri Long, Judy Salo, Cammy Taylor



Participants

Name	Joining time / Leaving time
natasha pineda	12:24 PM / 4:08 PM
Mauri Long	12:57 PM / 4:08 PM
Dallas Hargrave	12:59 PM / 1:41 PM

1:00pm Call to Order – Commissioner Ridle, Commissioner, Department of Administration

Commissioner Ridle shares she will act as chair until a chair is elected. She thanks everyone for being here for the inaugural meeting of the Retirement Plan Health Advisory Board.

Roll Call Includes:

RHPAB Board Members	Present, Excused, Unexcused (X)	Special Notes
Foster, Mark	**E**	
Hall, Joelle	**P**	
Harbo, Gayle	**P**	
Hargrave, Dallas	**P**	on phone
Long, Mauri	**P**	on phone
Salo, Judy	**P**	
Taylor, Cammy	**P**	

Staff Introductions:

- **Michele Michaud**, the Chief Health Official for the Division of Retirement & Benefits.
- **Ajay Desai**, the Division Director of Retirement & Benefits.
- **Emily Ricci**, the Chief Health Policy Administrator, with the Division of Retirement & Benefits.
- **Natasha Pineda**, with the Division of Retirement & Benefits, based in Anchorage.

Board Introductions:

Commissioner Ridle started out by introducing Mark Foster, as he was not present. He is a management consultant who has provided financial economic analysis on healthcare markets in Alaska for a variety of clients. His work includes an analysis of the impact of the Affordable Care Act on Alaska for the Alaska Healthcare Commission, and an analysis of the potential value of consolidating Alaska's Public Employee Health Plan and Medical Services.

Joelle Hall is the public member. She works for the Alaska AFL-CIO, working in public policy, she is hopeful that some of the background she has had on retirement & benefits, and pension issues, will be helpful here.

Mauri Long is an attorney, mostly retired, but still active. She practiced for over 20 years in a private practice, where much of her practice involved assisting clients with medical related issues and insurance problems. She has had a lot of experience in the areas of what is covered and what isn't covered and how to figure that out.

Gayle Harbo is from Fairbanks, Alaska. She taught in Fairbanks for 25 years. She retired in 1993 and is a member of the ARM Board since it started in 2005. Prior to that she was on the teacher retirement board and chaired the health committee. This included a health committee then of PERS and TRS members, and it was very active.

Dallas Hargrave resides in Juneau and he is the Human Resources Risk Management Director for the City and Borough of Juneau. The city runs the hospitals, that includes Bartlett Regional Hospital and his job includes oversight of the TRS plan. Prior to that he worked about 12 years for the State; for the Court System, for the Public Defender agency, for the Division of Personnel and Labor Relations, and for Health and Social Services. Usually in Labor Relations and HR rules, and was an Assistant Public Defender for a while, with the Public Defender agency.

Judy Salo currently live in Big Lake, Alaska. Her background is that she is from the Kenai Peninsula, where she taught school for more than 20 years. She served briefly in the House, and then served in the State Senate and served on the HESS committee. Following that she was on the Children's Trust Board for several years, and most recently served six years as a trustee for the hospital in Soldotna. She has always been interested in health issues and she is currently the vice-president of NEA Alaska.

Cammy is a PERS retiree. She worked for the state from Petersburg to Anchorage, from the Court system to the Public Defender agency and Department of Administration, to the Department of Law, Department of Natural Resources, and when she retired, the State had transitioned to a new third-party administrator and she became involved with retiree groups, particularly with the RPEA medical information committee. As a result, she traveled to Juneau for quarterly meetings and became very interested in these issues, and in the establishment of this board. She is very pleased to be here and very pleased to be working on this project.

1:15 Welcome/Handout Review - Commissioner Ridle, Commissioner, Department of Administration

Handout 1 - State of Alaska Board or Commission Code of Conduct

This is a voluntary form to sign, it sets out how a board or commission in the State of Alaska should conduct itself. Board members are encouraged to reach out to staff as needed for questions and/or concerns.

Handout 2 - Ethics Act Procedures for Boards & Commissions

These are rules that govern boards and commissions and the ethics declarations that you make. Once the board elects a chair, the chair will be the designated ethics supervisor. The ethics disclosure forms are provided so you can declare conflict or even outside employment services. These are stored at DOA, so that if one day, if any one should claim that there was a conflict and it was not disclosed, this is a little bit of a safeguard for you there, that you did disclose it.

Handout 3 – Open Meetings Act

In general, all the RPHAB meetings are open to the public, even sub-committee meetings, we will always be required to do a public notice. If you establish a sub-committee, the

board will want to keep in touch with the staff, as they will need to make a public notice. Public notice needs to happen 7 days in advance. All our deliberations and meetings need to be taken in front of the public, always. "A meeting of an advisory only body (that's us) is a prearranged gathering to consider a matter on which the entity is authorized to advise and assist the decision-making body and is subject to the provisions of the act." Even though you're not making final decisions, you're still under this act, and it says, "This act doesn't specify a number, so two or more members, if the gathering is prearranged for conducting any business of the entity, could constitute a meeting." This document also reviews special meetings, regular meetings, and emergency meetings. All should be read over and understood.

Handout 4 – Ground Rules of Good Meetings

This document is intended to act as ground rules for the board. They are common sense items: limiting comments, staying positive and using your time to speak in a positive way. Please note #7, cell phones, be careful of texting during voting, or having a side meeting during a meeting that's not public. If everybody here was sitting at the table texting to each other, we don't know you're texting to each other necessarily. It is possible to get into a little bit of trouble if that's the case. Always speak clearly. You're always on, we're taping this so that we can have this for later and identify who you are, so we can figure out later who spoke.

Handout 5 – Communication

This is the one for the chair, when we do elect a chair. DOA has ordered Roberts Rules for Dummies book for anyone who is the chair or vice-chair. We chose Robert's Rules because it's the most used type of rules

Approve Agenda: It was noted that approving the agenda at the beginning of the meeting was missed.

Judy Salo moved to adopt the agenda and Gayle Harbo seconded the motion, no discussion or objection.

1:45pm Proposed Meeting Schedule for 2018

Next meeting dates, led by Commissioner Ridle:

Discussion to determine when the board members should meet. May 8th and 9th were discussed to fit around the Aetna Quarterly Retiree Plan Stakeholder Meeting. Gail Harbo motioned to have the meeting May 8th, and Cammy Taylor seconded the motion, no discussion or objection.

Juneau seemed to be the logical place due to conference room constraints in Anchorage.

Gail Harbo motioned to have the meeting in Juneau, Judy Salo seconded the motion with no objections.

Discussion continued for August 28th to be the next Aetna Quarterly Retiree Plan Stakeholder Meeting and August 29th as next RHAB meeting. Gail Harbo motioned to have the meeting August 29th, and Cammy Taylor seconded the motion, no discussion or objection.

2:00pm Governance Discussion

Governance, led by Commissioner Ridle:

Board does not have bylaws. The chair will appoint a bylaws committee, once the chair is selected. Utilization of other boards bylaws can be used for adoption. The Robert's Rule of Order needs to be voted on.

Gail Harbo moved to adopt the Robert's Rule of Order, Judy Salo seconded the motion, no discussion or objection.

3:00 pm Election of Chair and Vice-Chair

Voting for Chair, led by Lesli Ridle:

Discussion on voting in a chair, the chair's responsibilities, setting agendas, succession plan if the chair is unavailable, and duties of the vice chair. Commissioner Ridle asked board members to work through the chair on agenda items or if there are requests coming in to the staff. Always through the chair so the chair is aware and that the moving pieces are organized so nothing gets lost. Judy Salo asked if the chair meets with staff prior to the meeting to discuss upcoming agenda items and if it would be in person, on the phone or

via email. Commissioner Ridle responded that anytime the chair wants to meet, we could set up a time to meet prior to the meeting, as many times as desired. Judy Salo asked if board chairs from all Boards and Commissions are required to meet, Commissioner Ridle responded that there is no meeting of all the board chairs, but the Boards and Commissions staff is always available for questions.

Mauri Long asked about the expectations and duties of this board and how the State anticipates the board to work. Commissioner Ridle responded that the board will be the missing piece between the Division of Retirement and Benefits for the Retiree Health Plan. She mentioned that the State has an advisory board for the AlaskaCare Employee Plan, the Health Benefits Evaluation Committee (HBEC). In HBEC, they advise and vote on decisions. The Commissioner has final authority on decisions.

Commissioner Ridle envisions this board to be similar, with hearing from the retirees, investigate and hear the information, give us ideas that we may have not thought of before, and provide advice. The Commissioner will always have the final authority on decisions.

Natasha Pineda mentioned that the Administrative Order (AO) for the board outlines the duties of this board, how the board supports the Division and how the Division supports the board. The board bylaws should adopt the AO.

Nominations for Chair

Commissioner Ridle opened the floor for nominations for the Chair.

Cammy Taylor nominated Judy Salo, Gail Harbo seconded the motion with no objections.

Commissioner Ridle entertained the motion to nominate the vice chair.

Gail Harbo nominated Cammy Taylor, Judy Salo seconded the motion, no discussion or objection.

3:15pm Staff Report

Handout 6 - Department of Administration, Division of Retirement and Benefits Overview Presentations: led by Michele Michaud

Overview of AlaskaCare, Introduction of Staff, Retiree Health Plans, Plan Designs, Key Challenges, Retiree Population projected growth, Big Picture Budget Issues, Hot Topics,

Pharmacy Benefit Management, Travel Coordination, Health Reform – Alaska's Blueprint and Health Care Authority.

3:45pm Future Meeting Topics

Future Meeting Topics: Led by Chair Judy Salo

Dallas Hargrave would like to review what is the scope of what to advise on and more context for the boards work. Commissioner Ridle responded the staff would reach out prior to meeting to introduce and clarify any questions on a topic. She mentioned more is outlined in the AO to refer to, but budgetary issues and big picture ideas.

Gail Harbo shared that issues coming directly from retirees would now be going to the board instead of directly to the State staff. The board would listen to those issues, possibly present a solution to the State, and the State would consider those suggestions.

Joelle Hall wanted clarity on whether the State envisions the RHPAB board to have a role looking at particular policies, effects on retirees and help guide Request for Proposals (RFP's) and parameters? Commissioner Ridle, through the chair, responded that it would not include writing the RFP's, but the State would take broad coverages we want, or other items we want to see in the RFP. Natasha Pineda added that we wanted participation from this board and Health Benefits Employee Committee (HBEC) to be part of the Proposal Evaluation Committee (PEC) and possibly part of the clarification portion. Natasha suggested that we add this to the agenda today. Emily Ricci suggested we follow up with timeline and dates in a follow up email to detail the time commitment. The main PECs will be done in Juneau.

Emily Ricci discussed that cost is an important consideration in plan design determination, but we need to consider value. What the membership values over the cost drivers and the boards advice will be important for decision making.

Gail Harbo asked about CVS buying Aetna and how the Third-Party Administrator (TPA) RFP is affected. Emily Ricci responded that this action is one of the reasons the TPA RFP is being delayed a year.

Judy Salo asked for an email list of all the board members and staff. Commissioner Ridle responded that the State will send out the communication list to Judy and set up a time to meet.

It was discussed for future agenda items to have a dedicated time in the agenda to focus on member concerns. It is cautioned that when bringing forward member issues to be aware of Health Insurance Portability and Accountability Act (HIPAA) and protecting member sensitive data. It is advised to work directly with the State staff to resolve specific member issues.

Another topic of interest is the Employer Group Waiver Program (EGWP) presentation. The EGWP is part of the Pharmacy Benefit Management (PBM) RFP and has considerable cost savings for the prescription drug plans.

The State was asked what topics should be addressed first, and Michele Michaud is to send items of interest out to the board for discussion between meetings.

Gail Harbo suggested the chair write a blurb about the board prior to the next newsletter being sent out to retirees.

4:00pm Public Comment Guidelines

Handout 7-Review Proposed Guidelines led by Commissioner Ridle

Discussion was related to ensuring that commenters take caution as this is a public meeting. It was brought up that in past public meetings, a representative was available for immediate assistance with individual member issues. Due to the telephonic/video nature of the RHAB meetings, it is not feasible at this time, but members can always call the Aetna concierge or stop by the DRB office to get assistance.

It was suggested to have a four to five sentence pre-public comment/guidelines statement giving the public expectations of testimonies, time limit, why staff will not respond to personal issues, but that they can submit further concerns in writing.

Public Comment should be done at the beginning of the meetings to keep people from waiting or if the board adjourns early. Three minutes was the suggested time for each person's public comment. Board retains authority to stop any public comments.

Gail Harbo motioned to adopt the draft public comment guidelines until the bylaws are established. Dallas Hargrave seconded the motion with no objection.

Bylaws

Judy Salo suggested to set up the bylaw committee. Boiler plate bylaws from a couple other boards from around the state will be provided post meeting, similar in nature to this board.

The bylaws committee consist of Dallas Hargrave, Cammy Taylor, Joelle Hall.

Members of the board and public made a few welcoming comments.

4:10pm Public Comment

Sharon Hoffbeck, President of RPEA, provided public comment thanking the board for volunteering their time and shared the efforts of RPEA, AFCSME and NEA over the past three years to establish the board.

Board was adjourned.

Draft Retiree Health Plan Advisory Board Bylaws

Article I
Name

The name of the organization is the Retiree Health Plan Advisory Board, hereinafter referred to as "the Board" or "RHPAB."

Article II
Purpose and Responsibilities

Section 1. Pursuant to Administrative Order No. 288 the Board was created to facilitate engagement and coordination between the State's retirement systems' members, the Alaska Retirement Management Board (ARMB), and the Commissioner of the Department of administration of the retiree health plan.

Section 2. The creation of the RHPAB will provide an efficient and transparent way to facilitate regular engagement, communication, and cooperation between the Office of the Governor, the ARB, and the Commissioner, and retirement system members regarding the administration and management of the State's retirement systems.

Section 3. The board is advisory only and may not engage in activities that would qualify as administration in support of the health plans.

Section 4. Duties and Responsibilities
The Board shall review available non-confidential information, hold public meetings, and provide periodic reports to the Commissioner. The period reports may include recommendations to the Commissioner related to the health care plans of the State's retirement systems, including optional life insurance, long-term care insurance, and optional dental-visual-audio programs.

The recommendation must consider:

1. The cost of the services or changes to relative to the long-term and short-term fiscal viability of the plans, including policies to retain prudent reserves in the plans;
2. The affordability of the health care plans from the perspective of plans sponsors, participating employers and plan beneficiaries, including the effect of premiums asses to benefits; and

3. The clarity of the plan to beneficiaries; and the department's ability to offer consistent, transparent direction and oversight to third party-plan administrators.

The Board may also submit to the commissioner, reports to provide input on the performance of service providers including third-party administrators, insurance providers, and annuity providers to the State's retiree health care plans.

Article III
Membership and Terms of Office

Section 1. Composition

The RHPAB consists of seven voting members who are appointed by the Governor.

1. One member who is an ARMB trustee by virtue of AS 37.10.210(b)(2)(C) or (D).
2. One member who is a human resources official or financial officer employed by a political subdivision participation in the State's retirement systems.
3. One member who is a Public Employees' Retirement System (PERS) retired members, selected from a list of three individuals nominated by retiree groups that represent PERS members.
4. One member who is a Teachers' Retirement System (TRS) retired teacher or member, selected from a list of three individuals nominated by retiree groups that represent TRS members.
5. One member of the State's retirement system who is a retired member under PERS Tiers I, II, or III, TRS Tiers I or II, or the Judicial Retirement System (JRS).
6. One member who is an active or retired member of PERS or an active or retired teacher or member of TRS who is vested in the PERS Tiers I, II, or II or TRS Tiers I or II retiree plans. If an active member, the person should not be more than five years from eligibility for retirement.
7. One public member who is not a member or beneficiary of the PERS system, the TRS system, or the JRS; this person must have at least five years' relevant experience and expertise in health care administration, finance, or governmental budget issues, or other background helpful to the board's mission.

The Commissioner or the Commissioner's designee shall serve as a non-voting, ex-officio member of the board.

Section 2. Term of Office

1. Each member of the Board shall serve staggered three year-terms consistent with AS 39.05.055(5).
2. The Governor may choose from the nominee list, request further solicitation, or make an appointment of the Governor's choosing.
3. Members serve at the pleasure of the Governor.
4. If a vacancy occurs on the board, the Governor may appoint an individual qualified for that seat to serve the balance of the unexpired term.

Section 3. Members of the board receive no compensation for service on the Board but are entitled to per diem and travel expenses in the same manner permitted for members of State boards and commissions.

Article IV
Officers

Section 1. The Board shall annually select from it's members a chair and a vice-chair.

Article V
Meetings

Section 1. The meetings of the Board shall be conducted in accordance with the AS 44.62.310-44.62.319 (Open Meetings Act).

Section 2. The board shall meet at a date and time set by the Commissioner or the Commissioner's Designee, expected to be quarterly. Board members are entitled to per diem and travel expenses in the same manner permitted members state boards and commissions for a least one in person meeting per year.

Section 3. Four members-or a majority of the Board if a vacancy exists -constitute a quorum for doing business.

Section 4. Proxy voting is not permitted.

Section 5. Members of the public present at the meeting of the Board shall be offered a reasonable opportunity to be heard in accordance with Board policy.

Section 6: The Board shall keep minutes of all of its board meetings and board committee meetings and a record of all proceedings of the Board. All minutes shall be filed in the office of the Commissioner of Administration and made publicly available.

Article VI
Committees

Section 1. The Chair may establish committees as the need arises and shall assign such duties and responsibilities to the committees.

Section 2. Committees of the Board shall, when specifically charged to do so by the Board, conduct studies, make recommendations to the Board, and act in an advisory capacity, but shall not take action on behalf of the Board.

Section 3. Unless otherwise determined by the Board, committees shall consist of no fewer than two board members and shall serve until the committee is discharged by the Chair of the Board.

Section 4. A committee shall be convened by the committee Chair or designee who shall report for the committee. The committee Chair shall ensure that minutes will be kept and submitted for Board review.

Section 5: Any member of the Board may attend a committee meeting.

Article VI
Parliamentary Authority

Section 1. Meetings shall be conducted under Robert's Rules of Order, using the current edition, and such amendments of these rules as may be adopted by the Board.

Article VIII
Ethics

Section 1. Members of the Board shall at all times abide by and conform to the Alaska Executive Branch Ethics Act (AS 35.52).

Article IX
Amendment

Section 1. The Bylaws, as adopted, may be amended, altered, or repealed at any duly convened meeting of the Board provided that written notice of the proposed change(s) has been sent to each Board member at least (30) days before the meeting. Each time the Bylaws are amended the new version shall include the dates of amendment.

Public Comment Guidelines

Public Comment	
Purpose	The public comment period allows individuals to inform and advise the Retiree Health Plan Advisory Board about policy related issues, problems or concerns. This is not a hearing.
Protocol	Individuals are invited to speak for up to three minutes. • A speaker may be granted the latitude to speak longer than the 3-minute time limit only by the Chair or by a motion adopted by the Full Advisory Board. • Speakers are not permitted to criticize or attack others. • Anyone providing comment should do so in a manner that is respectful of the Advisory Board and all meeting attendees. The Chair maintains the right to stop public comments that contain Private Health Information, inappropriate/inflammatory language or behavior.

Frequently Asked Questions	
How can someone provide comments?	IN PERSON - please sign up for public comment using the clipboard provided by during the meeting. VIA TELECONFERENCE – please call the meeting teleconference number on a telephone hard line. To prevent audio feedback, do not call on a speaker phone or cell phone. You may use the mute feature on your phone until you are called to speak, but do not put the call on hold because hold music disrupts the meeting. If this occurs, we will mute or disconnect your line. IN WRITING – send comments to the address or fax number below or email AlaskaRHPAB@alaska.gov. Note that, if you wish your comments distributed to the Advisory Board prior to a board meeting all comments must be received thirty days prior to the meeting to allow time to distribute them to the board. PRIVATE HEALTH INFORMATION: The state must comply with federal laws regarding Private Health Information and may redact written public comment prior to sharing with the board to ensure privacy compliance.
What if I have a question or concern about a claim or medical issue?	Members should first call Aetna at 1-855-784-8646 to address their question and/or concern. Secondarily, members can contact the Division of Retirement and Benefits at 1- 800-821-2251 or 907-465-8600 if in Juneau.
For additional information:	For additional information please call 907-269-6293 or email AlaskaRHPAB@alaska.gov if you have additional question.

Calendar Options for 2018/2019

Potential dates for 2018/2019

2018 Options

Aetna Quarterly Retiree Plan Stakeholder Meeting	RHPAB Board Meeting
August 28, 2018 (Final Date)	August 29, 2018 (Final Date)
November 27 or 28	November 28 or 29

2019 Options

Aetna Quarterly Retiree Plan Stakeholder Meeting	RHPAB Board Meeting
Feb. 5-7 or 19-21 (Presidents Day2/18/19)	Feb 6, 8, 20 or 22
May 7-9 or 28-30 (Memorial Day 5/27/19)	May 8, 10, 29, 31
Aug.- 6-8 or 13-15	Aug 7, 9, 14, 16
Nov.- 5-7 or 19-21	Nov 6, 8, 20, 22

Employee Group Waiver Program (EGWP)

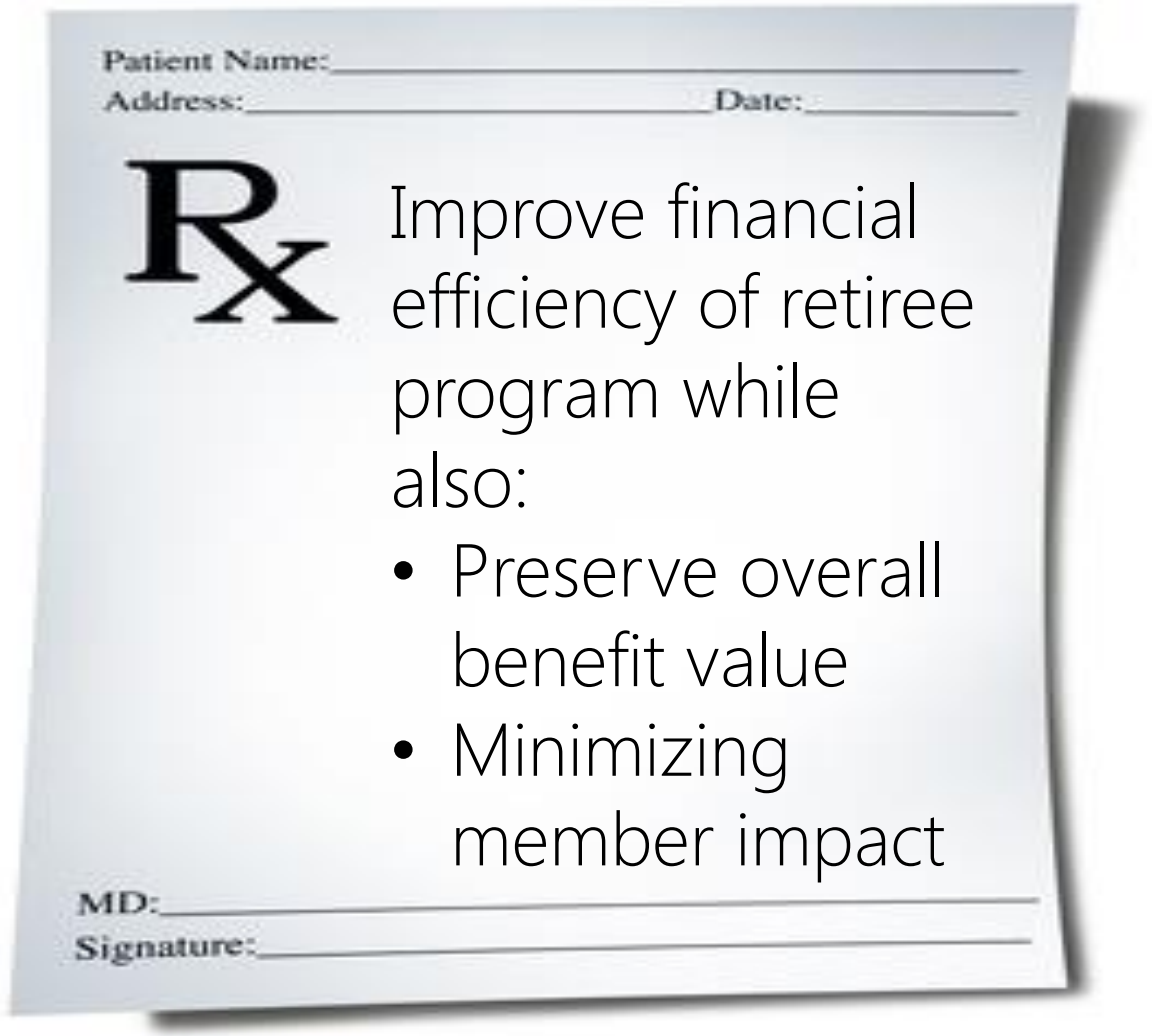
Presentation

Retiree Health Plan Advisory Board

Employer Group Waiver Program (EGWP)

Emily Ricci
Chief Health Policy Administrator
&
Michele Michaud
Chief Health Official

EGWP Program Objectives



Improve financial efficiency of retiree program while also:

- Preserve overall benefit value
- Minimizing member impact

What is an EGWP?

- EGWP or Employer Group Waiver Program, "egg whip", is a group sponsored Medicare Part D Plan.
- An "Enhanced" EGWP is an Medicare Part D Plan with additional wrap-around benefits designed to mirror the current retiree drug benefits.
- Individuals with Medicare Part A or Part B create eligibility for payments of federal subsidies to AlaskaCare.

Current AlaskaCare Program

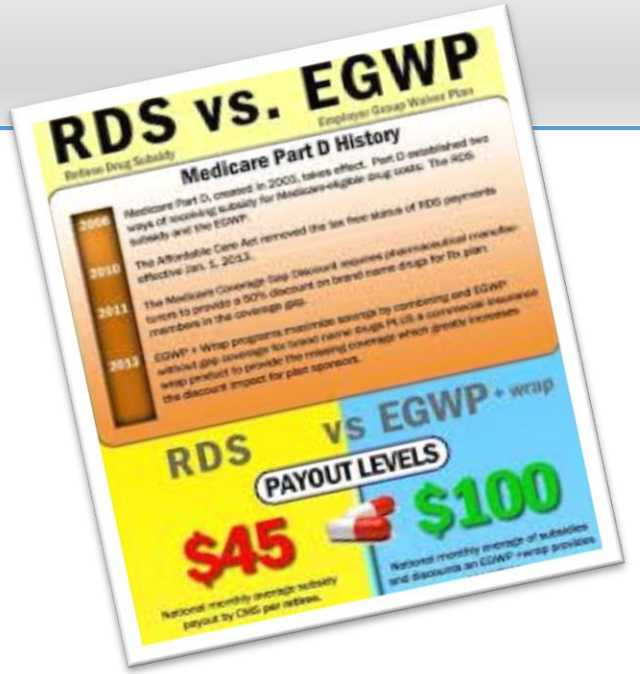
- AlaskaCare receives Retiree Drug Subsidy (RDS) payments from the Centers for Medicare & Medicaid (CMS).

- RDS was established in 2004 to encourage employers to continue prescription benefits for Medicare eligible retirees by helping offset part of the cost.

- RDS subsidies:
  - Are limited on low or $0 claimants;
  - Are capped for higher cost / utilization;
  - Do not reduce OPEB liabilities associated with retiree health benefits.

- RDS subsidies are approximately $19M - $21M annually.

Medicare EGWP



- Available under Medicare Part D
- Allows Medicare Part D as a part of employer plans, customization to close gaps such as the "donut hole", and to replicate the current plan.
- Subsidies are provided for all participants enrolled in Medicare Part A or Part B, even low/$0 claimants.
- Subsidies are not capped based on higher costs / utilization.
- Estimated to be $35M - $44M in savings annually ($16M - $23M over RDS).
- EGWP creates an immediate reduction to the OPEB liability.

Retiree Impact

Vast majority of members will experience no change. However, EGWP is a Medicare Part D Plan, subject to CMS regulations.

- CMS required communications.
- CMS pre-authorization requirements.
- CMS Medicare Medication Therapy Management Program (members may opt-out).
- CMS mandatory appeals process.
- CMS imposes a formulary, but overall benefit levels can be maintained with supplemental "wrap" plan.
- Prescriptions cannot exceed 90-day supply.
- CMS requires some drugs to be covered under Medicare Part B .
- CMS has Part D requirements for pharmacies.
- Explanation of Benefits (EOB) format will be different from Medical plan.

Retiree Impact

- Other things that may impact retirees:
  - Medicare eligible retiree may get separate RX ID card.
  - Medicare eligible dependents may get separate RX ID card.
  - Retirees who are high wage earners, will need to notify the Division.
  - Retirees who are low income earners, may qualify for "extra help".
  - Retirees with a PO Box may need to provide attestation of US residency.
- Retirees not eligible for Medicare will be enrolled in plan for retirees not yet age 65.
  - Retirees living outside the US.
  - Retirees actively working that don't qualify for Medicare A.
- Retirees opting out of Medicare Part D will be enrolled in alternative prescription drug plan.

Summary Comparison—RDS vs. EGWP

	RDS	EGWP
OPEB Reduction	No	Yes
Annual Application	Yes	No
Network	Commercial	CMS Requirements, but can be customized
Benefits	No requirements, with Actuarial Attestation	CMS Requirements, but can replicate current benefits
Formulary	Commercial	Minimum CMS Requirements; can customize more generously
Clinical Programs	Commercial	CMS Requirements
Subsidies	Claims dependent; capped for catastrophic	Base subsidy for all members; Subsidies increase with costs
IRMAA	No	Yes
Out of Country	Yes	No, but can cover as OON
Plan Fiduciary	State	PBM
Net Federal Subsidies	**$20M**	**$40M ($20M net of RDS)**

Financial Analysis

	2018 Projection		
EGWP			
Base Subsidy	$9.0M	to	$10.0M
Coverage Gap Discount	+ $22.0M	to	+ $25.0M
Catastrophic Reinsurance	+ $12.0M	to	+ $15.0M
= Total Subsidies	**= $43.0M**	**to**	**= $50.0M**
Change in gross claims	+ $2.0M	to	+ $3.0M
Change in Member Costs	- $0.1M	to	+ $0.1M
Additional Admin Fees	- $6.8M	to	- $6.5M
ACA fees	- $0.5M	to	- $0.4M
Rebate Change	- $2.5M	to	- $1.5M
= Net EGWP	**= $35.1M**	**to**	**= $44.7M**
RDS Subsidy	**$19.0M**	**to**	**$21.0M**
Estimated Savings	**$14.1M**	**to**	**$25.7M**

OPEB liability estimated to be reduced by approximately $300M-$350M. The FYE2016 unfunded liability is approximately $300M

Questions & Discussion

EGWP Frequently Asked Questions

What is an EGWP or "Egg Whip?"

A. An Employer Group Waiver Program (EGWP) is one method offered by the federal government to provide subsidies to the State of Alaska retiree health trusts for qualifying prescription drug costs. An EGWP, pronounced "egg whip", is a *group* Medicare Part D prescription drug plan option.

Why move to an EGWP?

A. It is the most cost-effective way for the retirement system to provide retiree prescription drug coverage to Medicare eligible retirees and dependents. An EGWP is anticipated to generate approximately $20 million per year in savings to the health plan through additional federal subsidies and between $40 to $60 million annually to the state at-large with minimal impact to the membership and existing plan. The savings from the EGWP can be reflected in the current year liability calculation for Other Post-Employment Benefits (OPEB), helping the State fulfill its promise to provide health benefits to our AlaskaCare retirees.

How does an EGWP work?

A. AlaskaCare, through a vendor, would contract with the Centers for Medicaid and Medicare Services (CMS) to serve as a Medicare Part D Plan Sponsor and manage compliance with CMS regulations. AlaskaCare retiree health plan members who are eligible for Medicare would be automatically enrolled into the EGWP for their prescription drug benefits.

What is an "enhanced" EGWP?

A. Medicare Part D prescription drug plans, including an EGWP, use a drug formulary. A formulary is a list of covered prescription drugs that a Medicare Part D plan will cover. An *enhanced* EGWP is an EGWP plan offered with a supplemental prescription drug benefit (also known as a "wrap") that provides additional coverage for drugs not covered under the Medicare Part D formulary.

Will switching to an enhanced EGWP plan cost me additional money with the current drugs I am taking?

A. No. Although we must follow a Medicare Part D approved formulary, coverage for drugs that are not on the formulary will continue to be covered under the wrap supplemental drug benefit.

Will I be charged a Medicare Part D premium when enrolled in an enhanced EGWP?

A. No. The AlaskaCare retiree plan, through their Pharmacy Benefit Manager (PBM), will enroll eligible retirees into the enhanced EGWP. AlaskaCare will pay a fixed monthly administrative cost to the PBM for each enrolled member and, **with the exception of certain high wage earners** (see additional questions below), retirees and their Medicare eligible dependents will not be required to pay a premium to Medicare.

What if I don't want to be enrolled in the enhanced EGWP plan; can I opt-out of this coverage?

A. CMS requires that you be given the opportunity to opt-out of EGWP. However, retirees that opt-out of EGWP will be placed in a prescription drug program that is much different than the plan prescription drug benefits offered today. This alternative plan may result in increased out-of-pocket expenses for you or your Medicare eligible dependents.

I am not Medicare eligible, but my spouse is. Will he/she be enrolled in the enhanced EGWP plan?

A. Yes. If your spouse is eligible for Medicare, he/she will be enrolled in the enhanced EGWP plan while your coverage will continue to be provided through the prescription benefit plan available to non-Medicare eligible retirees and dependents.

What if I am eligible for Medicare, but my spouse or other dependents are not yet Medicare eligible?

A. If your dependents are not currently Medicare eligible, they will continue to receive prescription drug benefits under AlaskaCare through the prescription benefit plan available to non-Medicare eligible retirees and dependents.

Will I receive a new ID card?

A. Yes. Depending on the outcome of the Pharmacy Benefit Manager (PBM) procurement, all retirees will receive either one or two new ID cards. Some PBM vendors issue a separate ID card to Medicare eligible retirees and their Medicare eligible dependents. We anticipate a welcome kit containing new ID cards; plan information will be mailed in November to those enrolled in the enhanced EGWP.

What will be different with an enhanced EGWP compared to the current plan?

A. Although you will be enrolled in an enhanced EGWP plan and may receive a separate ID card, most retirees will notice little to no difference when filling a prescription. However, the plan is subject to certain CMS regulations. This means:
   - You will receive a number of mandatory mailings related to EGWP, most of which will not apply to you.
   - You will receive a monthly explanation of benefits of your prescription claims.
   - CMS has a list of drugs that require pre-authorization. You may have to get a pre-authorization for drugs where it was not previously required, or drugs that have already been pre-authorized through Aetna. You can start the pre-authorization process in December or the first time you fill a prescription in 2019.
   - Medicare limits prescriptions to 90-day. The plan will be amended from covering 90-day or 100 units, to exclusively covering 90-day prescriptions in compliance with CMS regulations.

- If you have multiple conditions and high drug utilization you may be enrolled in the Medicare Medication Therapy Management Program. CMS considers this program to be a member protection and requires AlaskaCare to enroll retirees covered under the enhanced EGWP. You may elect to opt-out of this program.
- If a prescription drug is denied, CMS has a mandatory 5-level appeal process that must be followed. This includes redetermination from the plan, a review by an Independent Review Organization, a hearing before an Administrative Law Judge, a review by the Medicare Appeals Council, and a Judicial review by a federal district court.
- There is a closed pharmacy network. Currently the Division estimates the number of non-EGWP pharmacies utilized by our members to be less than 20. Although we will work to contract with and bring into network any pharmacies that are identified as non-EGWP prior to implementation, should your pharmacy decline to join the network you will be provided with additional information.

What do I do if my drug needs to be pre-authorized?

A. You or your provider may start the pre-authorization process in December by calling the Pharmacy Benefit Manager contracted by the Division of Retirement and Benefits.

Who is the Pharmacy Benefit Manager?

A. Aetna, with their subcontractor CVS/Caremark, is currently the Pharmacy Benefit Manager (PBM) for the AlaskaCare plans. The Division periodically puts these services out to bid through a competative bid process that is currently underway. The Division anticipates announcing award of that bid in July 2018 with the contract to take effect beginning January 1, 2019.

Will there be a separate Pharmacy Benefit Manager for the enhanced EGWP?

A. No. There will be one Pharmacy Benefit Manager for all AlaskaCare prescription drug plans, including the enhanced EGWP.

Why do I need to obtain pre-authorization of medicines that I have been taking for years?

A. Medicare does not allow pre-authorizations from another plan to be transferred to a Medicare Part D plan. Medicare may also require pre-authorization on drugs that previously did not require pre-authorization.

What does “formulary” mean and how does this affect me with the new AlaskaCare enhanced EGWP?

A. A formulary is a list of medications covered under plan and it indicates the tier that the drug is covered at, i.e. generic, preferred, nonpreferred, or specialty; Medicare requires certain drugs to be covered at certain tiers; drugs not covered under a standard Medicare Part D

plan will be added to the AlaskaCare enhanced EGWP. While the EGWP formulary may be different than the one used by the retiree health plan today, by providing a wrap supplemental plan, members should not notice a difference in their covered drugs or copayments.

Will all my current drugs be included in the formulary list for the AlaskaCare enhanced EGWP? How do I check to make certain?

A. Yes. AlaskaCare will send detailed information regarding the coverage tier under which your drug will be covered in the new formulary.

What information can I expect to receive concerning AlaskaCare's change to an Enhanced EGWP for Medicare eligible retirees?

A. AlaskaCare will be sending a letter to the retirees providing detailed plan information through the contracted Pharmacy Benefit Manager (PBM). The PBM will send you Notification and Benefits Summary. Finally, once you are enrolled in the plan (anticipated to occur mid-November) the PBM will send you a Welcome Kit which will include a network directory, the plan formulary, and your ID card(s).

CMS charges a higher premium for high wage earners, how will I know if will have to pay extra?

A. Certain high-income retirees will have to pay an extra surcharge; generally, if you are an individual earning more than $85,000 per year or married earning more than $170,000 per year, you will be charged an extra premium for being enrolled in Medicare Part D. CMS refers to this as Income Related Monthly Adjustment Amounts (IRMAA). Similar to Part B, this will be deducted directly from your Social Security check if you qualify for Social Security, or be invoiced to you directly. To determine if you will be accessed a surcharge, contact Social Security at 1-800-772-1213.

What do I do if I am required to pay the extra surcharge?

A. If you receive notice that you are required to pay this extra premium, notify the Division of Retirement and Benefits. The Division will reimburse you the surcharge amount.

What if I refuse to pay the extra surcharge?

A. If the extra surcharge is not paid, Medicare will cancel your enrollment in the AlaskaCare enhanced EGWP plan. This will be treated as an opt-out under the plan and you will be placed in a prescription drug program that is much different than the plan prescription drug benefits offered today. This alternative plan may result in increased out-of-pocket expenses for you or your Medicare eligible dependents.

Who can I call if I need more help in understanding this new plan?

A. For general questions about how the plan works, or how your drugs are covered under the plan, call the pharmacy benefit manager after you receive your welcome kit. To find out if you will be subject to an extra surcharge because you earn a high income, you may contact Social Security at 1-800- 772-1213.

When will enhanced EGWP welcome kits be sent to me or my dependent if we turn age 65 after January 1, 2019?

A. Upon Enrollment in the enhanced EGWP plan. This typically occurs in the three months prior to the month in which you or your dependent turns age 65.

What are the Coverage Gap Stage and the Catastrophic Coverage Stage?

A. These are different stages defined by Medicare based on your total drug costs. AlaskaCare retiree plans have added extra coverage to standard Medicare Part D, so your out of pocket costs for drugs should be the same as you move through the tiers.

Who can I contact about this change?

A. You may contact the Division of Retirement and Benefits at PO Box 110203, Juneau, AK 99811-0203. You may also contact the Retiree Health Plan Advisory Board (RHPAB) by submitting comments in writing by mail to RHPAB in care of the Division of Retirement and Benefits, PO Box 110203, Juneau, AK 99811-0203 or through email to AlaskaRHPAB@alaska.gov.

DB Retiree Health Plan Modernization

Presentation

Retiree Health Plan Advisory Board

DB Retiree Health Plan Modernization

Emily Ricci
Chief Health Policy Administrator
&
Michele Michaud
Chief Health Official

May 2018

Modernization Overview

- The legacy retiree health plan is for defined benefit beneficiaries, and does not include members receiving health benefits under the PERS Tier IV or TRS Tier III Defined Contribution Retirement (DCR) medical plan.

- Because of its age, the plan design lacks some key benefit provisions now common in most health plans. It also lacks common cost control mechanisms.

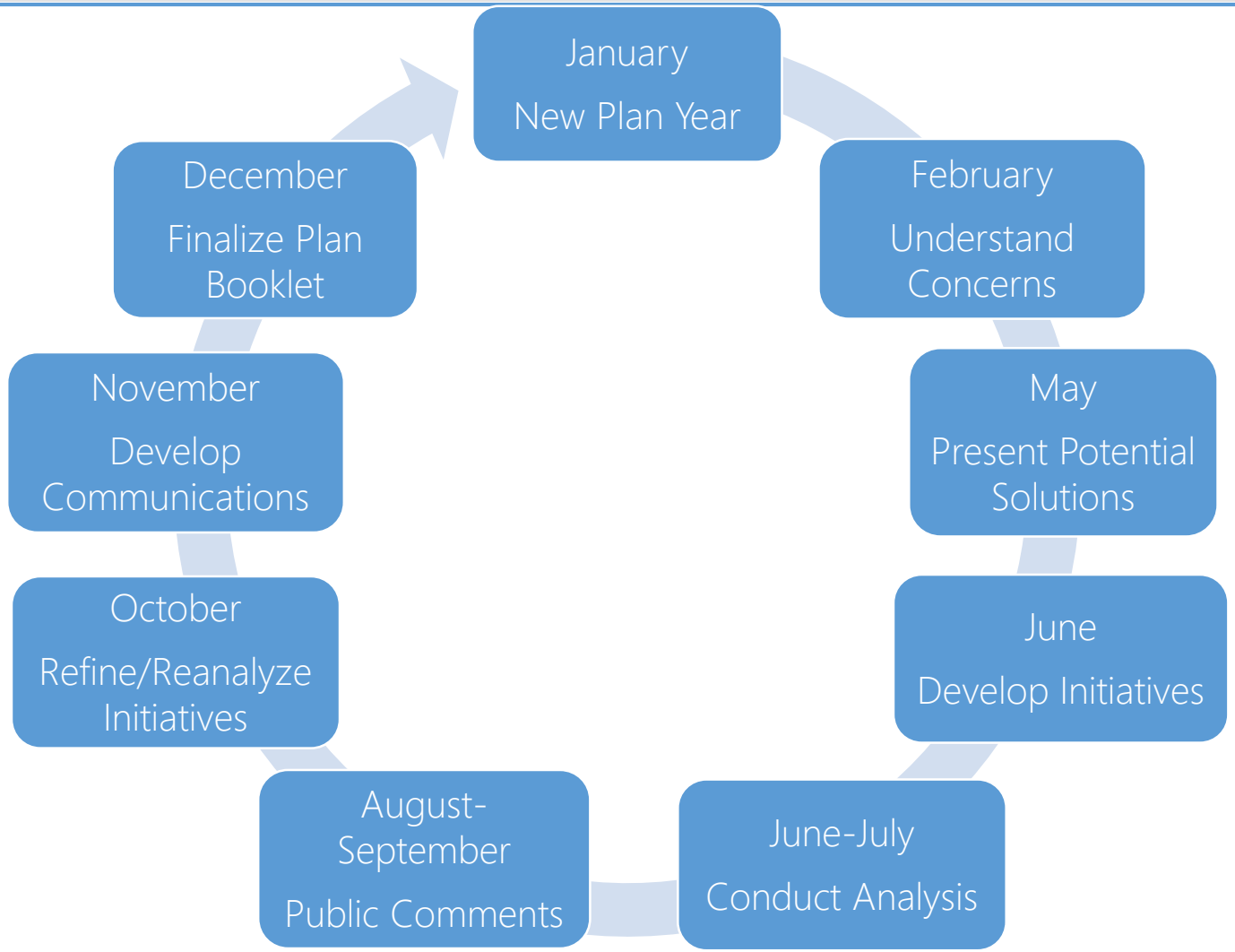
- The goal of the modernization project is to provide value to the member through incorporating common benefits not currently available while preserving the overall benefit of the plan and implementing standard cost saving mechanisms.

Retiree Modernization

- The Division of Retirement and Benefits (DRB) proposes making several amendments to the legacy retiree medical plan over the next two years as part of a retiree plan modernization project.

- In addition, DRB would like to improve the plan documentation to incorporate prior amendments into the body of the plan. This would make it easier for members to understand and provide more transparent and specific direction as to how AlaskaCare claims should be adjudicated.

Division Health Plan Cycle



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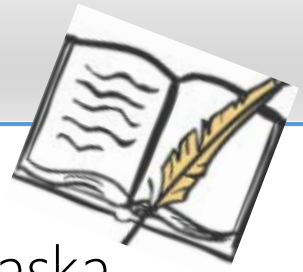

- Health benefits are offered in accordance with Alaska Statute 39.30.090 and 39.30.091 to eligible retirees.

- The plan was first developed in 1975 and provides extensive and valuable benefits for retirees and their dependents necessary for the diagnosis and treatment of an injury or disease.

- The plan changed from a fully-insured product to a self-funded benefit in 1997.

Historical Changes

The plan has changed to adopt mainstream health services while maintaining the value of the benefits.

Year	Description of Change
1983	Deductible and coinsurance waived when retiree received $50,000 in benefits. Added second surgical opinions.
1984	Copayment for generic drugs eliminated; implemented Individual Case Management.
1985	Deductible increased from $50 to $100; lifetime limit increased from $250,000 to $1,000,000.
1990	Added maintenance of coordination of benefits (COB).
1991	Added prescription drug mail order benefit; generic copay set at $0, copay for brand name prescriptions set at $5 copay for both retail and mail order; added 100% coverage for skilled nursing care.
1993	Added obesity treatment.

Historical Changes Continued

The plan changed substantially between 1999 and 2000.

Year	Description of Change
1999 - 2000	Increased travel to cover roundtrip costs
1999 - 2000	Increased lifetime limit from $1,000,000 to $2,000,000
1999 - 2000	Annual deductible from $100 to $150
1999 - 2000	Annual out-of-pocket limit from $690 to $800
1999 - 2000	Implemented traditional COB
1999 - 2000	Mail order $0 copay and retail to $4 generic/$8 brand name
1999 - 2000	Added precertification and out-of-network penalties to mental health benefits

Article 12, Section 7 – Alaska Constitution

- The disadvantages of changes must be offset by new advantages to the group taken as a whole (rather than an individual member).
- There is an exception if an individual can show that a change results in serious hardship.

Areas of Focus

#	Concern	Possible Solution
1	Limited preventive care services	Add coverage for full suite of preventive services
2	Lifetime limit of $2M	Remove or increase limit
3	Low cost share reduces sensitivity to price & increases unnecessary services	Increase deductible and out-of-pocket maximum
4	Increasing costs of pharmacy benefits	Implement 3-tier pharmacy benefit, change out-of-network benefits
5	Outdated pharmacy design	Limit to 90 day fill, exclude OTC equivalents
6	Safety and efficacy of drugs	Limit compound coverage for non-FDA approved drugs
7	Limited travel benefits	Enhance travel benefits
8	Confusion over rehabilitative services	Implement clear service limits or hire specialized vendor
9	Confusion over dental implants	Exclude some implants from medical plan and cover under dental plan
10	High use of hi-tech imaging & testing	In-network enhanced clinical review
11	Dependent coverage limits	Statutory change
12	Confusing plan booklet	Update to include regulations, amendments & benefit clarifications

1. Limited Preventive Care Services

- Members using an out-of-network provider would be paid at a reduced coinsurance (60%) and their portion of the cost would not count towards the annual out-of-pocket limit.
- There would be an exception for areas where no network provider is available.

2. Lifetime Limit of $2 Million

3. Low Cost Share

4. Increasing Cost of Pharmacy Benefits

Tier	Type of Drug	Copay Retail	Copay Mail Order
Tier 1	Generic	$4	$0
Tier 2	Preferred Brand	$8	$0
Tier 3	Non-Preferred Brand	$25	$10

4. Increasing Cost of Pharmacy Benefits cont'd

- Plan pays 60% coinsurance,
- Member pays 40% until annual $1,000 out-of-pocket maximum is reached.

5. Outdated Pharmacy Design

Concern: Outdated plan design allows for 100 unit supply

Possible Solution: Limit the maximum fill to 90-day supply

Concern: Plan covers medications that have an over the counter (OTC) equivalent.

Possible Solution: Exclude coverage of prescriptions with an OTC equivalent.

- Members can purchase OTC alternatives that may be less expensive.

6. Safety and Efficacy of Drugs

Concern: Increasing cost, safety and efficacy concerns over compounded medications.

Possible Solution: Limit coverage of compound medications to compounds that utilize at least one non-bulk, FDA-approved legend drug.

- Medical exceptions will be allowed to avoid allergies or provide dosages or mixtures that are not available commercially.

7. Limited Travel Benefits

Concern: Limited coverage for travel making members responsible for most costs.

Possible Solutions:

- Provide travel concierge to purchase airline tickets for member.
- Add companion airline ticket coverage.
- Add travel benefit for diagnostic testing less expensive elsewhere.
- Add additional travel benefits to centers of excellence for certain non-emergency procedures (knee replacement, hip replacement, etc.)

8. Confusion Over Rehabilitative Services

Concern: Coverage of short-term rehabilitative care coverage for chiropractic, physical therapy (PT), occupational therapy (OT), and speech therapy (SPT) is confusing for members and providers and creates large administrative burden for division.

Possible Solutions:

- 20 visit limit per benefit year
  - Provides clear benefit limits for members and providers
  - Added benefit for those with chronic conditions
- 45 visit limit for all chiropractic, PT/OT/SPT services
  - Provides clear benefit limits for members and providers
  - Removes requirement for continued significant improvement
- Contract with vendor specializing in medical management

9. Confusion Over Dental Implants

10. High Use of Hi-Tech Imaging & Testing

- High tech radiology
- Diagnostic cardiology
- Sleep management studies
- Cardiac rhythm implant devices

11. Dependent Coverage Limits

12. Confusing Plan Booklet

Group Discussion