

AlaskaCare Retiree Health Plan Advisory Board

Retiree Dental, Vision, and Audio Plan Overview and Update



Division of Retirement and Benefits
Department of Administration

Overview

- Upon retirement, AlaskaCare retiree beneficiaries may opt to participate in a voluntary Dental, Vision, and Audio (DVA) plan to provide coverage for themselves and their eligible dependents.
- DVA plan benefits are funded entirely by member-paid premiums.
- In 2014, in an effort to protect members from rising premiums and preserve the value of their dental benefits, the Division implemented changes designed to adopt nationally recognized dental standards of care and promote the use of network providers.
- The Retired Public Employees of Alaska (RPEA) filed a lawsuit in January of 2016 contesting the Division's efforts.

Ruling

- In April of 2019, the Alaska Superior Court found in favor of RPEA.
- The Superior Court provided the Division with three options to comply with the order:
 1. return to the 2013 retiree dental plan;
 2. provide individual retirees the option of returning to the 2013 plan or continuing with the 2014 plan; or
 3. negotiate a new alternative plan that RPEA accepts as comparable and not diminishing retirees' benefits.

Remedy

- The case is ongoing, and the State has determined it will appeal the superior court decision.
- However, in an effort to mitigate the uncertainty to retiree's dental benefits caused by the litigation, beginning January 1, 2020, and for the foreseeable future, the Division will offer members of the AlaskaCare retiree dental plan a choice between two DVA plans:
 1. the plan that was in place prior to 2014, the **AlaskaCare Retiree Legacy Dental Plan**, and
 2. the plan that is currently in place now, the **AlaskaCare Retiree Standard Dental Plan**.

Considerations

- The Legacy Dental Plan will have different coverage provisions and different monthly premium rates than the Standard Dental Plan.
 - Premiums for each plan are under development and will be provided when available to members
 - A benefit comparison between the two plans is under review and will be provided to members when available.
- Offering two plans will provide stability by allowing members who prefer their current benefits to stay in the current, Standard Plan.
- Offering two plans will provide choice by allowing members who preferred the previous plan to elect the 2013 Legacy Plan.

Operational Impacts

- As a matter of law, the dental Third-Party Administrator procurement process was confidential.
 - Notice of Intent to Award the contract to Delta Dental of Alaska (Moda) was issued on August 7, 2019.
- Since July 1, 2019, Delta Dental of Alaska and the Division have been working to operationalize and implement two plan options.
 - Code, configure, and test the claims adjudication system
 - Build eligibility file and account structures to accommodate a second plan option
 - Design and implement an open enrollment system
 - Train member-facing staff in the Division and at Delta Dental of Alaska

Member Awareness/Education Campaign

- Deliver timely, clear, and consistent information to retirees
- Member communications will begin in late August 2019
 - Paper letter mailed to impacted retirees
 - Special edition retiree e-newsletter
 - Website/FAQ updates
 - Regular retiree e-newsletters
 - Social media
 - Town hall events

DVA Plan Booklets

- Consider separating DVA plan from the medical plans into a standalone booklet
- New DVA booklet would include both the Legacy and Standard plan options
- Draft booklets would be put forward for a 30-day public comment period
- New booklets would preserve the substance of the current plan and the 2013 plan, just present them in a separate document.

1st Annual Open Enrollment

- Opens November 6th – Closes November 27th.
- Current DVA plan members, and retirees who retired, or dropped or reduced coverage on or after January 1st 2014 will be eligible to participate.
- Members will use an online portal to make benefit elections.
 - Paper forms will be provided to members upon request.
- If no plan selection is made, members will remain in the plan they currently have today, the Standard Plan.
- If a member changes their elections, they will receive a new ID card in early January.

Questions

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