

STATE OF ALASKA REQUEST FOR INFORMATION (RFI)



**Department of Administration
Shared Services of Alaska
333 Willoughby Avenue, 8th Floor
PO Box 110210
Juneau, Alaska 99811-0210**

State of Alaska Division of Retirement and Benefits – Medicare Advantage

GENERAL INFORMATION

The Division of Retirement and Benefits (Division) is a division of the State of Alaska's Department of Administration. The Division is seeking information from companies who provide group Medicare Advantage plans to large public plans and employers.

BACKGROUND

The Division of Retirement and Benefits manages the State of Alaska's retirement systems and health benefit plans. The Division's scope of work includes serving as the point of contact for administrative, legal, legislative, and procedural issues regarding the management of the state-sponsored health, dental, and long-term care plans. Currently the Division manages eligibility and internally handles some of the work related to customer service, benefits processing, counseling, appeals, and managing vendors performing third-party administrator services.

The Commissioner of the Department of Administration is the plan administrator, but delegates policy development and the operation of state-sponsored health benefit plans to the Division's health team. This team is comprised of a Division Director, Chief Health Administrator, and support staff.

ALASKACARE

AlaskaCare is the term used to describe the health plans administered through the State of Alaska. These plans are provided in accordance with Alaska statutes to a subset of state employees, and to public employees, teachers, and judicial officers of the state and political subdivisions who are eligible for retiree health benefits. The coverage provided is good worldwide.

The State of Alaska provides health benefit plans to: (1) a portion of state employees; (2) defined benefit (DB) retired employees of the state, teachers, and participating political subdivision employees; and (3) defined contribution (DC) retired employees of the state, teachers, and participating political subdivision employees.

The retirement health benefits fall into two major categories, those of the DB retirement plan (members who entered the retirement system prior to July 1, 2006), and the DC retirement plan (members who entered the retirement system on or after July 1, 2006). The DB retiree plan is an older plan design that has not been substantially updated since 2000 and is constitutionally protected against diminishment.

However, the Division is currently working with the Retiree Health Plan Advisory Board to modernize the DB plan. The DC retirement medical plan was implemented in 2016, and currently has less than 100 members. For non-Medicare retirees, coverage is provided in a self-insured medical and pharmacy program that is

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administered by Aetna and OptumRx. Both of these vendors also administer benefits for the Medicare-eligible membership.

The State currently utilizes an Employer Group Waiver Program (EGWP) to provide prescription drug benefits to most Medicare-eligible retirees (implemented January 1, 2019). For some Medicare retirees, AlaskaCare utilizes the Retiree Drug Subsidy program. These are retirees that have opted out of the EGWP, or do not live in an EGWP service area, or are not eligible for the EGWP due to other special circumstances. Currently, there are approximately 3,500 retirees who are age-eligible for the EGWP but are not in the EGWP.

Medical benefits are provided to Medicare-eligible retirees and dependents on a secondary payer basis, where AlaskaCare pays after Medicare pays as the primary payer. The DB plan allows coordination of benefits up to 100% of the allowed charge. The DC plan has a government carve-out type coordination of benefits, where AlaskaCare applies the coinsurance calculation to the amount not covered by the primary plan.

Further, there are many members who are covered by more than one AlaskaCare plan. This can be through coverage as a member and a dependent of their spouse, or through two or more of their own plans (i.e. employee plan and retiree plan, or two retirement plan benefits). For example, a member may earn a retiree health benefit in the Alaska Public Employees' Retirement System (PERS), as well as one in the Alaska Teachers' Retirement System (TRS). This results in the member having two (2) retiree health coverages and therefore the AlaskaCare plan will internally coordinate between these coverages, often resulting the Plan paying 100% of allowed charges.

GOING FORWARD

The State recognizes that no Medicare Advantage plans are currently offered in the State of Alaska. However, the State is interested in better understanding the market's potential interest and ability to develop and introduce Medicare Advantage in Alaska. Under the right circumstances, a Medicare Advantage plan could be an option provided to AlaskaCare retirees.

This RFI is intended to initiate a dialog with insurance carriers in the group Medicare Advantage market. Information is being requested regarding current capabilities, access, prospective estimated premiums, as well as your thoughts and recommendations regarding the development and potential introduction of Medicare Advantage plans in Alaska.

While AlaskaCare currently utilizes an EGWP, which is providing tremendous value to the State and the retirees, this RFI is requesting information on insured Part D Prescription Drug Plans that could be provided as part of an integrated Medicare Advantage Prescription Drug Plan (MA-PD).

Due to the constitutionally protected nature of the DB plan's benefits, it is expected that any prospective MA, or MA-PD, option would match, or exceed, the current Plan's benefits.

This response and discussion will focus on the DB plan.

INFORMATION AND DATA

For reference the following documents are provided with this RFI to prospective respondents:

1. 2020 Defined Benefit Plan Booklet (Effective January 1, 2020)

Available online:

<http://doa.alaska.gov/drb/pdf/ghlb/retiree/20200101AlaskaCareDBRetireeHealthPlanBooklet.pdf>

2. AlaskaCare MAPD RFI Data Summary and Pricing Worksheet.xls

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- a. Includes for tabs for pricing estimates, one each for PPO MA only, PPO MA-PD, HMO MA only, and HMO MA-PD
- b. Medical Summary - Medical cost and utilization summary data incurred during 2019
- c. Medical Summary by Month – Medical cost, enrollment and utilization by month for 2019
- d. Rx Summary – Drug cost summary data for 2019
- e. Rx Summary by Month – Drug cost, enrollment and utilization by month for 2019
- f. Rx Summary by NDC – prescriptions and costs by NDC for 2019
- g. Enrollment Summary by Month – membership by month for 2019
- h. Enrollment List – enrollment and demographic summary by zip code
- i. **NOTE: PLEASE USE THIS TAB TO INDICATE PPO/HMO SERVICE AREAS**

- i. EGWP Data – EGWP subsidies and risk scores for 2019 and 2020

To access the MAPD RFI Data Summary and Pricing Worksheet, the respondent must complete and submit the non-disclosure agreement (NDA) form to the contracting officer that has been provided as an attachment to this RFI. The agreement is posted as Attachment A. Completed forms must be submitted to Janice Neal, Procurement Officer, at Janice.Neal@alaska.gov.

The State will not furnish or provide this worksheet to any respondent until receipt of this agreement. The State reserves the right to clarify and verify any respondent's ability to perform the services required under this solicitation prior to granting access to any of the files.

Upon receipt of the NDA and verification of the respondent's eligibility to receive the files, the respondent will be provided access to the MAPD RFI Data Summary and Pricing Worksheet.

Access to this file will be provided to the respondent by the Division's benefit consultant, Segal, once the NDA is agreed to and accepted.

QUESTIONNAIRE

General Information

1) Please provide some basic information:

- a) How long have you been providing Medicare Advantage and Part D plans to group plan sponsors?
- b) How many members are covered in your group plans?
 - i) HMO
 - ii) PPO
 - iii) Part D/EGWP (insured and self-insured)
- c) What portion of your group MA business is serving public plans and employers?

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- 2) What is your company's overall philosophy and strategy in providing group MA coverage to large public employers and plans?
- 3) In your assessment, is it possible to replicate the current medical benefits in a Medicare Advantage plan? What, if any, modifications would you suggest?
- 4) Please describe typical common benefit enhancements you provide your large group MA customers.
- 5) What are the major advantages and considerations with implementing a group MA plan for the first time?
- 6) Describe your process to manage your Quality Star Rating(s).
- 7) What are some lessons-learned by other similar plan sponsors that would benefit AlaskaCare to consider while in the development phase?
- 8) How could Medicare Advantage affect the healthcare market in general in Alaska?
- 9) In the provided Excel file (AlaskaCare MAPD RFI Data Summary and Pricing Worksheet), the Enrollment list tab shows where AlaskaCare's members reside. Please indicate which zip codes are currently served by your HMO and PPO network(s).

PPO

- 10) What portion of the retirees that reside outside of Alaska are in your current PPO service area?
- 11) Describe how you would develop an MA PPO network in Alaska:
 - a) Short-term to meet the 51% requirement (for the entire group).
 - b) Long-term to establish and provide continued value to AlaskaCare.
 - c) Assuming you had a PPO network that meets the 51% requirement, please provide a 2021 MA PPO premium estimate (ranges are acceptable), replicating the current benefits, or providing an actuarially equivalent benefit. Use the provided pricing sheet (AlaskaCare MAPD RFI Data Summary and Pricing Worksheet).

HMO

- 12) Where could you provide MAHMO coverage for AlaskaCare retirees? (by state and county). In the provided Excel file (AlaskaCare MAPD RFI Data Summary and Pricing Worksheet), the Enrollment list tab shows where AlaskaCare's members reside. Please indicate which zip codes are currently served by your HMO and PPO network(s).
- 13) Using the provided pricing sheet (AlaskaCare MAPD RFI Data Summary and Pricing Worksheet), please provide an estimated premium range for an HMO plan that provides coverage in these areas, replicating the current benefits, or providing an actuarially equivalent plan.

Part D/EGWP

- 14) What are the advantages and considerations for group Medicare Advantage plans with integrated pharmacy benefits?

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- 15) Are there any counties with AlaskaCare members where you do not have a Medicare/EGWP pharmacy?
- 16) Using the provided pricing sheet (AlaskaCare MAPD RFI Data Summary and Pricing Worksheet), please provide an estimated premium range for the prescription drug plan, replicating the current benefits

Interested parties responding to this RFI must provide a description of the business, including contact information such as: name of the company, point of contact name(s), physical and mailing addresses, phone number, and email address.

Important Notice: The State of Alaska does not intend to award a contract from this RFI, nor will it be financially responsible for any costs associated with the preparation of any response for the requested information. This RFI is issued for the sole purpose of obtaining information as described in this notice. However, the information obtained from this request may be used to prepare a solicitation in the future.

RESPONSE INFORMATION

Interested parties must submit a written response by **Friday, October 16, 2020, at 3:00 p.m. ADT** directed to the Procurement Officer, Janice Neal. Responses may be sent by **E-mail** to the address listed below. All questions must be directed to the Procurement Officer in writing via email.

Department of Administration
Shared Services of Alaska
Attention: Janice Neal
Phone: 907-465-5758
Email: Janice.Neal@alaska.gov

Please note the State does not accept responsibility for failed e-mailed response deliveries. It is the responsibility of the interested party to follow up with the individual listed above to ensure your response was received prior to the deadline specified above.