

Attachment 2

Proposed Language for Regulations to Implement a Process to Change Retiree Health Plans

Suggested Language and Organization for the Proposed Regulations in 2 AAC 39

2 AAC 39 is amended to add new sections to read:

Article 4. Changes to Health Plan Coverage

Section

400. Change by the administrator in coverage and premiums.

410. Stakeholder committee.

420. Developing and Prioritizing Plan Changes

430. Proposals to Change Plan Benefits.

440. Process to Amend the Plan Booklet.

450. Emergency Changes to the Health Plan Coverage.

460. Plan Benefit Clarification.

490. Definitions.

Recommended language for a New Section using language in 2 AAC 39.280 and 2 AAC 39.390

2 AAC 39.400. Change by the administrator in coverage and premiums.

- (a) When necessary to maintain the financial integrity of the dental-vision-audio insurance plan, the administrator may change the premiums and terms of coverage.
- (b) If necessary, the administrator may change the premiums and terms of major medical insurance coverage. (Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

Recommended language for a New Section

2 AAC 39.410. Stakeholder committee.

- (a) The division will work with a committee of stakeholders to evaluate proposed changes to plan benefits. As long as the Retiree Health Plan Advisory Board created by Administrative

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Order No. 336, as amended from time to time, is in effect, the committee of stakeholders is the Retiree Health Plan Advisory Board.

(b) If the Retiree Health Plan Advisory Board is terminated, the stakeholder committee will include a minimum of eight members consisting of

- (1) One member who is an Alaska Retirement Management Board trustee under AS 37.10.210(b)(2).
- (2) One member who is a human resources official or financial officer employed by a political subdivision participating in the State's retirement systems.
- (3) One member who is a Public Employees' Retirement System (PERS) retired member, 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 systems 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, III 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 stakeholder committee's mission.

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(8) One member who is an active member in good standing of the Retired Public Employees of Alaska (RPEA), selected from a list of three proposed candidates submitted by RPEA.

(c) The stakeholder committee is an advisory committee to provide input and recommendations to the division on proposed changes to plan benefits prior to implementing plan changes.

(c) Under (b), the commissioner or their designee will appoint members to the stakeholder committee. (Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

Recommended language for a New Section

2 AAC 39.420. Developing and Prioritizing Health Plan Changes

The division will work with the stakeholder committee defined in 2 AAC 39.410, to develop, evaluate and prioritize proposed changes to the health plan coverage. The division will discuss draft proposals with the stakeholder committee during meetings that are open to the public. The public will have an opportunity to comment during these meetings. The meetings will be recorded and made available along with the meeting materials on the division’s public Internet website.

(Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

Recommended Changes to Proposed Regulations Using Language from 2 AAC 39.280¹

2 AAC 39.430. Proposals to Change Plan Benefits.

(a) To change the benefits provided under **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE, the administrator shall **draft a proposal in writing, and shall consider**

[PROPOSE CHANGES TO THE COVERAGE; IN DRAFTING THE PROPOSAL, THE ADMINISTRATOR SHALL CONSIDER THE]

¹ Note: The language in 2 AAC 39.280 is identical to 2 AAC 39.390, except that “dental-vision-audio insurance plan” in 2 AAC 39.280 is replaced by “major medical insurance plan” in 2 AAC 39.390.

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- (1) background and rationale for the proposed change;
- (2) details and objectives of the proposed change;
- (3) potential impact on benefit recipients;
- (4) actuarial **and** financial [, AND OPERATIONAL] impacts on the **health plan coverage** [DENTAL-VISION-AUDIO INSURANCE PLAN];
- (5) operational impacts on the division or the third-party administrator;** and
- (6) input from stakeholders, including the stakeholder committee under section 2 AAC 39.410.** [, IF APPLICABLE;]

(b) **The administrator shall** post notice of the proposed change on the Alaska Online Public Notice System and the administrator's public Internet website, providing a minimum 30-day public notice and comment period, during which benefit recipients may review and provide comment prior to the adoption of a final proposal; notice under this paragraph must include

- (1) a summary of the proposed change;
- (2) instructions for accessing the draft proposed change;
- (3) a deadline for written comments on the proposed change to be submitted by the public; and
- (4) the time and place of any hearings at which oral comments from the public will be accepted, if **scheduled** [APPLICABLE];

(c) **Under this section, the administrator shall**

- (1) provide outreach to benefit recipients about the proposed change;
- (2) consider comments submitted in response to public notice under **(b) of this section** [THIS SUBSECTION]; and
- (3) issue a decision to adopt or reject a final proposal to change the benefits provided under **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] after the close of the public comment period. (Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

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Recommended Changes to Proposed Regulations Using Language from 2 AAC 39.280²

2 AAC 39.440. Process to Amend the Plan Booklet.

(a) The administrator may amend the description of **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet. To amend the description of **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet, the administrator shall

- (1) propose amendments that clarify the benefits provided under the existing **health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] or that implement the changes adopted under **2 AAC 39.430** [(B) OF THIS SECTION];
- (2) post notice of the proposed amendment on the Alaska Online Public Notice System and the administrator’s public Internet website, providing a minimum 30-day public notice and comment period, during which benefit recipients may review and provide comment prior to the adoption of a final amendment.

(b) Notice under this **section** [PARAGRAPH] must include

- (1) a summary of the proposed amendment;
- (2) instructions for accessing the draft proposed amendment;
- (3) a document comparing the new language in the proposed amendment with the existing language in the plan booklet;**
- (4) a deadline for written comments on the proposed amendment to be submitted by the public; and
- (5) the time and place of any hearings at which oral comments from the public will be accepted, if **scheduled** [APPLICABLE];

(c) Under this section, the administrator shall

- (1) provide outreach to benefit recipients about the proposed amendment;
- (2) consider comments submitted in response to the public notice; and

² Ibid.

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(3) issue a decision to adopt or reject a final amendment to the description of **the health benefit coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet after the close of the public comment period.

(Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

Recommended Changes to Proposed Regulations Using Language from 2 AAC 39.280³

2 AAC 39.450. Emergency Changes to the Health Plan Coverage.

(a) Notwithstanding **2 AAC 39.430 and 2 AAC 39.440**[(B)AND (C) OF THIS SECTION], the administrator may adopt an emergency amendment to [THE DESCRIPTION OF] **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet. An emergency amendment to [THE DESCRIPTION OF] **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet is effective immediately. To adopt an emergency amendment to [THE DESCRIPTION OF] **the health plan coverage** [DENTAL-VISION-AUDIO INSURANCE COVERAGE] published in the plan booklet, the administrator must find that the emergency amendment is necessary in response to [(1)] a public health or other state or national emergency [;

(2) EMERGING TECHNOLOGY OR MEDICAL TREATMENTS AND SERVICES; OR

(3) A NEED FOR THE IMMEDIATE PRESERVATION OF THE ORDERLY OPERATION OF THE DENTAL-VISION-AUDIO INSURANCE PLAN].

(b) The administrator shall, not later than 10 days after the adoption of an emergency amendment, give public notice of the emergency coverage in accordance with **2 AAC 39.440** [(C) OF THIS SECTION]. (Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

³ Ibid.

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Recommended language for a New Section

2 AAC 39.460. Plan Benefit Clarification.

The administrator may modify the plan booklet by adopting a benefit clarification. A benefit clarification provides guidance to a third-party administrator as to the proper adjudication of a specific provision of the health plan coverage. A benefit clarification does not amend the health plan coverage. (Eff. __/__/__, Register __)

Authority: AS 39.35.003 AS 39.35.004

Recommend New Definition Section using language from 2 AAC 39.290 and 2 AAC 39.399

2 AAC 39.490. Definitions.

In 2 AAC 39.400 through 2 AAC39.490, unless the context otherwise requires

- (1) “administrator” means the **commissioner** [DIRECTOR OF THE DIVISION OF RETIREMENT AND BENEFITS] of the **Department of Administration** [DEPARTMENT OF ADMINISTRATION] or their designee;
- (2) “benefit recipient” means a person who is receiving a continuing monthly benefit from the Public Employees' Retirement System, Teachers' Retirement System, or Judicial Retirement System;
- (3) “dental-vision-audio insurance coverage” means the benefits that are provided under AS 39.30.090(10), excluding benefits provided by major medical insurance coverage under AS 14.25.168, AS 22.25.090, and AS 39.35.535;
- (4) **“division” means the Division of Retirement and Benefits in the Department of Administration;**
- (5) **“health plan coverage” means the dental-vision-audio insurance coverage and the major medical insurance coverage;**
- (6) “major medical insurance coverage” means the benefits that are provided under AS 14.25.168, AS 22.25.090, and AS 39.35.535, excluding the benefits provided by dental-vision-audio insurance and long-term care insurance under AS 39.30.090(a)(10) - (11);

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- (7) **“plan benefits” means the benefits provided in the health plan coverage;**
- (8) “plan booklet” means **the most current** publications of the Retiree Insurance Information Booklet issued by the administrator from time to time containing a written description of health plan coverage;
- (9) **“stakeholders” means Alaska public employee retirees, Alaska public employees, and retiree associations representing Alaska public employee retirees;**
- (10) **“third-party administrator” means a person, firm, or company which has agreed to provide technical or administrative services and advice in connection with the operation of all or a part of a benefit provided for under the health plan coverage.**

(Eff. ___/___/___, Register ____)

Authority: AS 39.35.003

AS 39.35.004

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