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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THE RETIRED PUBLIC)
EMPLOYEES OF ALASKA, INC.,)

Plaintiff,)

v.)

KELLY TSHIBAKA, in her official)
capacity as Commissioner of the)
Department of Administration,)

Defendant.)

Case No. 3AN-16-04537 CI

**DEFENDANT’S OPPOSITION TO RPEA’S MOTION TO ENFORCE COURT
ORDER AND FOR RELATED RELIEF**

INTRODUCTION

In March of 2016, the Retired Public Employees of Alaska (“RPEA”) filed suit against the Commissioner of the Department of Administration (“State”). At issue was whether the retiree dental plan adopted by the State, and effective January 1, 2014 (“the 2014 Plan”), diminished or impaired the benefits available to retirees, when compared against the dental plan in place prior to 2014 (“the 2013 Plan”). In December 2016, the Court granted partial summary judgment to RPEA finding that the optional coverage provided under the Retiree Dental-Vision-Audio Plan (“DVA Plan”) was an accrued benefit within the meaning of Article XII, §7 of the Alaska Constitution and thus could not be diminished or impaired. In April and July 2018, a six-day trial was held to determine whether the 2014 Plan resulted in a diminishment of benefits.

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1 On April 17, 2019, the Court issued an order finding in favor of RPEA and
2 adopting RPEA's proposed findings of Fact and Conclusions of Law. RPEA's
3 proposed order, as adopted in full by the Court without modification, provided in
4 relevant part:

5 Based upon the above findings and conclusions, it is ordered as follows:

- 6 A. The court declares that the 2014 changes to the retiree dental plan are
7 unconstitutional.
- 8 B. The court enjoins the State from continuing to offer the 2014 retiree dental
9 plan as the only dental plan available to retirees.
- 10 C. The State may (1) return to the 2013 retiree dental plan; (2) provide
11 individual retirees the option of returning to the 2013 plan or continuing
12 with the 2014 plan; or (3) negotiate a new alternative plan that RPEA
13 accepts as comparable and not diminishing retirees' benefits.
- 14 D. On motion of either party, the court will set a schedule for additional
15 briefing on remedy.
- 16 E. RPEA is the prevailing party, and, as a constitutional litigant, RPEA is
17 awarded its full reasonable costs and attorney fees in accordance with
18 AS 09.60.010(c).¹

19 The Court's order was effective May 1, 2019, and gave the parties until May 17, 2019
20 to move for additional or alternate remedies.²

21 On May 7, 2019, the Court temporarily stayed implementation of its
22 April 17, 2019 order until it could rule on the State's request to stay the order until
23

24 ¹ RPEAs Proposed Findings of Facts and Conclusions of Law at 21-22.

25 ² Order Adopting RPEA's Proposed Findings of Facts and Conclusions of Law at 3.

1 January 1, 2020.³ On August 8, 2019, the Court held a status conference. After the
2 status conference, the Court issued final judgment in favor of RPEA.⁴ The Court noted
3 that it would continue to exercise jurisdiction to ensure the State complied with the
4 Court's April 17, 2019 order.⁵

5
6 On August 13, 2019, the Court issued an order denying the State's Motion to
7 Stay the April 17, 2019 order until January 1, 2020.⁶ However, in that order, the Court
8 did not impose a new deadline, instead making a finding that the State was proceeding
9 in a timely fashion and in good faith.⁷ The Court acknowledged that the original
10 deadline set forth in the Court's April 17, 2019 order was unrealistic.⁸ On
11 August 16, 2019, the State filed a status report with the Court providing a
12 comprehensive timeline of activities taking place to implement the Court's order.⁹

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15 ³ Order Granting Unopposed Motion to Stay Order Until Court Resolves Pending
16 Motion to Stay.

17 ⁴ Final Judgment.

18 ⁵ *Id.* RPEA argues that it seeks the additional relief requested in order to assist it
19 in monitoring the State's compliance with the Court's order. *See* RPEA's Motion for
20 Enforcement at 2. However, the Court did not vest RPEA with any authority to monitor
compliance, the Court retained that jurisdiction for itself.

21 ⁶ Order Den[ying] Motion to Stay Order Until January 1, 2020.

22 ⁷ *Id.*

23 ⁸ *Id.*

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25 ⁹ Defendant's Status Report on Implementation of Court's Order Dated
April 17, 2019.

26 *RPEA v. Tshibaka*

Court Case No. 3AN-16-04537 CI
DEFENDANT'S OPPOSITION TO RPEA'S MOTION TO
ENFORCE COURT ORDER AND FOR RELATED RELIEF

1 RPEA did not seek any additional remedies before final judgment was entered.
2 It now asks this Court to alter or amend final judgment by imposing additional remedies
3 under the thinly veiled guise of a motion to “enforce” court order. The relief that RPEA
4 is requesting is precluded by the court rules, and even if allowed under the rules,
5 violates the Separation of Powers Doctrine. Accordingly, as a matter of law, RPEA’s
6 motion must be denied.
7

8 ARGUMENT

9 I. RPEA Seeks To Have The Court Alter Or Amend Final Judgment In 10 Contravention Of The Court Rules.

11 RPEA asks the Court to enforce its April 17, 2019 order by implementing the
12 following *remedies* after entry of final judgment:

- 13 (1) Prohibit the State from continuing to offer only the 2014 plan through the
14 remainder of 2019 and (a) cease enforcing the frequency and age limitations
15 included in the 2014 Plan and (b) cease imposing the 2014 out-of-network
16 rates.
- 17 (2) Prohibit the State from allowing the 2014 Plan to serve as the default plan
18 during open enrollment.
- 19 (3) Require the State to conduct a retrospective review of claims denied under the
20 2014 Plan that would have been granted had the 2013 Plan remained in effect.
- 21 (4) Require the State to provide RPEA with its complete premium rate analysis
22 and all data used in the analysis to determine new rates.
- 23 (5) Require the State to disclose to RPEA and the Court all costs incurred to
24 develop and implement the two-plan system, and specify which funds, if any,
25 are taken from the trust governing the DVA Plan.

26 RPEA’s motion is untimely under Civil Rule 59(f) and precluded by Appellate Rule 203.
Accordingly, pursuant to the court rules, the motion must be denied.

1 **A. RPEA’s Motion is Untimely Under Civil Rule 59(f).**

2 This Court provided ample opportunity for both parties to file motions for
3 additional remedies. RPEA failed to do so. At the August 8, 2019 status conference, the
4 issue of remedies was once again discussed, and RPEA affirmed that it had not sought
5 damages in its complaint and did not specifically request any additional remedies. Now
6 deciding that it doesn’t like *how* the State is implementing the Court’s order, RPEA
7 seeks a second – or third – bite at the remedy apple.¹⁰

8 Rule 59(f) of the Alaska Rules of Civil Procedure requires any party moving to
9 amend or alter a judgment to do so no later than 10 days after the entry of judgment.
10 Here, the court entered final judgment on August 8, 2019, and RPEA did not file the
11 instant motion until September 17, 2019. To get around the strict timelines under
12 Rule 59(f), RPEA attempts to couch its current motion as a motion to enforce the
13 court’s order. The problem is that none of the “relief” RPEA seeks actually was
14 included in the Court’s order – an order drafted by RPEA.
15

16 For example, RPEA now asks the Court to require the State to immediately cease
17 enforcing the frequency and age limitations and out-of-network rates included in the
18

19
20 ¹⁰ Any suggestion by RPEA that it only recently learned of the problems with the
21 State’s implementation is unfounded. The State immediately notified the Court that it
22 would not be able to comply with its order until January 1, 2020. RPEA could have
23 asked for retrospective claims review by the Court’s deadline for any requests for
24 additional remedies. Moreover, RPEA itself proposed allowing the State to offer two
25 dental plans. When including that option in its proposed findings of fact and conclusions
26 of law, RPEA could have also requested that the State provide a premium rates analysis
and disclose any costs associated with developing the two plans. RPEA failed to make
those requests and cannot now do so.

1 2014 Plan. This piecemeal approach goes beyond the Court’s order, which merely
2 directed the State to cease offering the 2014 Plan as the *only* plan available to retirees.
3 The Court could have included these remedies in its final order and judgment but did
4 not. RPEA could have included these remedies in its proposed order, in a motion for
5 remedies when such motion was invited by the Court, or at the August 8 status
6 conference. It did not. Regardless, the proposed remedy is inappropriate because it
7 asks the State to restore a benefit without any corresponding premium payment
8 adjustment.

9
10 Likewise, RPEA’s request that the Court order the State to conduct a
11 retrospective claims review is another attempt to amend or alter the final judgment.
12 Nowhere in the Court’s April 17, 2019 order did the Court include any requirement for
13 claims review. Again, RPEA could have requested such relief on multiple occasions
14 but did not do so. To impose such a requirement now would be a clear amendment to
15 the final judgment.
16

17
18 Nowhere in its order (again, as drafted by RPEA) did the Court impose the
19 remedies RPEA now seeks to “enforce.” Even if the proposed relief was viewed as
20 being related to the Court’s order, the Court has already found the State to be
21 proceeding in a timely fashion and in good faith.¹¹ Based upon the Court’s own
22 findings, RPEA’s “enforcement” motion is unnecessary.
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25 ¹¹ See Order Den[ying] Motion to Stay Order Until January 1, 2020.

1 Despite drafting the order adopted in its entirety by the Court, and being given
2 multiple opportunities to seek additional remedies, RPEA did not previously request any
3 of the relief it now seeks. Because RPEA's requested relief goes beyond enforcing an
4 existing order, the proposed relief can only be viewed as a motion to alter or amend
5 final judgment by imposing additional remedies – which can only be granted under
6 Civil Rule 59(f) – the time for which has expired. Accordingly, RPEA's motion must
7 fail.
8

9 **B. The Relief that RPEA Seeks is Under the Jurisdiction of the**
10 **Appellate Court.**

11 Appellate Rule 203 states in relevant part that “[t]he supervision and control of
12 the proceedings on appeal is in the appellate court from the time the notice of appeal is
13 filed with the clerk of the appellate courts, except as otherwise provided in these rules.”
14 The State filed its notice appealing the superior court's ruling in this matter on
15 September 13, 2019.¹² Pursuant to the court rules, from that date forward, this matter
16 was, and continues to be, under the purview of the Alaska Supreme Court.
17

18 In its May 23, 2019 Opposition to the State's Motion for Entry of Final
19 Judgment, RPEA acknowledged its understanding of the appellate court's jurisdiction
20 when it stated “the initiation of an appeal invariably limits the flexibility of a superior
21 court to conduct additional proceedings.”¹³ RPEA argued in its opposition that final
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23
24 ¹² Notice of Appeal

25 ¹³ RPEA's Opposition to Motion for Entry of Final Judgment at 1.

1 judgment should be delayed pending the State's implementation of the Court's April 17
2 Order.¹⁴ The Court rejected that argument when it entered final judgment. Now, absent
3 a remand order, this Court cannot modify any matters directly involved in the appeal.¹⁵

4
5 The Court has issued final judgment in this matter and the State has appealed.
6 Accordingly, the Alaska Supreme Court has jurisdiction and control of this matter
7 pursuant to the Alaska Rules of Appellate Procedure. Because RPEA's motion falls
8 under the purview of the Supreme Court, its motion must fail here.

9 **II. Even If The Court Rules Allowed The Relief That RPEA Now Seeks, Such**
10 **Relief Would Violate The Separation Of Powers Doctrine.**

11 Alaska recognizes the Separation of Powers Doctrine.¹⁶ This Doctrine forbids
12 one branch of government from encroaching upon and exercising the powers of another
13 branch of government.¹⁷ The remedies that RPEA seeks would in fact require the
14 Judicial Branch to encroach upon the powers vested in the Executive Branch.

15
16 Our Supreme Court has long recognized that the framers of the Alaska
17 Constitution purposefully created a strong executive branch of government.¹⁸ The

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19 ¹⁴ *Id.* at 2.

20 ¹⁵ *Smallwood v. Central Peninsula General Hosp., Inc.*, 227 P.3d 457, 460
21 (Alaska 2010).

22 ¹⁶ *Public Defender Agency v. Superior Court, Third Judicial Dist.*,
23 534 P.2d 947, 950 (Alaska 1975).

24 ¹⁷ *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

25 ¹⁸ *Id.*

1 remedies now requested by RPEA fall within the powers of the executive branch,
2 specifically the Commissioner of Administration (“Commissioner”). “When an act is
3 committed to executive discretion, the exercise of that discretion within constitutional
4 bounds is not subject to the control or review of the courts.”¹⁹ This is because the
5 judicial branch lacks the fact-finding ability and expertise of the executive departments.²⁰

6
7 The Commissioner is the administrator of the Public Employees’ Retirement
8 System (PERS), the Teachers’ Retirement System (TRS) and the Judicial Retirement
9 System (JRS).²¹ The Commissioner is also responsible for the administration of the
10 retiree health care trusts.²² If the Court were to grant RPEA’s requested remedies, such
11 an order would in effect subject the Commissioner’s actions to the review and control of
12 the Court – an impermissible function under the Separation of Powers Doctrine.

13
14 For example, RPEA asks the Court to prohibit the Commissioner from
15 designating the 2014 plan as the default plan. However, the open enrollment process,
16 including designation of the default plan, is clearly within the Commissioner’s
17 discretion as administrator of the plans and associated trusts. Further, RPEA’s motion
18 doesn’t take into account that open enrollment materials are already in production.
19

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21 ¹⁹ *Public Defender Agency v. Superior Court, Third Judicial Dist.*,
534 P.2d 947, 950 (Alaska 1975).

22 ²⁰ *Guerrero ex rel. Guerrero v. Alaska Housing Finance Corp.*,
23 123 P.3d 966, 976-77 (Alaska 2005).

24 ²¹ *See* AS 39.35.003, AS 14.25.003, AS 22.25.025.

25 ²² *See* AS 39.30.097(c).

1 Granting RPEA's requested remedy here would not only violate the Separation of
2 Powers Doctrine but would result in great expense at having to reproduce the open
3 enrollment materials thus delaying implementation of the Court's order. The attached
4 Exhibit A reflects some of the open enrollment materials currently in production for
5 mailing to retirees.²³
6

7 RPEA also asks the Court to require the State to provide its complete premium
8 rate analysis including all data used in the analysis. Again, the setting of premiums is
9 the responsibility of the Commissioner. Establishing the 2020 premiums for the DVA
10 Plan entailed, among other tasks, reviewing 12 months of claims data for the DVA Plan.
11 This involved approximately 140,000 claims containing protected health information of
12 DVA plan participants. RPEA provides no valid argument for why the Commissioner's
13 role should be usurped and the privacy of plan members violated. The complexity of
14 the premium setting process is exemplified by the attached Exhibit B and underscores
15 that this function falls squarely under the fact-finding ability and expertise of the
16 executive branch.
17
18

19 Finally, RPEA asks for an accounting of trust funds. Once again, if RPEA's
20 motion were granted, it would only result in the Court encroaching upon the powers of
21 the executive branch. Alaska Statute 39.30.097(c) clearly designates the Commissioner
22

23 ²³ As the attached Exhibit A reflects, the State is ahead of the schedule provided to
24 the Court in its August status report. Open enrollment will begin on October 16, 2019
25 (approximately 3 weeks earlier than originally scheduled). Materials currently in
26 production for open enrollment are scheduled to be mailed on October 11, 2019.

1 as the administrator of the retiree health care trusts. The management of the trusts,
 2 including an accounting of the trusts, falls under the purview of the Commissioner.

3 “RPEA seeks additional, related relief...in order to assist it, in practical terms, in
 4 monitoring the State’s compliance with this court’s order.”²⁴ The State submits that the
 5 court rules preclude the relief RPEA is seeking; however, even if allowed, RPEA’s
 6 request would be barred by the Doctrine of Separation of Powers. In no way did the
 7 Court’s order implicitly or explicitly bestow upon RPEA the oversight responsibilities
 8 vested in the Commissioner of Administration – because the Court knew to do so would
 9 violate the Doctrine. Accordingly, its motion must fail as a matter of law.
 10

11
 12 **III. RPEA Cannot Raise New Constitutional Claims Arising From The State’s
 Implementation Of The Court’s Order.**

13 RPEA asks the Court to prohibit the State from making the so called
 14 unconstitutional 2014 Plan the default plan during the open enrollment period alleging a
 15 constitutional violation. This is a new claim and any constitutional question arising
 16 from the details of implementing the Court’s order must be asserted by future challenge
 17 in separate proceedings.²⁵ Regardless, RPEA’s “constitutional claim” is a red herring
 18 the Court should ignore.
 19
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 22 ²⁴ RPEA’s Motion to Enforce Court Order and for Related Relief at 2.

23 ²⁵ *State v. Alaska Civil Liberties Union*, 159 P.3d 513, 514-15 (Alaska 2006).
 24 (reversing superior court and concluding that, at the remedial stage, constitutional
 25 review of the individual details of the state’s implementation plan would “hamper the
 primary goal of expeditious compliance and exceed the scope of the remedies sought in
 the original complaint.”).

1 While RPEA now likes to refer to the 2014 plan as “unconstitutional,” their own
2 words refute that statement. RPEA’s own proposed findings and conclusions, which
3 were fully adopted by the Court, only declares the 2014 *changes* to the retiree dental
4 plan unconstitutional – not the entire plan. Further, RPEA didn’t seek to eliminate the
5 2014 plan as an option for retirees based on any belief that it was unconstitutional as a
6 whole – quite the contrary – RPEA’s proposed order included providing retirees with
7 the option of returning to the 2013 plan or continuing with the 2014 plan. Surely,
8 RPEA would not have suggested such if they believed the 2014 plan was
9 unconstitutional.
10

11 The plan as a whole has not been declared unconstitutional and RPEA cannot
12 bring a new complaint after final judgment in the form of a “motion to enforce the
13 court’s order.” Accordingly, RPEA’s motion must fail.
14

15 CONCLUSION

16 As this Court has previously found, the State has worked in a timely fashion and
17 in good faith to implement the Court’s order. The State’s updated implementation
18 plans, attached hereto and incorporated herein as Exhibit C, clearly demonstrate the
19 State’s continued commitment to meeting its proposed implementation date of
20 January 1, 2020. That date is not unreasonable. In *State v. Alaska Civil Liberties*
21 *Union*,²⁶ the Supreme Court gave the State seven months to promulgate regulations
22 implementing the Court’s order. The State’s implementation of this Court’s order is
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25 ²⁶ 159 P.3d 513 (2006).

1 exponentially more complicated as demonstrated by the attached Exhibit C, and the
2 State's proposed implementation date of January 1, 2020 is appropriate.

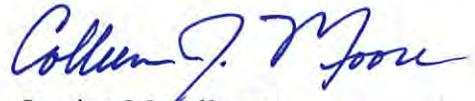
3 RPEA's requested remedies are untimely under Civil Rule 59(f), precluded under
4 Appellate Rule 203, violate the Separation of Powers Doctrine, and would only serve to
5 hamper and impede the State's efforts to fully and expeditiously implement this Court's
6 order.
7

8 For the foregoing reasons, the State respectfully requests RPEA's motion be
9 denied.

10 DATED October 7, 2019.

11
12 KEVIN G. CLARKSON
13 ATTORNEY GENERAL

14
15 By:



16 for Jessica M. Alloway
17 Senior Assistant Attorney General
18 Alaska Bar No. 1205045
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AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Enrollment Guide



Effective January 1, 2020, eligible AlaskaCare retirees will have a choice between the current dental plan (standard plan) and the dental plan in place prior to 2014 (legacy plan) as part of their Dental, Vision, and Audio (DVA) coverage. You can choose the plan that works best for you and your family for the upcoming benefit year.



The Division of Retirement and Benefits will host a retiree DVA plan open enrollment period from October 16 through November 27, 2019.

Open enrollment was originally set to begin November 6. We know this process is new, so we expanded the enrollment window to begin October 16. The enrollment period for the 2020 benefit year will begin early to give you more time to consider your options and make your choice! We want you to make an informed decision and choose the option that best meets your needs.

This enrollment guide contains information about your choices, and instructions for participating in open enrollment. It is designed to answer questions about your options and how to enroll.

Open enrollment is a four step process:

1. **Learn:** Learn about the open enrollment process
2. **Verify:** Verify your eligibility to participate in open enrollment
3. **Compare:** Compare your options for dental benefits in the DVA plans
4. **Enroll:** Enroll in the plan of your choice

This document is to supplement, but not replace, the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.

**DVA Open Enrollment Period:
October 16 through
November 27, 2019**

Find the online enrollment form at www.AlaskaCare.gov/DVA

For more information about the DVA plan, to view the FAQs, or to sign up for the AlaskaCare Retiree e-newsletter visit: www.AlaskaCare.gov/DVA

Need more information?

There are additional Frequently Asked Questions (FAQ) on our website. You can find answers to questions retirees have asked. Check our FAQ page often, new questions are added regularly! www.AlaskaCare.gov/retiree/faqs

Send us an email at doa.drb.benefits@alaska.gov or call us toll-free at (800) 821-2251 or in Juneau at (907) 465-4460.

Frequently Asked Questions

What are some of the differences between the standard plan benefits and the legacy plan benefits?

Standard Plan

- Features an additional dental network with deeper discounts that save you more money when you use a network dentist. This allows you to receive coverage for more services before you reach your annual benefit maximum.
- Supports evidence-based coverage limitations, including those developed by the American Dental Association, such as frequency and age limitations for exams, cleanings, and periodontal maintenance.
- Pays less if you visit an out-of-network dentist.
- Has lower premiums.

Legacy Plan

- Does not have pre-determined frequency or age limitations on most services.
- Features a wide dental network that saves you money when you use a network dentist.
- Pays out-of-network dentists at a higher rate.
- Has higher premiums.

Some dental procedures fall into different service classes, depending on which plan you elect. If you would like to know how a specific service would be covered under each plan, call Delta Dental of Alaska at (855) 718-1768.

Please consult the AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Comparison for more details about the differences between the plans. The AlaskaCare Retiree Insurance Information Booklets will contain the complete benefit provisions for both the standard and legacy dental plans.

This document is to supplement, but not replace, the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.



What are some of the similarities between the standard plan benefits and the legacy plan benefits?

- Both plans have the same annual benefit maximum: \$2,000.
- Both plans provide coverage for dental preventive, restorative, and prosthetic services.
- Both plans have the same coinsurance levels:
 - Class I (Preventive): 100%
 - Class II (Restorative): 80%
 - Class III (Prosthetic): 50%
- Both plans have the same annual deductible: \$50 per individual (Class II and III Services).
- Both plans are fully funded by member premiums.
- Vision and audio benefits are the same.

Can I see any dentist?

Yes, both the standard plan and the legacy plan let you see any licensed dentist you want. Both plans give you access to a wide network of dental providers that will save you money. If you choose the legacy plan and see an out-of-network provider, the plan will cover a greater portion of the charges so you may pay less for out-of-network services. If you choose the standard plan, you have access to an additional network of providers that offer deeper discounts, saving you more money, but you may pay more if you use out-of-network dentists.

Remember, if you use an out-of-network dentist, you may receive additional bills for charges that the plan will not cover.

Why are monthly premiums different for the two plans?

The dental plan monthly premiums are set to reflect the overall value of each plan across all enrolled members. The value of each plan varies based on differences in benefit design, network access, and how much the plan pays out-of-network providers. The rates are not impacted by how many people elect one plan or the other.



Is the DVA Open Enrollment mandatory?

Open enrollment is not mandatory, but it is the time period during which you can make changes to your dental benefits. **We encourage all eligible AlaskaCare retirees to review the plan options and participate in open enrollment.** If you currently have AlaskaCare DVA coverage and do not make a plan selection during open enrollment, you will remain enrolled in your current dental plan (standard plan).

If I have dental services scheduled before the end of 2019 will this impact my benefits?

The benefit election you make during open enrollment will become effective January 1, 2020. This means that the coverage you have today will still apply through December 31, 2019, including any claims for services provided before the end of 2019. If you are not currently enrolled in the DVA plan but are eligible to do so during open enrollment, your coverage under the plan does not take effect until the new benefit year beginning January 1, 2020.

Can I change my plan next year?

You will be able to change your dental plan during the open enrollment period for as long as the State offers two dental plans. Outside of the open enrollment period, you will not be able to make changes to your selections unless you have a qualifying life event or would like to decrease your coverage. You may decrease your coverage at any time by contacting the Division.

Remember, if you are a current DVA plan member and do not take action during open enrollment, you will remain enrolled in your current dental plan (standard plan). **We encourage all eligible AlaskaCare retirees to review the plan options and participate in open enrollment.**

Will I get a new ID card?

Yes, you should expect to receive a new dental benefit ID card in early January 2020. **You can continue to use your current card until your new card arrives, even if you changed dental plans.**

I am currently enrolled in the DVA plan with coverage for myself and my dependent spouse. Can I choose the legacy plan, and can my spouse choose the standard plan?

No, a retiree may only select one plan for themselves and any covered dependents. However, if you and your spouse each have a separate AlaskaCare DVA policy, you may select different plans and cover each other as dependents.

I don't currently have DVA coverage but am eligible to enroll during the upcoming open enrollment period. Will I have another opportunity to enroll?

If you retired on or after January 1, 2014 and did not elect DVA coverage at the time of retirement, or you disenrolled from DVA coverage on or after January 1, 2014, the fall 2019 open enrollment is a one-time opportunity for you to enroll in DVA coverage. If you elect coverage during this year's open enrollment, you can change your coverage options at every open enrollment going forward.

Key Terms

- Deductible** is the amount you pay each benefit year before a portion of your costs are paid by the dental plan. The deductible for both the standard and legacy retiree dental plans is \$50 for class II and III services.
- Coinsurance** is the percent of covered expenses paid by AlaskaCare once you meet your deductible. Coinsurance levels vary depending on the class of service.
- Annual Benefit Maximum** is the total amount that the plan will pay for dental services you receive during that benefit year. The annual maximum for both the standard and legacy retiree dental plans is \$2,000.

This document is to supplement, but not replace, the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.

Ready to Enroll?

Find the Online Enrollment Form at www.AlaskaCare.gov/DVA

You can make elections 24 hours a day, 7 days a week from **October 16, 2019 through November 27, 2019** at 5 p.m. Alaska Time.

Online Enrollment Instructions

- **Open your web browser** and **navigate** to www.AlaskaCare.gov/DVA
- Click on the enrollment link: **“Ready to Enroll? Click Here!”** You will be taken to the Retiree DVA Plan Open Enrollment online form.
- The online enrollment form is completed in four easy steps. Click on **Get Started** to begin!

Step 1. Learn

Open enrollment begins with important reminders about your plan options, eligibility information, and where to find answers if you have questions. After reviewing the information, click the **Next** button to move on.

Step 2. Verify

You will be prompted to enter information to verify that you are eligible to enroll. Enter the information and click on **Check Eligibility**

- If your eligibility was confirmed, you will see the message **Eligibility Verified!** Confirm or update your contact information and click the **Next** button.
- If your eligibility was not confirmed, you will see the message **Unable to Verify**
- *If the system is unable to verify your identity, please contact the Division at (800) 821-2251 or (907) 465-4460 in Juneau as soon as possible so we can help.*

Step 3. Compare

Review the monthly premium rates, the benefit comparison table, and your plan booklet to decide which plan is best for you. After reviewing the information, click the **Next** button to move on.

Step 4. Enroll

Make your plan election, choose your coverage level, and click **Enroll**

- Please print the confirmation page for your records.

- If you need to update your dependent information, complete the Retiree Health Dependent Change Form provided on this page and submit it to the Division of Retirement and Benefits.
- If you click on the **Exit to AlaskaCare webpage** button, you will close the enrollment site. Congratulations! You have successfully completed your AlaskaCare DVA open enrollment!
- You may change your plan election at any time during the open enrollment period by filling out the online enrollment form. The last election you make before open enrollment closes on November 27 at 5:00 p.m. Alaska Time will determine your plan election for the 2020 benefit year.

If you need assistance to complete your enrollment, or if you need a paper enrollment form contact:

Member Services Contact Center:

Juneau: (907) 465-4460 | Outside Juneau: (800) 821-2251
Email: doa.drb.benefits@alaska.gov
Monday - Thursday: 8:30 a.m. to 4 p.m. (Alaska Time)
Friday: 8:30 a.m. to 3 p.m. (Alaska Time)

If you have questions about how a specific service would be covered under each plan, contact Delta Dental of Alaska at (855) 718-1768.

This document is to supplement, but not replace, the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.

AlaskaCare Retiree DVA Plan: 2020 Dental Benefit Comparison



AlaskaCare retiree Dental-Vision-Audio (DVA) plan members have a choice between the Standard Dental Plan and the Legacy Dental Plan for the 2020 benefit year. You can choose the plan that works best for you and your family.

This comparison provides an overview of the two plans and highlights some, but not all, of the benefit provisions. For complete coverage details, please consult the plan booklets available at www.AlaskaCare.gov.

2020 Retiree DVA Plan Monthly Premiums

Coverage	Standard	Legacy
Retiree Only	\$66	\$73
Retiree and Spouse	\$131	\$145
Retiree and Child(ren)	\$119	\$132
Retiree and Family	\$187	\$207

Plan Structure, Annual Deductible, Coinsurance, and Maximum Benefit

	Standard (Current)	Legacy (Prior to 2014)
Covered household member options	✓ Retiree only Retiree and spouse Retiree and child(ren) Retiree and family	✓ Retiree only Retiree and spouse Retiree and child(ren) Retiree and family
Plan funding	✓ 100% funded by member-paid premiums.	✓ 100% funded by member-paid premiums.
Annual deductible	✓ \$50 per individual. Applies to class II (restorative) and class III (prosthetic) services.	✓ \$50 per individual. Applies to class II (restorative) and class III (prosthetic) services.
Coinsurance	✓ Class I (preventive): 100% Class II (restorative): 80% Class III (prosthetic): 50%	✓ Class I (preventive): 100% Class II (restorative): 80% Class III (prosthetic): 50%
Annual individual benefit maximum	✓ Plan will pay up to \$2,000 for dental services each benefit year.	✓ Plan will pay up to \$2,000 for dental services each benefit year.

Network Provisions

	Standard (Current)	Legacy (Prior to 2014)
Access to a broad network of dental providers	✓ Yes	✓ Yes
Access to an additional exclusive network of preferred dental providers who accept reduced fees for the same services.	✓ Yes	⊘ No
Recognized charge: In-Network	✓ Lesser of 100% of negotiated fees, billed charges, or covered expense.	✓ Lesser of 100% of negotiated fees, billed charges, or covered expense.
Recognized charge: Out-of-Network	✓ 75% of the 80th percentile; members may be billed for additional charges.	✓ 100% of the 90th percentile; members may be billed for additional charges.

Dental Necessity Requirement

	Standard (Current)	Legacy (Prior to 2014)
To be eligible for coverage, dental services and supplies must meet these dental necessity requirements and be a covered service or supply under the plan.	✓ The Retiree Standard Dental Plan covers dental services and supplies when performed by a dentist or dental care provider and when determined to be dentally necessary.	✓ The Retiree Legacy Dental Plan does not provide benefits for dental services or supplies that are not necessary for diagnosis or treatment of dental condition as determined by the claims administrator even if prescribed, recommended, or approved by a dental professional.

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Covered Dental Services: Class I - Preventive

	Standard (Current)	Legacy (Prior to 2014)
Diagnostic		
Oral exam	✓ Covered 2 times per benefit year.	✓ Covered
Complete series x-rays/panoramic	✓ Covered once every five years.	✓ Covered if required for diagnosis; not more than one full mouth or series per year.
Bitewing x-rays	✓ Covered once per benefit year.	✓ Covered
Diagnostic casts & study models	✗ Not covered	✓ Covered
Preventive		
Cleanings (prophylaxis)	✓ Covered 2 times per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered
Periodontal maintenance	✓ Covered as a class I service at 100% and no deductible. 2 times per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered as a class II service at 80% and \$50 deductible.
Topical fluoride: 18 years or younger	✓ Covered 2 times per benefit year.	✓ Covered
Topical fluoride: 19 years or older	✓ Covered 2 times per benefit year if recent periodontal surgery or high risk of decay due to chemotherapy or medical disease.	✓ Covered
Sealants: 18 years or younger	✓ Covered once every five years with tooth limitations.	✓ Covered
Sealants: 19 years or older	✓ Covered once every five years with tooth limitations.	✗ Not Covered
Space maintainers	✓ Covered for 14 years and younger, once per tooth space with tooth limitations.	✓ Covered as a class II service at 80% and \$50 deductible.

Covered Dental Services: Class II - Restorative

	Standard (Current)	Legacy (Prior to 2014)
Restorative		
Fillings	✓ Covered	✓ Covered
Inlays	✓ Covered, considered an optional service. Alternate benefit of composite filling. Covered as a class II service at 80% and \$50 deductible.	✓ Covered as a class III service at 50% and \$50 deductible.
Crown buildups	✓ Covered as a class II service at 80% and \$50 deductible if necessary for tooth retention.	✓ Covered as a class III service at 50% and \$50 deductible.
Oral Surgery		
Extractions (including surgical)	✓ Covered	✓ Covered
Alveoplasty (procedure to smoothen or re-shape jaw bone)	✓ Covered when performed as part of other covered service. Not covered as a separate charge.	✓ Covered
Brush Biopsy	✓ Covered 2 times per benefit year.	✓ Covered
Endodontic		
Root canal & treatment	✓ Covered; retreatment not covered for same tooth by same dentist within 24 months. Initial service should include retreatment within this timeframe if necessary.	✓ Covered
Pulpal therapy (pulp capping)	✓ Covered when pulp is exposed.	✓ Covered

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Covered Dental Services: Class II - Restorative Continued

	Standard (Current)	Legacy (Prior to 2014)
Periodontic		
Gum disease and supporting tissue treatment	✓ Covered	✓ Covered
Periodontal maintenance	✓ Covered as a class I service, 100% and no deductible. Two per benefit year; additional cleanings available for persons with diabetes, periodontal disease, or in last trimester of pregnancy. Other exceptions allowed.	✓ Covered as a class II service at 80% and \$50 deductible.
Periodontal scaling & root planing	✓ Once per quadrant in any 2 year period.	✓ Covered
Periodontal splinting	✗ Not covered	✓ Covered
Full mouth debridement	✓ Covered once in a 3-year period if no cleaning (prophylaxis) occurred within preceding 24 months.	✓ Covered
Anesthesia		
Nitrous Oxide	✓ Covered	✓ Covered
General anesthesia/ IV sedation	✓ Covered for surgical procedures only or if needed due to a medical condition.	✓ Covered
Other		
Palliative care	✓ Covered	✓ Covered
Apicoectomy (surgical removal of root tip)	✓ Covered	✓ Covered
Denture repair	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Denture reline	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Denture adjustments	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered
Tissue conditioning	✓ Covered as a class III service, 50% coverage and \$50 deductible.	✓ Covered

Covered Dental Services: Class III - Prosthetic

	Standard (Current)	Legacy (Prior to 2014)
Restorative		
Crowns (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Onlays (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Lab veneers (cast restoration)	✓ Covered once in 7 year period on any tooth.	✓ Covered
Inlays	✓ Covered, considered an optional service. Alternate benefit of composite filling. Covered as a class II service at 80% and \$50 deductible.	✓ Covered as a class III service at 50% and \$50 deductible.
Crown buildups	✓ Covered as a class II service at 80% and \$50 deductible if necessary for tooth retention.	✓ Covered as a class III service at 50% and \$50 deductible.
Porcelain restorations	✓ Covered for visible teeth. Coverage limited to cost of metallic prosthetic if placed on upper second or third molars or lower first, second, or third molars.	✓ Not covered if tooth can be restored with amalgam (metallic) filling. Coverage limited to appropriate charges for amalgam or similar material.
Prosthetic		
Bridges	✓ Covered once in 7 year period if tooth, tooth site, or teeth have not received a cast restoration benefit in last 7 years.	✓ Covered

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Covered Dental Services: Class III - Prosthetic Continued

	Standard (Current)	Legacy (Prior to 2014)
Prosthodontic		
Dentures full & partial	✓ Covered once in 7 year period if tooth, tooth site, or teeth have not received a cast restoration benefit in last 7 years.	✓ Covered once every 5 years if previous dentures cannot be made serviceable or if previous denture was temporary and installed within previous 12 months.
Dentures temporary	✓ Partial denture covered if placed within 2 months of anterior tooth extraction. Additional limitations may apply.	✓ Covered
Denture adjustment	✓ Covered twice in 12-month period, unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
Denture repairs	✓ Covered unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
Denture reline	✓ Covered once in 12-month period, unless received within first 6 months of initial placement (this is included in the initial placement charge).	✓ Covered as a class II service, 80% coverage and \$50 deductible.
Tissue conditioning	✓ Covered twice per denture in a 36-month period.	✓ Covered as a class II service, 80% coverage and \$50 deductible.
Implants	✓ Covered. Limited to once per lifetime per tooth space. Some implant charges may be eligible for coverage under medical plan. Associated cast restoration over implant and other implant related procedures are covered as a Class III prosthetic service.	✗ No coverage for implants under dental plan. Some implant charges may be eligible for coverage under medical plan. Associated cast restoration over implant and other implant related procedures are covered as a Class III prosthetic service.
Other		
Athletic mouthguards	✓ Covered once per year if 15 or younger; covered once every 2 years if 16 or older.	✗ Not covered

Other Services and Benefits

	Standard (Current)	Legacy (Prior to 2014)
Orthodontics	✗ Orthodontics services are not covered in the AlaskaCare Dental Plan.	✗ Orthodontics services are not covered in the AlaskaCare Dental Plan.
Vision Benefits	✓ No changes to plan benefits.	✓ No changes to plan benefits.
Audio Benefits	✓ No changes to plan benefits.	✓ No changes to plan benefits.

This document is to supplement, but not replace, the information in the AlaskaCare plan documents. Should there be a conflict between this document and the relevant plan document, the plan document prevails.

For questions about how specific services may be covered under each plan, please contact Delta Dental.

For more information about the DVA Plan, contact:

Dental: Moda/Delta Dental of Alaska
Toll Free (855) 718-1768

Vision and Audio: Aetna Concierge
Toll Free (855) 784-8646

www.AlaskaCare.gov/DVA

Contact the Member Services Contact Center:

Juneau: (907) 465-4460
Outside Juneau: (800) 821-2251
Email: doa.drb.benefits@alaska.gov
PO Box 110203 Juneau, AK 99811-0203

Monday - Thursday: 8:30 a.m. to 4 p.m. (Alaska Time)
Friday: 8:30 a.m. to 3 p.m. (Alaska Time)



Memorandum

To: Kelly Tshibaka
Commissioner of Administration

Date: October 4, 2019

From: Ajay Desai
Director
Division of Retirement and Benefits

Subject: Retiree Rate Setting: CY20

At the request of the Division of Retirement and Benefits (Division), Segal Consulting Group (Segal Consulting) completed the annual analysis of the AlaskaCare retiree-paid medical plan and the Dental, Vision, and Audio (DVA) plans. A copy of Segal Consulting’s memo outlining the premium analysis is attached for your review.

DEFINED BENEFIT RETIREE MEDICAL PLAN:

Based on their analysis, Segal Consulting recommends the following premiums for the Defined Benefit (DB) medical plan effective January 1, 2020:

Table 1. DB Retiree Medical Coverage Monthly Premium Rates

DB Medical/Pharmacy	CY19 Actual	CY20 Proposed	\$ Change
Retiree Only	\$823	\$741	(\$122)
Retiree & Spouse	\$1,647	\$1,482	(\$82)
Retiree & Child(ren)	\$1,163	\$1,047	(\$165)
Retiree & Family	\$1,987	\$1,788	(\$116)
Composite	\$1,223	\$1,101	(\$199)

The proposed 2020 premiums represent a 10% reduction in the DB medical plan premiums which is attributable primarily to two items:

- 1) the savings impact of implementing the new Medicare Part D Employer Group Waiver Program (EGWP) on January 1, 2019; and
- 2) an increase in the proportion of Medicare-eligible retiree members.

The Division recommends adoption of the proposed 2020 DB medical plan premium rates. This will reduce costs for members who are not eligible for “system-paid” premiums (e.g. premiums paid by the respective retirement system) while maintaining a slight increase in the health trust funded levels.

DEFINED CONTRIBUTION RETIREE MEDICAL PLAN:

Segal Consulting recommends the State continue the existing Defined Contribution Retiree (DCR) medical plan premium rates for calendar year 2020 as proposed in Table 2.

Table 2. DCR Medical Monthly Premium Rates

Defined Contribution Medical/Pharmacy– Medicare Primary			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$314.50	\$314.50	\$0
Retiree & Spouse	\$629	\$629	\$0
Retiree & Child(ren)	\$833	\$833	\$0
Retiree & Family	\$1,147.50	\$1,147.50	\$0
Defined Contribution Medical/Pharmacy – Medicare Secondary			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$1,073	\$1,073	\$0
Retiree & Spouse	\$2,146	\$2,146	\$0
Retiree & Child(ren)	\$1,592	\$1,592	\$0
Retiree & Family	\$2,665	\$2,665	\$0
Defined Contribution Medical/Pharmacy – Medicare/Non-Medicare Split			
	<u>CY19 Actual</u>	<u>CY20 Proposed</u>	<u>\$ Change</u>
Retiree Only	\$1,387.50	\$1,387.50	\$0
Retiree & Spouse	\$1,906	\$1,906	\$0

The Division recommends adoption of the proposed 2020 DCR medical plan rates. There are very few members participating in the plan, mitigating any financial risk of extending the rates for this small population for 2020. The Division plans to review these rates annually and will update them once the population has grown and credible experience has been established.

DENTAL, VISION AND AUDIO PLANS:

Effective January 1, 2020, the Division will offer eligible retirees a choice between two dental plans as part of their Dental, Vision, and Audio (DVA) coverage:

The standard plan - the plan that is currently available to participating retirees

The legacy plan - the plan that was available prior to 2014

The Division is offering retirees a choice between dental plans for the 2020 benefit year to comply with an April 2019 court ruling that enjoined the State from offering the current dental plan as the only plan available to retirees.¹ The State is appealing the decision, but during the appeal will offer members the option of selecting the current plan, or the plan in place prior to 2014.

¹ The court ruling resulted from a lawsuit filed against the State alleging the changes made to the DVA plan in 2014 resulted in an unconstitutional diminishment of benefits.

Offering two dental plans necessitated the determination of an appropriate methodology to calculate rates for the standard plan and the legacy plan. The Division approached premium development with the following intentions:

- 1) spread risk and purchasing power across the entire participating DVA population;
- 2) delineate differences in covered services; and
- 3) delineate differences in payments for services.

Notably, the Division did not assume any differences in anticipated utilization or participation when establishing premiums for the legacy plan. While utilization of services is typically an important part of establishing premium rates, in this instance the Division recommends an approach towards premium setting that is not based on anticipated enrollment or expected experience in either plan. This approach results in more favorable premiums for legacy plan members and some subsidization of the legacy plan by standard plan participants. The magnitude of that subsidization is best determined with actual claims data. As this is the first time the legacy plan is being offered in conjunction with the standard plan, there is no established utilization data to rely on. The Division recommends that when utilization data is mature this approach be re-evaluated.

To determine the legacy plan coverage provisions the Division, in consultation with Delta Dental of Alaska and Segal Consulting used, in order of precedence, the following documents:

- 1) Legacy plan booklet language
- 2) *RPEA v. Tshibaka* court documents
- 3) Review of 2012 and 2013 actual claims data

The Division and Delta Dental of Alaska compiled a comparison table of the benefit provisions clearly outlined in the standard and legacy plan booklets. This table was then reviewed against the Superior Court documents in *RPEA v. Tshibaka*, including, but not limited to, the benefit comparison table included in the Court's April 2019 order. Delta Dental of Alaska identified CDT codes for specific services that could not be coded based on the information compiled up to this point for various reasons (e.g. benefit provisions were unclear, or perhaps CDT codes were new since 2014). Segal Consulting then used actual claims data from 2012 and 2013 for each CDT code to provide insight into how each code was covered prior to 2014. Based on that information, the Division, with advice from Delta Dental and Segal Consulting, then made determinations as to how each code or service should be covered in the legacy plan.

In addition to the analysis performed by Segal Consulting, the Division utilized Buck Consulting to perform a peer review of the premium recommendations and methodology for the DVA plans. A formal memo outlining their review will be provided as an addendum to this memorandum, but the review did not identify any areas of concern.

Based on the DVA benefit analysis, Segal Consulting proposes the following premiums:

Table 3. DVA Monthly Premium Rates

DVA with Standard Dental Plan	CY19 Actual	CY20 Proposed	\$ Change
Retiree Only	\$66	\$66	\$0
Retiree & Spouse	\$131	\$131	\$0
Retiree & Child(ren)	\$119	\$119	\$0
Retiree & Family	\$187	\$187	\$0
DVA with Legacy Dental Plan	CY19 Actual	CY20 Proposed	
Retiree Only	N/A	\$73	N/A
Retiree & Spouse	N/A	\$145	N/A
Retiree & Child(ren)	N/A	\$132	N/A
Retiree & Family	N/A	\$207	N/A

The Division recommends the adoption of Segal Consulting’s proposed premiums. It is important to note a few items for future consideration:

- 1) The DVA plan is well reserved with assets significantly higher than target reserve levels. The recommended 2020 premiums will result in a gradual spend down of the reserve levels from \$20.6 million in FY20 declining to \$18.3 million in FY21; however, the reserve levels remain well above the high end of the recommended target range of \$5.1 to \$5.4 million. A gradual spend down approach ensures members receive the benefit of stable premiums. However, the plan should be monitored closely with consideration that as rate increases are deferred and the reserve levels are spent down, the difference between plan experience and the premiums will grow and the level of that difference will impact the size of future premium increases.
- 2) The introduction of more deeply discounted network rates in the standard plan through the PPO network will reduce the standard plan costs by an additional 4.6% and could result in reduced standard plan PPO monthly premiums outlined below in table 4.

Table 4. DVA Monthly Premium Rates Adjusted for PPO

	2019 Standard	2020 Standard (Recommended)	2020 Standard (PPO Adj = 4.6%)	2020 Legacy
Retiree Only	\$66	\$66	\$63	\$73
Retiree & Spouse	\$131	\$131	\$125	\$145
Retiree & Child(ren)	\$119	\$119	\$114	\$132
Retiree & Family	\$187	\$187	\$178	\$207

At this time, the Division does not recommend adopting the PPO adjusted Standard plan premium rates. Given the gradual spend down described in the prior consideration, maintaining the current standard plan premiums will defer the need for a future increase. It is important to note that this further contributes to the subsidization of the legacy plan premiums by standard plan participants.

The above charts and the attached letter from Segal Consulting, represent the proposed recommendations by the Division in concert with Segal Consulting. Please note your approval or disapproval of the recommended CY20 retiree premiums:

Approve CY20 retiree premiums as outlined.

Disapprove, and direct the Division to calculate other alternatives.



10/4/19

Kelly Tshibaka
Commissioner of Administration

Date

Once CY20 rates are approved, your approval will be shared with:

Paula Vrana, Deputy Commissioner
Amanda Holland, Acting OMB Director
Emily Ricci, Chief Health Administrator
Kathy Lea, Chief Pension Officer
Kevin Worley, Chief Financial Officer
Brad Ewing, Director, Administrative Services
Tim Adair, Administrative Manager
Betsy Wood, Deputy Health Official
Andrea Mueca, Health Operations Manager
Members, Retiree Health Plan Advisory Board

Attachments:

Segal Consulting Group Memorandum October 2, 2019

October 2, 2019

Ms. Emily Ricci
Chief Health Policy Official
Department of Retirement and Benefits
State of Alaska
Department of Administration
333 Willoughby Ave, 6th Floor
Juneau, AK 99811

Re: Recommended AlaskaCare Retiree Plan Rates for Jan 1, 2020 – Dec 31, 2020

Dear Emily:

This memorandum highlights the results of our analysis for the retiree health plan data and plan year 2020 rate calculation for the Defined Benefit (DB) medical/pharmacy and Dental-Vision-Audio (DVA) coverages, and an assessment of the Defined Contribution (DC) medical/pharmacy premium rates. Long-Term Care premium rate adequacy will be reviewed separately.

Our analysis relied on information provided by Aetna for medical, pharmacy, vision, and audio and Delta Dental of Alaska (DDAK) provided information for dental. OptumRx provided pharmacy data for January through June 2019. Segal did not audit claims and enrollment information and our review was limited to determining that it appears to be reasonable and acceptable for the projection of future costs. Segal also utilized audited and unaudited financial statements for the respective trusts as provided by the State of Alaska. We developed projected rates for plan year 2020 DB Medical/Pharmacy and DVA based on paid claims and enrollment data from July 2018 through June 2019.

Our projections are estimates of future costs and are based on information available to Segal Consulting at the time of the analysis. Projections are not a guarantee of future results. Actual experience may differ due to, but are not limited to, such variables as changes in the regulatory environment, local market forces, health trend rates and claims volatility. Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.

DB Retiree Medical/Pharmacy

It is our recommendation that the DB medical/pharmacy premium rates for the Retiree Plan in 2020 be reduced from the current 2019 rate tiers by 10%. Segal's analysis of the projected cost of the DB retiree medical/pharmacy coverage indicates that expenses will remain well below the current premium rates due primarily to the implementation of the Medicare Part D Employer Group Waiver Plan (EGWP) and the continued shift in membership towards a larger portion being Medicare eligible. We have determined that

projected premium rates are expected to be sufficient to cover the projected cost of coverage and associated administrative costs.

Exhibit 1 below outlines the proposed DB retiree medical/pharmacy premium rates for 2020:

Exhibit 1: DB Retiree Medical/Pharmacy Coverage Monthly Premium Rates			
	CY2019	CY2020	\$ Change
Tier II/III Retiree Only	\$823	\$741	(\$122)
Tier II/III Retiree and Spouse	\$1,647	\$1,482	(\$82)
Tier II/III Retiree and Child(ren)	\$1,163	\$1,047	(\$165)
Tier II/III Retiree and Family	\$1,987	\$1,788	(\$116)
Composite	\$1,223	\$1,101	(\$199)

Exhibit 2 shows projected income and expenses for the 2019 and 2020 plan year. The projected rates are anticipated to generate revenue for the DB Retiree Medical/Pharmacy plan which will, at a minimum, preserve the Trust Fund's assets and reserves through 2020.

Exhibit 2: DB Retiree Medical/Pharmacy Projected Revenue, Expenses and Assets for Plan Year 2019 and 2020			
	CY2019	CY2020	\$ Change
Projected Revenue	\$644,638,408	\$581,552,604	(\$63,085,804)
Projected Paid Expenses	\$540,142,684	\$539,922,086	(\$220,599)
Operating Surplus/(Deficit)	\$104,495,724	\$41,630,518	(\$62,865,205)
End of Year Gross Assets*	\$10,882,988,346	\$10,924,618,864	\$41,630,518
Target Reserve Level (150% of IBNR)	\$75,974,000	\$80,787,000	\$4,813,000

*Gross Assets are the sum of Net Assets and Accrued Liabilities.

Segal calculated the DB Retiree Medical/Pharmacy rates for plan year 2020 using the following methodology:

1. Claim costs per member per month (PMPM) were developed for each line of coverage based on paid claims experience from July 2018 through June 2019. As requested by the State, the forecast does not include a paid to incurred claims adjustment (also known as a change in Incurred But Not Reported) but instead projects claims on a cash equivalent basis for the forecast period.
2. Historical paid claims PMPM were trended forward from the experience period, July 2018 through June 2019, to the 2020 plan year using 3.0% annual medical trend and 6.0% annual pharmacy trend. The trends have been modified from previous years to reflect actual plan performance and change in demographics due to a higher percentage of members becoming Medicare eligible.
3. Total projected claims cost was calculated based on projected paid claims PMPM and projected enrollment. Projected enrollment levels are based on the latest month's enrollment (June 2019) and does not include any considerations for material change in enrollment due to layoffs, buy-outs or other workforce reductions in the employee population that would necessitate a spike in the early retiree population.
4. Total projected administrative costs were added to claim costs to determine the total projected medical and pharmacy cost. The administrative cost were estimated based on actual administrative expenses for

fiscal year 2019, and have been adjusted to account for differences between the 2019 and 2020 medical and pharmacy contracts with Aetna and OptumRx, respectively.

5. Projected pharmacy costs for plan year 2020 include adjustments to reflect improved contracting terms and drug rebates due to the pharmacy benefits manager request for proposals effective January 1, 2020. Additionally, the impact of the transition from the Retiree Drug Subsidy to an Employer Group Waiver Plan (EGWP) is included in the projection analysis.
6. The total projected costs for plan year 2020 were compared to total projected income for plan year 2020 based on current rates and assuming all retirees are system paid.

Retiree Dental-Vision-Audio (DVA)

The Legacy Dental Plan will be offered effective January 1, 2020. The Legacy plan replicates the plan that was in effect prior to January 1, 2014. The dental plan that has been in effect since January 1, 2014 will become the Standard plan effective January 1, 2020. Segal's recommendation is to maintain the Standard Plan's premium rates in CY2020 and to establish the Legacy Plan premium rates based on differences in in plan design, network configurations and recognized charge methodology for non-network provider payments between the two plans.

Beginning in 2020, an additional provider network will be available to Standard Plan members. Compared to the current DDAK Premier network, the DDAK PPO network is a narrower network with better provider discounts. All of the PPO network's providers are also in the Premier network; therefore retirees will be able to access the same network of providers in 2020 that is available in 2019, but with lower pricing for some providers. The Legacy Plan will utilize the Premier network only.

The out-of-network recognized charge for the Legacy plan will be the 90th percentile of Fair Health, as was the case in 2013 and prior, while the Standard plan will continue to use 75% off the 80th percentile of Fair Health.

Regarding the plan designs, the Standard Plan provides a greater overall level of benefits, primarily due to

1. Periodontal prophylaxis being covered as a Class I benefit in the Standard Plan compared to Class II in the Legacy Plan
2. The Standard Plan covers implants, which were not widely covered prior to 2014
3. Crown related build-ups are Class II covered services in the Standard Plan compared to Class III in the Legacy Plan

To determine the difference in plan values for the differences in benefits and the two networks, we reviewed detailed claims files provided by DDAK and HealthSmart, who was the administrator prior to 2014. DDAK provided guidance on the impact of the difference in recognized charge for non-network services.

The total differential between the Standard and Legacy plans is 14.3% (impact is multiplicative):

Exhibit 3: Legacy and Standard Plan Value Differentials			
Plan Design Diff	Network Diff	Recognized Charge	Total
-1.0%	4.6%	10.4%	14.3%

This differential was applied to the Dental portion of the DVA premiums, which is about 70% of the total DVA program costs.

Exhibit 4 below outlines proposed retiree dental, vision, and audio premium rates for 2020:

Exhibit 4: Monthly Premium Rates			
Standard Plan	CY2019	CY2020	\$ Change
Retiree Only	\$66	\$66	\$0
Retiree and Spouse	\$131	\$131	\$0
Retiree and Child(ren)	\$119	\$119	\$0
Retiree and Family	\$187	\$187	\$0
Legacy Plan	CY2019	CY2020	\$ Change
Retiree Only	N/A	\$73	N/A
Retiree and Spouse	N/A	\$145	N/A
Retiree and Child(ren)	N/A	\$132	N/A
Retiree and Family	N/A	\$207	N/A

As a result of the new network, the Standard Plan's cost are expected to decrease. However, for 2020, we recommend maintaining the current premiums in order to manage the asset reduction. The recommended Legacy Plan premiums are based on the Standard Plan premiums adjusted for the impact of the adding the PPO network. Exhibit 5 illustrates this process.

Exhibit 5: Monthly Premium Rates				
	2019 Standard	2020 Standard (Recommended)	2020 Standard (PPO Adj = 4.6%)	2020 Legacy
Retiree Only	\$66	\$66	\$63	\$73
Retiree and Spouse	\$131	\$131	\$125	\$145
Retiree and Child(ren)	\$119	\$119	\$114	\$132
Retiree and Family	\$187	\$187	\$178	\$207

Some of the features of the Legacy Plan are anticipated to be attractive to retirees with specific needs, such as numerous cleanings or multiple fluoride treatments annually or the desire to utilize non-network providers. Such retirees may find the Legacy Plan, with higher premiums, a better value than the Standard Plan. When individuals choose a higher premium plan option, it is anticipated their costs and utilization will be higher, in aggregate, than that of the individuals in the lower cost plan. This is often referred to as

selection. Due to the features and higher premiums for the Legacy Plan, we anticipate that there will be some selection for the retirees that choose the Legacy Plan, which we anticipate to be 10-15%.

Due to the unknown future plan experience and enrollment for the Legacy Plan, the rate differentials were developed based on the difference in plan design and provider payment levels from the Standard plan, and anticipated differences in costs due to selection have not been factored into the rate development for 2020. Future experience should be reviewed and potentially considered in subsequent years.

Additionally, Segal modeled the voluntary DVA Standard and Legacy premiums using a solvency model that projected premiums, expenses and assets out to FY2026 based on historical paid claims and enrollment data. The model assumes overall membership growth of 2.0% per year, consistent with past enrollment growth patterns, dental/vision annual trend of 3.5%, audio annual trend of 4.0%, and plan administration annual trend of 2.0%. We further assumed a 5% migration in enrollment from the Standard to the Legacy plan.

FY2019 DVA gross assets (the sum of net assets and accrued liabilities) of approximately \$20.6 million, target reserves of 150%-250% of IBNR and a desired strategy to manage future premium increases by gradually reducing assets to the target reserve level. The table below shows a five year solvency projection and assumes no premium increase for plan year 2020, and variable premium increases between 4.0% and 5.0% for plan years 2021-2024, and then subsequent plan year premium increases more closely reflective of trend.

Exhibit 6: Projected Revenue, Expenses and Assets for DVA Trust Fund					
	Revenue	Expenses	Surplus / (Deficit)	End of Year Gross Assets	Target Reserve Level
Estimated FY2019	\$44,540,768	\$44,887,031	(\$346,263)	\$20,600,306	\$4,584,000
Projected FY2020	\$44,722,479	\$46,949,406	(\$2,226,927)	\$18,373,379	\$5,251,023
Projected FY2021	\$46,441,513	\$48,784,896	(\$2,343,383)	\$16,029,997	\$5,479,423
Projected FY2022	\$49,430,598	\$51,653,612	(\$2,223,015)	\$13,806,982	\$5,804,124
Projected FY2023	\$52,884,713	\$54,705,028	(\$1,820,315)	\$11,986,667	\$6,149,257
Projected FY2024	\$56,693,508	\$57,952,177	(\$1,258,669)	\$10,727,997	\$6,516,223

Results are quite sensitive to premium increases (or the lack thereof). Our recommendation is based on the State's desire to prudently manage the fiscal sustainability of the plan while keeping premiums affordable and initiating premium increases only when absolutely necessary. However, caution should continue to be exercised as the difference between premiums and overall claims cost will continue to grow the longer a rate increase is deferred, and this will exert upward pressure on the size of any future premium rate change.

DC Retiree Medical/Pharmacy

Segal also reviewed the pricing assumptions and rate development in place for the DC Retiree Medical/Pharmacy that was initially effective July 1, 2016. This is a voluntary plan that as of June 2019 had thirty-eight (38) Medicare primary retirees and six (6) non-Medicare Retirees participating in the program. Claims experience for a group this size is not credible and therefore not a good predictor of future costs.

It is our recommendation that the State continue the existing premium rates for 2020, consistent with the renewal rate strategy for the DB Medical/Pharmacy plan. The current low level of participation in the DC

plan does not represent a material financial risk if current rates are extended (as opposed to a trend increase) and the DB premium rates have a level of margin (safety) to absorb foregoing any change to the DC rates. Exhibit 7 below outlines proposed DC Retiree Medical/Pharmacy premium rates for 2020.

Exhibit 7: DC Retiree Medical/Pharmacy Monthly Premium Rates			
Medicare Primary	CY2019	CY2020	\$ Change
Retiree Only	\$314.50	\$314.50	\$0
Retiree and Spouse	\$629.00	\$629.00	\$0
Retiree and Child(ren)	\$833.00	\$833.00	\$0
Retiree and Family	\$1,147.50	\$1,147.50	\$0
Medicare Secondary	CY2019	CY2020	\$ Change
Retiree Only	\$1,073.00	\$1,073.00	\$0
Retiree and Spouse	\$2,146.00	\$2,146.00	\$0
Retiree and Child(ren)	\$1,592.00	\$1,592.00	\$0
Retiree and Family	\$2,665.00	\$2,665.00	\$0
One Medicare/One Not Medicare	CY2019	CY2020	\$ Change
Retiree and Spouse	\$1,387.50	\$1,387.50	\$0
Retiree and Family	\$1,906.00	\$1,906.00	\$0

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health claims, costs and funding practices. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and certify that all analysis was conducted in accordance with all applicable Actuarial Standards of Practice. All sections of this report are considered an integral part of the actuarial opinion.

I am happy to discuss any questions about our analysis you may have. Please do not hesitate to call me.

Sincerely,



Richard Ward, FSA, FCA, MAAA
 Senior Vice President, National Public Sector Health Practice Leader

State of Alaska - Retiree Lawsuit Tracker

Option 2 - 2 Plan Designs

Task Name	Accountability	Target Date	Decision Date	Complete	Comments
Implementation Basics - Decisions needed by 7/1/19					
1 Confirm Delta Dental Implementation Team	DDAK	7/19/2019	7/1/2019	Complete	Call scheduled 7/19
2 Confirm State of Alaska Implementation Team	SOA	7/19/2019	7/1/2019	Complete	Call scheduled 7/19
3 Coverage Effective Date of new Retiree plan	SOA	7/1/2019	6/18/2019	Complete	Coverage effective date of new Retiree plan will be 1/1/2020. Need 180 days to implement the changes.
4 Confirm name of new Retiree plan	SOA	7/1/2019	6/18/2019	Complete	2013 plan should be called "AlaskaCare Retiree Legacy Dental Plan" 2014+ plan should be called "AlaskaCare Retiree Standard Dental Plan"
5 Group number	DDAK	Complete		Complete	Use same group number for SOA Retirees
6 ID cards	SOA	7/1/2019	6/18/2019	Complete	We will need to mass reissue. Even if a member stays in the Standard Plan and does not choose to revert back to the Legacy Plan, we would like ID cards to reflect which plan a member is in. Mass reissue is not required due to the plan changes. State to decide if they want to massreissue as part of their communication strategy. \$1.50 per card, was discussed and not needed.
7 Provider networks	SOA	7/1/2019	6/18/2019	Complete	Confirm if there are any network changes/additions to make. If there are changes to the network, may need to be mass reissue. We envision setting up with a passive PPO/premier network for the Standard plan, and reverting the Legacy Plan OON reimbursement rules to those outlined in the 2013 booklet with the premier network.
8 Open Enrollment	SOA	10/16-11/27/2019	9/1/2019	Not Started	Does this open enrollment back up to any member that has previous declined? If we chose to open enrollment back up, recommend only opening to members that declined coverage at retirement 2014-present. How will open enrollment occur? Meetings, mailers, etc. Online enrollment form; paper mailers. - see #6a. Is this a one-time open enrollment? Yes. If a member can demonstrate that they missed the notification (they were traveling, away from home, etc...) we will make exceptions and process their enrollment request.
9 Online Enrollment Form	SOA/Segal	10/14/2019		In Progress	Final design elements are being determined. Testing scheduled week of 9/30/2019.
10 ASO fees (change if applicable)	DDAK/SOA/Segal	10/31/2019		In Progress	We discussed with the State the right to adjust the ASO if the following occurs: 1. Retro adjust claims At this time we do not anticipate a need to retroactively adjust claims. 2. Benefit changes impact result in manual claims processing DDAK to provide analysis regarding increased need for manual claims processing as a result of these changes.
11 How do we handle run-out claims?	DDAK/SOA	7/1/2019	6/18/2019	Complete	Do we process run-out under the old/new plan? Would it be on date of service? Confirm date for run-out. Process claims based on the plan in effect on date of service.
12 Determine out of network pricing	SOA/Segal	7/1/2019	6/18/2019	Complete	Do we include updates to Recognized Charge/Fair Health? Yes.
Business Implementation Team (BIU) - Estimated time needed 4 weeks					
1 Group Structure - confirm if any changes need to occur	DDAK	9/1/2019		In Progress	We assume no group structure changes with Option 1. Group Structure determined for Group 2
2 Update/create plan IDs and eligibility rules	DDAK	11/1/2019		Not Started	
3 Update any applicable network changes	DDAK	1/1/2020		Not Started	
4 Update admin rates	DDAK	12/1/2019		Not Started	
5 Update EBT notes	DDAK	12/1/2019		Not Started	Benefit Tracker is the system that providers use to verify benefits. Needs updated notes to explain non-standard processing.
6 Audit all changes	DDAK	11/1/19 - 11/15/19		Not Started	
7 Update rates with Payflex for Direct Bill/COBRA (if applicable)	SOA	9/1/2019		In Progress	In final review
Benefit Configuration - Estimated time needed 120 days (can work concurrently with BIU)					
1 Verify benefit comparison information is accurate	DDAK	10/4/19		In Progress	In final review

2	Build new plan	DDAK	9/1/19		In Progress	In final review
3	Configure plans in Facets	DDAK	8/12/2019		In Progress	In final review
4	Configure Benefit Tracker (EBT)	DDAK	8/26/2019		In Progress	In final review
5	Audit and validate benefit plans (internal audit of configuration)	DDAK	8/29/2019		In Progress	In final review
6	Audit new plan	DDAK	11/1/2019		Not Started	Scoping document and audit requirements determined.
7	Update "Recognized Charge" if applicable	SOA	9/1/2019		In Progress	In final review
8	Determine if any workflow roles need to be built	DDAK	11/1/19 - 11/15/19		Not Started	
Claims - Estimated time needed 4 weeks (can begin after Configuration is complete)						
1	Update UPMs	DDAK	11/4/2019		In Progress	Review all current user procedure manuals (UPM) and update with new plan changes and processing guidelines.
2	Update training materials	DDAK/SOA	11/4/2019		In Progress	Update all training materials
3	Train claim processors	DDAK/SOA	11/15/2019		Not Started	Ensure all staff have been trained on changes.
4	Coordination of benefits	SOA			In Progress	determine COB rules - In Final review
5	Update workflows	DDAK	10/4/2019		Not Started	If benefit changes dictate creating manual processes.
6	Update DRB Accounting Structures for Claims Payments	SOA	10/1/2019		Not Started	
Communications (Agnew::Beck) Estimated time 60 days to complete, must be in the mail by 10/1						
1	Review member outreach content and design	SOA/DDAK			Completed	DDAK to work with SOA's communications partner
2	Direct member outreach to existing Retirees	SOA	9/10/2019		Completed	letter 1 explaining why the change, 2 plans
3	Direct member outreach to previously declined/cancelled Retirees	SOA	9/26/2019		Completed	letter 1 explaining why the change (to be able to re-enroll), 2 plan options, how to enroll, premium changes, overview of the changes, new benefit summaries (2)
4	Open Enrollment Guide	SOA	10/11/2019		In Progress	In final review
5	Enrollment Instructions/Paper election form	SOA	10/14/2019		In Progress	In final review
6	Web-based communications	SOA	10/11/2019		In Progress	In Final Review - Website, emails, social media
7	Retiree telephonic Town Halls	SOA	9/1/2019		In Progress	Additional Town Halls scheduled for 10/1, 10/22 and 11/7
8	Public Comment for plan booklets	SOA	9/1/2019		In Progress	Booklet available for Public Comment, online notice posted, newspaper notice published
9	Update to DRB website and premium cards	SOA	10/11/2019		In Progress	In final review
Contracts/Member Handbooks (estimated time to complete 30 days)						
1	Compare 2013 Retiree plan to current Retiree plan	DDAK	8/30/2019		Completed	
2	Endorsement if ASO fees change	DDAK/SOA/Segal	11/5/2019		Not Started	See under "implementation basics" above.
3	Update plan booklet	SOA	9/26/2019		Completed	
4	Update DRB Retirement Packet to have both plans outlined	SOA	12/1/2019		In Progress	Work with Kathy's team and Comm team to update inhouse applications and brochures/forms.
Customer Service (estimated time to complete 120 days)						
1	Review and Update any UPMs	DDAK	10/7/2019		In Progress	In final review
2	Update phone skill sets	DDAK	9/16/2019		Not Started	Waiting for completed comparison document
3	Training on Retiree benefit changes	DDAK	9/23/2019		In Progress	In final review
4	Call scripting for DCSRs	DDAK/SOA	9/23/2019		In Progress	Once decisions are made, and formal communications are finalized, these will need to be shared with DDAK Customer Service
5	DRB Call Center Training	SOA	10/16/2019		In Progress	First training completed 9/27/2019, additional training ongoing until 1/1/2020

6	DRB Retirement Counselor Training	SOA	10/16/2019		In Progress	First training completed 9/27/2019, additional training ongoing until 1/1/2020
7	Hire client advocate	DDAK/SOA	8/1/2019		In Progress	Goal is to have client advocate hired and trained to support OE.
Eligibility						
1	Determine the changes to EDI files	DDAK/SOA	8/19/2019		Complete	
2	Make changes to the 834 EDI file	SOA	8/19/2019		In Progress	DRB to have Wostmann update TPA app with new codes/logic
3	CRS Updates	SOA	8/8/2019		In Progress	Programming 75% complete
4	Develop test scenarios	DDAK	8/8/2019		Complete	
5	eFile testing	DDAK/SOA	10/28/2019		Not Started	Scheduled to begin week of 10/28
6	First production file received/processed	DDAK	12/11/2019		Not Started	
7	What are the open enrollment dates?	SOA	n/a		Complete	Open Enrollment 10/16/19-11/27/2019
8	What's the potential enrollment volume?	SOA	n/a		In Progress	DDAK: This is to allocate internal resources appropriately.
9	With two plans, what will be the default plan?	SOA	n/a		Complete	Dental coverage for new retirees is a positive election. Incoming retirees can choose the Legacy or Standard plan. If no participation they default to the standard plan (if they are currently enrolled)
10	Update ID cards	DDAK	9/16/2019		In Progress	In Final review
11	Generate ID cards	DDAK	12/11/2019		Not Started	Mass re-issue, after OE file runs.
12	Validate/audit ID card configuration	DDAK	8/19/2019		In Progress	In Final review
13	Audit and Release ID cards	DDAK	12/6/2019		Not Started	
14	Determine if any changes are needed to billing processes	DDAK/SOA	n/a		Complete	Confirmed with the SOA.
Information Technology						
1	Update the Delta Dental AlaskaCare static website	SOA	12/1/2019		Not Started	
Provider Relations						
1	Consider a provider communication	DDAK	9/22/2019		In Progress	In final review
2	Execute provider communications	DDAK	11/15/2019		Not Started	
Sales and Account Services						
1	Create Benefit Summary (2)	DDAK/SOA	8/7/2019		In Progress	In final review
3	Schedule CSI renewal meeting	DDAK	8/7/2019		In Progress	Communicate changes to all operational areas, confirm if anything additional is needed to submit paperwork for processing.
4	Submit Group Application	DDAK	8/7/2019		In Progress	In final review
6	Determine Open Enrollment Support needed from Delta	SOA	7/19/2019		Complete	
7	Create materials for OE meetings (if necessary)	SOA	9/1/2019		In Progress	In final review
8	Determine any additional reporting needs	DDAK/SOA/Segal	9/1/2019		In Progress	In final review
9	Set up and schedule reports	DDAK	9/1/2019		In Progress	Depends on complexity of reports. If no additional reporting is needed, this is a 1 day duration. If additional reporting is needed, could take up to 45 days to develop and test.
10	RHPAB meets August 7th	SOA	8/7/2019		Complete	What's the Board's role? Is it an advise or inform decision?
Segal Updates						
1	Premium impact, Budgeting	Segal/SOA	9/1/2019		In Progress	In final review
2	Updates to reserves	Segal/SOA	9/1/2019		In Progress	In final review

Underwriting/Actuarial						
1	benefit relativity between plans	DDAK	6/30/2019		Complete	provide comparison (of known benefits) to have UW work up benefit relativities. Relativities will be provided to Segal to determine any rate/budget impact to the State.
User Acceptance testing						
1	Determine if third party audit is needed	Segal/SOA			In Progress	State of Alaska and Segal to determine if outside auditor is necessary to review the changes in addition to audits outlined below. SOA 7/12: Pre and Post implementation audit recommended.
2	Develop Test and Audit Plan	DDAK/SOA	10/9/2019		Not Started	Review test claims to ensure everything is working as designed
3	Prepare for Test and Audit process	DDAK	10/9/2019		Not Started	Kickoff call scheduled week of 9/30
4	Execute end to end test and validate results	SOA	10/25/2019		Not Started	State of Alaska to review changes online or in person to formally sign off on benefit changes
5	Review results with State of Alaska	DDAK/SOA	11/28/2019		Not Started	
6	Conduct third party audit (if applicable)	SOA	12/9/2019		In Progress	Scoping document and audit requirements determined.
7	Deploy all plan coding and system changes to production	DDAK	11/29/2019		Not Started	
Integration w/ other vendor partners						
1	COBRA/Direct Bill 834 file update with new codes from Payflex	DDAK/PayFlex	12/2/2019		In Progress	Establish new codes on 834 for Direct Bill and COBRA participants

8 Coordination of benefits

SOA

determine COB rules

2 Work on changes to SOA's SPD w/ contracts - 2 SPDs?

DDAK/SOA

Name	Responsible Party	Start	Finish	Status	% Complete
Client Implementation - Project Management					
Delta Dental awarded State of Alaska Business	DDAK	8/7/2019	8/7/2019	Complete	100%
Assemble Delta Dental Implementation team	DDAK	8/12/2019	8/12/2019	Complete	100%
Confirm Project Management Team members	DDAK	8/12/2019	8/12/2019	Complete	100%
Confirm Delta core implementation team	DDAK	8/12/2019	8/12/2019	Complete	100%
Identify Delta extended implementation team	DDAK	8/12/2019	8/12/2019	Complete	100%
Project Management					
Ongoing status reports	DDAK	8/12/2019	1/31/2020	In Progress	53%
Issue management	DDAK	8/12/2019	1/15/2020	In Progress	53%
Risk management	DDAK	8/12/2019	1/31/2020	In Progress	53%
Maintain project plan	DDAK	8/12/2019	1/31/2020	In Progress	53%
Implementation Kickoff					
Confirm key dates	DDAK	7/8/2019	7/19/2019	Complete	100%
Open enrollment period	DDAK/SOA	10/16/2019	11/27/2019	Not Started	0%
Confirm benefit plans					
Review existing plan	DDAK	7/8/2019	7/8/2019	Complete	100%
Confirm new plan being added	DDAK	7/8/2019	7/8/2019	Complete	100%
Benefits and/or Network changes					
Recognized Charge change	DDAK	7/8/2019	7/8/2019	Complete	100%
Passive PPO - possible	DDAK	7/8/2019	7/8/2019	Complete	100%
Confirm funding arrangement	DDAK	7/8/2019	7/8/2019	Complete	100%
Account Services and Management					
Determine open enrollment support	DDAK	7/15/2019	7/19/2019	Complete	100%
Develop open enrollment presentation	DDAK	7/22/2019	10/8/2019	In Progress	80%
Develop materials - client specific	DDAK	8/2/2019	8/15/2019	Complete	100%
Submit Group Application - internal process	DDAK	7/22/2019	10/25/2019	In Progress	76%
Benefit Configuration	DDAK	8/7/2019	12/6/2019	In Progress	17%
Review benefit plans - existing and new additions	DDAK	7/11/2019	8/7/2019	Complete	100%
Verify benefit comparison information is accurate	DDAK	8/7/2019	9/20/2019	Complete	100%
Configure plans	DDAK	8/5/2019	11/4/2019	In Progress	25%
Configure Benefit Tracker	DDAK	8/26/2019	11/4/2019	In Progress	25%
Audit and validate benefit plans (Internal DDAK)	DDAK	10/21/2019	12/6/2019	Not Started	0%
Provider Relations					
Assess provider communication needs based on plan changes	DDAK/SOA	8/29/2019	10/6/2019	In Progress	50%
Execute provider communications	DDAK/SOA	11/15/2019	12/26/2019	Not Started	0%
Group Set up					
Update structure for two plan options	DDAK/SOA	7/22/2019	8/2/2019	Complete	100%
Finalize structure	DDAK/SOA	8/19/2019	8/23/2019	Complete	100%
Update plans and admin rates	DDAK/SOA	9/24/2019	10/7/2019	In Progress	50%
Audit set up	DDAK/SOA	10/7/2019	10/9/2019	Not Started	0%
Enrollment and Billing					
Electronic Eligibility	DDAK/SOA	7/19/2019	12/11/2019	In Progress	69%
Determine if changes needed to EDI file process in place	DDAK/SOA	7/19/2019	8/2/2019	Complete	100%
Update companion guides	DDAK/SOA	8/1/2019	8/20/2019	Complete	100%
Develop test scenarios	DDAK/SOA	10/1/2019	10/7/2019	In Progress	10%
Test electronic eligibility file process	DDAK/SOA	10/21/2019	10/25/2019	Not Started	0%
First production file received/processed	DDAK/SOA	12/11/2019	12/11/2019	Not Started	0%
ID Cards					
Mock up of cards available for review	DDAK/SOA	8/13/2019	8/19/2019	Complete	100%
Update ID Cards for Passive PPO	DDAK/SOA	8/12/2019	8/13/2019	Complete	100%
Generate ID Cards	DDAK/SOA	12/13/2019	12/17/2019	Not Started	0%
Validate ID Cards	DDAK/SOA	12/16/2019	12/17/2019	Not Started	0%
Release ID Cards to mail	DDAK/SOA	12/18/2019	12/18/2019	Not Started	0%
Billing					
Determine if any updates to billing process	DDAK/SOA	7/22/2019	7/26/2019	Complete	100%
Establish billing parameters in system					
Update policies and procedures	DDAK/SOA	8/12/2019	8/23/2019	Complete	100%
Claims Processing	DDAK/SOA	9/9/2019	11/15/2019	In Progress	40%
Claim administration policies	DDAK/SOA	9/9/2019	10/11/2019	In Progress	40%
Client specific workflow rules	DDAK/SOA	10/4/2019	10/31/2019	Not Started	0%
Client specific User Procedures Manual (UPM)	DDAK/SOA	11/1/2019	11/14/2019	Not Started	0%
Determine unique reporting needs	DDAK/SOA	11/11/2019	11/15/2019	Not Started	0%

Customer Service

Develop CS scripting- open enrollment	DDAK	9/3/2019	10/14/2019	In Progress	7%
Develop CS scripting - ongoing	DDAK	10/14/2019	11/1/2019	Not Started	0%
Phone system skills set up - update	DDAK	10/15/2019	10/21/2019	Complete	100%
CSR training	DDKA	9/30/2019	10/14/2019	In Progress	10%

Hire client advocate

Recruit candidates	DDAK	7/15/2019	9/27/2019	Complete	100%
Interview	DDAK	9/30/2019	10/4/2019	In Progress	70%
Interview and selection	DDAK	9/30/2019	10/4/2019	In Progress	35%
Client Advocate Training	DDAK	10/7/2019	12/27/2019	Not Started	0%

Information Technology

Update AlaskaCare static website	SOA	8/6/2019	10/16/2019	In Progress	5%
Special pricing system update	DDAK/SOA	8/15/2019	10/16/2019	In Progress	80%

User Acceptance Testing

Develop test and audit plan	DDAK/SOA	10/7/2019	10/16/2019	Not Started	0%
Prepare for testing and audit process	DDAK/SOA	10/7/2019	10/17/2019	Not Started	0%
Execute end to end test and validate results	DDAK/SOA	10/17/2019	11/27/2019	Not Started	0%
Review results with client	DDAK/SOA	11/28/2019	12/27/2019	Not Started	0%
Retirees - Third Party audit	DDAK/SOA	12/9/2019	12/27/2019	Not Started	0%
Deploy all plan coding and system changes to production	DDAK/SOA	11/29/2019	12/26/2019	Not Started	0%

Compliance and Regulatory

Update ASO agreement	DDAK/SOA	9/23/2019	10/31/2019	In Progress	10%
Update State of Alaska's SPD - DDAK Review	DDAK/SOA	8/1/2019	10/14/2019	In Progress	35%
Update member handbook- public comment draft	SOA	9/2/2019	9/26/2019	Complete	100%
Public comment draft period	SOA	9/26/2019	10/25/2019	In Progress	5%
Finalize plan booklet	SOA	10/17/2019	11/27/2019	Not started	0%

Reporting and Analytics

Determine any additional reporting needs	DDAK/SOA	10/1/2019	10/14/2019	Not Started	0%
Set up and scheduling of reports	DDAK/SOA	10/15/2019	11/11/2019	Not Started	0%

Integration with other vendors

Determine other State of Alaska Vendors needing AlaskaCare data	DDAK/SOA	7/9/2019	9/15/2019	Complete	100%
Establish integration needs	DDAK/SOA	8/1/2019	10/23/2019	In Progress	10%
Coordinate and test with other vendors	DDAK/SOA	11/4/2019	12/2/2019	In Progress	10%

Rate Setting

Develop 2020 rate projections for current plans	Segal, Buck	8/1/2019	10/4/2019	In Progress	90%
Development of plan value for new 2013 Dental plan offering	DDAK/Segal	8/1/2019	10/4/2019	In Progress	90%
Review of projections and plan rates with State team	State, Segal, Buck	8/1/2019	10/4/2019	In Progress	75%
Finalize plan rates for 2020	State, Segal	8/1/2019	10/4/2019	In Progress	90%

Election Portal Development/Deployment

Kickoff meeting	State, Segal		7/25/2019	Complete	100%
Distribution of data request to State	Segal		7/30/2019	Complete	100%
Fulfillment of data request	SOA		9/27/2019	Complete	100%
Initial wireframe design of site	Segal		9/27/2019	Complete	100%
Creation of test database	Segal		9/27/2019	Complete	100%
Review and approval of initial design	SOA		9/27/2019	Complete	100%
Programming and testing of site	Segal		9/27/2019	Complete	100%
Review and approval of site	SOA		10/15/2019	In Progress	90%
Testing of site in production	State, Segal		10/15/2019	In Progress	75%
Release of site to production	Segal		10/15/2019	Not Started	0%
Eligible participants enroll in plans	State, Segal	10/16/2019	11/27/2019	Not Started	0%
Enrollment closes	State, Segal	11/27/2019	11/27/2019	Not Started	0%
Preparation and distribution of enrollment confirmation statements	State, Segal	11/27/2019	12/11/2019	Not Started	0%
Corrections to enrollments	SOA	12/2/2019	12/31/2019	Not Started	0%
Transfer of final enrollment data to State	State, Segal	11/27/2019	11/27/2019	Not Started	0%
Enrollment complete	SOA	12/27/2019	12/27/2019	Not Started	0%

Implementation Go Live!

	DDAK/SOA	1/1/2020	1/1/2020	Not Started	0%
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jnu.law.ecf@alaska.gov

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THE RETIRED PUBLIC)
EMPLOYEES OF ALASKA, INC,)
Plaintiff,)
v.)
KELLY TSHIBAKA, in her official)
capacity as Commissioner of the)
Department of Administration)
Defendant.)

Case No. 3AN-16-04537 CI

**[PROPOSED] ORDER DENYING RPEA’S MOTION TO ENFORCE COURT
ORDER AND FOR RELATED RELIEF**

The Court DENIES Plaintiff RPEA’s Motion to Enforce Court Order and for Related Relief. The Court finds that the relief plaintiff seeks is to alter or amend the Final Judgment and the time for doing so has expired pursuant to Civil Rule 59(f). This Court also finds that such requested relief is properly under the jurisdiction of the appellate court pursuant to Appellate Rule 203. Having reviewed plaintiff’s motion, defendant’s opposition thereto and any reply, the Court finds that the State continues to act in a timely fashion and in good faith in implementing the Court’s order.

DATED at Anchorage, Alaska this _____ day of _____,
2019.

Eric A. Aarseth
Superior Court Judge

ATTORNEY GENERAL, STATE OF ALASKA
Diamond Courthouse
PO Box 110300, JUNEAU, ALASKA 99811
PHONE (907) 465-3600

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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
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THE RETIRED PUBLIC)
EMPLOYEES OF ALASKA, INC,)

Plaintiff,)

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KELLY TSHIBAKA, in her official)
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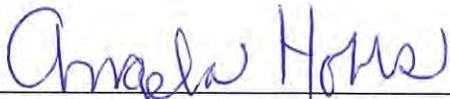
Defendant.)

Case No. 3AN-16-04537 CI

CERTIFICATE OF SERVICE

This is to certify that on October 7, 2019, true and correct copies of the
**DEFENDANT’S OPPOSITION TO RPEA’S MOTION TO ENFORCE COURT
ORDER, EXHIBITS A – C, PROPOSED ORDER, and this CERTIFICATE OF
SERVICE** in the above-captioned matter were emailed and mailed via USPS, first class
postage prepaid to the following:

Susan Orlansky
Reeves Amodio LLC
500 L Street, Suite 300
Anchorage, AK 99501
susano@reevesamodio.com



Law Office Assistant

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