

**Insurance Questions
From SE RPEA Members
10/05/06**

1. Prescription drug form needs a place to request childproof caps. Will you add it?

Medco's standard protocol is to mail all medications with a child-proof cap that can be easily converted to an easy-open cap by the member. Instructions on how to make the cap easy-open are included with the prescription. At this time, there is no place to request childproof caps on the pharmacy mail order form; however, in addition to the above, a member can also call Medco customer service and request non-safety caps.

2. I asked for how long has the State Plan booklet stated that the state would not pay medical benefits for a physician who does not have a current contract with Medicare. Having gone to this specialist for years, I now find out since I just turned 65 that I am not covered for her medical services. And, there are no other such specialists in this area, only a few in the entire state of Washington. I am a Tier I employee, with 32 years of services and retired in 1997. This was certainly a shock and I find it very strange indeed that the State will reimburse an employee for out of country medical services but will not reimburse for a licensed physician's services who has a license in the U.S. although does not participate in Medicare as Medicare does not reimburse her sufficiently to pay for the paperwork involved in filing a claim.

In the specific situation described above, the provider should formally terminate your physician/patient relationship that was established before you became 65 if they have determined that they will no longer care for you because of your status with Medicare.

Generally speaking, the Balanced Budget Act of 1997 allowed providers for the first time to enter into "private contracts" with Medicare beneficiaries. The beneficiary must pay the full cost for these services at a rate agreed between the beneficiary and the doctor. Medigap policies WILL NOT PAY for these services. The signed contract entered into by the beneficiary and the provider states that the beneficiary agrees to give up Medicare payment for services provided by the doctor, even though these are generally covered services by Medicare. The beneficiary agrees to pay the doctor, out of their own pocket, for the agreed upon full price. Alaska Statute Sec. 39.35.535 ((b) states that "The benefits payable to persons age 65 or older supplement any benefits provided under the federal old age, survivors and disability insurance program." Retiree Insurance Information Booklet page 17 under the heading "Effect of Medicare" states "If you enter into a private contract with a provider that has opted out of Medicare, neither Medicare nor the retiree health plan will pay benefits for their services." This provision was included in the 2003 booklet. If a Medicare beneficiary chooses to forgo the available Medicare benefit, the retiree health fund will not absorb that cost shift, per the statutory reference above.

3. Regarding dental coverage: I need crowns and this is not for cosmetic reasons. Aetna provided 50% coverage and I cannot find what the coverage is with Premera. This is a very expensive procedure and I need all the help I can get.

The AlaskaCare benefits have not changed as a result in changing administrators. A crown will fall under the Class III Prosthetic Services benefit level, which is 50% of the recognized charge after the dental deductible of \$50. The annual dental maximum benefit is \$2,000.

If you are going to receive services that exceed \$1,000, we suggest you have your dentist file a description of the proposed course of treatment with Premera for an estimate of the benefits payable. Copies of the benefit booklets are available on-line at www.state.ak.us/drb.

4. When will Premera start putting the co-pay status on our EOBs? So we know when we've met (if ever) our co-pay requirement. This was always on EOBs from Aetna.

An Explanation of Benefits (EOB) will include the portion of the member deductible and, if applicable, the family deductible satisfied. This information will be included on every EOB. In addition, once a member has reached their annual out-of-pocket maximum, this will be noted on the EOB. The message on the claim that the out of pocket maximum was satisfied will have the following message:

"THE MEMBER'S OUT OF POCKET MAXIMUM WAS MET. "

5. Will Premera coordinate benefits with other Blue Cross Plans such as the Federal Retired Employee Blue Cross Plan when Medicare is the primary?

Premera will coordinate benefits for all Premera administered medical plans. Pharmacy claims must be handled on a subscriber submitted basis for the secondary payment.

6. Why does our insurance dental plan only pay 1/3 of the actual charges? This is way out of line and should be corrected.

Response to this question cannot be offered without additional question clarification.

Other questions written down by RPEA members during the meeting and answered at the time of reading are reflected below:

7. Does PBC have a wellness program and does it save money?

Premera does have a wellness program. A wellness program is not an available benefit at this time under the Retiree Health Plan. Depending on how the wellness program is designed, it can save money, but usually has large up front costs. The savings are not realized until later down the road when wellness activities eventually translate to lower numbers of health claims.

8. Went to Ron's Apothecary to pick up medicine only he makes. In past under AKCare he treated it as other prescriptions and I had to pay only my share. He now had me pay the full cost of the drug – gave me a paper – said I was responsible to send in to Blue Cross to get what is owed to me. Why can't the old way be followed?

Owners of independent businesses determine how they will conduct their business. Ron's Apothecary is a Blue Cross network pharmacy, which means that they have signed a contract agreeing to fulfill certain obligations with members of AlaskaCare. Contractually, this pharmacy is required to submit drug claims directly to Blue Cross for their customers who have this benefit and charge them only the required copay amount. They can choose not to

submit directly for their customers, but this is their specific choice, not a requirement of the plan. The best response to why this is the procedure used is to ask the business what their procedures are for submitting your drug purchases to Blue Cross and why.

9. Why do we have to submit a full claim form every time we file a claim? Aetna used to accept medical provider form with insured name and ID number on top of form.

The claim form is a requirement of the plan. See page 88 under “Physician and Other Provider Services” and page 92 of the Retiree Insurance Information Booklet under “Before Filing a Claim”. The last paragraph reads:

“Complete the claim form fully and list any other group health care programs covering you or your dependents.” It is recommended to fill out items 1, 2, 3 (as applicable) and leave items 4 and 5 blank, as well as the signature line. Draw a diagonal line across item 6 and write “See Attached” and attach the itemized invoices from your providers to the claim form before you send them in. Make copies of the form and as you need to file claims, fill in the blanks as appropriate, sign, date, and send to Premera.

10. I have heard that Medicare does not cover some things that State health insurance does and when this happens State insurance no longer covers those things either. What and why? Can we change this?

The Retiree health plan covers some things that Medicare does not and vice versa. There have been no changes to AlaskaCare benefit provisions with the change in administrators. The same coverage is in effect as specified in the Retiree Insurance Information Booklet after July 1, regardless of Medicare’s coverage of the item.

11. How will double coverage of AlaskaCare payments be shown on each EOB? When double coverage is involved?

Each EOB lists the benefits provided by the plan under which it is processed. For specific EOB questions, please contact Premera at 877-762-9597 and they will provide assistance. If you have a double retirement health benefit available under one ID#, there will only be one EOB produced and it will reflect 100% of the allowed amount benefit with no deductible or co-insurance assessed. The Welcome Kits contain a great legend that deciphers how to read an EOB.

12. State Administrator has a number of “rules, guidelines” or whatever name is used, that deal with specific services, ie, now they will only pay for X number of chiropractic visits or dollars per year. Will you put these rules on your web site so members will know them before services are provided?

The guidelines referenced are related to determining medical necessity, which is a function of the third party administrator and applies to all medical services. The State does not have physicians on staff to review medical necessity so this is a service that the TPA is paid to perform. Pages 17, 18 and 53 (bullet 11) of the booklet define that the claim administrator applies the “medical necessity” determination to benefit provisions. It so happens that chiropractic services are the most often utilized services that require periodic medical necessity review. After approximately 20 visits records are requested to determine continued medical necessity. Claims are not denied if, after review, it is determined that they continue to meet the medical necessity criteria. All benefit provisions are provided in the benefit

booklet. It is the intent to include as many of these defined criteria as possible in the booklet revision project, scheduled for 2007.

13. Since PERS/TRS boards were eliminated there is no regular forum for interchange between members and SOA/Premera. What are you willing to offer, the opportunity to begin dialogue, as that has resulted in millions of dollars a year for years?

This meeting is one way we can continue to communicate with each other. More formal arrangements for benefit provision change discussions would be initiated at the request of the Commissioner of Administration.