



RPEA Reporter

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Out-of-Network Providers Working in Network Hospitals

By Sharon Hoffbeck, Medical
Information Director

When we have to go to the hospital for either in-patient or out-patient care, we are very careful to make sure the facility we choose is in-network. We have been assured by the state that using network hospitals will protect us from surprise co-pays, and that we will be doing our part to help keep down costs to the trust that funds our medical plan.

Historically, using network hospitals has worked well for both retirees and the state — expenses were paid as retirees expected, there were no surprise bills, and our medical trust saved money.

As of January 1, 2014, when Aetna was given the contract to manage our medical, vision and audio plans, RPEA has seen a sharp increase in reports from retirees that even though they have in good faith chosen a network hospital, they are receiving surprise, sometimes extremely high, copays that they have

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President's Message

By Jay Dulany, President

Shortly after Gov. Bill Walker took office, a document was prepared and given to him, at his request, outlining the issues retirees have been having since Aetna and Moda Health were selected as Third Party Administrators (TPAs) for AlaskaCare. Solutions to problems were also suggested. The document has worked its way down to the commissioner of administration, the health care plan administrator. We have twice met with the commissioner to date, but have not resolved the issues outlined. We will continue to communicate with the commissioner and others in the department of administration in an effort to correct the problems and reductions in coverage incurred with the selection of these TPAs. The issues document is reprinted below. Member comments and continued notice to RPEA of problems are appreciated.

**Retiree Health Plan Issues
Executive Summary**
December 16, 2014

In January 2014 the Department of Administration made significant changes to Alaska's retiree medical, visual, audio and dental health plans and plan management that have:

- reduced coverage and benefits for retirees;
- shifted costs to covered retirees;
- reduced access to and continuity of care;
- made it virtually impossible for retirees to understand coverage, and to effectively plan and manage medical care and costs;
- shifted authority from State officials to the Third Party Administrators (TPAs) — making the TPA not simply the administrator of Alaska's self-insurance plan but the designer and determiner of plan coverage and benefits.

Below are key issues and suggestions for addressing them. Implementation costs for the suggested remedies would be likely almost entirely borne by the Retiree Trust or retiree premiums and not State General Funds.

**Harmful Plan Changes &
Incomprehensible Documentation**

- New TPAs on January 1, 2014.
- No prior opportunity for review or input about the changes.
- Plan amendments were separate from the Plan document and were effective before retirees knew of them or even where to locate them.

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Important Phone Numbers

Aetna's Health Concierge: (855) 784-8646
Moda Health/Delta Dental: (855) 718-1768
Univita: (888) 320-5824
Retirement & Benefits, Juneau
465-4460 or (800) 821-2251

Meeting Schedule

Southeast Chapter
Second Thursday, September – May,
11:30 a.m., in the Aurora Room at
the airport
Southcentral Chapter
Second Tuesday each month, 11:30 a.m.,
Anchorage Senior Activity Center
Northern Chapter
Third Thursday each month, 12:30 p.m.,
Princess Hotel
RPEA Executive Board
Third Tuesday each month, 10 a.m.,
Anchorage APEA/AFT Field Office
(via teleconference) 274-1720
Contact the editors through the RPEA office.



Northern Chapter News

By Charlie Gallagher,
Northern Region Chairman

Every fall the Northern Region Chapter of RPEA has three opportunities to influence and hear from those who govern us, both to get our message out and to accomplish our mission of having a face in our community. We had Commissioner of Revenue Angela Rodell, Alaska Retirement Management Board Vice Chair Sam Trivette, Gov. Bill Walker, as well as Lt. Gov. Byron Mallott at our annual Legislative Luncheon. Our voices, which are your voices, were heard. Whether or not the promises will be acted upon is entirely up to the governor and the state legislators. Our issues about the transfer of state's responsibilities to Aetna and the cost shifting to retirees is in their hands and, frankly, so far there hasn't been much response.

Naturally, former administrators got their two cents in first, and I am certain there was a lot of spin about their great services and being victimized by retirees, Aetna and Moda Healthcare. Well, they did it to themselves! Gov. Walker heard about their incompetence from every chapter before his election, so let's see what happens. But do keep your calls and information coming into our medical chair. The legislators said all they hear about is how great the administration is doing, and then all these angry customers

call without documentation. The problem in Fairbanks is that there are some times when no network provider is available and the retiree gets stuck with the unpaid portion of the charges. The state has simply obfuscated their responsibility by delegating decisions to Aetna, so appeals are our only productive response. In January, the TVC billing managers stated their place is all network except the laboratory, so call them at billing. Then there's the Moda plan where they say there is a 70 percent statewide network coverage rate. My latest bills from Moda providers and our out-of-network dentist show cleaning rates are higher with Moda than with out-of-network providers. So our question is "what is really going on?" This experience has crushed our confidence in the state's ability to do anything correctly except save money by not paying traditionally legitimate health care bills!

The RPEA board really wants to get the state management either actively back in control by displaying responsibility or out altogether as they have shown incompetence during this transition fiasco. We want a state board with our own representation — especially for audio, dental, visual, life insurance and long term care, as none of these are paid for by the state.

Our 2015 noontime spring speakers scheduled are as follows (all meetings at Westmark unless noted otherwise):

March 19 — Frank Abegg and Ron Johnson: "Interior Energy Report" (Raven Landing)

April 16 — Sharon Hoffbeck, RPEA's Medical Information Committee Director: "The Latest on All the Health Care Issues"

RPEA Executive Board Nominations

It is time for nominations for the RPEA Executive Board. There are four seats up for election this year, including Executive Vice President, Treasurer, Director of Communications and Director of Legislative Affairs. In accordance with the RPEA Bylaws, nominations will be

accepted until April 3, 2015. Duties and qualifications are available at http://rpea.apea-aft.org/pdf/curr_exec_bylaws.pdf. If you know of an energetic and motivated person to nominate, including yourself, please submit that information to the RPEA office at rpea@alaska.net or by mail.

Out-of-Network Providers

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not seen in the past under other plan managers such as HealthSmart and Blue Cross.

So what is the difference? Why are retirees being blind-sided by these unexpected expenses?

One of the reasons is that many health care providers will not join the Aetna network, whereas they have been willing to join other networks. For example, it has been reported that there are no surgeons in Anchorage who will join Aetna's network, but they are in all other networks. We are hearing more and more stories from all around the country that health care providers refuse to work with Aetna due to untimely payments and extremely poor customer service.

What this means is that even though you have chosen a network hospital, many who practice in that hospital may not be network providers even though the hospital chooses them to provide your care. Examples are anesthesiologists,

surgeons assisting your in-network surgeon, pathologists and radiologists. Once you have been admitted, you have little choice about who will provide your care during your stay. If you are hospitalized or having any kind of surgery, it's a pretty good bet that somebody along the way who touches you, or your slides or films, will not be in-network.

This problem is not unique to Alaska; it happens all over the country. New York recently enacted legislation that will take effect in 2015 to protect the public from these deceptive practices. Other states with similar laws are Colorado and Maryland.

So what can you do to protect yourself? Have an action plan. Be prepared. And speak up:

- When you and your doctor are preparing for surgery, tell him/her that you only want in-network providers. If your doctor has a specific provider in mind with whom they like work, check to be sure that provider is in-network.
- If your doctor's pick is not in-network, ask that they choose a different

provider. If a network provider is not available, find out what the recognized charge is for your procedure, and try to negotiate a reduced fee in advance so you are not balanced billed.

- If you are having surgery, tell your surgeon and hospital that you only want to use providers who accept your insurance and preferably are in-network, and ask that this statement be included in all documents you sign. If network providers are not available, complain to the hospital and to the state as the state is responsible to hire TPAs who have an adequate network.
- If you get a surprise bill, fight back. Ask the doctor to lower your bill to the recognized charge for the procedure you had, and ask the hospital to intervene. Hospitals are sometimes willing to speak to the doctor on your behalf in order to resolve the issue and keep customers happy so they will come back.

Please let RPEA know if you have been caught in this hidden trap by contacting sharonhoffbeck@gmail.com.

President's Message

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- Amendments effectively gave the TPAs the authority to make ad hoc plan changes of coverage, benefits, and processes arbitrarily through internal policy changes.
- Coverage and benefit changes made by the TPA occur without oversight by DRB.
- Aetna's Clinical Policy Bulletins (CPBs) and reimbursement policies resulted in reductions in reimbursement, denial of coverage for services previously covered and significant cost shifting to retirees.
- Four separate sets of sometimes conflicting provisions exist.
- TPAs refuse to provide information based on "proprietary" claim.

Proposed Remedy:

- Review and reverse unnecessary and harmful Plan amendments which result in diminishing coverage and benefits.
- Retract the 2014 Plan Amendments that result in TPAs making coverage and benefit changes in the plan based on internal policies and restore proper authority to DRB.
- Make all policies, rules, and processes that govern the plan transparent and accessible to those covered and create transparency in development of future policies.
- Create, with beneficiary input, a single source of definitive policies and provisions defining the AlaskaCare Retiree Plan that is in plain, understandable language and easily accessible to all retirees, DRB and TPA staff.

Incompetent Implementation & Oversight of Plan Changes and TPA Contractors

- DOA/DRB failure to adequately inform covered retirees of proposed changes.
- Both DRB and TPA staff were poorly trained and ill-prepared to implement their responsibilities.
- Neither the TPAs nor the DRB staff fully understand the various Plan provisions.
- Aetna claims staff are not familiar with or knowledgeable of the actual provisions of the AlaskaCare Plan.
- Aetna claims staff utilize Aetna's standard practices.
- Over the past several years, loss of qualified and experienced DRB health benefits staff and their institutional knowledge.

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President's Message

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- DOA placed unqualified, inexperienced personnel in the position of overseeing and managing the TPA contracts.
- DRB staff lack knowledge about AlaskaCare medical/DVA Plan past practice.
- DRB personnel regularly defer to the TPA determination on coverage questions.

Proposed Remedy:

- Hire qualified, experienced health care benefits administrators who know the AlaskaCare plan and are familiar with the proper implementation of the plan to review current practice and provide necessary oversight and management of TPA contracts.
- Temporarily employ former DRB staff members who have expertise after many years of implementing the retiree health plans to train current or new DRB staff to assure historical information is conveyed, documented and institutionalized within DRB.
- Require TPAs to adequately train TPA staff, particularly claims processors, to administer the AlaskaCare Retiree Plan and implement error elimination performance requirements in TPA contracts.

Issues of Specific Concern

- The dental plan substantially changed by new, standardized Moda Health/Delta Dental network plan, including new frequency limits on cleanings and emergency visits.
- The new dental plan imposes punitive, unnecessary, and often unavoidable financial penalties (25% in Alaska and varying from 25% to 50% in other states) on retirees.
- In many communities there are no in-network providers.
- Moda Health is not required to maintain an adequate network.
- Moda Health has a policy of denying payment for covered dental services based on "poor" prognosis.
- Aetna has failed to properly implement coordination of benefits and erroneous duplication of deductibles.
- Hospitals enrolled in Aetna's network are not required to ensure that separately-billed services provided within the hospital are also in-network.
- Aetna's Explanation of Benefits (EOB) documents are difficult to read and understand.
- Retirees are increasingly forced to accept erroneous claims denials or pursue obscure appeals processes run by the TPA.
- The Plan's appeal provisions are misleading and incomplete.

Proposed Remedy:

- Implement dental plan changes and contract provisions eliminating unnecessary penalties and requiring the TPA to establish an adequate network.
- Either require that all in-network hospital services be provided at in-network costs or that Aetna reimburse out-of-network providers serving patients at in-network hospitals at out-of-network costs rather than shifting costs to retirees.
- Require TPAs to revise EOBs (perhaps with input of covered retirees) so that they are informative, understandable, and useful to beneficiaries.
- Review and revise the appeal process, including consideration of re-establishing a level of review by trained DRB staff.
- Assure that statutory appeal provisions are provided in denials and retirees are fully informed of appeal processes by TPA staff and Plan documents.

Retiree Health Plan Governance

- The Alaska Retirement Management (ARM) Board are the trustees for the retirement health plans.
- ARM Board members have been prevented by DOA from exercising their duty as trustees.
- The Commissioner of Administration has exercised unfettered final authority over plan policy.

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Please Let Us Know...

By Sharon Hoffbeck, Medical Information Director

We are still collecting information about a variety of retiree health insurance issues. Please let us know if you have experienced problems with Aetna, including any of the following:

- Did you call Aetna for plan coverage information for travel or screening colonoscopies that turned out to be incorrect once the claim was submitted?
- Have you gotten claim denials from Aetna that you've not gotten in the past for the same type of service?
- Have you been told that your provider will not accept Aetna insurance from anyone?
- Have you been told that your provider will not accept AlaskaCare, but will accept Aetna insurance from other plans?
- Did you need treatment that required a hospital stay, and found that the hospital was not in Aetna's network?
- Did you need treatment that required a hospital stay, selected an in-network hospital but then found out after the fact that some of your service providers in the network hospital were not in-network, resulting in large, unexpected co-pays?
- Did you go to an out-of-network doctor, and once the claim was paid by Aetna, were you billed for a co-pay that was far larger than you'd seen in the past from this same doctor?
- Did you have a claim or precertification request that was processed differently by Aetna than by previous claims administrators?

Please send any information you may have to Sharon Hoffbeck at sharonhoffbeck@gmail.com.

MEMBERSHIP APPLICATION

Clip and mail to: RPEA, 3310 Arctic Blvd., Suite 200, Anchorage, AK 99503
Or join online at http://rpea.apea-aft.org/membership/membership_comm.html.
Questions? Call 274-1703 or (800) 478-9992

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Southcentral Chapter News

By Bob Madigan,
Interim Chair

At the last meeting of the RPEA Southcentral Chapter, RPEA Medical Information Director Sharon Hoffbeck updated members on health care developments. She pointed out that right now all eyes are on Juneau to learn the new faces that will administer the AlaskaCare health insurance program for retirees. She is looking forward to forging productive relationships with the new team. In the meantime, Sharon and her committee have been busy with the following various health care issues arising from the switch to Aetna and Moda Health.

- **Screening colonoscopies.** The retiree AlaskaCare plan does not cover preventive services, so screening colonoscopies in the absence of specific medical need are not covered for those under

65 (Medicare covers one screening colonoscopy every 10 years for those over 65). Nonetheless, Aetna sent out a letter to some retirees saying incorrectly that screening colonoscopies were covered under AlaskaCare. When Aetna staff realized their error, they sent out a second letter saying that such screening is NOT covered unless medically necessary. Unfortunately this was too late for some RPEA members who had already gone out and had a screening colonoscopy. Please let us know if you had a screening colonoscopy as the result of this incorrect information, and now find the claims are being denied.

- **More colonoscopy confusion.** Several RPEA members on Medicare have also had an Aetna surprise about colonoscopy. Here is how it happened. Medicare pays 100 percent of the cost of a screening colonoscopy every 10 years – that's a preventive service. But if a problem is found, like a polyp, and additional procedures are necessary to deal with it, Medicare upgrades the procedure to medically necessary, and pays at 80 percent. In these cases of medically necessary treatment, AlaskaCare is supposed to pick up the remaining 20 percent. Aetna has denied some of these claims on the grounds that they started out as screening colonoscopies even

though the charges were for treatment, not screening. RPEA has helped these members get their claims paid. If you or anyone you know has a claim that has been denied under these circumstances, please let us know.

- **An Aetna letter on generic drugs.** A letter was sent to some retirees saying that if generic drugs are available for a prescription, then they must be used or Aetna will not reimburse. This is simply not correct, and you can request brand drugs. The copay for brand is \$8, for generic \$4, and for mail order \$0. The choice of drugs is between the retiree and the doctor. This is the way our health plan has always been. After protests from RPEA, Aetna has sent out a correction to the people who received these letters.
- **Dental plan clarification.** Since Moda Health took over the administration of the optional dental plan for retirees, they have required that members see one of their network dentists or pay a 25 percent penalty. This has been especially irritating to many members because it was believed the penalty only applied to people in Alaska. RPEA has learned that the penalty applies to everyone, and is even worse in some areas outside where the penalty can be as high as 50 percent. RPEA continues to oppose the penalty.



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Southeast Chapter News

By Gary Miller, Vice President

Aetna refused to pre-certify a procedure for me. Now I can't get a fanny tuck. That, of course, is an exaggeration meant to get your attention.

What is not funny is how Aetna, with the blessing of the state, has "reduced the cost of health care" by \$50 million. As most of you know, much of this was accomplished by denying procedures covered in the past or reducing the amount of coverage. By nickel and diming us, and with appeals being a

pain in the butt (pun intended), they know that people will give up. An appeal is too difficult to manage for some elderly seniors, so in essence Aetna is preying on the elderly. Some providers now want payment up front because they have so much trouble with Aetna.

Please consider filing appeals. Aetna and the State of Alaska will have to do additional work also for denying what you have earned.

President's Message

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- Neither retiree beneficiaries nor the ARM Board has had any input into design, management or other health plan policy matters.

Proposed Remedy:

- Establish policy requiring DOA Commissioner to invite ARM Board to provide formal input into retiree health plan policy development.
- Review AG opinion restricting ARM Board policy role and take executive action or propose legislation to restore and formalize ARM Board role in retiree health plan policy development and management.
- Develop formal policies and informal mechanisms to assure broader retiree participation in retiree health plan design and management.
- Develop formal policies requiring timely notification of retirees of proposed and adopted changes.