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Retiree Oversight Board Project

By Sharon Hoffbeck, Executive Vice President and
Retiree Benefits Committee Chair

RPEA has spent the last several months working with the Division of Retirement & Benefits (DRB) to create a retiree oversight board.

Prior to 2005, there were two boards whose job it was to provide input to DRB concerning retiree benefits. These were the PERS board and the TRS board. Although these two boards had no decision-making authority over retiree plans, they had a history of successfully negotiating positive results for retirees

and the retirement systems. These boards served as a useful forum for retiree issues and concerns. Unfortunately, both boards were abolished in 2005 by the Legislature and the Murkowski administration. This left DRB in complete control of all decisions concerning retiree benefits with little input from retirees. Today's disarray concerning benefit reductions and inefficient third party administrators (TPAs) is the direct result of abolishing those oversight boards.

The retiree oversight board project would create one board, with board seats for both PERS and TRS retirees. Since retiree health benefits for all retirees in the defined benefits plans are exactly the same, having a single board is both efficient and least costly to the retiree trust.

We are hopeful to come to an agreement with the administration concerning the board's final design and function very soon, at which time we can begin moving toward implementation.

If there are questions concerning this board, please contact Sharon Hoffbeck at sharonhoffbeck@gmail.com.

Understanding Network Rules

By Sharon Hoffbeck, Executive Vice President and
Retiree Benefits Committee Chair

When a health care provider decides to join a network, there are rules that they have to follow concerning how and when they can collect payment from the patient. Sometimes retirees write to us asking what those rules are.

One retiree recently wrote asking if their network doctor could require full

payment at the time of the visit, and then reimburse them when insurance paid.

The answer is no. Network providers are not allowed to collect the entire fee from the patient at the time of the visit. They are required to submit the claim to insurance for payment. However, they are allowed to collect the 20 percent co-insurance (the


amount that insurance does not pay) from the patient at the time of the visit.

Network providers also cannot balance bill the patient. In other words, they cannot bill the patient the difference between the normally collected fee and the amount the network contract pays them. When a provider joins Aetna's network, they agree to accept network fees, which may be less than their regular fees.

If anyone has any questions about network requirements, please contact Sharon Hoffbeck at sharonhoffbeck@gmail.com.

RPEA

3310 Arctic Blvd., Suite 200
Anchorage, AK 99503
274-1703 or (800) 478-9992
rpea@alaska.net
www.rpea.apea-aft.org

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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.,
Raven Landing

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.

Medical Information Committee Updates

By Sharon Hoffbeck, Executive Vice President and
Retiree Benefits Committee Chair

Following are highlights on the recent activities of the RPEA medical information committee.

Appeal Language

RPEA has written appeal language for members to use when filing appeals. This language addresses diminishment of benefits, and members are encouraged to use it when appropriate for your particular appeal. If you'd like a copy of it, please contact Sharon Hoffbeck at sharonhoffbeck@gmail.com or check the link from the home page of our website, www.rpea.apea-aft.org.

We would also like to hear from anyone who has an appeal that is at Level III—Office of Administrative Hearings. Please send an email to Sharon Hoffbeck at sharonhoffbeck@gmail.com if you, or any other State of Alaska retirees you know, have such an appeal even if they are not RPEA members.

Long Term Care Insurance TPA

The Long Term Care Group is the TPA currently managing the retiree long term care insurance plan. Their contract will end as of December 31, 2015. The State of Alaska put out a request for proposals (RFP) some time ago and received a proposal from only one bidder. They are currently reviewing the proposal and, if it meets the terms of the RFP, they have indicated they will award the contract. RPEA asked for the name of the bidder and was told that information is confidential at this time. We also asked if a single bidder is considered responsive to the RFP, and the State of Alaska indicated that they felt it was.

Helpful Definitions:

DRB = Division of Retirement
& Benefits

TPA = Third Party Administrator. This is the company that the state hires to manage the retiree health plans. Currently, Aetna is the TPA for retiree medical, vision and audio plans, and Moda Health is the TPA for the retiree dental plan.

Aetna Contract

RPEA contacted the deputy commissioner of administration to ask the status of Aetna's contract and if, in light of Aetna's continuing poor performance, they planned to extend it an additional year. We were told that they do plan to extend it to December 31, 2016. We also asked if the state plans to take their option under the procurement law to extend Aetna's contract up to an additional two years, and were told that decision has not been made yet. The DRB said they are continuing to monitor Aetna's performance and feel they can fix the significant problems retirees have experienced since January 1, 2014, which is when Aetna took over from HealthSmart as the AlaskaCare TPA.

Aetna Network

At the TPA meeting in August, RPEA was informed that Aetna's negotiations with the Alaska Heart Institute (AHI) in Anchorage are very close to being finalized. There have been no cardiologists in Alaska in Aetna's network, which leaves pre-Medicare retirees no option but to face large out-of-pocket expenses when needing that specialty care. Once both parties come to an agreement and AHI becomes a network provider, it will provide retirees in Alaska an option to see an in-network cardiologist within Alaska.

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Southcentral Chapter News

By Fran Rabago, Vice President

After the usual summer break during the months of June, July and August, our September Southcentral Chapter membership meeting was a huge success. We fed 100 members and seated 125. Sam Trivette gave an interesting and informative presentation on the PERS/TRS unfunded liability. Sharon Hoffbeck, RPEA executive vice president, will be the speaker for our meeting in October. The chapter board has many ideas and speakers lined up for the remainder of the membership-meeting year and our hope is to continue to build upon the excellent progress

Bob Madigan made over the eight-plus years he served as “interim” chair.

Speaking of Bob, I am thrilled to announce that he decided to remain on the Southcentral Chapter board. However, we lost two terrific, long-time board members to retirement in August of this year. I encourage anyone interested in volunteering their time and talents to the chapter to contact me directly at franrabago@gci.net.

For those of you who do not know me, here’s a (very) little bit about myself—I retired from the State of Alaska in 2010 after serving 28 years in various roles, such as investigator for the Alaska State Commission for Human Rights, labor relations personnel officer for the Department of Health & Social Services (and even their assistant human resource manager for a while), management consultant for numerous state departments, and finally ending my career as the statewide Equal Employment Opportunity program manager.

Six short weeks into my retirement, I began working for APEA/AFT as a union advocate, specifically as a journey-level field representative for the Southcentral region. During the five years as a field representative, I served as an RPEA board member for the Southcentral Chapter.

I am thrilled and honored to serve as your current vice president and invite each and every one of you to contact me with any questions or input you may have. You are RPEA – please help us maintain the quality of life we all deserve and expect by volunteering, providing support of RPEA’s efforts, or by providing your valuable views and ideas for the board’s consideration.

I want to thank the many members who have been so welcoming and encouraging to me in my new role. Please access our website regularly for current news and information at www.rpea.apea-aft.org.

Until next time, best wishes for health and happiness!



Northern Chapter News

By Charlie Gallagher,
Northern Region Chairperson

On Thursday, September 24, we welcomed the Alaska Retirement Management (ARM) board to Fairbanks. We sincerely thanked the ARM board for their efforts, which we at RPEA watch very carefully for obvious reasons. I thanked Commissioner Sheldon Fisher for his continuing dialogue on issues, especially regarding RPEA’s benefit concerns.

We also thanked Commissioner of Revenue Randy Hoffbeck for his efforts on behalf of the Northern Region as he had given a two-

and-a-half-hour seminar the prior night. Our chapter had originally asked for him to talk at our luncheon. Instead, he brought it before a larger audience at the Noel Wien Library. Randy did come to our lunch and complemented our featured speaker, Sam Trivette, who gave an in-depth presentation on the financial situation and health of the pension accounts. There is still a gap left to the responsibility of the municipalities.

Sam also discussed the new actuarial committee, which was set up by the ARM board in 2014. Prior to the creation of this committee, communication between actuaries wasn’t good. Things are going better due to improved information flow, and reports are more timely.

This is the last meeting at the Westmark, as we are moving to the Raven Landing senior housing complex, which has a “legislatively” supported community center. Prices are about the same at both places. However, the center is designed for seniors and we felt an obligation to support it. We will be in the same

room each meeting, unlike at the Westmark. It also looks good for the Legislature!

Speaking of the Legislature, we have invited Cindy Spanyers, our legislative liaison, to come and speak in October about “winning friends and influencing people” (to borrow the Dale Carnegie phrase). Normally, we host an annual luncheon with the Northern Region legislative members and their staff in November, before they go to Juneau. This offers them (and us) an opportunity for dialogue. Last year our members were so mad about Aetna, Moda and the Parnell administration’s cost shifting onto our backs that we “sort of” went off on our representatives. So, this year we asked Cindy to talk to us about influencing the second estate.

Finally, in January 2016, we will have the Fairbanks Memorial Hospital business office coming to speak to us about how they deal with Medicare, Aetna and paying our bills. We hope you will mark your calendar and join us.

How WEP and GPO Can Reduce Your Social Security Payment

By Ruby Ketola,
Communications Director

When you receive a retirement payment from an employer that does not collect and pay into the Social Security program (such as the State of Alaska) AND you qualify for Social Security due to other jobs you worked at, it is likely that your Social Security payment will be reduced. It may be quite a bit lower than the estimated amount shown on your quarterly Social Security statements. There are two federal laws that affect Social Security benefits of people who receive government pensions. They are the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

Some retirees are caught by surprise when they learn their Social Security payment will be lower than they expected. Don't let that happen to you! The Social Security Administration's website has information on these programs and a calculator that can help you determine how your Social Security retirement benefits will be impacted.

You can find the GPO and WEP brochures at <http://www.socialsecurity.gov/pubs/EN-05-10045.pdf> and <http://www.socialsecurity.gov/pubs/EN-05-10007.pdf>. These documents explain the reason for the programs, who is impacted, and how the reductions are calculated. You can also call or visit a Social Security office to ask how your benefit will be affected. It would be a good idea to determine your actual benefit well before you plan to start taking your Social Security benefit.

Each retirement situation is unique. For more information, it is always best to contact the Social Security Administration directly.



Southeast Chapter News

By Gary Miller, Vice President

After the death of my daughter in May, I was overwhelmed by grief and the many tasks that needed to be done. I did not have a list to help me along. Here is a list that I hope you find useful should you or someone you know need it. Send me an email at gmler.juneauak@gmail.com if you want an electronic copy of this list to store on your computer.

1) It is important to make sure no one steals your loved one's identity. These organizations should be contacted with proof of death (note that they require a copy of the death certificate):

- Internal Revenue Service
- Social Security Administration
- Credit bureaus (Equifax, Experian and Trans Union)
- Credit card companies
- Medicare and/or Medicaid

2) Warning: Obituaries that include date of birth, place of birth, parents' names, etc. open the door for identity thieves. Be careful what personal information you share.

3) There are also state and local governments that should be notified of the death. These include:

- Alaska Permanent Fund Dividend Division
- Alaska Division of Retirement & Benefits
- Division of Motor Vehicles
- Division of Elections (voter registration)
- Municipality (property tax, water, sewer, sales tax exemption card, etc.)

4) The executor of the will needs to be notified of the death and should perform these tasks:

- The will must be executed.
- The list of disposition of tangible personal property needs to be executed. (This is a list outside of the will detailing where certain possessions are to go.)
- Banks and credit unions need to be notified. Think about safety deposit boxes also.
- Insurance companies (life, home, health, auto) must be notified. Check if there is a refund due.
- Investment companies need to be notified.

You can help protect your heirs by keeping a list of your assets and accounts with your will. I update my list yearly and send it to the executor of my will.

5) Some additional organizations that may need to be contacted:

- Heating oil company (cancel automatic refill if necessary)
- Electric company
- Phone company (both land line and cell phone)
- Cable company
- Internet service provider
- Medical and dental providers so they can complete and archive their files

6) Check with unclaimed property in the states where your loved one lived. Sometimes our loved ones had assets that are not documented. For Alaska, the dormancy periods for unclaimed property can be found at <http://treasury.dor.alaska.gov/Unclaimed-Property/Unclaimed-Property-FAQ>. The ranges are one year (safe deposits, utility deposits and wages), three years (life insurance proceeds and customer overpayments), five years (savings/checking and stocks/bonds) and 15 years for traveler's checks. Claiming the property is free. Some companies work the unclaimed property lists and try to charge you a fee for what is free for you through your state.

If you think of something that is not on the list, please let me know and I will include it in the next newsletter.

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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|--|--------------------------|
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Why Is My Dental Out-of-Pocket Higher?

By Sharon Hoffbeck, Executive Vice President and Retiree Benefits Committee Chair

I've heard that question many times since January 1, 2014. That was when the state severely reduced the benefits of the retiree dental plan, resulting in very poor coverage and much higher out-of-pocket expenses.

New limits on services, such as frequency of cleanings and emergency visits, obviously increase the out-of-pocket costs for some retirees. But, in addition, the new plan changed the way benefits are calculated and paid. Here are some of the ways that these changes drastically increase retirees' out-of-pocket expenses:

- The retiree dental plan had always paid at the 90th percentile of the recognized charge. This allowed the plan to cover a significant portion of dental bills and usually 100 percent of preventive services. As of January 1, 2014, the plan

now only pays at the 80th percentile of the recognized charge.

- In addition, the recognized charge was previously based on true marketplace fees.

Since January 1, 2014, the recognized charge is now based on negotiated network rates, according to Moda representatives. Negotiated rates are often less than fees charged by dentists who are not in-network, so this lowers the amount that will be reimbursed for dental services.

Also, for retirees who are Alaska residents, there is an additional 25 percent penalty for using an out-of-network dentist, further increasing the out-of-pocket expense. Retirees living in another state are not subject to this 25 percent penalty — it applies only to retirees who are Alaska residents.



Interestingly, RPEA has had the dental/vision/audio (DVA) trust account analyzed and found the fund to be in good financial shape with reserves in excess of what is needed, so there was no justification for the state's reduction of our dental benefits.

RPEA is encouraging anyone receiving denials for treatments that were covered prior to January 1, 2014, or higher out-of-pocket fees to file an appeal. Additionally, if you have an appeal in progress, please let us know. If you need help or have questions about filing an appeal, please contact sharonhoffbeck@gmail.com.



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Retired Public Employees of Alaska
3310 Arctic Blvd., Suite 200
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Medical Information Committee Updates

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Transition Lens Coverage

RPEA was notified by a retiree that an Aetna concierge told her that the retiree vision plan does not cover transition lenses and that the entire claim would be denied. This was incorrect information and does not conform to the retiree vision plan. **Under the vision plan, transition lenses will be covered up to the cost of regular lenses** with anything above that amount being the retiree's responsibility. We contacted DRB who confirmed that the Aetna concierge did in fact give out incorrect information, and they have requested that Aetna ensure that their staff is trained to know what the vision plan coverage is.

by Aetna for medical necessity. Note that this does not reset at the beginning of each year. If there is need for more than 20 PT sessions for a specific illness/injury, Aetna will require the provider to document that medical necessity exists. If Aetna determines that medical necessity does not exist, future claims for PT will be denied. **This review does not affect the 20 sessions already received — it only affects anything after 20 sessions.** If the retiree and their provider feel that Aetna's determination is incorrect, the retiree should immediately file an appeal.

Physical Therapy Clarification

The retiree medical plan covers the first 20 physical therapy (PT) sessions for every specific injury/illness **without review**

DRB Wants Your Email Address

In the past, the Alaska Division of Retirement & Benefits (DRB) did not have the capability of maintaining email addresses for retirees. With the acquisition of a new information system, that has now changed. As a result of having this new capability, DRB has started sending periodic notices to retirees via email and is actively soliciting email addresses from retirees.

If you are not receiving notices from DRB at your email address, this indicates that they do not have your email address.

If you would like to receive DRB notices via email, visit <http://doa.alaska.gov/drb/index.html> and enter your email address in the box at the right upper side of the home page, under the title "Get News & Updates."