



Alaska Division of Retirement and Benefits

AlaskaCare Retiree Health Plan

AlaskaCare Enhanced Employer Group Waiver Plan (EGWP)

Background

Alaska statute (AS 39.35.535 (b) and 14.25.168 (b)) requires that the AlaskaCare Retiree Health Plan become supplemental to Medicare when members and their eligible dependents turn 65. All members should apply for Medicare Part A and B within three months of their 65th birthday.

This brochure will focus on AlaskaCare's enhanced Employer Group Waiver Plan (EGWP), which is a group Medicare Part D Prescription Drug Plan, for Defined Benefit retirees.

Please refer to our informational brochure titled *Medicare and the AlaskaCare Defined Benefit Retiree Health Plan* for more information on Medicare Part A, Part B, AlaskaCare, and Medicare Direct.

Enrollment in the AlaskaCare EGWP (Medicare Part D)

If you are enrolled in Medicare Part A and/or Part B, and are not enrolled in a Medicare Advantage Plan (Part C) or an EGWP through another retirement system, you will be automatically enrolled in the AlaskaCare Enhanced EGWP **once you provide your Medicare Number to the Division of Retirement and Benefits**. If you are enrolled in a Medicare Advantage Plan or another EGWP, please provide us with proof of your enrollment so that you may remain on the current standard (non-Part D) pharmacy benefit plan.

You will **not** need to enroll in an individual Medicare Part D plan. When we enroll you in the AlaskaCare EGWP, your AlaskaCare pharmacy benefits will stay the same, with the same level of coverage as non-Medicare-eligible members.

There is no premium for the AlaskaCare EGWP. However, Social Security may assess a surcharge if you are a high-income earner, which can be reimbursed. This surcharge is assessed by the Social Security Administration and is similar to the high-income surcharge that applies to Medicare Part B. If your income is below the federal threshold, you won't have to pay the IRMAA.

For more details, visit AlaskaCare.gov/IRMAA or see the *Income Related Monthly Adjustment Amount (IRMAA)* brochure.

Medicare Enrollment Verification Form

Three months prior to your 65th birthday, the Division of Retirement and Benefits (DRB) will mail you (and/or your spouse when they turn 65) a letter regarding the effect of Medicare and the requirement to enroll in Medicare Parts A and B. This letter will include a *Medicare Enrollment Verification* form. Please return the completed form to the DRB with your **Medicare Number**—also known as a Medicare Beneficiary Identifier (MBI). Once we receive your Medicare Number, we will

initiate your enrollment in Medicare Part D through the EGWP.

Note: For members retiring at or after turning 65, we will request your and/or your spouse's Medicare Number on the retirement application.

Why it's important: Timely submission helps avoid coverage delays or enrollment disruptions.

Please note: When you provide your Medicare Number to the DRB, we will not share it with Aetna. To notify Aetna of your enrollment in Medicare, please call the Aetna Concierge directly at (855) 784-8646.

What to Expect in the Mail

Upon enrollment in the EGWP, you will receive an enrollment confirmation letter from Optum Rx and a new Member ID Card. You must use your new EGWP card at the pharmacy. Using your old card may cause your claim to be rejected. Sample card below:



Visit AlaskaCare.gov/EGWP and click on the *Frequently Asked Questions* link for information on additional letters sent by Optum Rx, including the Annual Notice of Change (ANOCs).

Copays

Your copays are still \$4, \$8, or \$0.

	Generic up to 90 Day or 100 Unit Supply	Brand Name up to 90 Day or 100 Unit Supply
Network Pharmacy Copayment	\$4	\$8
Home Delivery Copayment	\$0	\$0

Visit AlaskaCare.gov/EGWP and click on *Frequently Asked Questions* for information on when a \$0 copay may apply later in the plan year based on the cap Medicare places on true out-of-pocket (TrOOP) costs.

Opting Out of the EGWP

You can choose not to join the AlaskaCare EGWP, but this is highly discouraged. If you or your Medicare-eligible dependent opt out, the prescription drug costs will be higher for you and/or your dependent. See section 1.2.2 of the

AlaskaCare Retiree Insurance Information Booklet for more details on the Opt-Out Plan.

If you are considering opting out because you already have another Medicare plan that includes drug coverage, please send us proof of that coverage (like a copy of your ID card). This will allow you to stay on the standard pharmacy plan instead.

Late Enrollment Penalty (LEP)

The Late Enrollment Penalty (LEP) is an additional fee assessed by Medicare if a beneficiary:

1. Did not have creditable prescription drug coverage when first eligible, or
2. Had a coverage gap of 63 days or more

Once assessed, the LEP remains in effect for as long as the beneficiary is enrolled in Medicare Part D. **The LEP does not apply to members upon timely enrollment at age 65.**

You may receive a letter if you were identified by Centers for Medicare & Medicaid Services (CMS) as having uncovered months prior to enrollment in Medicare Part D. They will ask if you had creditable prescription drug coverage. Creditable prescription drug coverage is coverage that is at least as good as or better than the standard benefits defined by CMS.

If you receive a letter, complete the *Declaration of Prior Creditable Coverage* form included with the letter and mail it to the address on the form, or call the number on the form to provide the attestation by phone.

Good News: You will not be responsible for any LEP charges, even if Medicare assesses them. If an LEP is applied upon late enrollment, the plan pays this penalty on your behalf.

Note: The State of Alaska has determined that the prescription drug coverage is “creditable” under the AlaskaCare Health Plans.

Out-of-Area or P.O. Box Address Requirements

The Centers for Medicare & Medicaid Services (CMS) require that all Medicare Part D enrollees provide a valid residential (physical) address.

- A P.O. Box alone is not acceptable for Medicare enrollment.
- If your file only includes a P.O. Box, you may receive a request for your physical address.

You would need to confirm that you live inside the plan's service area. No mail will be sent to this physical address unless it is the same as your mailing address. Your physical

address will only be used to verify that you live inside the plan's service area.

Failure to provide a residential address may result in being disenrolled from EGWP and being placed into the Opt-Out plan, which could mean higher out-of-pocket costs.

Coordination of Benefits (COB)

The Centers for Medicare & Medicaid Services (CMS), through Optum Rx, may send you a COB Survey if there is reason to believe you have other drug coverage.

What You Need To Do

- Review the COB letter carefully.
- Contact **Optum Rx Enrollment Services** if updates are needed.
- Provide accurate information about any **primary or secondary** coverage.

Why it Matters:

If COB information is not updated, your pharmacy claims may be **denied** due to conflicting or missing coverage data.

If you have more than one retiree prescription drug plan, the AlaskaCare Enhanced EGWP may become your **primary coverage** and your other plan may move to **secondary coverage**. This change will not reduce your benefits—your prescriptions will still be covered at the same level as before.

If you add other health coverage and become covered under an active employee health plan, that coverage may become the primary payer.

Questions?

For EGWP enrollment, call the *Division of Retirement and Benefits:*

- » Call: Member Education Center toll-free at (800) 821-2251 or in Juneau at (907) 465-4460
- » Email: doa.drb.benefits@alaska.gov

For pharmacy claims, Medicare Part D-related address updates, coordination of benefits, or IRMAA questions, call **Optum Rx**:

- » Call: Optum Rx Member Services at (855) 409-6999
- » Email: alaskacare_irmaa@optum.com
For IRMAA Reimbursement Claim Inquiries.
- » Visit: Optumrx.com

Alaska Division of Retirement and Benefits

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

Member Education Center

Hours: Monday-Thursday 8:30 a.m. to 4 p.m. | Friday 8:30 a.m. to 3 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-4668 | TDD: (907) 465-2805

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