AlaskaCare Benefit Clarification

<table>
<thead>
<tr>
<th>Benefit Title</th>
<th>Compound Medications</th>
<th>Group Number</th>
<th>866219-All</th>
</tr>
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<tbody>
<tr>
<td>Effective Date</td>
<td>January 1, 2014</td>
<td>Date Submitted</td>
<td>February 24, 2014</td>
</tr>
</tbody>
</table>

Applicable Benefit Plan (check all that apply):

- [x] Active
- [ ] Retiree  
- [ ] Long-Term Care
- [ ] Medical
- [ ] Dental
- [ ] Vision
- [ ] Audio
- [x] Pharmacy
- [ ] Other

Description: Coverage of prescription compound medications that do not contain at least one ingredient that is an FDA legend drug.

AlaskaCare Insurance Information Booklet Reference(s):
- January 1, 2014 amendment: page 14-16, Medically Necessary Services and Supplies
- January 1, 2014 AlaskaCare Employee Health Plan: page 32-33, Medically Necessary Service and Supplies; page 77, Pharmacy Benefit Exclusions

Decision: Under the pharmacy benefit Aetna to process or reprocess claims for compound prescription that contain bio-identical hormones, an active ingredient that is a bulk powder and not an FDA approved medication, and thyroid compounds containing a bulk powder active ingredient as appropriate for employees, retirees or dependents.

Plan Administrator Approval:

Signature: [Signature]
Title: Deputy Commissioner
Department of Administration
Date: 3/19/14

Comments:

This benefit clarification applies to the AlaskaCare Employee Health Plan effective January 1, 2014 and the AlaskaCare Retiree Health Plan as amended January 1, 2014.

A benefit clarification is one mechanism by which the Plan Administrator provides guidance to the Third Party Administrator (TPA) as to the proper adjudication of a specific provision of the AlaskaCare Health Plan(s). A benefit clarification does not amend the AlaskaCare Health Plan(s); rather, it provides clarification as to the Plan Administrator's intent with regard to a specific provision of the plan document. No covered person will have any vested interest in a benefit clarification. The Commissioner of Administration, as administrator of the AlaskaCare Health Plans, reserves the right, in his sole discretion, to alter, amend, delete, cancel or otherwise modify this benefit clarification at any time and from time to time, and to any extent that he deems advisable.