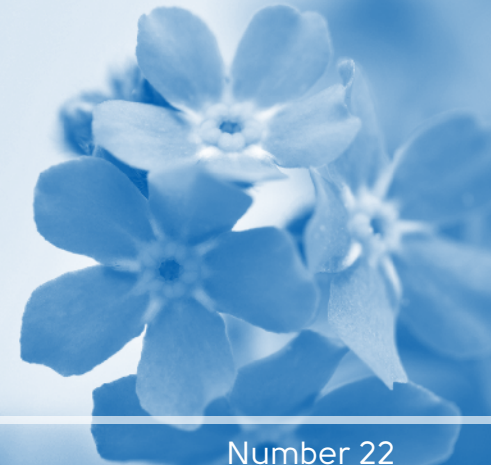


HealthMatters



February 2014

Number 22

Transition Update

Claims administration for the AlaskaCare Employee Health Plan and Retiree Health Benefit Plan transitioned from HealthSmart to Aetna (medical and pharmacy) and to Moda Health/Delta Dental of Alaska (dental) on January 1, 2014. This volume of HealthMatters outlines how AlaskaCare is responding to several issues that arose during the transition. Please carefully review it and visit AlaskaCare.gov for more information.

Background

Plan Participation:

AlaskaCare Employee Health Plan (Active State of Alaska Employees):

Members: 6,662
Dependents: 10,482

AlaskaCare Retiree Benefit Plan (Retired PERS/TRS/JRS Members):

Members: 38,503
Dependents: 28,734

Total Covered Lives: 84,381

Why did this transition occur?

The Division of Retirement and Benefits (Division) is required by the Alaska Procurement Code (AS 36.30) to periodically issue a request for proposals (RFP) for third-party administrator (TPA) services for the AlaskaCare Employee Health Plan and Retiree Health Benefit Plan.

Previous Third-Party Administrators:

1982-1997	Aetna
1997-1999	NYLCare
1999-2006	Aetna
2006-2009	Premera
2009-2013	Wells Fargo/HealthSmart
2014-present	Aetna

Most recently, the Division issued TPA RFPs in 2005, 2009, and 2013.

Why did the Division select Aetna?

An important element of the TPA service is the discount provider network. A TPA's network can provide substantial benefits to members through the elimination of balance billing and substantial savings to the plan through negotiated provider discounts.

Under Wells Fargo/HealthSmart, the AlaskaCare discount provider network was provided by BeechStreet.

During the 2013 RFP process, the Division received bids from various companies proposing various networks for the AlaskaCare Plan. The 2013 Medical TPA Proposers were:

Aetna + Aetna network
HealthSmart + Aetna signature network
Moda Health/Delta Dental of Alaska + BeechStreet network
Premera + Premera network

The status quo (HealthSmart + BeechStreet network) was not submitted as a proposal. Thus, a transition was unavoidable under the required legal procurement process. All proposals were scored for cost by the AlaskaCare actuary (Buck Consultants) and by a proposal evaluation committee (PEC). Aetna scored highest for both cost savings and the PEC's rating.

Transition Issues

An extraordinary number of details need to be cared for when transitioning the healthcare for 84,381 covered lives: network providers, prescriptions, processes, and training call center staff. We must ensure all details of the plan language are properly coded in the TPA adjudication system, the proper number of staff are in place, data regarding member and dependent eligibility for all 84,381 people is correct, and plan elections are up to date. In recognition of these many details, the Division retained a professional project manager to assist with the transition. Most of the transition details were properly addressed, and Aetna passed a pre-implementation audit performed by Buck Consultants.

What issues emerged during the transition?

In the last weeks of the 6-month transition process, some errors occurred. The most significant was the transmission of an erroneous eligibility file by the Division to Aetna. The discovery and correction of this error resulted in retiree eligibility cards being mailed late. This had serious consequences for the call centers in January, 2014, because hundreds of members who had not received ID cards called the Aetna and Division call centers.

The unexpected call volume in early January resulted in unacceptably long call wait times. Aetna added staff to its call

Continued on page 2

Transition Update

center which brought the call wait times down to acceptable levels (less than 30 seconds):

	January 2	January 30
Avg. Speed of Answer	13 min 40 sec	2 sec
Longest Wait Time	35 min	1 min 28 sec
Abandonment Rate	36.70%	0.00%

During the month of January, the Division, Aetna, and Moda Health/Delta Dental of Alaska call centers received close to 50,000 calls. The Division and Aetna are absolutely committed to providing responsive service to our members, and we believe that the member experience has and will continue to improve. If you have a question, you can call Aetna's Health Concierge at (855) 784-8646 or the Division at (800) 821-2251. In Juneau and Anchorage, you can receive in-person customer service from Aetna at the following locations:

- Juneau: One Sealaska Plaza, Suite 305
- Anchorage: 4341 B Street, Suite 403

Other Issues

Pharmacy

Why has coverage for my prescription been denied?

Many members have called to report that their prescriptions for vitamins, certain compounds, and over-the-counter (OTC) products were covered when Wells Fargo/HealthSmart was the TPA, but that Aetna is denying coverage.

The plan language regarding prescriptions has not changed. To be covered, a medication must have an FDA-approved substance in it that requires a prescription in order to dispense. We are gathering information on the practices of HealthSmart to resolve this issue.

Why did the maximum allowance of my medication change?

A coding issue was discovered related to the maximum amount of medication allowed under the AlaskaCare plan. This issue was attended to quickly and fully resolved by Aetna on January 6, 2014.

What do I do if I have more than one plan of coverage for pharmacy benefits?

Aetna received a list of members that were known to have dual eligibility under the AlaskaCare plan from our prior administrator. For the majority of these individuals, Aetna has completed the updates to their system so the pharmacy will now be able to dispense a member's medication taking into account both plans. If you have more than one plan of coverage for pharmacy, and want to have the coordination between the two plans handled by the pharmacy, please call Aetna's Health Concierge at (855) 784-8646. Aetna will update your records as it relates to other coverage for both medical and pharmacy.

Precertification and Network

Why did AlaskaCare expand the precertification list?

Members have expressed concern about the expanded precertification list. It is important to understand that the precertification list only applies when you are seeking care outside of the Aetna network. When you seek care from a

network provider, it is the network provider's responsibility to obtain any required precertification.

These are some of the reasons AlaskaCare expanded the precertification list:

- Some conditions, such as dialysis, require the close involvement of and partnership between the third-party administrator, the provider, and the member. We want to ensure that optimal care is provided in the appropriate setting.
- The AlaskaCare plans only cover medically necessary services and medical necessity is determined by evidence-based medicine. Some treatments are not firmly supported by scientific evidence. Precertification allows members to know in advance whether such treatment will be covered. Furthermore, members should have access to evidenced-based information in advance to help them decide whether a treatment is right for them.

AlaskaCare recognizes that Alaska's network is not fully developed at this time. Our goal is to, over time, as network options become more accessible, reduce the precertification list, and shift the responsibility for complying with this list to the provider.

What if my provider isn't in the network?

Aetna is working to contract with providers in the Juneau area for AlaskaCare members. A few specific updates:

- Bartlett Regional Hospital is now a network provider, effective January 1, 2014.
- Family Practice Physicians has signed a contract and will be a network provider effective February 15, 2014.
- Southeast Medical and Glacier Pediatrics have signed contracts and will be network providers effective March 1, 2014.

Aetna continues to work to expand its network throughout Alaska.

If your current provider is not listed as an in-network provider, you can ask your physician to contact Aetna for a participation application at (800) 720-4009. Members are also encouraged to nominate their non-network providers to join the Aetna network. A nomination form can be found here: AlaskaCare.gov/forms.

Dental

What are you doing to address my concerns about the cleaning frequency limits?

Concerns were raised regarding cleaning frequency limits in the retiree plan. We have worked through those concerns with Moda Health/Delta Dental of Alaska and are proposing to increase the limits to 4x/year in the case of periodontal disease, and more if dentally necessary and authorized by Moda Health/Delta Dental of Alaska.

Our Commitment

All of the staff at Aetna, Moda Health/Delta Dental of Alaska, and the Division care deeply about your health care. We have been working long hours for many months to make this transition as smooth as possible for you and we will continue to do so. Please keep sharing your concerns and we will address them as soon as we can. 🍷

Important Notice about Your AlaskaCare Employee Health Plan Document

The Plan Administrator has adopted, pursuant to authority under AS 39.30.090-098, a new AlaskaCare Employee Health Plan dated January 1, 2014 (“plan”) as the official plan document governing the benefits contained therein. The plan was effective upon adoption and applies to claims submitted for payment with dates of service on or after January 1, 2014. All prior plan booklets, documents and related amendments were repealed in their entirety as a result of the adoption of the new plan document. This means that plan participants cannot rely on prior plan documents for purposes of determining coverage of benefits under the plan.

Each member of the plan is strongly encouraged to carefully read the new plan document to understand the scope of benefits available to plan participants as of January 1, 2014. You may access the plan at: Alaska.gov/drb/resources/booklets.html. You may also contact the Division at (800) 821-2251 or (907) 465-4460 to request a copy of the plan document.

The Plan Administrator is accepting public comment on the plan document. You may submit your public comment on the plan document at: doa.drb.alaskacare.employee.plan@alaska.gov. Written comments may be submitted to:

State of Alaska, Department of Administration, Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203
Attn: Michele Michaud

The deadline for submission of public comments is **February 28, 2014**. Comments received after this date may not be considered.



Important Notice about Your AlaskaCare Retiree Benefit Plan Document

The Plan Administrator intends to adopt a new plan document governing the benefits provided under the AlaskaCare Retiree Benefits Plan (plan). A complete copy of the proposed plan can be found at: Alaska.gov/drb/resources/booklets.html. You may also contact the Division at (800) 821-2251 or (907) 465-4460 to request a copy of the proposed plan document.

The Plan Administrator is now accepting public comment on the proposed plan document. You may submit your public comment regarding the proposed plan at: doa.drb.alaskacare.retiree.plan@alaska.gov. Written comments may be submitted to:

State of Alaska, Department of Administration, Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203
Attn: Michele Michaud

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The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). This health newsletter is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits at (907) 465-4460 or contact the TDD for the hearing impaired at (907) 465-2805.

Disclaimer: Information in this newsletter summarizes the plan provisions, is supplemental only, and does not supersede the applicable Information Booklet's provisions. The Division is unable to unsubscribe members from our mailing list at this time.

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