

February 2003

To: All Participants of the Alaska Electrical Health & Welfare Fund

Re: Plan Changes and Rate Changes Effective April 1, 2003

The Board of Trustees of Alaska Electrical Health & Welfare Fund met February 6, 2003 to review the projected cost for the health plan for the rest of the year.

Nationwide, health plans continue to experience cost increases. Many health plans are struggling with increases of 13-15% this year. Alaska Electrical Health & Welfare Fund is challenged with increasing costs as well. Therefore, the Board of Trustees determined it will be necessary to implement a contribution rate increase, and make two plan changes to address adverse utilization within the Plan.

#### **Contribution Rate Increase**

Effective April 1, 2003, contribution rates for active and retiree plans will increase approximately 7.5%. For active employees, this affects hours worked in April 2003.

#### **Plan Changes**

The Fund will make two plan changes, effective April 1, 2003, in order to address plan utilization concerns.

- **Maximum Facility Charge for Gastric Bypass Procedures.** The maximum allowable hospital charge for gastric bypass procedures will be the PPO facility rate of Alaska Regional Hospital (currently \$25,000). All other Plan limitations will continue to apply. Remember the maximum lifetime benefit for all related services for this procedure including follow-up procedures and complications is \$50,000
- **Spinal Therapy/Chiropractic Benefit Limitation.** Benefits for spinal therapy will be limited to 24 visits per calendar year with a maximum allowable expense of \$125 per visit. This limitation applies to all spinal therapy/chiropractic services, including chiropractic therapy and manipulations, physical therapy, and occupational therapy.

#### **Reminder on PPO Hospitals and Other Providers**

Alaska Regional Hospital and Chugach Physical Therapy are the preferred provider facilities in the Municipality of Anchorage for all inpatient and outpatient services. *The HealthSouth Surgery Center, HealthSouth Physical Therapy, and HealthSouth Diagnostic Center are not Preferred Providers.* If you use a non-preferred provider in the Municipality of Anchorage, the allowable charge for inpatient services will be limited to the contracted rate with the Preferred Provider facility. For outpatient services, the allowable charge will be the case rate for services at Alaska Regional Hospital, if any, or 50% of the billed charges at the non-PPO facility. Your plan's coinsurance rate will be assessed a 20% reduction for the first \$50,000 of allowable expenses. In addition to these penalties, a \$1,000 penalty will be imposed for inpatient care.

Outside Alaska, the Fund contracts with the Multiplan network of providers. If you use a physician, hospital, or service provider outside Alaska and that provider is not in the Multiplan network, your plan's reimbursement rate will be reduced by 20% for the first \$50,000 of allowable expenses.

### **Wellness and Minor Care Providers**

The Wellness and Minor Care Providers include Primary Care Associates and Dimond Medical Clinic in Anchorage/Eagle River, Wasilla Medical Clinic in the Mat-Su Valley, and Fairbanks Urgent Care Center in Fairbanks. Medical Park Family Care is no longer a Wellness and Minor Care Provider, but you may still access their services through the medical plan. Please remind your provider, any lab or x-ray sent out for processing, even if is drawn at Medical Park Family Care, should be sent to Alaska Regional Hospital or it will be subject to out-of-network penalties.

### **Prescription Drugs**

Advance PCS is the prescription benefit manager for all Medical Plans including Retiree Plans. You may get your prescriptions from a local (retail) pharmacy or through the Advance PCS mail order pharmacy. When you use a network pharmacy, present your card with the Advance PCS logo in the lower left corner so they will know you are an Alaska Electrical Health and Welfare participant. You will be charged your co-pay and will not need to file a claim. If your prescription is denied or there are any system problems, your pharmacist may call the pharmacy hot line at (800) 364-6331 or the Administrative Office at 276-1246 or (800) 478-1246.

When using the mail order service, you must submit an order form and an original doctor's prescription. Be sure the prescription is written for a 90-day supply. If the prescription is written for 30 days with 12 refills, mail order can only fill 30 days at a time. Place your order at least 2 weeks before you will need your medications. If you do not receive your prescription within 2 weeks, call Advance PCS at (800) 552-8159 to find out the status of your order and address any issues that may have arisen. Discrepancies in your order must be brought to the attention of the Advance PCS Customer Service Department within 30 days of receipt of your order.

If you live in or are traveling in an area in which there are no Advance PCS network pharmacies and you purchase a prescription, fill out an Advance PCS claim form and submit it with your receipt through the Administrative Office. Advance PCS will reimburse you the retail price less your co-pay.

If you have any questions about your benefits, please contact a Health & Welfare representative at 276-1246 or (800) 478-1246. Thank you.

Sincerely,

/s/

Gregory R. Stokes  
Administrator