

Healthy CONNECTIONS



Straight Talk from Your Health and Welfare Fund

Hot Topics

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Alaska Electrical Health & Welfare Fund

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WHAT'S NEW?

Making *Healthy Connections*

New Health & Welfare Fund Newsletter Helps You Use Benefits Wisely

Consider it an investment in your good health—and in the health of your Fund. This new quarterly newsletter is full of information that will help you and your family get the most out of your health care benefits. Look inside for:

- Tips on getting—and staying—healthy.
- Answers to frequently asked questions about your benefit coverage.
- Practical advice for using your benefits wisely.

HEALTH FUND "101"

Did you know that the Health & Welfare Fund's health plan is self-insured, which means that claims are paid directly by the Fund, not by an insurance company? Here are some other points to keep in mind.

It's your Plan: Your Health Trust Board of Trustees determines what the Plan covers, pays claims and judges appeals.

It's your money: Contributions made by you and your employer as part of your wage package go into the Trust to pay for claims and other costs. The Fund works hard to keep administrative costs low. Claims made up 92% of total Fund costs in 2004. Premiums for life, AD&D and stop loss insurance accounted for 3%. Administration, fees, and other expenses were only 5% of the total cost of the Fund.

It's up to you: How wisely you use the Plan makes a difference! When you take steps to improve your health and reduce your claim costs—you save money for yourself *and* your Plan.

YOUR HEALTH TOOLBOX

Summer's Here—Get Outside and Move!

Common Sense Safety Can Save Your Life

One of the *best* things you can do for your health is to get outside and get moving. Summer activities like fishing, hiking, camping and boating are good for you *and* fun to do.

However, one of the *worst* things you can do is to get out in a remote area without being prepared for accidents or other emergencies. Just a few precautions can help you avoid health risks and costly emergency care.



Good, old-fashioned physical activity is surprisingly good for you.

It can help reduce blood pressure, maintain healthy bones and joints, control weight, reduce body fat, develop muscles and reduce anxiety and depression.

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Summer's Here—

Continued from page 1

FIVE TIPS THAT COULD SAVE YOUR LIFE

Play it safe with these common sense safety tips:

1. Go with a buddy, better yet, go with three: if someone is injured, one can stay with the victim and two can go for help.
2. Always take a first aid kit with you.
3. Have an emergency plan: know how to contact help and have a cell phone or radio with you.
4. Take along extra supplies (food, water, clothing, medication) in case you are gone longer than expected.
5. If you are boating, wear a life jacket—and insist all passengers wear them.

YOU'RE COVERED IN AN EMERGENCY

In an emergency, obtain immediate medical assistance. The Health

Plan's PPO provisions do not apply to emergency services. An "emergency" means either:

- The victim is taken to the hospital by a third party (not an immediate family member).
- The victim experiences symptoms a reasonable person would consider life threatening and is taken to the nearest facility.

For maximum benefit coverage, the patient must be transferred to a PPO facility as soon as it is medically possible. Services received after the patient could be transferred will be subject to non-PPO reimbursement.

ONLINE RESOURCES

American Red Cross—www.redcross.org

Buy a first aid kit; sign up for a local first aid, CPR, swimming or boating class; get practical safety tips.

Alaska Dept. of Natural Resources— Div. of Parks and Outdoor Recreation—www.dnr.state.ak.us

Get information about State parks:

facilities, public use cabins, trails, park fees and passes.

Fishing.com—www.fishing.com

Get expert fishing tips; sign up for a free newsletter; see product and boat reviews.

Boatsafe.com—www.boatsafe.com

Take an online boating safety course; get useful tips on boat maintenance; visit the kids safety section.



DEFINING BENEFIT TERMS

Understanding "Preauthorization" Know When to Call Ahead

Preauthorization is simply a review of your case to determine medical necessity for a particular procedure. This helps to keep claim costs down and ensure that the Plan is administered fairly.

When preauthorization is approved, you receive the standard benefit coverage for your Plan. If you do not preauthorize a required procedure, your benefits will be reduced to 50% of covered charges, and you must request retro-certification at your expense.

The Plan requires that you preauthorize the following:

1. All planned hospital stays, to extend a hospital stay, following an emergency hospital admission and as soon as practical for maternity stays.
2. The following outpatient procedures (new list effective January 1, 2005):
 - Bariatric surgery (for obesity)
 - Blepharoplasty
 - Botox injection
 - Breast surgery (non-diagnostic)
 - Durable medical equipment over \$1,500
 - Home health care
 - Home infusion therapy

To Request
Preauthorization Call:
HealthCare Strategies
(877) 478-1246

- Lithotripsy
- Panniculectomy
- Varicose veins-stripping, ligation and sclerotherapy
- Virtual colonoscopy (CT scan)

Refer to the Summary Plan Description for details.

Remember, even though a hospital stay or outpatient procedure is certified, the PPO provisions will apply.

BENEFIT Q & A

Using Preferred Providers in Anchorage
You Save Money When You Use the PPO

Q: What is the PPO?

A: A Preferred Provider Organization (PPO) is a network of providers that agree to charge discounted rates for the services they provide to PPO members. The Plan contracts with Anchorage Regional Hospital and Chugach Physical Therapy in Anchorage.

Q: Why does the Trust use PPOs?

A: By charging discounted rates for services, PPOs help the Fund keep costs down. The Fund saved over \$8 million last year by using PPOs. To put this in perspective, the Plan would have paid almost 20% more in claims if we didn't have PPO agreements.

Q: What services are included in the PPO?

A: Within the Municipality of Anchorage, the PPO provision applies to inpatient and outpatient hospital services, including x-rays and lab tests, and all physical and occupational therapy. It does not apply to physician services or services performed in your physician's office, using the doctor's staff and equipment.

Q: Do I have to use the PPO in Anchorage?

A: No. You may choose *any* licensed provider, but remember that when you choose a non-preferred provider for services available at a PPO, your benefits will be lower and you will probably pay more in out-of-pocket costs. In addition, you are responsible for any billed amount beyond what the Plan pays.

Q: What if I need a service that the PPO doesn't offer?

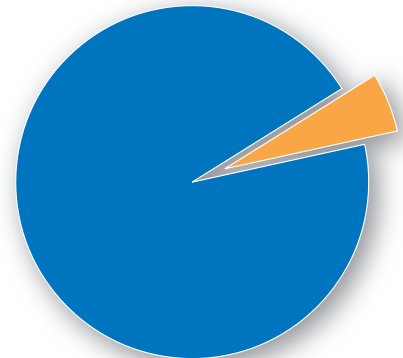
A: For services that are not available at a PPO, you may go to any approved provider and receive your Plan's standard benefits. (Please contact the Administrative Office to confirm that a service is not available at a PPO *before* receiving treatment.)

Are You in the Majority?

In any group health plan, a small percentage of participants are responsible for a large portion of the claims. Before you point a finger at anyone, know that it's not the same group each year—accidents and illness can happen to anyone. That's the value of your Health & Welfare Plan—you're covered, even when the unexpected happens.

Total Medical and Rx Claims for 2004: \$38,164,151

The Fund paid more than \$20 million on behalf of 5% of participants in 2004.



■ 5% of participants had claims *over* \$10,000
 ■ 95% of participants had claims *under* \$10,000

In the next issue, find out ways to help you stay out of the minority, even if you have a chronic condition like diabetes, asthma or obesity.

You'll Save Money When You Use the PPO

Here is an example of how the Plan pays benefits for an inpatient hospital stay. (This example is for a participant in Flex Plan 500 or 505. The Plan's payment will differ for participants in other plans. The example also assumes the deductible has been met and the procedure has been preauthorized.)

	PPO	Non-PPO
Billed Amount	\$10,000	\$10,000
Plan's Covered Charges (the PPO's contract rate)	\$4,500	\$4,500
Penalty for Not Using the PPO	N/A	\$1,000
Remaining Covered Charges	\$4,500	\$3,500
Plan Pays	\$3,825 (85% of the covered charges)	\$2,275 (65% of the remaining covered charges)
You Pay	\$675 (15% of the covered charges)	\$7,725 (35% of the remaining covered charges plus the PPO penalty and noncovered charges)

Healthy CONNECTIONS

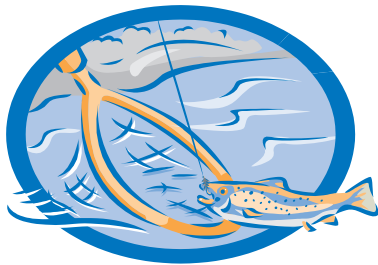


Healthy Connections provides general information about the Alaska Electrical Health and Welfare Fund. For more information, please refer to the Summary Plan Description book available by calling the Administrative Office. In the event of conflicting information, Plan documents and Plan booklets will govern.



Alaska Electrical Trust Funds
2600 Denali, Suite 200
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ADDRESS SERVICE REQUESTED



CATCH MORE FISH AND LIVE TO TELL THE TALE

Inside: Five Tips that Could Save Your Life

Let's face it: summertime in Alaska is the perfect setting for the time of your life. But, outdoor adventures in our great state can also be dangerous.

- Inside you'll find tips to help keep yourself and your family safe this summer.
- You'll also find great resources for expert fishing advice and outdoor recreation in Alaska.

...You'll have to make the "gone fishing" sign yourself.

Key Contacts

Clip and save this handy guide for future reference. You can also find contact information for all service providers in your Summary Plan Description handbook and on the Fund website.

If you have questions about these topics...	Here's where to get information...
<p><i>Health and Welfare Plan Benefits</i></p> <ul style="list-style-type: none"> • Filing medical claims • Filing appeals • Eligibility and enrollment for seasonal, deferred status and new employees • Changing your address 	<p>Alaska Electrical Health & Welfare Fund Administrative Office 2600 Denali, Suite 200 Anchorage, AK 99503 Website: www.aetf.com Phone: (907) 276-1246 or (800) 478-1246</p>
<p><i>Preauthorization</i></p> <ul style="list-style-type: none"> • All inpatient stays, to extend a stay, maternity stays • Many outpatient procedures 	<p>HealthCare Strategies Toll-free: (877) 478-1246 Website: www.hcare.net</p>
<p><i>Prescription Drug Benefits</i></p> <ul style="list-style-type: none"> • Locating a network pharmacy • Using the mail order service 	<p>Caremark (formerly AdvancePCS) Phone: (877) 478-1246 Website: www.caremark.com</p>
<p><i>Vision Benefits</i></p> <ul style="list-style-type: none"> • Locating a VSP provider • Filing vision services claims 	<p>Vision Service Plan Phone: (800) 877-7195 Website: www.vsp.com</p>