



RPEA Southcentral Chapter Membership Meeting Agenda December 13, 2016

Call to Order

Approval of the agenda

September membership meeting – Minutes were approved by the SC Chapter Board and posted on the SC Chapter section of our website, rpea.apea-aft.org.

Announcements

- **Membership meetings would not be possible without the help of volunteers.** Many thanks to Gene Christian, cashier, Kris Warren, note taker, and to our regular volunteers Mel Monsen, Marie Beatty and Jeanne Ostnes,
- **Volunteers.** Please consider volunteering at one of our membership meetings.
- **Door Prizes.** Our door prize drawing will be for free lunch at an upcoming SC Chapter membership meeting, or free lunch for a guest. You must be an RPEA member to win.
- **Meal Feedback Cards** – If you had lunch today, please complete the lunch feedback card.
- **RPEA Lawsuit** – The legal complaint, explanation of why it was filed and status updates can be found on our website at rpea.apea-aft.org. Please direct your questions to Sharon at sharonhoffbeck@gmail.com
- **Benefits Problem?** RPEA would like to know and may be able to assist you with filing your appeal. Please contact Sharon Hoffbeck.
- **We need your email.** In order to receive important RPEA news regarding your pension and retiree benefits, we need your email address. Or visit our website at rpea.apea-aft.org
- **Next Membership Meeting.** Tuesday, March 14, 2017

Today's Topics:

How Medicare and AlaskaCare Coordinate, and Step Drug Therapy – What Is It and How It Impacts the Retiree Medical and Pharmacy Plans

Today's Speakers:

Sharon Hoffbeck, RPEA President

Jeanne Larson, State Medicare Information Office

Remember: Private conversations during a presentation make it hard for others to hear.

**Retired Public Employees of Alaska
Southcentral Chapter Meeting
December 13, 2016**

Meeting Minutes/Notes

Lunch was served a bit late at 11:50. There were 100 lunches sold, 5 coffee tickets purchased and at least 25 more folks who attended that did not have lunch so in other words, this was one of our largest crowds ever to attend a luncheon meeting! Also, there were minimally 16 people who called in to the meeting via teleconference – another record.

Fran Rabago convened the meeting promptly at noon. The agenda was approved and announcements were made (see agenda). A free membership lunch certificate and four other fabulous door prizes, donated by Jeanne Ostnes, were awarded to lucky winners. Please note that after the speaker's presentations, Fran explained that the September 13, 2016 meeting minutes were already approved by the SC Board and are posted on RPEA's website. From now on, rather than to wait three to four months before meeting minutes can be posted, the SC Board – rather than members at the next (quarterly) membership meeting – will review and approve the minutes so that they may be posted timely.

Fran encouraged the body to refer any questions regarding medical benefits or RPEA's legal issues to President Sharon Hoffbeck as the only person authorized to answer those sorts of questions. Sharon was then introduced.

Sharon provided a status report on the lawsuit RPEA filed against the State of Alaska back in January 2016. The suit asked the court to determine whether the Dental, Vision and Audio (DVA) coverages for which retirees pay out of their own pockets are constitutionally protected as the court has already ruled applies to the retiree medical benefits. On December 7 oral arguments were heard by the court and the court ruled from the bench that the DVA benefits are indeed constitutionally protected. This is a great victory for RPEA and all State of Alaska retirees! Yet to be determined is whether the state will appeal the decision to the State Supreme Court. Also yet to be determined is what changes will be made to the existing coverages based on this court ruling. Sharon will keep the membership informed via email and the RPEA website so stay tuned.

Also regarding DVA coverage, the state is moving ahead with the DVA premium increase effective January 2017. RPEA believes there is little justification for the increase, as there appears to be plenty of money in reserves. RPEA has asked the state for documentation supporting the increase but those requests have gone ignored. Therefore, RPEA has submitted a Freedom of Information Act (FOIA) request to obtain those documents. Again, stay tuned for email and website updates on this matter but in the meantime expect to see an increase in your DVA premiums next month.

Sharon then moved on to Step Therapy as the term applies to prescription drugs. Step therapy is a program employed by insurance companies to limit the amount that they have to pay in prescription drug claims. The idea being is that if your doctor prescribes a drug to deal with a particular problem and

an old out of patent similar drug is available, the insurance company requires that the patient try that drug first. Only if that drug proves unacceptable will the insurance company allow the more expensive brand name drug to be tried.

Step Therapy is not a part of the retiree pharmacy plan, but DRB is allowing it to be implemented through Aetna's internal policies and Clinical Policy Bulletins.

However, Sharon has been receiving calls from some retirees who have had some problems getting Aetna to pay for the more expensive drugs depending on the circumstances. She asks retirees to let her know if they have been told that Aetna won't pay for certain drugs because cheaper alternatives are available.

Sharon reported that RPEA is still debating whether to file another lawsuit against the state regarding diminishment of medical benefits. Since Aetna has taken over the Third Party Administrator (TPA) function for the AlaskaCare medical plan, there have been many occasions where benefits that were previously approved by former TPAs are now being denied by Aetna. RPEA believes these denials constitute diminishment of the benefits which, as stated earlier, is prohibited by the state constitution. Our efforts to get the state to recognize these denials as diminishment and make appropriate changes with Aetna's administration of the plan have been met with denials and stonewalling. Therefore, RPEA leadership believes that the only way to resolve the issue is through the courts. Again, Sharon requests retirees to provide her with any information on claims being denied that were previously approved by former TPAs prior to 2014 when Aetna took over.

Jeanne Larson was then introduced. She is the lead counselor and recently appointed Acting Director of the State Medicare Information Office in the Department of Health and Social Services. It is her job and that of her staff scattered around the state to help retirees navigate the complexities of Medicare and to deal with Medicare fraud and abuses. Jeanne mentioned that in Anchorage, Nila Morgan and Michelle Mayott are conveniently stationed at the Anchorage Senior Activity Center where they routinely help Medicare recipients deal with a variety of problems. She also mentioned that a wealth of information is available at her website: medicare.alaska.gov

Many Medicare problems result from Coordination of Benefits where Medicare is the primary insurer and is backed up by secondary insurance, which for PERS retirees is AlaskaCare. There are three types of medical providers:

Participating providers accept Medicare payments and will only bill for the Medicare deductible and remaining 20% of the Medicare-approved amount, which will be covered by AlaskaCare.

Non-Participating providers may charge as much as 15% more than the Medicare-approved amount and AlaskaCare will pay the remaining 20% plus the 15% amount above the approved amount. (This isn't optional—it's part of our plan)

Opted Out providers do not accept Medicare, will not bill Medicare and will have nothing to do with Medicare. AlaskaCare will not pay any portion of bills from Opted Out providers. Medicare retirees who

utilize Opted Out providers will be required to pay the total bill out of their own pocket. However, if you choose to utilize an Opted Out provider any tests or lab work they require will be covered by both Medicare and AlaskaCare provided the tests are performed by a provider that has not opted out of Medicare.

Medicare does not provide dental coverage. However, retirees who have opted for DVA coverage still have that coverage without regard to Medicare.

Likewise Medicare does not provide routine eye exams to check for refractions, glasses or contacts but it does cover medical procedures like cataract surgery and will cover glasses only following cataract surgery.

There is also no routine audio exams or hearing aids covered by Medicare but again, this coverage is provided by AlaskaCare.

There are a number of other coverages and scenarios that, while not covered by Medicare, are covered by AlaskaCare, for example non-emergent medical related travel, massage therapy, medical care outside of the United States, etc.

Adjournment took place at approximately 1 PM but several members stayed to ask Jeanne and Sharon questions all the way to 1:30. Our next membership meeting is Tuesday, March 14, 2017.

Submitted by: Kris Warren, SC Chapter Board