



Retiree Insurance Information Booklet

May 2003

Contact Information

AlaskaCare Plan Administrator

Telephone Numbers

State of Alaska, Division of Retirement and Benefits

Toll Free(800) 821-2251

In Juneau(907) 465-4460

TDD for hearing impaired(907) 465-2805

Mailing Address

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Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Physical Address

333 Willoughby Avenue, 6th Floor
Juneau, AK 99801

Websites

AlaskaCare Health Plans

AlaskaCare.gov

Division of Retirement and Benefits

alaska.gov/drb

The Alaska Department of Administration complies with Title II of the Americans with Disabilities Act (ADA) of 1990. This publication 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.

AlaskaCare Claim Administrator

Claims Mailing Addresses

Health claims, including medical, dental, vision, audio, and pharmacy are filed with the claims administrator:

HealthSmart

P.O. Box 99004
Anchorage, AK 99509-9004

Pharmacy

Paper Claims:

EnvisionRX Options
2181 East Aurora Road, Suite 201
Twinsburg, OH 44087

Mail Order & Specialty:

Costco Mail Order Pharmacy
215 Deininger Circle
Corona, CA 92880-9911

Long Term Care - Univita

P.O. Box 64916
St. Paul, MN 55164-0916

Telephone Numbers

Customer Service/Provider Locator	(877) 517-6370
TDD for hearing impaired	(877) 517-6416
International.....	(304) 340-0253
24-Hour Nurse Line	(800) 807-2997
24-Hour Pharmacy Help Desk/Locator	(800) 361-4542
Costco Mail Order Pharmacy Customer Service	(800) 607-6861
Costco Specialty Pharmacy	(866) 443-0060
Long Term Care - Univita	(888) 287-7116

Physical Addresses

HealthSmart—Claims Administrator

In Anchorage

1500 W. Benson Blvd., 2nd Floor
Anchorage, AK 99509-9004

In Juneau

400 Willoughby Avenue, Suite 202
Juneau, AK 99801

Addendum to Page 6-7 – Who Is Covered

Effective 9/2004

IMPORTANT NOTICE:

Dependents

In accordance with Alaska Statutes 39.35.680(12) and

14.25.220(13):

- If your dependent child is under 23 years old, they are required to be registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education and Early Development.
- If your dependent child is age 19 or older and is not a full-time student, then the dependent is eligible for coverage only if he or she is totally and permanently disabled. Please contact the Division for additional information about eligibility, and for information about how to provide proof of your dependent's disability.

Effective 1/1/2007

Amended to include:

- Same-sex partner as defined and documented by 2 AAC 38.010-2 AAC 38.100.
- Eligible child of same-sex partner as defined and documented by 2 AAC 38.010-2 AAC 38.100.

Addendum to page 17 – Covered Medical Expenses

Effective 3/1/2011

Amended to begin:

Benefits are available for medically necessary services and supplies necessary to diagnose, care for, or treat a physical or medical condition. Any portion of a claim which is itemized as sales, excise or other taxes is not reimbursable.

Addendum to Page 26 – Outpatient Procedures and Plan-required Second Opinions

Effective 1/1/2009

All listed procedures requiring pre-certification have been removed except for the following:

- MRI-knee
- MRI-spine

Addendum to Page 36

Effective 1/1/2005

Prescription Drugs—Exclusions

Deleted the following:

- Any contraceptive drug prescribed for contraceptive purposes.

Addendum to pages 49-50 – Medical Treatment of Obesity is changed to Treatment of Obesity

Effective 12/4/2006

Supersedes 1/2009 revision which was missing Surgical Treatment of Obesity criteria

Medical Treatment of Obesity

Medically necessary expenses for medical treatment of obesity will be covered as any other medical condition when the following criteria are met.

- Body Mass Index (BMI) greater than or equal to 30kg/m², or
- BMI greater than or equal to 27kg/m² with underlying comorbidities, including but not limited to, cardiopulmonary complications, diabetes, hypertension and obstructive sleep apnea.

Noncovered services currently listed on page 50 are revised to include, but is not limited to:

- Special diet supplements, vitamin injections, hospital confinement for weight reduction programs, exercise club membership fees, exercise equipment, whole body calorimeter studies, biofeedback and hypnosis.

Surgical Treatment of Obesity

Medically necessary expenses for surgical treatment of obesity will be covered as any other medical condition when the following criteria are met.

- Body Mass Index (BMI) greater than **or** equal to 40kg/m² or BMI greater than or equal to 35kg/m² with underlying comorbidities, including but not limited to, cardiopulmonary complications, diabetes, hypertension and obstructive sleep apnea; **and**
- Completion of bone growth; **and**
- Drug/alcohol screen with either no drug/alcohol abuse by history or alcohol and drug free period for greater than or equal to one year; **and**
- Continued obesity despite medically supervised weight loss treatment for at least six months cumulatively, during the two years prior to surgery, **or**
- Documentation in the medical record of the member's participation in a multidisciplinary surgical preparatory regimen of at least three months duration, completed prior to the time of surgery, meeting all of the following criteria:
 - ❑ Consultation with a dietician or nutritionist; and
 - ❑ Reduced calorie diet program supervised by a dietician or nutritionist; and
 - ❑ Exercise regimen (unless contraindicated) to improve pulmonary reserve prior to the surgery, supervised by exercise therapist or other qualified professional; and
 - ❑ behavior modification program supervised by qualified professional; and

- Documentation in the medical record of the member's participation in the multidisciplinary surgical preparatory regimen

Noncovered services currently listed on page 58 are revised to include, but is not limited to:

- Special diet supplements, vitamin injections, hospital confinement for weight reduction programs, exercise club membership fees, exercise equipment, whole body calorimeter studies, biofeedback and hypnosis.

Covered surgical obesity procedures are limited to:

- Lap Band Gastric Banding, Roux-en Y Gastric Bypass and Vertical Banded Gastroplasty when all selection criteria are met.

Addendum to pages 93-95 – If A Claim Or Certification Is Denied

Effective 7/1/2005

Replaced in whole due to Board/Review Group abolishment effective 6/30/2005

If a claim or precertification is denied, in whole or in part, your Explanation of Benefits (EOB) or letter from the Claims Administrator will explain the reason for the denial. If you feel your claim or precertification should be covered under the terms of this plan, you should contact the Claims Administrator to discuss the reason for the denial. If you still feel the claim or precertification denial should be covered under the terms of the Plan, you can take the following steps to file an appeal.

Claims Administrator Appeals

Level I Appeal

Submit your request in writing, explaining the nature of your appeal, including copies of EOBs, correspondence, and pertinent medical records. Your appeal must be received by the Claims Administrator within 180 days of the date the EOB or precertification denial letter was issued. You will receive a written decision from the Claims Administrator within 30 days after their receipt of your appeal. If you are not satisfied with the Level I decision, you can submit a Level II appeal review.

Level II Appeal

The Claims Administrator must receive your written request for a Level II appeal within 60 days of the date the Level I decision letter was issued. Your appeal will be reviewed by a panel who did not participate in the Level I review. You will receive a written decision from the Claims Administrator within 60 days after their receipt of all relevant information in your appeal. If you are not satisfied with their final decision, you can request a review by the Plan Administrator.

Plan Administrator Appeals

If you disagree with the final Claims Administrator's decision, you can send a written request for review to the Plan Administrator. Your appeal must be postmarked or received within 45 days from the date the Claims Administrator's final decision letter was issued. The Plan Administrator will request a copy of your Claims Administrator appeal file, including any documentation from your provider for their records and review of your appeal. You may submit additional relevant material with your written appeal. The Plan Administrator will issue a decision within 90 days after receiving all the relevant material in your appeal.

Your appeal may be sent to an Independent Review Organization (IRO). IRO is an organization of medical experts qualified to review your appeal. If your appeal is forwarded to the IRO, the Plan Administrator will issue a decision in writing within 30 days after receiving the IRO's recommendation. If you are not satisfied with the decision, you may appeal to the Office of Administrative Hearings (OAH).

URGENT Appeals

If your doctor or provider advises the Claims Administrator or Plan Administrator that a delay in your appeal process could harm your health, an emergency review and decision will be made within 72 hours after receipt of your appeal.

Addendum to page 98-99 – Continued Health Coverage Effective 5/1/2009

Amended as follows:

Minimum Length of Coverage is changed to Length of Coverage and reads:

Ineligibility for Retirement Benefits

If you lose coverage because you are no longer eligible for a retirement benefit, you may continue coverage for yourself and your eligible dependents for up to 18 months.

Dependents

If your dependents lose coverage due to your death, divorce, or because they do not meet the eligibility requirements, they may continue coverage for up to 36 months. If this change occurs while covered under the continuation plan because you had already lost coverage, the amount of time they have been covered under the continuation plan is subtracted from the 36-month time period.

Disabled Retirees and Dependents

If you or your dependent are disabled when your continuation coverage begins or within 60 days of that date, your length of coverage may be extended an additional 11 months. To elect this additional coverage, you must notify the Division of Retirement and Benefits of your status before the end of your first 18-month coverage period and within 60 days of your Social Security disability determination. The premium may increase for the additional 11 months of coverage. Coverage may be terminated if Social Security determines you are no longer disabled. In this case, you must notify the Division of Retirement and Benefits within 30 days of the final Social Security determination.

Maximum Length of Coverage is removed.

TABLE OF CONTENTS

This booklet was effective January 1, 2003.

MEDICAL PLAN

INTRODUCTION	5
WHO IS COVERED	5
Benefit Recipients	5
Dependents	6
HOW TO ELECT COVERAGE	7
CHANGING YOUR DEPENDENT COVERAGE	8
WHEN MEDICAL COVERAGE STARTS.....	9
New Benefit Recipients	9
Open Enrollment.....	9
Marine Engineers Beneficial Association Members	9
Dependents	9
WHEN MEDICAL COVERAGE ENDS	10
Ineligible Retirees	10
Failure to Pay Premium	10
Dependents	10
HOW MEDICAL BENEFITS ARE PAID	11
Benefit Year.....	11
Deductibles	11
Coinsurance	12
Recognized Charge	12

Lifetime Maximum	14
Pre-existing Conditions Limitation	15
Effect of Medicare	16
COVERED MEDICAL EXPENSES	16
Provider Services	18
Nurse Advice Line	19
Hospitalization	19
Home Health Care	20
Skilled Nursing Care.....	22
Skilled Nursing Facility	24
Outpatient Procedures and Plan-required	
Second Opinions	25
Retiree-elected Second Opinions	26
Certification.....	27
When To Call	28
Certification of Additional Days	29
Benefits Without Certification.....	30
Mental Health/Chemical Dependency	
Benefits Without Certification.....	31
Prescription Drugs.....	32
Card Program	33
Mail Order Program.....	33
Definitions	34
Exclusions	34
Radiation, X-rays, and Laboratory Tests	35
Rehabilitative Care.....	36
Outpatient Preoperative Testing.....	37
Outpatient Ambulatory Surgery.....	38
Anesthetic.....	38
Pregnancy.....	38
Durable Medical Equipment/Supplies.....	39
Travel	41
Emergencies.....	42
Treatment Not Available Locally.....	42
Second Surgical Opinions	43
Surgery In Other Locations	44

Mental Disorder and Chemical Dependency	
Treatment	44
Mental Disorders.....	44
Chemical Dependency	45
Medical Treatment of Mouth, Jaws, and Teeth.....	45
Medical Treatment of Obesity	47
Plastic, Cosmetic, and Reconstructive Surgery	48
Mastectomy/Breast Reconstruction.....	48
MEDICAL EXPENSES NOT COVERED	49
Limitations and Exclusions	49
INDIVIDUAL CASE MANAGEMENT	55

DENTAL-VISION-AUDIO (DVA) PLAN

INTRODUCTION	57
WHO MAY BE COVERED AND PREMIUM PAYMENT	57
Benefit Recipients	57
Dependents	58
HOW TO ELECT COVERAGE	59
WHEN DVA COVERAGE STARTS	60
New Benefit Recipients	60
Open Enrollees.....	60
Marine Engineers Beneficial Association Members	60
Dependents	60
WHEN DVA COVERAGE ENDS	61
Failure to Pay Premium	61
Ineligible Retirees	61
Discontinuance of Coverage	61
Dependents	62

CHANGING YOUR DVA COVERAGE.....	62
---------------------------------	----

DENTAL BENEFITS

HOW DENTAL BENEFITS ARE PAID	64
Benefit Year.....	64
Annual Maximum Benefit	65
Deductible.....	65
Recognized Charge	65
Advance Claim Review	67
COVERED DENTAL SERVICES.....	69
Class I Preventive Services	69
Class II Restorative Services.....	69
Class III Prosthetic Services	70
DENTAL SERVICES NOT COVERED	71

VISION AND OPTICAL BENEFITS

HOW VISION BENEFITS ARE PAID.....	73
Benefit Year.....	73
Deductible.....	73
Coinsurance	73
Recognized Charge	73
COVERED VISION AND OPTICAL SERVICES	75
VISION AND OPTICAL SERVICES NOT COVERED	76

AUDIO BENEFITS

HOW THE AUDIO BENEFITS ARE PAID	79
Benefit Year.....	79
Maximum Benefit	79
Deductible.....	79
Coinsurance	79
Usual, Customary, and Reasonable Charges	80

COVERED AUDIO SERVICES.....	81
AUDIO SERVICES NOT COVERED	81

HOW TO FILE A CLAIM

REQUIRED CLAIM FORM SUBMISSION	85
CLAIM FILING DEADLINE	85
HOSPITAL SERVICES	86
PHYSICIAN AND OTHER PROVIDER SERVICES.....	86
DENTAL SERVICES	87
VISION SERVICES	87
AUDIO SERVICES.....	87
PRESCRIPTION DRUGS	87
MEDICAL BENEFITS	88
OTHER CLAIM FILING TIPS.....	89
BENEFIT PAYMENTS.....	89
BEFORE FILING A CLAIM	90
RECORDKEEPING.....	90
PHYSICAL EXAMINATIONS.....	91
IF A CLAIM OR CERTIFICATION IS DENIED	91
Claims Administrator Appeals	91
Plan Administrator Appeals	92
Board/Review Group Appeals	92
Emergency Procedures.....	93

CONTINUED HEALTH COVERAGE

MINIMUM LENGTH OF COVERAGE	96
Ineligibility for Retirement Benefits.....	96
Dependents	96
Disabled Employees and Dependents	96
MAXIMUM LENGTH OF COVERAGE.....	97
ELECTING COVERAGE.....	97
PREMIUM PAYMENT	97
WHEN CONTINUATION ENDS.....	98
DISABLED RETIREES OR DEPENDENTS	98

GENERAL PROVISIONS

COORDINATION OF BENEFITS.....	101
Determining Order of Payment	103
REIMBURSEMENT PROVISION	105
ACCESS TO RECORDS.....	105
APPLICABLE LAW AND VENUE	106
CHANGES TO PLAN	106
CONTRACT LIABILITY	106
FACILITY OF PAYMENT	106
FREE CHOICE OF HOSPITAL AND PROVIDER	107

NOTICE..... 107

PLAN MUST BE EFFECTIVE 108

LEGAL ACTION 108

MEDICAL OUTCOMES 108

PREMIUMS 108

RIGHT OF RECOVERY 109

RIGHT TO RECEIVE AND RELEASE NECESSARY
INFORMATION 109

TRANSFER OF BENEFITS, ASSIGNMENT,
GARNISHMENT, AND ATTACHMENT 109

VESTED RIGHTS 110

GROUP LIFE INSURANCE PLAN

INTRODUCTION 111

WHO MAY BE COVERED 111

 Benefit Recipients 111

 Dependents 112

HOW TO ELECT COVERAGE 112

PREMIUMS 113

WHEN LIFE COVERAGE STARTS 113

WHEN LIFE COVERAGE ENDS 113

 Failure to Pay Premium 113

 Plan Discontinued 113

Dependents	114
AMOUNT OF COVERAGE	114
Benefit Recipients	114
Dependents	114

GENERAL PROVISIONS

APPLICABLE LAW AND VENUE	115
ASSIGNMENT.....	115
BENEFICIARY	115
CANCELLATION	116
CLERICAL ERROR.....	116
CONVERSION PRIVILEGE	117
ENTIRE CONTRACT	118
FACILITY OF PAYMENT	118
INCONTESTABILITY	119
MISSTATEMENT OF AGE.....	119
NOTICE OF DEATH	119
PAYMENT OF CLAIMS	119
RIGHT OF EXAMINATION	120
WAIVER OF PREMIUM WITH PERMANENT TOTAL DISABILITY.....	120

HEALTH PLAN

BENEFIT SUMMARY

This information is only intended to be a summary of coverages provided. Please refer to the booklet for additional information or exclusions.

Medical Benefits

Deductibles

Annual Individual Deductible	\$150
Annual Family Deductible Limit	3 per family

Coinsurance

Most Medical Expenses	80%
Most Medical Expenses after Out-of-Pocket Limit	100%
Second Surgical Opinions*	100%
Preoperative Testing*	100%
Outpatient Testing/Surgery*	100%
Skilled Nursing Facility	100%
Chemical Dependency Treatment	80%
Mental Health without Certification	50%

**No deductible is applied to these expenses.*

Out-of-Pocket Limit

After the deductible, the plan pays 80% for most medical expenses until your 20% reaches \$800. After that, the plan pays 100% of most covered services for the remainder of the benefit year for that person. Expenses that are paid at a coinsurance rate different than 80% as listed above are not credited to this out-of-pocket limit.

Prescription Drug Copayments

You pay for the amounts listed below for each prescription up to a 90-day or 100-unit supply.

Brand Name/Participating Pharmacy.....	\$ 8
Generic/Participating Pharmacy.....	\$ 4
Brand Name/Mail Order	\$ 0
Generic/Mail Order.....	\$ 0

Benefit Maximums

Chemical Dependency Treatment without plan referral*

Two consecutive benefit years	\$12,715
Lifetime	\$25,430

**subject to change every three years*

Dental Benefits—Optional

Deductible

Annual Individual - Class II/III expenses	\$50
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Normal Plan Benefits

Class I (preventive) services.....	100%
Class II (restorative) services.....	80%
Class III (prosthetic) services	50%

Benefit Maximum

Annual Individual Maximum.....	\$2,000
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Vision Benefits—Optional

Normal Plan Benefits

All Services	80%
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Benefit Maximum

Examinations.....	1 per year
Lenses.....	2 per year
Frames.....	1 set every 2 years

Audio Benefits—Optional

Normal Plan Benefits

All Services 80%

Individual Benefit Maximum

3 consecutive benefit years \$2,000

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MEDICAL PLAN

INTRODUCTION

The State of Alaska retirement systems provide extensive and valuable benefits for you and your family including hospitalization, medical, surgical, maternity care, and other services necessary for the diagnosis and treatment of an injury or disease. Your health care coverage is good worldwide. These benefits may change from time to time. You should ensure that you have the current booklet by contacting the Division of Retirement and Benefits.

WHO IS COVERED

Benefit Recipients

The plan covers, automatically at no cost, benefit recipients of the Public Employees' Retirement System, the Teachers' Retirement System, the Elected Public Officers Retirement System, and the Judicial Retirement System, as well as benefit recipients of the Marine Engineers Beneficial Association who retired from the State of Alaska after July 1, 1986, **except for the following who must elect coverage and pay a premium:**

- Benefit recipients of the Public Employees' Retirement System (PERS) if they were first hired under the PERS on or after July 1, 1986, who are under age 60 and are not receiving a disability benefit.
- Benefit recipients of the Teachers' Retirement System (TRS) if they were first hired under the TRS on or after July 1, 1990, who are under age 60 and are not receiving a disability benefit.

- Benefit recipients of the Public Employees' Retirement System (PERS) if they were first hired under the PERS on or after July 1, 1996, are age 60 or older and who do not have at least 10 years of credited service.
- Benefit recipients under a Qualified Domestic Relations Order.

Enrollment periods are described on page 8.

Dependents (See page i for addenda.)

The following dependents may be covered:

- Your spouse. You may be legally separated but not divorced.
- Your children from birth (exclusive of hospital nursery charges at birth and well-baby care) up to 23 years of age *only* if they are:
 - Your natural children, stepchildren, foster children placed through a State foster child program, legally adopted children, children in your physical custody and for whom bona fide adoption proceedings are underway, or children for whom you are the legal, court-appointed guardian;
 - Unmarried and chiefly dependent upon you for support; **and**
 - Living with you in a normal parent-child relationship.
 - This provision is waived for natural/adopted children of the benefit recipient who are living with a divorced spouse, assuming all other criteria are met.
 - Only stepchildren living with the retiree more than 50% of the time are covered under this plan.

Children incapable of employment because of a mental or physical incapacity are covered even if they are past age 23. However, the incapacity must have existed before age 23 and the children must continue to meet all other eligibility criteria. You must furnish the Division evidence of the incapacity, proof that the incapacity existed before age 23 and proof of financial dependency. This proof must be provided no later than 60 days after their 23rd birthday or after the effective date of your retirement, whichever is later. Children are covered as long as the incapacity exists, they meet the definition of children except for age, and you continue to provide periodic proof of the continued incapacity as required.

When you retire, you must list your dependents under the health plan so claims may be paid. If your dependents change later, you must complete a form to add or delete dependents from your account.

If more than one family member is retired under a retirement plan sponsored by the State of Alaska, each eligible family member may be covered by this program both as a benefit recipient and as a dependent, or as the dependent of more than one benefit recipient.

HOW TO ELECT COVERAGE

Benefit recipients who must pay a premium (see pages 5-6) must elect coverage either:

- Before the effective date of their retirement benefit,
- With their application for survivor benefits, **or**
- During the annual open enrollment period.

Coverage may be elected for:

- Retiree only,
- Retiree and spouse,
- Retiree and child/children, or
- Retiree and family (spouse and child/children).

CHANGING YOUR DEPENDENT COVERAGE

Benefit recipients who are paying premiums for their health coverage may decrease their level of coverage at any time. For example, you may change from retiree and family coverage to retiree and spouse coverage at any time. To decrease your coverage, submit a written request to the Division of Retirement and Benefits stating the level of coverage you would like. Once you decrease your coverage, you cannot reinstate it except as described below.

You may increase dependent coverage only:

- During an open enrollment period,
- Upon marriage, or
- Upon birth or adoption of your first child.

If you want to increase coverage due to marriage or birth or adoption of your first child, your written request to increase coverage must be postmarked or received within 120 days of the date of the event. Your request must include the level of coverage you would like, the new dependents to be covered, the reason for the change, and the date the event occurred.

Changes in coverage are effective on the first of the month following the receipt of your written request. **Changes in coverage are effective only after receipt of your written request and are not retroactive.**

You should notify the Division of Retirement and Benefits any time your dependents change so your coverage level can be adjusted if necessary. For example, if you divorce or your only child ceases to meet the eligibility requirements, you should request the Division to discontinue coverage for them.

Please note: the retirement system cannot make changes in coverage levels without a written request from you.

WHEN MEDICAL COVERAGE STARTS

New Benefit Recipients

New benefit recipients will be covered under this plan on the date of appointment to receive retirement, disability, or survivor/death benefits. Those who must pay for coverage are also covered on their appointment date if they elect coverage prior to retirement.

Open Enrollment

Benefit recipients who are eligible for and elect coverage during open enrollment (see pages 5- 6) are covered on January 1 of the year following the open enrollment, assuming they pay the required premium.

Marine Engineers Beneficial Association Members

Eligible benefit recipients of the Marine Engineers Beneficial Association (MEBA) are covered on the date of their appointment to receive benefits from MEBA.

Dependents

Eligible dependents are covered on the dates specified below.

If you elect or are provided with coverage for dependents, your dependents are eligible for benefits on the same day you are eligible if they meet all eligibility requirements. If you add new dependents, they will be covered under this plan immediately.

If you elect dependent coverage during an open enrollment period, your dependents are covered on January 1, assuming you pay the required premium.

If you increase your coverage to include dependents following marriage or birth of a child, their coverage begins on the first of the month following receipt of your written request.

WHEN MEDICAL COVERAGE ENDS

Coverage under the Medical Plan ends at the earliest time one of the following occurs:

Ineligible Retirees

Coverage ends on the last day of the calendar month in which you cease to be eligible for a benefit from any retirement system.

Failure to Pay Premium

Coverage ends on the last day of the calendar month in which you last make the required monthly premium (if you are required to pay a premium for coverage).

Dependents

If you are provided with or have elected coverage for your dependents, their coverage ends on the same day as your coverage ends, unless:

- You divorce. Coverage for your spouse ends on the date the divorce is final.
- Your child no longer meets all eligibility requirements. Coverage ends at the end of the month in which your child first fails to meet these requirements.
- Coverage is discontinued for all dependents.

Health coverage may be continued if one of the above situations (except for failure to pay a premium) occurs. Please see the “Continued Health Coverage” section on pages 95-99.

MEDICAL PLAN HIGHLIGHTS

- Requires an annual deductible of \$150 per person, with a maximum of three deductibles per family per year.
- Pays 80% of first \$4,000 in covered expenses for each person, then pays 100% of all covered expenses for the remainder of the benefit year.
- Requires certification from the aims administrator for all inpatient stays, home health care, skilled nursing services, and certain outpatient procedures and Plan-required second opinions.
- Lifetime maximum benefit is \$2,000,000 per person.

HOW MEDICAL BENEFITS ARE PAID

Benefit Year

The benefit year for this plan begins January 1 and ends December 31. All benefits limited in a benefit year are reset on January 1 each year.

Deductibles

You must first meet the annual deductible of \$150 per person, before the medical plan starts to pay benefits. Once your family has met the maximum of three deductibles no further deductibles are required for that benefit year. In the event of a common accident involving two or more family members, only one deductible is required.

Any portion of the deductible satisfied in the last three months of the benefit year will be carried over and applied to the following year's deductible. For example, if you satisfy your entire \$150 deductible in November, you will not have to satisfy another deductible the following year.

Coinsurance

After you meet the annual deductible, the Medical Plan pays 80% for most covered expenses up to the next \$4,000. Your out-of-pocket expense—the amount you must pay in addition to the deductible—is 20% of the first \$4,000 or \$800. When your out-of-pocket expenses, the 20% payments, total \$800 for any one person, the Medical Plan pays 100% of most covered medical expenses, rather than 80%, for that person for the rest of the benefit year. This out-of-pocket limit does not apply to expenses paid at a rate other than 80%, to expenses applied against deductibles or copayments, or to benefits not payable because of failure to precertify.

Recognized Charge

Payment is based on the recognized charge for covered services. Charges or fees in excess of the recognized charge, as determined by the claims administrator, are your responsibility to pay.

The recognized charge is the charge contained in an agreement the claims administrator has with the provider either directly or through a third party. If no agreement is in place, the recognized charge is the lowest of:

- The provider's usual charge for furnishing the service.
- The charge the claims administrator determines to be appropriate based on factors such as the cost for providing the same or similar service or supply and the manner in which charges for the service or supply are made.

- The charge the claims administrator determines to be the recognized charge percentage made for that service or supply.

The recognized charge percentage is the charge determined by the claims administrator on a semi-annual basis to be in the 90th percentage of the charges made for a service or supply by providers in the geographic area where it is furnished. The recognized charge is determined by collecting the claims submitted for each procedure, defined by the procedure code, in a specific geographic area. The highest and lowest charges are ignored and the charge that allows 90% of all the claims to be paid in full is set as the recognized charge for that procedure. The geographic area is determined by where the procedure is performed. For example, most procedures in Juneau are based on charges submitted from all of Southeast Alaska. Some types of procedures, such as surgery, are based on statewide claims data to ensure sufficient information to establish a recognized charge.

If data is insufficient to determine a recognized charge, the claims administrator may consider items such as the following:

- The recognized charge in a greater geographic area.
- The complexity of the service or supply.
- The degree of skill needed.
- The type or specialty of the provider.
- The range of services or supplies provided by a facility.

If two or more surgical procedures are performed during the same operative session, payment will be calculated as follows:

- The claims administrator will determine which procedures are primary, secondary or tertiary, taking into account the billed amounts;

- Payment for each procedure will be made at the lesser of the billed charge or the following percentage of the recognized charge:

— primary	100%
— secondary	50%
— all others	25%

Incidental procedures, those that take little or no additional resources or time when performed at the same time as another procedure, are not covered by the plan.

Charges in excess of the recognized charge as determined by the claim administrator are not paid by the plan.

Lifetime Maximum

The maximum lifetime benefit for each person for all covered medical expenses is \$2,000,000.

At the end of each benefit year, up to \$5,000 of medical benefits used is automatically restored regardless of your physical condition. If you have received more than \$5,000 of covered medical benefits, your full annual spent maximum may be restored when you submit proof of good health satisfactory to the claims administrator within the following year. This provision will not provide benefits for covered expenses incurred before the date the maximum is restored.

Example

Assume you have used \$3,000 of medical benefits during the year and your lifetime benefit is decreased to \$925,000. At the end of the year, the \$3,000 would be restored and your maximum lifetime benefit available would be \$928,000. If you had used \$6,000 of medical benefits, your maximum lifetime benefit would be reset to \$930,000, unless you submitted proof of your good health and were approved for a full reinstatement.

Pre-existing Conditions Limitation

This provision applies only to benefit recipients who are selecting coverage for themselves or their dependents during an open enrollment period (see pages 5-6).

Pre-existing conditions are conditions, excluding pregnancy, for which you received diagnosis, tests, or treatment (including taking medication) during the three consecutive months before the most recent day you became covered under this plan.

Only the first \$1,000 of covered medical expenses are paid by the Medical Plan for pre-existing conditions. However, once you have been covered for 12 consecutive months, this limitation is cancelled and claims incurred after the 12-month period are covered the same as all other services with no pre-existing limitation.

The limitation does not apply to a child who meets the definition of dependent and:

- For whom you are required to provide health coverage as a result of a qualified medical child support order (QMCSO) issued on or after the date your coverage becomes effective, provided you make a written request for the child's coverage within 31 days of the court order.
- Who is placed for adoption, meaning assumption and retention of a legal obligation for total or partial support of a child in anticipation of adoption, provided such placement takes effect on or after the date your coverage is effective and you make a written request for coverage within 31 days of the placement.

If you or your dependent was covered under another group health plan as defined by Alaska Statute 21.54.500 that either ended less than 90 days before the waiting period or coverage under this plan started or that continues to cover you or your dependent, some or all of the pre-existing condition limitation may be waived. Contact the Division for information on obtaining this waiver.

Effect of Medicare

You or your eligible dependent **must** elect Medicare Part A and B at age 65, regardless of any other coverage you have. If you or your eligible dependent is eligible for Medicare coverage (and most people are eligible at age 65), the benefits available under this plan become supplemental to your Medicare coverage. The claims administrator will assume you and/or your dependents have coverage under Medicare Part A when you or your dependent reach age 65. If you are not provided with Medicare Part A free of charge, you should submit a copy of your letter from Medicare stating that you are not eligible to the Division. **Everyone is eligible for Medicare Part B.**

If you do not enroll in Medicare coverage, the estimated amount Medicare would have paid will be deducted from your claim before processing by this plan. If you receive care outside the United States, Medicare does not cover your expenses; the retiree plan will take this into account. If you enter into a private contract with a provider that has opted out of Medicare, neither Medicare nor the retiree health plan will pay benefits for their services.

COVERED MEDICAL EXPENSES

Benefits are available for medically necessary services and supplies necessary to diagnose, care for, or treat a physical or medical condition.

To be medically necessary, the service or supply must be:

- Care or treatment which is expected to improve or maintain your health or to ease pain and suffering without aggravating the condition or causing additional health problems;
- A diagnostic procedure indicated by the health status of the patient and expected to provide information to determine the course of treatment without aggravating the condition or causing additional health problems; and

- No more costly than another service or supply (taking into account all health expenses incurred in connection with the service or supply) which could fulfill these requirements.

In determining if a service or supply is medically necessary, the claims administrator will consider:

- Information provided on the affected person's health status;
- Reports in peer-reviewed medical literature;
- Reports and guidelines published by nationally recognized health care organizations that include supporting scientific data;
- Generally recognized professional standards of safety and effectiveness in the United States for diagnosis, care or treatment;
- The opinion of health professionals in the generally recognized health specialty involved; and
- Any other relevant information brought to the claims administrator's attention.

In no event will the following services or supplies be considered medically necessary:

- Those that do not require the technical skills of medical, mental health or dental professionals who are acting within the scope of their license;
- Those furnished mainly for the personal comfort or convenience of the person, the person's family, anyone who cares for him or her, a health care provider, or health care facility;

- Those furnished only because the person is an inpatient on a day when the person could safely and adequately be diagnosed or treated while not confined; or
- Those furnished only because of the setting if the service or supply can be furnished in a doctor's or dentist's office or other less costly setting.

Provider Services

The Medical Plan pays for covered medical treatment and surgery performed by a qualified provider. Providers who are covered by the plan are people licensed to practice:

- Medicine and surgery (M.D.)
- Osteopathy and surgery (D.O.)
- Dentistry (D.D.S. or D.M.D.)

Also covered are:

- Physician's assistants
- Psychologists
- Occupational therapists
- Physical therapists
- Licensed clinical social workers
- Licensed family and marital therapists
- Audiologists
- Optometrists
- State-certified nurse midwives or registered midwives
- Naturopaths
- Ophthalmologists
- Chiropractors
- Podiatrists
- Christian Science Practitioners authorized by the Mother Church, First Church of Christ Scientist, Boston, Massachusetts
- Nurse practitioners
- Psychological associates

- Practitioners with a master's degree in psychology or social work if supervised by a psychologist, medical doctor, or licensed clinical social worker

All providers must be licensed by the state in which they practice and practicing within the scope of their license.

Nurse Advice Line

A registered nurse is available to you by phone 24 hours a day, free of charge. Simply call the claims administrator's number listed in the front of this booklet. The nurses can be a resource in considering options for care or helping you decide whether you or your dependent needs to visit your doctor, an urgent care facility, or the emergency room. They can also provide information on how you can care for yourself or your dependent. Information is available on prescription drugs, tests, surgery, or any other health-related topic. You need only call to discuss any health concerns. This service is confidential.

Hospitalization

Important: Certification is required for all hospital stays. (This requirement is waived if the patient is covered by Medicare.) If certification is not obtained, a \$400 penalty will be assessed before any benefits may be paid. Please refer to the "Certification" section on pages 27-32.

The Medical Plan covers hospital room and board charges only while you are necessarily confined as a registered bed patient under the care of a physician. Coverage includes room, board, general duty nursing, progressive care, intensive care and other services regularly rendered by the hospital to its occupants **but** does not include private duty or special nursing services rendered outside an intensive or progressive care unit. You must pay the difference in charges between a private room and a semiprivate room, unless the claims administrator determines a private room is medically necessary.

The Plan also provides for hospital services and supplies which includes charges made by a hospital on its own behalf for necessary medical services and supplies actually administered during a hospital confinement, other than for room and board, intensive care unit, private duty nursing, or physicians' services. Services of a personal nature, including radio, television, and guest trays, are **not** included.

If benefits change during your stay, the benefits that are in effect the day you were hospitalized will apply. The new benefits are effective the day after you are discharged from the hospital.

If the claims administrator changes during the time you are hospitalized, benefits for the entire period of confinement are paid by the previous claims administrator. The new administrator is effective the day after you are discharged.

A hospital is an institution providing inpatient medical care and treatment of sick and injured people. It must:

- Be accredited by the Joint Commission on Accreditation of Hospitals, be a psychiatric or tuberculosis hospital as defined by Medicare, or have a staff of qualified physicians treating or supervising treatment of the sick and injured; and
- Have diagnostic and therapeutic facilities for surgical and medical diagnosis on the premises, 24-hour-a-day nursing care provided or supervised by registered graduate nurses, and continuously maintain facilities for operative surgery on the premises.

Home Health Care

Important: Certification is required before any home health care is received. (This requirement is waived if the patient is covered by Medicare.) If certification is not obtained, a \$200 penalty will be assessed before any benefits may be paid. Please refer to the "Certification" section on pages 27-32.

The Medical Plan covers a home health care agency for services and supplies furnished to you at home for care in accordance with a home health care plan.

A home health care agency is an organization:

- Providing skilled nursing and other therapeutic services in the patient's home;
- Associated with a professional policy-making group of at least one physician and one registered nurse supervising full-time;
- Keeping complete medical records on each patient;
- Staffed by a full-time administrator; and
- Meeting licensing standards.

A home health care plan provides for the treatment of a disease or injury in a place of confinement other than a hospital or skilled nursing facility. The attending physician must prescribe care and treatment in writing. Treatment may include:

- Part-time or intermittent nursing care by a registered nurse (R.N.) or a licensed practical nurse (L.P.N.);
- Part-time or intermittent home health aide services which consist primarily of caring for you;
- Physical, occupational, or speech therapy;
- Medical supplies, drugs, and medicines prescribed by a physician if they would have been covered had you been confined in a hospital or skilled nursing facility; and
- Laboratory services provided by or on behalf of a home health care agency if they would have been covered had you been confined in a hospital or skilled nursing facility.

Up to 120 home health care visits to your home are covered in any one calendar year. A single visit may include any or all of the following:

- A visit by a registered nurse (R.N.) or licensed practical nurse (L.P.N.) to provide skilled nursing care,
- A visit from a therapist to provide physical, occupational, or speech therapy, **and**
- Up to four hours of assistance by a home health aide.

Skilled nursing care:

- Includes those services provided by a visiting R.N. or L.P.N. These visits may not last more than two hours and must be for the purpose of performing specific skilled nursing tasks, and
- May be defined as private duty nursing services provided by an R.N. or L.P.N. if the individual's condition requires skilled nursing services and visiting nursing care is not adequate.

Home health care expenses which are **not** covered include:

- Services or supplies not included in the home health care plan;
- Services of a person who ordinarily resides in your home or is a member of your family or the family of your spouse;
- Services of any social worker; and
- Transportation services.

Skilled Nursing Care

Important: Certification is required before any skilled nursing care is received. (This requirement is waived if the patient is covered by Medicare.) If certification is not obtained, a \$200 penalty will be assessed before any benefits may be paid. Please refer to the “Certification” section on pages 27-32.

The Medical Plan pays for charges by a registered nurse (R.N.), licensed practical nurse (L.P.N.), or nursing agency for skilled care.

Covered services are:

- Visiting nursing care by an R.N. or L.P.N. of not more than four hours to perform specific skilled nursing tasks; and
- Private duty nursing by an R.N. or L.P.N. if your condition requires skilled nursing services and visiting nursing care is inadequate.

Skilled nursing services which are **not covered** include:

- Nursing care that does not require the education, training, and technical skills of an R.N. or L.P.N., such as transportation, meal preparation, charting of vital signs, and companionship activities;
- Private duty nursing care given while the person is receiving inpatient care in a hospital or other health care facility;
- Care provided to help a person in the activities of daily living, such as bathing, feeding, personal grooming, dressing, getting in and out of bed or a chair, or toileting;
- Care provided solely for skilled observation except for no more than 4 hours per day for a period of no more than 10 consecutive days following the occurrence of:
 - Change in patient medication.
 - Need for urgent or emergency medical services provided by a physician, or the onset of symptoms indicating the likely need for those services.
 - Surgery.
 - Release from inpatient confinement.

- Any service provided solely to administer oral medicines, except where applicable law requires that those medicines be administered by an R.N. or L.P.N.

Skilled Nursing Facility

Important: Certification is required before any skilled nursing facility care is received. (This requirement is waived if the patient is covered by Medicare.) If certification is not obtained, a \$200 penalty will be assessed before any benefits may be paid. Please refer to the “Certification” section on pages 27-32.

The Medical Plan pays 100% of covered expenses, after the deductible, for charges of a skilled nursing facility while you are confined for recovery from a disease or injury. Specifically covered are:

- Room and board, including charges for services such as general nursing care in connection with room occupancy, except charges for a private room exceeding the facility’s semiprivate room rate;
- Use of special treatment rooms; X-ray and laboratory examinations; physical, occupational, or speech therapy; oxygen and other gas therapy; and other medical services that a skilled nursing facility customarily provides, except private duty or special nursing services or physician’s services; and
- Medical supplies.

A skilled nursing facility is a licensed institution providing the following on an inpatient basis for persons convalescing from disease or injury:

- 24-hour professional nursing care by a registered nurse (R.N.) or a licensed practical nurse (L.P.N.), if directed by a full-time R.N.;

- Physical restoration services to help a patient meet a goal of self-care in daily living activities;
- Full-time supervision by a physician or R.N.;
- A complete medical record on each patient; and
- A utilization review plan.

It is **not** an institution for rest or care of the aged, people with mental disorders, or people who are chemically dependent or mentally retarded.

Outpatient Procedures and Plan-required Second Opinions

Important: Certification is required before having any of the following procedures. (This requirement is waived if the patient is covered by Medicare.) If certification is not obtained, a \$200 penalty will be assessed before any benefits may be paid. Please refer to the “Certification” section on pages 27-32.

- Bunionectomy—surgical removal of bunions
- Carpal tunnel release—surgery of wrist nerve
- Colonoscopy—scope exam of large intestine (when done with upper GI endoscopy)
- Hospital admission for lower back pain*
- Hysterectomy—surgical removal of the uterus*
- Knee arthroscopy—scope inserted through surgical opening in knee joint for diagnosis and/or treatment
- Laminectomy—surgical removal of thin vertebral plate*
- MRI-knee—study of the knee using magnetic resonance imaging technology*
- MRI-spine—study of the spine using magnetic resonance imaging technology
- Pelvic laparoscopy—scope exam of abdomen for pelvic problems.
- Tympanotomy tube insertion—tubes surgically inserted in ears

- Upper GI endoscopy—scope exam of esophagus, stomach and small intestines (when done with colonoscopy)
- * **If the necessity for this procedure cannot be readily determined, you may be required to have an independent medical exam by a physician certified by the appropriate specialty board and not in practice with the physician recommending the procedure or treatment. The results of this exam will be used as a second opinion to determine the necessity of the procedure or treatment. Covered medical expenses incurred because of the requested exam are paid at 100% and any deductible is waived. If the required examination is not obtained, a \$200 penalty will be assessed before any benefits may be paid.**

Retiree-elected Second Opinions

The Plan pays 100% of covered expenses with no deductible for obtaining a second surgical opinion when the first surgeon has recommended nonemergency (see below for definition of emergency) surgery.

Charges for X-rays and diagnostic tests required in connection with second opinions are included. However, to avoid duplication, the attending physician is encouraged to share the X-ray and test results with the consulting physician(s). If the first and second opinions differ, you may seek a third opinion. The Plan pays benefits for a third opinion the same as for a second opinion.

To qualify for second opinion benefits, the physician may not be in practice with the physician who provided the first or second opinion and the proposed surgery:

- Must be recommended by the physician who plans to perform it;
- Will, if performed, be covered under this Medical Plan;
- Require general or spinal anesthesia; and

- The second opinion must be obtained before you are hospitalized.

You may choose your consulting physician. If you desire, the claims administrator can provide you with a list of names of qualified physicians.

An emergency is a recent and severe medical condition, including, but not limited to, severe pain, which would lead a prudent layperson with average knowledge of medicine and health to believe their condition, sickness, or injury requires immediate medical care to prevent:

- Placing their health in serious jeopardy.
- Serious impairment to bodily function.
- Serious dysfunction of a body part or organ.
- In the case of a pregnant woman, serious jeopardy to the health of the fetus.

Certification

This requirement is waived if the patient is covered by Medicare, except for treatment of mental disorders and chemical dependency.

To receive full benefits, certification is required for:

- Confinement in a hospital, treatment facility, or skilled nursing facility;
- Mental health or chemical dependency treatment;
- Home health care or skilled nursing care services; and
- Any of the procedures or treatments listed under the “Outpatient Procedures and Plan-required Second Opinions” section on pages 25-26.

Call the claims administrator for certification of all services except for mental health or chemical dependency treatment. To request certification for mental health or chemical dependency treatment, call the managed mental health administrator. (See page 32 for more information on certification for mental disorders or chemical dependency.) Phone numbers for these administrators are shown on the first page of this booklet. You, your physician, or the facility may call. Initial and ongoing certifications are made following a medical review by the claims administrator.

When To Call

You should call:

- At least 14 days in advance of a prescheduled admission or procedure, or as soon as the admission or procedure is scheduled (you must call **before** the confinement or services begin).
- 60 days before the expected delivery date for maternity.
- Within two working days following the admission, or as soon as reasonably possible, for emergencies.
- Before receiving home health or skilled nursing care or mental health or chemical dependency treatment.

An emergency admission is an admission where the physician admits the person to the hospital right after the sudden and, at that time, unexpected change in a person's physical or mental condition which:

- Requires immediate confinement as a full-time inpatient; and

- If immediate inpatient care was not given could, as determined by the claims administrator, reasonably be expected to result in:
 - Placing their health in serious jeopardy;
 - In the case of a pregnant woman, serious jeopardy to the health of the fetus;
 - Significant impairment to bodily function; or
 - Serious dysfunction of a body part.

You will receive prompt written notice of days and services approved. If you are to be confined in a hospital or other facility, the claims administrator sends notice to the hospital or the facility as well as to you and your physician.

When the claims administrator certifies any confinement, procedure, service or supply, it is only for the purpose of reviewing whether the service is necessary to the care of the treatment or illness. Certification does not guarantee that all charges are covered under the Plan. All charges submitted for payment are subject to all other terms and conditions of the Plan, regardless of certification by the claims administrator.

Certification of Additional Days

If your physician is considering lengthening a stay, you, the physician, the hospital, or facility must call the claims administrator to request certification for additional days. Call no later than the last day previously certified. Also call if the physician sees a need for additional home health care, skilled nursing services, supplies, or out patient mental health/chemical dependency treatment.

If there has been no prior contact, the claims administrator will contact the facility on the last scheduled date of confinement to check your condition. If medically necessary, additional days of confinement may be certified at that time.

Benefits Without Certification

If the claims administrator does not certify as medically necessary a confinement (or any day of it), listed procedure or treatment, home health care, skilled nursing services or supplies, either specifically or as a part of a planned program of care, benefits are paid as follows:

- If **certification has been requested and denied**, no benefits are paid for the hospital or facility room and board, the home health care, the skilled nursing care or supplies, the procedure or the treatment.
- If **certification has not been requested and the confinement is not medically necessary**, no benefits will be paid for the facility room and board. In addition, the first \$400 (\$200 for skilled nursing facilities) of other medically necessary charges, if any, are not covered.
- If **certification has not been requested and the procedure, treatment, home health care, skilled nursing care or supplies are not medically necessary**, no benefits will be paid.
- If **certification has not been requested and the confinement, procedure, or treatment, or the service and supply is medically necessary**, a penalty will be assessed:
 - For hospital or treatment facilities, the first \$400 of expenses will not be paid; and
 - For home health care, skilled nursing facilities, skilled nursing care or supplies, or any of the treatments or procedures listed in the “Outpatient Procedures and Plan-required Second Opinions” section on pages 25-26, the first \$200 of expenses will not be paid.

Mental Health/Chemical Dependency Benefits Without Certification

Failure to obtain certification and/or follow Plan referrals for treatment of mental disorders or chemical dependency will result in reduced benefits as shown below:

- Mental Disorders
 - If **certification is not requested or Plan referrals are not followed and the confinement is medically necessary**, the Plan will pay 50% of covered expenses following the deductible.
 - If **certification is not requested or Plan referrals are not followed and the provider services are medically necessary**, the Plan will pay 50% of covered expenses following the deductible.
 - If **certification is not requested and the confinement is not medically necessary**, no benefits will be payable for hospital or treatment facility room and board expenses incurred during the stay. Other covered expenses related to the confinement, if any, will be paid at 50% following the deductible.
 - If **certification is not requested and the provider services are not medically necessary**, no benefits will be payable.
 - If **certification is requested and denied**, no benefits will be paid for provider services or for hospital or treatment facility room and board expenses during that stay.

- Chemical Dependency
 - If **certification is not requested or Plan referrals are not followed and the confinement or outpatient services are medically necessary**, a penalty will be assessed:
 - For hospital or treatment facilities, the first \$400 of expenses will not be paid; and
 - For outpatient services, the first \$200 of expenses will not be paid.

Benefits will be limited to \$11,350 per benefit year and \$22,700 per person for his or her lifetime. These limits are subject to change. Please check with the claims administrator or the Division for the current amounts.

- If **certification is not requested and the confinement is not medically necessary**, no benefits will be payable for facility room and board. In addition, the first \$400 of other medically necessary facility charges, if any, are not covered.
- If **certification is not requested and the outpatient services are not medically necessary**, no benefits will be payable.
- If **certification is requested and denied**, no benefits will be paid for outpatient services or for hospital or treatment facility room and board expenses during that stay.

Prescription Drugs

The Plan pays for prescription drugs for the treatment of an illness, disease, or injury if dispensed upon prescription of a provider acting within the scope of their license. This includes needles and syringes purchased simultaneously with insulin, as well as other diabetic supplies.

For any drug provided while you are a registered bed-patient in a hospital, skilled nursing facility, psychiatric facility, or any similar institution or administered in a provider's office, the Medical Plan pays normal plan benefits for covered expenses after the annual deductible is satisfied.

You may obtain your medications from a participating pharmacy, the mail order program, or any other provider. For prescription drug benefits, a provider is defined as a pharmacy, physician, dentist, or other legally authorized dispenser of drugs.

Card Program

If you obtain your prescription drugs from a participating pharmacy, you will only need to pay the copayment shown in the Benefit Summary for each prescription. The pharmacy will file a claim for you so that you don't have to pay for the prescription and file a claim for reimbursement.

To use the drug card program, you must present your health plan identification card to a participating pharmacy. A list of participating pharmacies is available from the claims administrator, the AlaskaCare Web site or the Division of Retirement and Benefits.

The plan allows you to fill up to a 90-day or 100-unit supply, whichever is greater, at one time.

Mail Order Program

If you take maintenance medication, you can take advantage of this optional program. The mail order pharmacy provider is listed in the front of this booklet.

There is no cost to you for drugs filled through the mail order program. The program bills the medical plan for the full cost.

To use this program, use the order form in your welcome kit or obtain an order form from the claims administrator, the mail order pharmacy provider, the Division of Retirement and Benefits, or

the Division's Web site. Send it in with your prescription. Unless indicated by the provider, you will receive the generic equivalent when available and permissible by law.

You may order up to a 90-day or 100-unit supply, whichever is greater, per prescription or refill. Certain controlled substances are subject to quantity limitations.

Definitions

Prescription drugs are medical substances which must bear a label that states, "Caution: Federal law prohibits dispensing without a prescription." Diabetic supplies are defined as sugar test tablets, sugar test tape, acetone test tablets, and Benedict's solution or the equivalent. A generic drug is:

- Produced and sold under the chemical name or shortened version.
- Approved by the U.S. Food and Drug Administration as safe and effective.
- Produced after the original patent expires.
- Produced by a company different from the one that first patented the chemical formulation.
- Priced less than the product produced by the company that first patented the formulation.

Exclusions

Benefits are not payable for:

- A device of any type.
- Any contraceptive drug prescribed for contraceptive purposes.
- Any drug entirely consumed at the time and place it is prescribed.

- The administration or injection of any drug.
- More than the number of refills specified by the prescriber. The claims administrator, before paying the claim, may require a new prescription, or evidence as to need. For example, the need may be questioned if the prescriber did not specify the number of refills, or if the frequency or number of prescriptions or refills appears excessive under accepted medical practice standards.
- Any refill of a drug dispensed more than one year after the latest prescription for it.

Radiation, X-rays, and Laboratory Tests

The Medical Plan pays normal benefits for X-rays, radium treatments, and radioactive isotope treatments if you have specific symptoms. This includes diagnostic X-rays, lab tests, TENS therapy, and analyses performed while you are an inpatient. Charges for these services **are not** paid if related to a routine physical examination except as noted below.

The plan provides coverage for the following routine lab tests:

- One pap smear per year for all women age 18 and older. Charges for a limited office visit to collect the pap smear are also covered.
- Prostate specific antigen (PSA) tests as follows:
 - One annual screening PSA test for men between ages 35 and 50 with a personal or family history of prostate cancer, and
 - One annual screening PSA test for men 50 years and older.

- Mammograms as follows:
 - One baseline mammogram between age 35 and 40,
 - One mammogram every two years between age 40 and 50, and
 - an annual mammogram at age 50 and above and for those with a personal or family history of breast cancer.

These tests will be paid at normal plan benefits following the deductible. Other incidental lab procedures in connection with pap smears, PSA tests, and mammograms are not covered.

Rehabilitative Care

The Medical Plan covers **outpatient** rehabilitative care designed to restore and improve bodily functions lost due to injury or illness. This care is considered medically necessary only if significant improvement in body function is occurring and is expected to continue. Care (excluding speech therapy) aimed at slowing deterioration of body functions caused by neurological disease is also covered.

Rehabilitative care includes:

- Physical therapy and occupational therapy.
- Speech therapy if existing speech function (the ability to express thoughts, speak words, and form sentences) has been lost and the speech therapy is expected to restore the level of speech the individual had attained before the onset of the disease or injury.
- Rehabilitative counseling or other help needed to return the patient to activities of daily living but excluding maintenance care or educational, vocational, or social adjustment services.

Rehabilitative care must be part of a formal written program of services consistent with your condition. Your physician or therapist must submit a statement to the claims administrator outlining the goals of therapy, type of program, and frequency and duration of therapy.

Outpatient Preoperative Testing

If you have a specific illness, disease, or injury, the Plan pays 100% of covered expenses with no deductible for pre-operative testing performed while you are an outpatient before a scheduled surgery, if the surgery will be covered by the Plan.

To be covered, the tests:

- Must be related to the scheduled surgery.
- Are done within 7 days prior to the scheduled surgery.
- Are done while you are not confined as an inpatient in a hospital.
- Would have been covered if you were confined in a hospital.
- Must not be repeated by the hospital or surgery center where the surgery is done.

The test results must appear in your medical records kept by the hospital or surgery center where the surgery is performed. You must have the scheduled surgery in a hospital or surgery center unless your physical condition prevents the surgery. If you cancel the surgery (other than when your physical condition prevents it), the testing is paid at normal plan benefits.

Outpatient Ambulatory Surgery

The Medical Plan pays 100% of covered expenses for same day ambulatory surgery with no deductible if you are an outpatient. The surgery must take place in a freestanding surgical facility or outpatient department of a hospital. It does not include surgeries which are normally performed in a doctor's office. An outpatient is defined as a person receiving treatment in a hospital, but not registered as a bed patient.

Anesthetic

The cost of anesthetic and its administration is covered. This includes injections of muscle relaxants, local anesthesia, and steroids. When billed by a hospital or physician, the services of an anesthesiologist are covered.

Pregnancy

Pregnancy and childbirth are covered like any other medical condition only as long as you are covered under the Medical Plan. No pre-existing condition limitations are applied.

Coverage is provided for a hospital stay for childbirth for at least 48 hours following a normal delivery or 96 hours following a caesarean delivery. Charges for a newborn are not covered unless the infant suffers an accidental injury, sickness, premature birth or abnormal condition; routine care such as nursery charges are not covered

Pregnant women may get screening for high-risk pregnancy factors and receive special counseling about those risks. If you are pregnant or considering having a child, call the claims administrator as soon as possible for advice and counseling on having a healthy pregnancy. A nurse consultant will assess the risk factors in your pregnancy and discuss them and ways to reduce them with you. You can ask to be referred to a doctor for prenatal care.

If you are totally disabled as a result of a pregnancy problem and your coverage ends, you may be eligible for extended benefits. See the “Continued Health Coverage” section on pages 95-99. Totally disabled means the complete inability of an individual to perform everyday duties appropriate for your occupation, employment, age, or sex. The inability may be due to disease, illness, injury, or pregnancy. The Plan reserves the right of determination of total disability based upon the report of a duly qualified physician, or physicians, chosen by the Plan.

Durable Medical Equipment/Supplies

When medically necessary, the Medical Plan covers supplies prescribed by a provider, including:

- Artificial limbs and eyes.
- Bandages and surgical dressings.
- Purchase or rental of autorepositioning appliances, casts, splints, trusses, braces, crutches, and other similar, durable medical or mechanical equipment.
- Rental or purchase of a wheelchair or hospital-type bed.
- Rental or purchase of iron lungs or other mechanical equipment required for respiratory treatment.
- Blood transfusions, including the cost of blood and blood derivatives.
- Oxygen or rental of equipment for the administration of oxygen.

Charges for the purchase or replacement of durable medical and post-surgical equipment will be included as covered medical expenses as follows:

- The initial purchase of such equipment and accessories to operate the equipment are covered only if the claims administrator is shown that:
 - Long-term use is planned; and
 - The equipment cannot be rented; or
 - It is likely to cost less to buy it than to rent it.
- Repair or replacement of purchased equipment and accessories will be covered only if the claims administrator is shown that:
 - It is needed due to a change in the person's physical condition; or
 - It is likely to cost less to buy a replacement than to repair the existing equipment or to rent similar equipment.

Not included are charges for more than one item of equipment for the same or similar purpose.

Durable medical and surgical equipment is equipment that is:

- Made to withstand prolonged use.
- Made for and mainly used in the treatment of a disease or injury.
- Suited for use in the home.
- Not normally of use to persons who do not have a disease or injury.
- Not for use in altering air quality or temperature.

- Not for exercise or training.

Travel

Travel must be preauthorized to receive reimbursement under the Medical Plan. Contact the claims administrator for preauthorization before you or your dependent travel.

The Medical Plan pays travel and ambulance costs within the contiguous limits of the United States, Alaska, and Hawaii. This includes:

- Transportation to the nearest hospital by professional ambulance. A professional ambulance is a land or air vehicle specially equipped to transport injured or sick people to a destination capable of caring for them upon arrival. Specially equipped means the vehicle contains the appropriate stretcher, oxygen, and other medical equipment necessary for patient care enroute. A medical technician trained in lifesaving services accompanies the transported patient.
- Round-trip transportation, not exceeding the cost of coach class commercial air transportation, from the site of the illness or injury to the **nearest** professional treatment. If you use ground transportation and the most direct one-way distance exceeds 100 miles, the Medical Plan pays your documented travel expenses while enroute for fares, mileage, food, and lodging for the most direct route. Only eligible persons are reimbursed.

Travel does not include reimbursement of airline miles to purchase tickets, the cost of lodging, food, or local ground transportation such as airport shuttles, cabs, or car rental.

If the patient is a child under 18 years of age, a parent or legal guardian's travel charges are allowed. Also, when authorized by the claims administrator, travel charges for a physician or a registered nurse are covered.

Travel benefits apply only to the conditions covered under the Medical Plan. They do not apply to the audio, dental, or vision plans.

Travel, as described above, is covered **only** in the circumstances set forth in the following sections. Travel is not covered for diagnostic purposes.

Emergencies

Travel is covered if you have an emergency condition requiring immediate transfer to a hospital with special facilities for treating your condition. Preauthorization is waived if you are immediately transferred in a ground or air ambulance; you do not need to call the claims administrator before this occurs.

An emergency condition is a recent, severe medical condition, including but not limited to severe pain, which would lead a prudent layperson possessing an average knowledge of medicine and health to believe their condition, sickness or injury is of such a nature that failure to get immediate medical care could result in:

- Placing the person's health in serious jeopardy.
- Serious impairment to bodily function.
- Serious dysfunction of a body part or organ.
- In the case of a pregnant woman, serious injury to the health of the fetus.

Treatment Not Available Locally

Travel is covered for you to receive treatment which is not available in the area you are currently located in. Treatment is defined as a service or procedure, including a new prescription, which is medically necessary to correct or alleviate a condition or specific symptoms of an illness or injury. It does not include any diagnostic procedures or follow-up visits to monitor a condition. **Treatment must be received for travel to be covered.**

Benefits for travel to receive treatment which is not available locally are limited during each benefit year to:

- One visit and one follow-up visit for a condition requiring therapeutic treatment;
- One visit for prenatal **or** postnatal maternity care and one visit for the actual maternity delivery;
- One pre-surgical **or** post-surgical visit and one visit for the surgical procedure; and
- One visit for each allergic condition.

If you need transportation for a nonemergency condition which cannot be treated locally, you must receive preauthorization. Obtain a “Travel Preauthorization Form” from the Division of Retirement and Benefits or the claims administrator. Complete the top portion and have your physician complete the bottom. Submit the form to the claims administrator **before** you travel. The claims administrator will provide you with written preauthorization.

If you do not have time to obtain the form or you have not received written preauthorization, you **must** call the claims administrator **before** you travel.

Second Surgical Opinions

Travel is covered if you require a second surgical opinion which cannot be obtained where you are currently located. This will count as a presurgical trip as shown above.

If you require transportation for a second surgical opinion which cannot be obtained locally, you must receive preauthorization. Obtain a “Travel Preauthorization Form” from the Division of Retirement and Benefits or the claims administrator. Complete the upper portion and have your physician complete the lower portion. Submit the form to the claims administrator **before** you travel.

If you do not have time to obtain the form or you have not received written preauthorization, you **must** call the claims administrator **before** you travel.

Surgery In Other Locations

Travel is covered if you have surgery which is provided less expensively in another location.

If the actual cost of surgery, hospital room and board, and travel to another location for the surgery is less expensive than the recognized charge for the same expenses at the nearest location you could obtain the surgery, your travel costs may be paid. The amount of travel costs paid cannot exceed the difference between the cost of surgery and hospital room and board in the nearest location and those same expenses in the location you choose. Travel costs include round trip coach airfare or actual expenses for ground transportation if the most direct route exceeds 100 miles.

Preauthorization from the claims administrator is not required for this situation. Submit receipts for the travel costs to the claims administrator and the amount of reimbursement, if any, will be determined when the claim is processed.

Mental Disorder and Chemical Dependency Treatment

Important: Certification and Plan referral are required for all treatment in order to receive maximum Plan benefits. If certification is not obtained or Plan referral is not followed, benefits will be reduced. Please refer to the “Certification” section on pages 27-32.

Mental Disorders

Provider services received through a plan referral are covered at normal plan benefits following the deductible. Provider services received without a plan referral are covered at 50%.

Inpatient treatment received through a plan referral, excluding provider services which are described above, is covered at normal

plan benefits. Inpatient treatment received without a plan referral is paid at 50% after a \$400 penalty and the deductible.

A mental disorder is a disease commonly understood to be a mental disorder, whether or not it has a physiological or organic basis, and/or for which treatment is generally provided by or under the direction of a mental health professional such as a psychiatrist or psychologist. A mental or nervous disorder includes but is not limited to:

- Schizophrenia,
- Bipolar disorder (manic/depressive),
- Pervasive mental development disorder (autism),
- Panic disorder,
- Major depressive disorder,
- Psychotic depression, or
- Obsessive compulsive disorder.

Chemical Dependency

Treatment of chemical dependency is paid at normal Plan benefits following the deductible. If treatment is received without a Plan referral, the first \$400 of inpatient treatment expenses and the first \$200 of outpatient treatment expenses will not be covered.

Benefits for chemical dependency treatment received **without a Plan referral** are limited to the maximums shown in the Benefit Summary.

These amounts are subject to change. Please check with the claims administrator or the Division for the most current maximum. Any benefits received with a Plan referral will apply to these maximums. Treatment of medical complications of chemical dependency does not count towards the maximum.

Medical Treatment of Mouth, Jaws, and Teeth

The Plan pays for medical conditions of the teeth, jaw, and jaw joints as well as supporting tissues including bones, muscles, and nerves. Medical services include:

- Inpatient hospital care to perform dental services if required due to an underlying medical condition.
- Surgery needed to treat wounds, cysts, or tumors or to alter the jaw, jaw joint, or bite relationships when appliance therapy alone cannot provide functional improvement.
- Nonsurgical treatment of infections or diseases not related to the teeth, supporting bones, or gums.
- Dental implants if necessary due to disease or accident but only if dentures or bridges are inappropriate or ineffective. False teeth for use with the implants are covered only under the dental plan as a Class III service.
- Services needed to treat accidental fractures or dislocations of the jaw, or injury to natural teeth if the accident occurs while the individual is covered by the Plan. Treatment must begin during the year the accident occurred or the year following. The teeth must have been firmly attached to the jaw bone at the time of injury, damaged or lost other than in the course of biting or chewing and must have been free of decay or in good repair.
- Removal of impacted or unerupted teeth (unless this coverage is available under the dental plan).
- Diagnosis, appliance therapy (excluding braces), nonsurgical treatment, and surgery by a cutting procedure which alters the jaw joints or bite relationship for temporomandibular joint disorder or similar disorder of the jaw joint.

Myofunctional therapy is not covered. This includes muscle training or in-mouth appliances to correct or control harmful habits.

Medical Treatment of Obesity

Medically necessary expenses for medical supervision of weight reduction programs will be covered as any other medical condition when:

- The patient is 60% or more than their ideal body weight, as determined by the claims administrator; or
- The patient is more than 30% over ideal body weight, as determined by the claims administrator, and has one or more of certain documented medical conditions.

These qualifying medical conditions include diabetes, cardiac disease, respiratory disease, hypertension, and hypothyroidism. Diagnoses not acceptable for coverage include, but are not limited to, fasting, hyperglycemia, dyspnea on exertion, lower back pain, and hiatal hernia.

If determined to be medically necessary, covered services for medical supervision of weight reduction may include history and complete physical exam, diagnostic tests, physician office visits, and anorectic (weight control) prescription drugs, and/or surgery.

Gastric bypass surgery and vertical banded gastroplasty surgery are considered medically necessary and appropriate when the following criteria are met:

- The patient is twice or 100 pounds over ideal body weight, as determined by the claims administrator;
- There is a documented history of recent (past 6 to 12 months) attempts to lose weight through physician-supervised, nonsurgical means; and
- there are no contraindications to surgery.

Noncovered services include, but are not limited to, intestinal bypass surgery, loop gastric bypass, gastroplasty (stomach stapling), duodenal switch operation, biliopancreatic bypass, mini-gastric bypass, gastric bubble balloon surgery, special diet supplements, vitamin injections, hospital confinement for weight reduction programs, exercise, exercise equipment, gym fees, whole body calorimeter studies and psychiatric treatment/counseling including behavior modification, biofeedback and hypnosis.

Plastic, Cosmetic, and Reconstructive Surgery

The plan covers plastic, cosmetic, or reconstructive surgery **only** as needed to:

- Improve the function of a part of the body (excluding teeth or any structure that supports the teeth) and that is malformed as a result of:
 - A severe birth defect, including harelip or webbed fingers or toes.
 - Disease, or surgery performed to treat a disease or injury.
- Repair an injury sustained in an accident which occurs while you are covered under the plan, provided surgery is performed within the calendar year the accident occurred or the calendar year following.

Mastectomy/Breast Reconstruction

Any person who receives benefits for a medically necessary mastectomy may also receive benefits for:

- Reconstruction of the breast on which the mastectomy was performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.

- Prostheses.
 - Treatment of physical complication of all stages of mastectomy, including lymphedemas.
-

MEDICAL EXPENSES NOT COVERED

Limitations and Exclusions

The Medical Plan does not cover any condition, illness, or injury for which you receive:

- Benefits from your employer's liability plan, federal, or state workers' compensation, or similar law.
- Benefits available under any law of government, federal, or state act (excluding services received from Alaska Native Health, a plan established by government for its own employees or their dependents or Medicaid), even though you waive rights to those benefits.

The following is a list of services and supplies that are **not covered** and are not included when determining benefits:

- Those furnished, paid for or for which benefits are provided or required by reason of the past or present service of any person in the armed forces of a government.
- Charges for plastic, cosmetic, and reconstructive surgery; services or supplies which improve, alter, or enhance appearance are not covered, even if they are for psychological or emotional reasons, except as listed on page 50.

- Charges in connection with an occupational injury or illness. An occupational injury or illness is one that arises out of (or in the course of) any work for pay or profit, or in any way results from any injury or illness which does. However, if proof is furnished that an individual is covered under workers' compensation or similar law, but is not covered for a particular illness under such law, that illness will not be considered occupational regardless of cause.
- Services provided in an institution which is primarily a rest home, home for the aged, or nursing home.
- Custodial care regardless of where services are provided, or any portion of a hospital stay which is primarily custodial. Custodial care is comprised of services and supplies, including room and board and other institutional services, whether or not the individual is disabled, primarily to assist in the activities of daily living. These services and supplies are designated as custodial care without regard to the prescription, recommendation, or performance of the practitioner or provider.
- Education, training, and room and board while confined in an institution which is primarily a school or other institution for training.
- Hospital admission or inpatient treatment primarily for rehabilitative care (see outpatient rehabilitative care benefits on page 36).
- Hospitalization primarily for physiotherapy or diagnostic studies.
- Routine physical and marital examinations except as provided on pages 35-36.
- Medical examinations or tests for diagnostic purposes unless related to a specific illness, disease, or injury.

- Artificial insemination, in vitro fertilization, or embryo transfer procedures.
- Speech therapy, except as provided on page 36.
- Sterilization or reversal of a sterilization procedure.
- Abortions.
- Charges that the claims administrator determines exceed the recognized charge (see pages 12-14).
- X-ray, laboratory, pathological services, and machine diagnostic tests, unless related to a specific illness, injury or a definitive set of symptoms, except as provided on pages 35-36.
- Services or supplies that are not medically necessary as determined by a medical review by the claims administrator for the diagnosis or treatment of a physical or mental condition even if prescribed, recommended, or approved by a physician.
- Marriage, child, career, social adjustment, pastoral, financial, sexual, or family counseling.
- Charges for or related to eye surgery mainly to correct refractive errors.
- Treatment of mental, neuropsychiatric and personality disorders, except as described under the “Mental and Nervous Disorders” section on pages 44-45.
- Services, therapy, drugs, or supplies for sex transformations or related to sex change surgery or any treatment of gender identity disorders.
- Services, therapy, drugs, or supplies for sexual dysfunctions or inadequacies, including services or supplies for a prosthesis in connection with impotency.

- Visual analysis, therapy or training relating to muscular imbalance of the eye (orthoptics).
- Routine foot care procedures, such as
 - The trimming of nails, corns or calluses,
 - Fallen arches,
 - Other symptomatic complaints of the feet, or
 - Routine hygienic care.
- Treatment designed primarily to provide a change in environment or a controlled environment (milieu therapy).
- Care furnished mainly to provide surroundings free from exposure that can worsen the person's condition, disease, or injury.
- Those charges you would not pay if you did not have health care coverage, except those for covered services furnished, paid for or reimbursed under the Maternal/Child Health Unit and Handicapped Children's Program Section,

Division of Public Health, Department of Health and Social Services of the State of Alaska.

- Any services or supplies for which no charge is made or would not be made if this Medical Plan were not in effect, nor for services or supplies for which you would not be legally liable if this Plan were not in effect.

- Services or supplies that are, as determined by the claims administrator, experimental or investigational. A drug, device, procedure, or treatment **will be** determined to be experimental or investigational if:
 - There is insufficient data available from controlled clinical trials published in peer-reviewed literature to substantiate its safety and effectiveness for the disease or injury involved;
 - Approval, as required by the FDA, has not been granted for marketing;
 - A recognized national medical or dental society or regulatory agency has determined, in writing, that it is experimental, investigational, or for research purposes; or
 - The written protocols or informed consent used by the treating facility or any other facility studying substantially the same drug, device, procedure, or treatment states that it is experimental, investigational, or for research purposes.

However, this exclusion **will not apply** to services or supplies (other than drugs) received in connection with a disease if the claims administrator determines that:

- The disease can be expected to cause death within one year in the absence of effective treatment; and
- The care or treatment is effective for that disease or shows promise of being effective for that disease as demonstrated by scientific data. In making this determination, the claims administrator will take into account the results of a review by a panel of independent medical professionals selected by the claims administrator. This panel will include professionals who treat the type of disease involved.

Also, this exclusion **will not apply** to drugs:

- That have been granted treatment investigational new drug (IND) or Group c/treatment IND status;
 - That are being studied at the Phase III level in a national clinical trial sponsored by the National Cancer Institute; or
 - If the claims administrator determines that available scientific evidence demonstrates that the drug is effective or shows promise of being effective for the disease.
- Injury or other loss sustained as a result of war, or an act of war, or any international armed conflict, whether declared or not.
 - Services, treatment, education, testing, or training related to learning disabilities or developmental delay.
 - Services of a resident physician or intern rendered in that capacity.
 - Orthopedic shoes.
 - Primal therapy, rolfing, psychodrama, megavitamin therapy, or carbon dioxide therapy.
 - Acupuncture therapy, unless performed by a physician as a form of anesthesia in connection with surgery covered under the plan.
 - Eye refractions or hearing aids, or the fitting of eye glasses or hearing aids, except as described under *Vision and Optical Benefits* and *Audio Benefits* sections.
 - Services or supplies which any school system is legally required to provide.

- Services or supplies not specifically listed as a covered benefit under the Medical Plan.
 - Services or supplies for education, special education, or job training whether or not given in a facility that also provides medical or psychiatric treatment.
 - Charges you incur during a hospital confinement beginning prior to the date you became covered under the Medical Plan.
 - Charges for treatment of employees who specialize in the mental health care field and who receive treatment as a part of their training in that field.
 - Changes incurred by a Medicare eligible member under a private contract with a provider.
-

INDIVIDUAL CASE MANAGEMENT

If you have an illness or accident that may extend for some time, the Medical Plan provides for alternate means of care through individual case management (ICM). For example, if you are facing an extended period of care or treatment, this may be provided in a skilled nursing or convalescent facility or in your home. These settings offer cost savings as well as other advantages to you and your family.

When reviewing claims for the ICM program, the claims administrator always works with you, your family, and your physician so you receive close, personal attention. The claims administrator identifies and evaluates potential claims for ICM, always keeping in mind that **alternative care must result in savings without detracting from the quality of care.**

Through ICM, the claims administrator can consider recommendations involving expenses usually not covered for reimbursement. This includes suggestions to use alternative

medical management techniques or procedures or suggestions for cost-effective use of existing plan provisions such as home health care and convalescent facilities.

Examples of conditions that may qualify for ICM include:

- Spinal cord injuries with paralysis.
- High-risk infants undergoing neonatal care.
- Traumatic brain injury resulting from accidents.
- Severe burns.
- Multiple fractures.
- Stroke.
- Any confinement exceeding 30 days; and
- Conditions or injuries requiring substantial medical resources over a long period of time, or those where another cost-effective alternative may be implemented.

If you have questions regarding ICM and its possible application to you, call the claims administrator. All parties must approve alternate care before it is provided.

DENTAL-VISION-AUDIO PLAN

INTRODUCTION

The State of Alaska is pleased to be able to offer this voluntary Dental-Vision-Audio (DVA) Plan for benefit recipients and their eligible dependents. These benefits may change from time to time. You should ensure that you have the current booklet by contacting the Division of Retirement and Benefits.

WHO MAY BE COVERED AND PREMIUM PAYMENT

The following individuals may elect coverage:

Benefit Recipients

- People receiving a benefit from the Public Employees', Teachers', Judicial, or Elected Public Officers' Retirement Systems (excluding alternate payees under a Qualified Domestic Relations Order). If coverage is elected, the premiums are paid by deductions from your retirement check.
- People receiving a benefit from the Marine Engineers Beneficial Association (MEBA) who retired from the State of Alaska after July 1, 1983. If coverage is elected, the premium is paid annually by the member.

Dependents

You may elect to cover the following dependents:

- Your spouse. You may be legally separated but not divorced.
- Your children from birth up to 23 years of age *only* if they are:
 - Your natural children, stepchildren, foster children placed through a State foster child program, legally adopted children, children in your physical custody and for whom bona fide adoption proceedings are underway, or children for whom you are the legal, court-appointed guardian;
 - Unmarried and chiefly dependent upon you for support;
and
 - Living with you in a normal parent-child relationship.
 - This provision is waived for natural/adopted children of the benefit recipient who are living with a divorced spouse, assuming all other criteria are met.
 - Only stepchildren living with the retiree more than 50% of the time may be insured under this plan.

Children incapable of employment because of a mental or physical incapacity are covered even if they are past age 23. However, the incapacity must have existed before age 23 and the children must continue to meet all other eligibility criteria. You must furnish the Division evidence of the incapacity, proof that the incapacity existed before age 23, and proof of financial dependency. This proof must be provided no later than 60 days after their 23rd birthday or after the effective date of your retirement, whichever is later. Children are covered as long as the incapacity exists, they meet the definition of children, except for age and you continue to provide periodic proof of the continued incapacity as required.

If more than one family member is retired, each eligible family member may be covered by this program both as a benefit recipient and as a dependent, or as the dependent of more than one benefit recipient.

HOW TO ELECT COVERAGE

DVA coverage may be elected for:

- Retiree only
- Retiree and spouse
- Retiree and child/children
- Retiree and family (spouse and child/children)

If you are covered by the medical plan automatically at no cost to you (see pages 5-6), you must elect DVA coverage:

- Before the effective date of your retirement benefit, or
- With your application for survivor benefits.

If you do not elect coverage at this time, you waive the right to elect coverage at a later date.

If you are required to pay premiums for your medical coverage (see pages 5-6), you may elect DVA coverage at the times shown above or during an annual open enrollment period. However, DVA may be elected during open enrollment only if the same or increased level of medical coverage is being elected for the first time during that open enrollment. For example, a retiree who has no medical or DVA coverage may elect medical for self and spouse and DVA for self only during an open enrollment. However, a retiree who is already enrolled in medical coverage may not elect to add DVA coverage during the open enrollment.

WHEN DVA COVERAGE STARTS

New Benefit Recipients

New benefit recipients who elect coverage at retirement will be covered under this plan on the date of their appointment to receive retirement, disability, or survivor/death benefits.

Open Enrollees

Benefit recipients who are eligible for and elect coverage during an open enrollment are covered on January 1 of the year following the open enrollment, assuming they pay the required premium.

Marine Engineers Beneficial Association Members

Eligible benefit recipients of the Marine Engineers Beneficial Association (MEBA) who elect coverage at retirement and pay the required premium will be covered on the date of their appointment to receive benefits from MEBA.

Dependents

If you elect coverage for dependents, your eligible dependents are covered on the dates specified below. Note that the level of coverage you elect must cover the dependent. In order to have coverage for your children, for example, you must elect coverage for retiree and children or for retiree and family.

Your dependents are eligible for benefits on the same day you are eligible if they meet all eligibility requirements. If you add new dependents, they will be covered under this plan immediately assuming the level of coverage you have covers the new dependent as specified above.

If you increase your coverage to include dependents following marriage or birth of a child, their coverage begins on the first of the month following receipt of your written request, assuming the level of coverage you elect covers the new dependent.

WHEN DVA COVERAGE ENDS

Coverage under the DVA plan ends at the earliest time that one of the following occurs:

Failure to Pay Premium

Coverage ends at the end of the month in which you fail to pay the required premium. If at any time your benefit check is insufficient to pay the monthly premium, you may pay the premium directly to the claims administrator. Contact the Division of Retirement and Benefits for more information. MEBA members pay premiums directly to the MEBA office.

Ineligible Retirees

Coverage ends at the end of the month in which you become ineligible to receive a benefit from the retirement system.

Discontinuance of Coverage

You may discontinue your participation in DVA coverage at any time by submitting a signed, written request to the Division of Retirement and Benefits. Your premium deductions will be stopped as soon as possible. Your coverage will end on the last day of the month in which the last premium is deducted/paid.

If you discontinue participation, you waive all rights to future coverage and you are not eligible to re-enroll.

Dependents

If you have elected to cover your dependents, coverage will end for those dependents on the same day as your coverage ends, unless:

- You divorce. Coverage for your spouse ends on the date the divorce is final,
- Your child no longer meets all eligibility requirements. Coverage ends at the end of the month in which the child first fails to meet these requirements,
- You discontinue coverage for your dependents, or
- Coverage is discontinued for all dependents.

You should notify the Division of Retirement and Benefits any time your dependents change so your coverage level can be adjusted if necessary. For example, if you divorce or your only child ceases to meet the eligibility requirements, you should request the Division to discontinue coverage for them. **Changes in coverage are effective only after your written request is received by the Division.**

Please note: the health plan cannot make changes in coverage levels for you.

There may be options available for continuing DVA coverage if some of the above situations occurs. These are described in the “Continued Health Coverage” section on pages 95-99.

CHANGING YOUR DVA COVERAGE

You may decrease your level of coverage at any time. For example, you may change from retiree and family coverage to retiree and spouse coverage any time. To decrease your coverage, submit a written request to the Division of Retirement and Benefits stating

the level of coverage you would like. Once you decrease your coverage you cannot reinstate it except as described below.

You may increase coverage only:

- Within 120 days after marriage or the birth or adoption of your first child, or
- During an open enrollment period, if you are eligible as noted on pages 59-60.

Your written request to increase coverage must be postmarked or received within 120 days after the date one of the above events occurs. You should state the level of coverage you would like, the reason for the change, and the date the event occurred.

Changes in coverage are effective on the first of the month following the receipt of your written request.

Changes in coverage are effective only after receipt of your written request and are not retroactive.

DENTAL PLAN HIGHLIGHTS

- Pays 100% of the recognized charge for most preventive services (X-rays, exams, cleaning, etc.) with no deductible.
- Pays 80% of the recognized charge for most restorative services (fillings, extractions, etc.) after the annual deductible is met.
- Pays 50% of the recognized charge for most prosthetic services (crowns, dentures, etc.) after the annual deductible is met.
- Requires an annual deductible of \$50 per person for restorative or prosthetic services.
- Pays up to \$2,000 of covered expenses per person per year.

HOW DENTAL BENEFITS ARE PAID

To determine whether dental needs and treatment are within Plan limitations and exclusions, the claims administrator reserves the right to review your dental records, including X-rays, photographs, and models. The claims administrator also has the right to request that you obtain an oral examination, at its expense, by a dentist of its choice.

Benefit Year

The benefit year for this Plan begins January 1 and ends December 31. All benefits limited in a benefit year are reset on January 1 each year.

Annual Maximum Benefit

The State's Dental Plan pays up to \$2,000 for all covered dental services for each eligible person during the benefit year.

The claims administrator may, at its discretion, make benefit payments directly to either the dentist or other provider furnishing the service, the retiree, or both.

Deductible

You pay a \$50 deductible per person for Class II restorative and Class III prosthetic services each benefit year.

Recognized Charge

Payment is based on the recognized charge for covered services. Charges or fees in excess of the recognized charge, as determined by the claims administrator, are your responsibility to pay.

The recognized charge is the charge contained in an agreement the claims administrator has with the provider either directly or through a third party. If no agreement is in place, the recognized charge is the lowest of:

- The provider's usual charge for furnishing the service.
- The charge the claims administrator determines to be appropriate based on factors such as the cost for providing the same or similar service or supply and the manner in which charges for the service or supply are made.
- The charge the claims administrator determines to be the recognized charge percentage made for that service or supply.

The recognized charge percentile is the charge determined by the claims administrator on a semiannual basis to be in the 90th percentile of the charges made for a service or supply by providers in the geographic area where it is furnished. The recognized

charge is determined by collecting the claims submitted for each procedure, defined by the procedure code, in a specific geographic area. The highest and lowest charges are ignored and the charge that allows 90% of all the claims to be paid in full is set as the recognized charge for that procedure. The geographic area is determined by where the procedure is performed. For example, most procedures in Juneau are based on charges submitted from all of Southeast Alaska. Some types of procedures, such as surgery, are based on statewide claims data to ensure sufficient information to establish a recognized charge.

If data is insufficient to determine a recognized charge, the claims administrator may consider items such as the following:

- The recognized charge in a greater geographic area.
- The complexity of the service or supply.
- The degree of skill needed.
- The type or specialty of the provider.
- The range of services or supplies provided by a facility.

If two or more surgical procedures are performed during the same operative session, payment will be calculated as follows:

- The claims administrator will determine which procedures are primary, secondary or tertiary, taking into account the billed amounts.
- payment for each procedure will be made at the lesser of the billed charge or the following percentage of the recognized charge:

— primary	100%
— secondary	50%
— all others	25%

Incidental procedures, those that take little or no additional resources or time when performed at the same time as another procedure, are not covered by the plan.

Charges in excess of the recognized charge as determined by the claims administrator are not paid by the plan.

Advance Claim Review

Before beginning treatment for which charges are expected to exceed \$1,000, ask your dentist to file a description of the proposed course of treatment and expected charges with the claims administrator. The claims administrator reviews the proposal and advises you and your dentist of the estimated benefits payable.

A course of treatment is a planned program of one or more services or supplies. It may be rendered by one or more providers for the treatment of a condition diagnosed by the attending physician or dentist as a result of an examination. It begins on the day the provider first renders the service to correct or treat such a condition. Emergency treatments, oral examinations, prophylaxis, and dental X-rays are considered part of a course of treatment; but you may seek these services without advance claim review.

The Plan pays for the least expensive, professionally adequate service. **By receiving an advance review, you will eliminate the possibility of unexpected claim denials.**

As part of advance claim review and for any claim, the claims administrator, at its expense, has the right to require you to obtain an oral examination. You must furnish to the claims administrator all diagnostic and evaluative material required to establish your right to benefits. Evaluative material includes dental X-rays, models, charts, and written reports.

In many cases, alternative services or supplies may be used to treat a dental condition. If so, benefit coverage is limited to the services and supplies customarily employed to treat the disease or

injury and recognized by the dental profession to be appropriate according to broadly accepted national standards of practice. The Plan takes into account your total oral condition.

Following are examples of alternative services or supplies for restorative care:

- Gold or baked porcelain restorations, crowns, and jackets. If a tooth can be restored with amalgam or like material and you and your dentist select another type of restoration, your benefits are limited to the appropriate charges for amalgam or similar material.
- Reconstruction. Covered expenses only include charges for procedures necessary to eliminate oral disease and replace missing teeth. Appliances or restorations to increase vertical dimension or restore the occlusion are considered optional and not covered.

Following are examples of alternative services or supplies for prosthetic care:

- Partial dentures. If cast chrome or acrylic partial dentures will restore a dental arch satisfactorily and you and your dentist choose a more elaborate precision appliance, covered expenses are limited to the appropriate charges for cast chrome or acrylic.
- Complete dentures. If you and your dentist decide on personalized restorations or specialized techniques, as opposed to standard dentures, covered expenses are limited to appropriate charges for the standard dentures.
- Replacement of existing dentures. Charges for existing denture replacements are covered only if the existing dentures are not or cannot be made serviceable; otherwise, covered expenses are limited to appropriate charges for services necessary to make appliances serviceable.

COVERED DENTAL SERVICES

Class I Preventive Services

The Dental Plan covers 100% of the recognized charge with no deductible for Class I preventive services rendered by a dentist (D.D.S. or D.M.D.). Class I services include:

- Oral examinations.
- Dental X-rays required for the diagnosis of a specific condition.
- Routine dental X-rays, but not more than one full mouth or series per year.
- Topical fluoride application (painting the surface of the teeth with a fluoride solution).
- Prophylaxis, including cleaning, scaling, and polishing.
- Dental sealants for children through age 18.

Class II Restorative Services

Following the \$50 annual deductible, the Dental Plan covers 80% of the recognized charge for Class II restorative services. These include:

- Fillings of silver amalgam, silicate, and plastic restoration.
- Repair/relining of dentures and bridges.
- Palliative (alleviation of pain) emergency treatment.
- Extractions (removal of teeth).
- Endodontics (treatment of disease of the tooth pulp) including pulpotomy, pulp capping, and root canal treatment.

- Space maintainers.
- Oral surgery, including surgical extractions.
- Apicoectomy (surgical removal of a root tip).
- Local and general anesthetic necessary for dental procedures.
- Periodontic services (treatment of the supporting tooth structures), including periodontal prophylaxis.

Class III Prosthetic Services

Following the \$50 annual deductible, the Dental Plan pays up to 50% of the recognized charge for Class III prosthetic services. These include:

- Inlays and onlays.
- Crowns.
- Bridges, fixed and removable.
- Dentures, full and partial.

Certain replacements or additions to existing dentures will be covered if proof, satisfactory to the claims administrator, is provided to show that one of the following conditions exist:

- The replacement or addition of teeth on a bridge or denture is necessary to replace teeth extracted after the current denture was installed.
- The present denture is at least 5 years old and cannot be made serviceable.
- The present denture is an immediate temporary one and cannot be made permanent, replacement by a permanent denture is needed and replacement is made within 12 months from the date the immediate temporary one was first installed.

DENTAL SERVICES NOT COVERED

The Dental Plan does not provide benefits for:

- Services or supplies that are not necessary for diagnosis or treatment of dental condition as determined by the claims administrator even if prescribed, recommended, or approved by a dental professional.
- Services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures.
- Services that the dentist is not licensed to perform.
- Charges that are higher than would have been charged if there were no Dental Plan.
- Services for dentures, bridges, crowns, or other devices started before the effective date of coverage.
- Charges made after your coverage ends, unless they are for prosthetic devices fitted and ordered while you were covered and arriving within 90 days of the coverage end date.
- Services rendered after the end of coverage, even if you are in the course of an approved treatment plan.
- Charges of more than one dentist for the same services in the same visit.
- Appliances or restorations necessary to increase vertical dimensions or restore occlusions.
- Services for straightening teeth or correcting bite (orthodontics) except for tooth extractions necessary to proceed with orthodontic services.

- A denture replacement made less than five years after the last one was obtained, whether or not it was covered by this Plan, except as noted on page 73.
- Replacement costs of a lost or stolen denture if this benefit has been used within the last five years.
- Special techniques or personalized restoration for the construction of a denture beyond the standard procedure charges.
- Myofunctional therapy, including in-mouth appliances to correct or control harmful habits.
- Those charges that the claims administrator determines are not recognized charges as defined under the medical plan.
- Benefits available under any law of government (excluding a plan established by government for its own employees or their dependents or Medicaid), even though you waive rights to such benefits.
- Charges in connection with an occupational injury or illness. An occupational injury or illness is one that arises out of or in the course of any work for pay or profit, or in any way results from any injury or illness which does. However, if proof is furnished that an individual is covered under workers' compensation or similar law, but is not covered for a particular illness under that law, that illness will not be considered occupational regardless of cause.
- Services or supplies not specifically listed as a covered benefit under the health plan.
- Services or supplies that are, as determined by the claims administrator, experimental or investigational as defined under the medical plan.

VISION PLAN HIGHLIGHTS

- Requires no deductible.
- Pays 80% of covered services.
- Covers one complete eye examination, including a required refraction, per year.
- Covers two lenses during each calendar year.
- Covers one set of frames during every two consecutive calendar years.

HOW VISION BENEFITS ARE PAID

Benefit Year

The benefit year for this Plan begins January 1 and ends December 31. All benefits limited in a benefit year are reset on January 1 each year.

Deductible

You pay no deductible under this plan.

Coinsurance

The Plan pays 80% of the recognized charge for vision and optical services.

Recognized Charge

Payment is based on the recognized charge for covered services. Charges or fees in excess of the recognized charge, as determined by the claims administrator, are your responsibility to pay.

The recognized charge is the charge contained in an agreement the claims administrator has with the provider either directly or through a third party. If no agreement is in place, the recognized charge is the lowest of:

- The provider's usual charge for furnishing the service,
- The charge the claims administrator determines to be appropriate based on factors such as the cost for providing the same or similar service or supply and the manner in which charges for the service or supply are made; and
- The charge the claims administrator determines to be the recognized charge percentage made for that service or supply.

The recognized charge percentile is the charge determined by the claims administrator on a semiannual basis to be in the 90th percentile of the charges made for a service or supply by providers in the geographic area where it is furnished. The recognized charge is determined by collecting the claims submitted for each procedure, defined by the procedure code, in a specific geographic area. The highest and lowest charges are ignored and the charge that allows 90% of all the claims to be paid in full is set as the recognized charge for that procedure. The geographic area is determined by where the procedure is performed. For example, most procedures in Juneau are based on charges submitted from all of Southeast Alaska. Some types of procedures, such as surgery, are based on statewide claims data to ensure sufficient information to establish a recognized charge.

If data is insufficient to determine a recognized charge, the claims administrator may consider items such as the following:

- The recognized charge in a greater geographic area.
- The complexity of the service or supply.
- The degree of skill needed.

- The type or specialty of the provider.
- The range of services or supplies provided by a facility.

Incidental procedures, those that take little or no additional resources or time when performed at the same time as another procedure, are not covered by the plan.

Charges in excess of the recognized charge as determined by the claims administrator are not paid by the plan.

COVERED VISION AND OPTICAL SERVICES

The following services and supplies are covered:

- One complete eye examination, including a required refraction, by a legally qualified ophthalmologist or optometrist, during a calendar year.
- Up to two single vision, bifocal, trifocal, or lenticular lenses per calendar year.
- Frames, but not more than one pair during any two consecutive calendar years.
- One pair of cosmetic contacts elected in lieu of glasses. These will be covered the same as any other single vision spectacle lenses. This means that you must pay the difference between the recognized charge for spectacle lenses and contact lenses.
- One pair of contact lenses required following cataract surgery or because visual acuity is correctable to 20/70 or better only with the use of contact lenses. The maximum lifetime amount payable for necessary contact lenses is \$400. After you reach this maximum, necessary contacts are covered the same as cosmetic contacts.

- Certain lens options, limited to those listed below:
 - scratch resistant coating
 - antireflective coating
 - polycarbonate lenses
-

VISION AND OPTICAL SERVICES NOT COVERED

The Vision Plan does not provide benefits for:

- Tinting.
- Two pairs of glasses in lieu of bifocals.
- Nonprescription glasses or special purpose or subnormal vision aids, even if prescribed.
- Those charges that the claims administrator determines are not the recognized charge as defined in the health plan.
- Prescription sunglasses or light-sensitive lenses in excess of the amount which would be covered for nontinted lenses.
- Medical or surgical treatment of the eyes.
- Services or supplies that are not necessary for diagnosis or treatment of vision condition as determined by the claims administrator even if prescribed, recommended, or approved by a vision professional.
- Eye examinations which a labor agreement requires the employer to provide, which are required as a condition of employment or which are required by any government law.
- Replacement or duplicate lenses if this benefit has been utilized in the current calendar year, regardless of the reason.

- Replacement or duplicate frames if this benefit has been utilized in the current or prior calendar year, regardless of the reason.
- Charges for special procedures such as orthoptics or vision training.
- Duplicate or spare eyeglasses, including lenses and frames.
- Services or supplies which are covered in whole or in part under any workers' compensation law or any other law of similar purpose, whether benefits are payable for all or part of the charges.
- Services or supplies you received prior to becoming eligible for coverage, including lenses and frames ordered as part of a prior examination, even if you receive the lenses and frames after becoming eligible for this plan.
- Services or supplies received after coverage terminates except for lenses and frames received due to an eye examination, including refraction, performed within 30 days before coverage terminates. The examination must have resulted in a changed or new lens prescription and the lenses and/or frames must be received within 30 days of the date coverage ends.
- Charges in connection with an occupational injury or illness. An occupational injury or illness is one that arises out of or in the course of any work for pay or profit, or in any way results from any injury or illness which does. However, if proof is furnished that an individual is covered under workers' compensation or similar law, but is not covered for a particular illness under that law, that illness will not be considered occupational regardless of cause.
- Benefits available under any law of government (excluding a plan established by government for its own employees or their dependents or Medicaid), even though you waive rights to such benefits.

- Vision care services or supplies covered under the Medical Plan.
- Services or supplies not specifically listed as a covered benefit under the health plan.
- Services or supplies that are, as determined by the claims administrator, experimental or investigational as defined in the medical plan.

AUDIO PLAN HIGHLIGHTS

- Pays 80% of the usual, customary, and reasonable charges.
- Requires no deductibles.
- Allows a maximum benefit of \$2,000 in a three-year period.

HOW THE AUDIO BENEFITS ARE PAID

Benefit Year

The benefit year for this Plan begins January 1 and ends December 31. All benefits limited in a benefit year(s) are reset on January 1.

Maximum Benefit

The Audio Plan pays up to \$2,000 for each person in a covered three-year period consisting of the current and two previous years.

Deductible

You pay no deductible under this plan.

Coinsurance

The Plan pays 80% of the usual, customary, and reasonable charges for audio services.

Usual, Customary, and Reasonable Charges

Payment is based on usual, customary, and reasonable charges for covered services. Charges or fees in excess of the usual, customary, and reasonable charge level, as determined by the claims administrator, are your responsibility to pay.

Usual, customary, and reasonable (UCR) means the charge the claims administrator determines to be the prevailing rate charged in the geographic area where the service is provided or the provider's usual charge, whichever is less.

UCR charges are determined by collecting the claims submitted for each procedure, defined by the procedure code, in a specific geographic area. The highest and lowest charges are ignored and the charge that allows 90% of all the claims to be paid in full is set as the UCR charge for that procedure. The geographic area is determined by where the procedure is performed. For example, most procedures in Juneau are based on charges submitted from all of Southeast Alaska.

If data is insufficient to determine a UCR charge, the claims administrator may consider items such as the following:

- The prevailing charges in a greater geographic area.
- The complexity of the service or supply.
- The degree of skill needed.
- The type or specialty of the provider; and
- The range of services or supplies provided by a facility.

COVERED AUDIO SERVICES

Following is a list of covered services:

- An otological (ear) examination by a physician or surgeon.
- An audiological (hearing) examination and evaluation by a certified or licensed audiologist, including a follow-up consultation.
- A hearing aid (monaural or binaural) prescribed as a result of the examination. This includes ear mold(s), hearing aid instruments, initial batteries, cords, and other necessary supplementary equipment as well as warranty, and follow-up consultation within 30 days following delivery of the hearing aid.
- Repairs, servicing, or alteration of hearing aid equipment.

You must provide the claims administrator with written certification from the examining physician. This certification should document your hearing loss that will be lessened by the use of a hearing aid.

AUDIO SERVICES NOT COVERED

The Audio Plan does not provide benefits for:

- Replacement of a hearing aid, for any reason, more than once in a three-year period.
- Batteries or other supplementary equipment other than those obtained upon purchase of the hearing aid.
- A hearing aid exceeding the specifications prescribed for correction of hearing loss.

- Expenses incurred after coverage ends, unless you order a hearing aid before the termination and receive it within 90 days of the end date.
- Services or supplies that are not necessary for diagnosis or treatment of an audio condition as determined by the claims administrator even if prescribed, recommended, or approved by a audio professional.
- Those charges that the claims administrator determines are not the usual, customary, and reasonable charge.
- Benefits available under any law of government (excluding a plan established by government for its own employees or their dependents or Medicaid), even though you waive rights to such benefits.
- Charges in connection with an occupational injury or illness. An occupational injury or illness is one that arises out of or in the course of any work for pay or profit, or in any way results from any injury or illness which does. However, if proof is furnished that an individual is covered under workers' compensation or similar law, but is not covered for a particular illness under that law, that illness will not be considered occupational regardless of cause.
- Medical or surgical treatment of the ears.
- Services or supplies provided under workers' compensation law or any law of similar purpose, whether benefits are payable for all or part of the charges.
- Audio examinations required as a condition of employment, under a labor agreement, or government law.
- Services or supplies not specifically listed as a covered benefit under the medical plan.

- Services or supplies that are, as determined by the claims administrator, experimental or investigational as defined in the health plan.

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HOW TO FILE A CLAIM

REQUIRED CLAIM FORM SUBMISSION

So that the Plan can pay benefits, you must submit a signed, State of Alaska claim form each calendar year for yourself, your spouse, and your eligible dependent children. Failure to submit a completed claim form when you submit your first claim for yourself, your spouse, or your dependent children may result in benefits for your expenses being held until the form is received. You must complete the *Patient Information* section of the claim form, including the section pertaining to other group health coverage, in its entirety.

These requirements apply even if a provider submits a computerized or other billing directly to the claims administrator for you. In that case, you still need to submit a claim form, including a completed *Patient Information* section, or benefits may be held pending the arrival of the form.

Claim forms are included in the welcome kit sent to you after you are eligible for benefits or you may obtain them from the claims administrator, the AlaskaCare Web site, or the Division of Retirement and Benefits.

CLAIM FILING DEADLINE

To receive benefits, you should submit a claim as soon as possible, but not later than 12 months after the date you incurred the expenses.

HOSPITAL SERVICES

When you are admitted to the hospital, give your health identification card to the admitting clerk. The hospital may bill the claims administrator directly. The claims administrator will send you an *Explanation of Benefits* form that shows the amount charged and the amount paid to the hospital. If you already paid the hospital charges and this fact is shown clearly on the claim form, the claims administrator will send the benefits check to you, along with the *Explanation of Benefits* form.

PHYSICIAN AND OTHER PROVIDER SERVICES

The fastest way to process bills is to ask your provider to bill the claims administrator directly on a *Medical/Audio Benefits Claim Form* or a universal claim form. The Alaska claim forms are available from the Division of Retirement and Benefits, the claims administrator, or the AlaskaCare Web site.

If your provider does not bill directly, complete Part 1, Patient Information, and have your provider complete Part 2, Medical Information. Attach an itemized bill.

The itemized bill must include:

- Your provider's name.
- Your provider's IRS number.
- Your diagnosis (or the International Classification of Diseases diagnosis code).
- The date of service.
- An itemized description of the service and charges.

DENTAL SERVICES

You can get a *Dental Benefits Claim Form* from your dentist, the Division of Retirement and Benefits, the claims administrator, or the AlaskaCare Web site. Follow the instructions under Physician and Other Provider Services for completing the form.

VISION SERVICES

You can get a *Vision Benefits Claim Form* from your eye doctor, the Division of Retirement and Benefits, the claims administrator, or the AlaskaCare Web site. Follow the instructions under physician services for completing the form.

AUDIO SERVICES

You can get a *Medical/Audio Benefits Claim Form* from your physician, the Division of Retirement and Benefits, the claims administrator, or the AlaskaCare Web site. Follow the instructions under physician section for completing the form.

PRESCRIPTION DRUGS

No claim filing is necessary if you obtain your drugs from a participating pharmacy or the mail order program.

The Plan will pay benefits for prescription drugs purchased elsewhere only if actual drug receipts accompany your claim submission. If receipts are not submitted to the claims administrator, your claim will be returned to you for receipts.

If you do not use a participating pharmacy or the mail order program, be sure to obtain a receipt from the pharmacist. Cash register receipts are not acceptable. Medicines that do not require a prescription are not covered. Send the receipt with a *Prescription Drug Record* to the claims administrator. You can get these

forms from the Division of Retirement and Benefits, the claims administrator, or the AlaskaCare Web site.

The receipt must include:

- Patient's name.
- Date of purchase.
- Prescription number.
- Purchase price itemized for each drug.
- Quantity.
- Name of drug.
- Name of pharmacy.

MEDICAL BENEFITS

For covered medical services, the following are examples of the information needed to process your claim:

- Nursing care. If you need special nursing services at home or in the hospital, your claim must include the date, hours worked, and the name of the referring physician.
- Blood and blood derivatives. You are encouraged to replace blood or blood derivatives that you use. If you do not, you must get a bill from the blood bank which includes the date of service, location where the blood was transported, and the total charge.
- Appliances—braces, crutches, wheelchairs, etc. The bill must include a description of the item and indicate whether it was purchased or rented. Also, it must list the name of the physician who prescribed the item, and the total charge.

- Ambulance. The bill must include the date of the service, where you were transported to and from, and the total charge.
-

OTHER CLAIM FILING TIPS

You must list your participant account number on all bills or correspondence. The number is listed on your identification card. Send all bills to the claims administrator's address listed in the front of this booklet, in your welcome kit, and on your identification card.

If you have other health coverage in addition to this plan, you should submit your claims to the primary plan first. Then send a copy of the claim and the *Explanation of Benefits* from the primary plan to the secondary so that benefits will be coordinated properly between plans.

If you have claim problems, call or write to the claims administrator and a customer service professional will help you. When you call, be sure to have your identification card or *Explanation of Benefits* form available. Also, include your participant account number from your identification card on any letter you write. The claims administrator needs this information to identify your particular coverage.

BENEFIT PAYMENTS

Benefits are paid as soon as possible after all necessary written proof to support the claim is received. All benefits are payable to you. However, the claims administrator has the right to pay any health benefits to the provider. This will be done unless you have informed them you have already paid the provider.

The claims administrator may pay up to \$1,000 of any benefit to any of your relatives whom it believes are fairly entitled to it if a benefit is payable to your estate.

BEFORE FILING A CLAIM

Before you file a claim:

- Check that your deductible has been paid (the deductible is the amount of covered expenses you must pay in a benefit year before your plan starts paying benefits).
- Save all bills until you meet your deductible.
- Once you meet your deductible, submit your bills with a claim form for each family member.
- Always check to make sure your doctor or dentist has not already submitted a claim on your behalf. If you give the physician permission to submit a claim, do not submit one yourself.

Complete the claim form fully and list any other group health care programs covering you and your dependents. If you have other coverage which should pay first before the retiree plan, include a copy of that plan's *Explanation of Benefits* showing the amount they paid for the services.

RECORDKEEPING

Keep complete records of expenses for each of your dependents. Important records include:

- Names of physicians and others who furnish services.
- Dates expenses are incurred.
- Copies of all bills and receipts.

You should also keep **all** *Explanation of Benefits* forms sent to you.

PHYSICAL EXAMINATIONS

The claims administrator will have the right and opportunity to have a physician or dentist of its choice examine any person for whom certification or benefits have been requested. This will be done at all reasonable times while certification or a claim for benefits is pending or under review. This will be done at no cost to you.

IF A CLAIM OR CERTIFICATION IS DENIED

Your *Explanation of Benefits* explains the reasons why your claim or certification, or any portion, has been denied. It is important that you understand these reasons. You should refer to this booklet and, if necessary, call the claims administrator for clarification. If you feel that the claim should be covered under the terms of your plan, then you may take the following steps to file an appeal.

Claims Administrator Appeals

If you feel that the claim or certification should be covered under the terms of this plan, you or your provider should make a written appeal to the claims administrator. Your claim will be reviewed to ensure that it was paid in accordance with the plan and they will send you a written response. Your appeal must be received within 60 days of the date of the explanation of benefits or precertification denial is issued.

If, after receiving the claims administrator's response, you feel that there is additional information that needs to be reviewed at that time, you may provide the information to the claims administrator and request a second level review.

Plan Administrator Appeals

If, after exhausting your appeal rights to the claims administrator, you feel that the services should be covered under the terms of the health plan, you may send a written appeal to the Division of Retirement and Benefits. Your appeal should include copies of the claim documents, benefit explanations, and all correspondence between you and the claims administrator. Your appeal must be postmarked or received within 45 days of the claims administrator's final decision.

The Division will review your appeal to determine if it should be covered under the terms of the health plan or will refer your appeal to an Independent Review Organization. Once the review is complete, the Division will issue a written decision.

Board/Review Group Appeals

Claim denials can be appealed to the Board if:

- Benefits covered by the plan have been denied; or
- The reimbursement is lower than the plan provides.

Claim denials cannot be appealed to the Board if:

- Payment is reduced due to the plan's recognized or usual, customary, and reasonable charge provision (see pages 12-14 and 80); or
- A claim is denied because it is not covered by the plan.

If you believe that the plan administrator's determination is incorrect, you may make written appeal to the appropriate retirement board, the PERS Board for PERS retirees; the TRS Board for TRS retirees, or in the case of retirees from other systems, to an independent review group.

A final, written decision will be provided by the board or review group. The correspondence you receive from the Division will fully explain the appeals process.

Emergency Procedures

If a member's life or health is threatened by delays inherent in the formal appeals process, you may request an emergency review. In making an emergency determination, we will generally rely on the opinion of your treating physician.

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CONTINUED HEALTH COVERAGE

CONTINUED HEALTH COVERAGE HIGHLIGHTS

- Available to retirees and their dependents who lose coverage.
- Provides for no break in coverage.

You or your dependents may continue health coverage if you or your dependents lose coverage because:

- You become ineligible for retirement benefits;
- You die;
- You divorce; or
- A dependent child is no longer a dependent as defined by the Plan.

You or your dependents may continue the same coverage you/they had under the retiree plan. No proof of your good health is required. Coverage under the continuation plan is the same as that described in this booklet. Changes in coverage or premiums applied to the plan will apply to continuation participants.

MINIMUM LENGTH OF COVERAGE

The minimum length of continued coverage you (or your dependent) are eligible to purchase depends on the event which qualifies you (or your dependent) to elect coverage.

Ineligibility for Retirement Benefits

If you lose coverage because you are no longer eligible for a retirement benefit, you may continue coverage for yourself and your eligible dependents for at least 18 months.

Dependents

If your dependents lose coverage due to your death, divorce, or because they do not meet the eligibility requirements, they may continue coverage for at least 36 months. If this change occurs while covered under the continuation plan because you had already lost coverage, the amount of time they have been covered under the continuation plan is subtracted from the 36-month minimum.

Disabled Employees and Dependents

If you or your dependent are disabled when your continuation coverage begins, or within 60 days of that date, your minimum length of coverage may be extended an additional 11 months. To elect this additional coverage, you must notify the Division of Retirement and Benefits of your status before the end of your first 18-month coverage period and within 60 days of your Social Security disability determination. The premium may increase for the additional 11 months of coverage. Coverage may be terminated if Social Security determines you are no longer disabled. In this case, you must notify the Division of Retirement and Benefits

within 30 days of the final Social Security determination.

MAXIMUM LENGTH OF COVERAGE

You or your dependents are entitled to continue coverage under any plans for the length of time you (or your dependents) were continuously covered under the retiree health plan prior to coverage termination, up to a maximum of five years.

ELECTING COVERAGE

If your retirement benefit terminates or you die, you or your family will be notified of the right to continue coverage and provided with the necessary forms and information. If you are divorced or your child loses coverage, you or your family must notify the Division of Retirement and Benefits within 60 days to receive information.

You have 60 days from the date coverage ends or the date you are notified of your right to continue coverage, whichever is later, to elect coverage.

PREMIUM PAYMENT

If you, your spouse, or dependents decide to continue coverage, the full premium cost must be paid each month. You have 45 days from the date you elect coverage to pay the required premium. Premiums are due retroactive to the date your coverage would have ended. Premiums are due monthly. The current premium rates are

available from the Division of Retirement and Benefits.

WHEN CONTINUATION ENDS

Your continued health coverage ends:

- When the required premium is not paid on time.
 - When the maximum period for continuing coverage ends.
 - If the State of Alaska terminates all group health plans for all retirees.
 - If you are disabled under the Social Security Act and have continued coverage for 29 months and you are determined to be no longer disabled by Social Security.
-

DISABLED RETIREES OR DEPENDENTS

Disabled retirees or dependents who lose coverage are eligible for the plan described in this section. In addition, disabled retirees may be entitled to an extension of their benefits under the medical plan (not including the dental, vision, or audio portions).

A disabled individual (either you or your covered dependent) may be entitled to extended benefits if totally disabled due to injury, illness, or pregnancy when coverage terminates. Extended benefits for total disability are provided for the number of months you have been covered under the Plan, to a maximum of 12 months. However, only the condition which caused the disability is covered. Coverage is provided only while the total disability continues.

You or your covered dependent must be under a physician's care and submit evidence of disability to the claims administrator

within 90 days after regular coverage ends. The physician must complete a *Statement of Disability* available from the Division of Retirement and Benefits or the claims administrator. You must satisfy any unpaid portion of the deductible within three months of the date your coverage terminates.

Totally disabled means the complete inability of an individual to perform everyday duties appropriate for their occupation, employment, age, or sex. The inability may be due to disease, illness, injury, or pregnancy. The Plan reserves the right of determination of total disability based upon the report of a duly-qualified physician, or physicians, chosen by the Plan.

This continuation of coverage terminates when the lifetime maximum benefit is paid or when the person becomes covered under any group plan with similar benefits.

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GENERAL PROVISIONS

COORDINATION OF BENEFITS

The Plan protects you and your family to the extent of covered costs incurred. If you are entitled to benefits from other sources, such as employer or government sponsored health plans, the retiree health plan has the right to offset against or recover from those other plans or persons so that you do not duplicate recovery of covered medical expenses.

The retiree health plan coordinates benefits with other group health care plans to which you or your covered dependents belong. Other group plans are defined as benefit sources recognized for coordination of benefits and are listed below:

- Group or blanket disability insurance or health care programs issued by insurers, health care services contractors, and health maintenance organizations.
- Labor-management trustee, labor organization, employer organization, or employee benefit organization plans.
- Governmental programs, including Medicare.
- Plans or programs required or provided by any statute.
- Group student coverage provided or sponsored by a school or policy, whether it is subject to coordination or not.
- The State of Alaska Group Health Plans.

You may be covered both as a retiree and as a dependent of another covered person or you may have more than one health plan. If that occurs, you will receive benefits from both plans. However, the benefits received will be subject to the coordination of benefits provisions as indicated in this section.

Here's how benefits are coordinated when a claim is made:

- The primary plan pays benefits first, without regard to any other plan.
- When the retiree plan is secondary, the amount it will pay will be figured by subtracting the benefits payable by the other plan from 100% of expenses **covered** by the retiree plan on that claim. The plan pays the difference between the amount the other plan paid and 100% of expenses the retiree plan would cover.
- Neither plan pays more than it would without coordination of benefits. Benefits payable under another plan include the benefits that would have been payable whether or not a claim was actually submitted to the plan.
- Services which are limited to a maximum number of services in a year are not increased by having other coverage. For example, if you have two plans that each cover a single vision exam each year, the plans coordinate to cover up to 100% of a single vision exam; they do not pay for two vision exams in a year.

Example

This example assumes that the retiree has services so the retiree plan pays first.

	Retiree Health Plan	Employee Health Plan
Covered Expenses	\$ 1,000	\$ 1,000
Less Retiree Deductible	- 150	- 250
	= 850	= 750
Plan Coinsurance	x 80%	x 80%
Plan Payment without coordination	= <u>680</u>	= <u>600</u>
Plan Payment with coordination	= 680	= 320

Determining Order of Payment

A plan without coordination provisions is always the primary plan. If all plans have a coordination provision:

- A retiree plan is secondary to Medicare except if Medicare is provided before age 65 due to end stage Renal disease. Then the retiree plan remains primary for 30 months after Medicare was effective.
- Any active plan, whether it covers you as the retiree or a dependent, is primary to Medicare.
- The plan covering the retiree directly, rather than as a dependent, is the primary plan.
- A plan covering the person as a retired employee is secondary to a plan that covers that person as an active employee.

- If a child is covered under both parents' plans, the plan of the parent whose birthday falls earlier in the year (not the oldest) is the primary plan. If both parents have the same birthday, the plan that has covered a parent longer is the primary plan.

Following are exceptions to this birthday rule:

- If the other plan does not have this birthday rule, the other plan's rule is used to decide which plan is primary.
- If you are separated or divorced, the plans pay in the following order:
 - First, the plan of the parent whom the court has established as financially responsible for the child's health care (The claims administrator must be informed of the court decree. However, even though you are divorced and required to pay for medical coverage, your dependents are not automatically eligible for this plan. See the sections on *Eligibility* on pages 6-7 and *Continued Health Coverage* on pages 95-99.
 - Second, the plan of the parent with custody of the child.
 - Third, the plan of the spouse of the parent with custody of the child.
 - Fourth, the plan of the parent who does not have custody of the child.

If none of the above rules apply, the plan that has covered the patient longer is primary.

It is your responsibility to report the existence of and the benefits payable to you under any plan and to file for those benefits in the interests of computing services or benefits due under this Plan.

When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered is considered a covered service and a benefit paid. The reasonable cash value of any services that any service organization provides is considered an expense incurred by you or your covered dependent, and the liability under this Plan is reduced accordingly.

REIMBURSEMENT PROVISION

If you or a dependent suffers a loss or injury caused by the act or omission of a third party, medical benefits for the loss or injury will be paid only if the person suffering the loss or injury, or the legally authorized representative, agrees in writing:

- To pay the retiree health plan up to the amount of the benefits received under the plan if damages are collected from the third party or their representative. Damages may be collected by action at law, settlement, or otherwise.
- To provide the claims administrator a lien for the amount of the benefit paid or to be paid. This lien may be filed with the third party, his or her agent, or a court which has jurisdiction in the matter.

ACCESS TO RECORDS

All members of the Plan consent to and authorize all providers to examine and copy any portions of the hospital or medical records requested by the Plan when processing a claim, precertification, or claim appeal. Members are the retiree and eligible dependents covered by the Plan.

APPLICABLE LAW AND VENUE

This plan is issued and delivered in the State of Alaska, and is governed by the laws of the State of Alaska. Any and all suits or legal proceedings of any kind that are brought against the State must be filed in the First Judicial District, Juneau, Alaska.

CHANGES TO PLAN

Neither the claims administrator nor any agent of the claims administrator is authorized to change the form or content of this Plan in any way except by an amendment that becomes part of the plan over the signature of the Plan Administrator.

CONTRACT LIABILITY

The full extent of liability under this Plan and benefits conferred, including recovery under any claim of breach, will be limited to the actual cost of hospital and medical services as described here and will specifically exclude any claim for general or special damages that includes alleged “pain, suffering, or mental anguish.”

FACILITY OF PAYMENT

Whenever payments which should have been made under this Plan are made under other programs, this Plan has the right, at its discretion, to pay over to any organizations making other payments, any amounts it determines are warranted. These amounts are considered benefits paid under this Plan, and, to the extent of these payments, this Plan is fully discharged from liability under this plan.

FREE CHOICE OF HOSPITAL AND PROVIDER

You may select any hospital who meets the criteria on pages 19-20. You may select any provider who meets the definition of provider on pages 18-19.

The payments made under this Plan for services a provider renders are not construed as regulating in any way the fees that the provider charges.

Under this Plan, payments may be made, at the discretion of the claims administrator, to the provider furnishing the service or making the payment, or to the retiree, or to such provider and the retiree jointly.

The hospitals and providers that furnish hospital care and services or other benefits to members do so as independent contractors. The Plan is not liable for any claim or demand from damages arising from or in any way connected with any injuries that members suffer while receiving care in any hospital or services from any provider.

NOTICE

Any notice that the claims administrator is required to send is considered adequate if it is mailed to the member or to the State of Alaska, at the address appearing on the claims administrator's records. Any notice required of the member is considered adequate if mailed to the principal office of the claims administrator at the address on your identification card.

PLAN MUST BE EFFECTIVE

Health coverage is expense-incurred coverage only and not coverage for the disease or injury itself. This means that this plan will pay benefits only for expenses incurred while this coverage is in force. Except as described in the extended benefits provision, no benefits are payable for health expenses incurred before coverage has commenced or after coverage has terminated, even if the expenses were incurred as a result of an accident, injury, or disease which occurred, commenced, or existed while coverage was in force. An expense for a service or supply is incurred on the date the service or supply is furnished.

LEGAL ACTION

No legal action can be brought to recover under any benefits after three years from the deadline for filing claims. The claims administrator will not try to reduce or deny a benefit payment on the grounds that a condition existed before a person's coverage went into effect, if the loss occurs more than two years from the date coverage commenced. This will not apply to conditions excluded from coverage on the date of the loss.

MEDICAL OUTCOMES

The claims administrator makes no express or implied warranties and assumes no responsibility for the outcome of any covered services or supplies.

PREMIUMS

The amount of the monthly premium may change. If you fail to pay any required premiums, your rights under this Plan will be terminated, except as provided under disability extended benefits. Benefits will not be available until you have been reinstated under the provisions of the plan as defined in this booklet.

RIGHT OF RECOVERY

Whenever the Plan pays for covered services in excess of the maximum amounts payable, no matter to whom the benefits are paid, the Plan has the right:

- To require the return of the overpayment on request; or
- To reduce, by the amount of the overpayment, any future claim payment made to or on behalf of that person or another person in his or her family.

This right does not affect any other right of recovery this Plan may have with respect to the overpayment.

RIGHT TO RECEIVE AND RELEASE NECESSARY INFORMATION

The Plan may release or obtain information from any other insurance plan it considers relevant to a claim made under this Plan. This information may be released or obtained without the consent of, or notice to, you or any other person or organization. You must furnish the Plan with information necessary to implement the Plan's provisions.

TRANSFER OF BENEFITS, ASSIGNMENT, GARNISHMENT, AND ATTACHMENT

All rights to benefits under this Plan are personal and available only to you. They may not be transferred to anyone else without the approval of the Plan.

VESTED RIGHTS

Except as cited under the *Continued Health Coverage* section on pages 95-99, this Plan does not confer rights beyond the date that coverage is terminated or the effective date of any change to the plan provisions, including benefits and eligibility provisions. For this reason, no rights from this Plan can be considered vested rights. You are not eligible for benefits or payments from this Plan for any services, treatment, medical attention, or care rendered after the date your coverage terminates.

GROUP LIFE INSURANCE PLAN

OPTIONAL LIFE PLAN HIGHLIGHTS

- Premium is paid by the retiree.
- Available to retirees who had coverage as active employees.
- Provides lesser amounts of coverage for dependents.

INTRODUCTION

The State of Alaska is pleased to provide you with the opportunity to continue your Optional Life Insurance after retirement. The Accidental Death and Dismemberment benefit, however, is not available after retirement.

WHO MAY BE COVERED

Benefit Recipients

If you participated in the State's Optional Life Insurance Plan as an active employee, you may elect to continue this coverage at the time you are appointed to receive a retirement benefit from the Public Employees', Teachers', Judicial, or Elected Public Officers' Retirement Systems.

Dependents

If you elect to continue your Optional Life, you may also cover the following dependents:

- Your spouse. You may be legally separated but not divorced.
- Your children from 14 days old up to age 23 only if they are:
 - Your natural children, stepchildren, foster children placed through a State foster child program, legally adopted children, children in your physical custody and for whom bona fide adoption proceedings are underway, or children for whom you are the legal, court-appointed guardian;
 - Unmarried and chiefly dependent upon you for support;
and
 - Living with you in a normal parent-child relationship.
 - This provision is waived for natural/adopted children of the benefit recipient who are living with a divorced spouse, assuming all other criteria are met.
 - Only stepchildren living with the retiree more than 50% of the time are insured under this plan.

HOW TO ELECT COVERAGE

You must elect this coverage before appointment to a retirement benefit. To meet this deadline, your *Optional Life Insurance Continuation/Waiver Form*, available from the Division of Retirement and Benefits or its Web site, must be completed and postmarked or received by the above deadline. If you do not elect this coverage within this time frame, you waive your right to elect this coverage at a later date.

You may elect to discontinue this coverage at any time by notifying the Division of Retirement and Benefits in writing. Once you have dropped your coverage, you may not reinstate it.

PREMIUMS

Premiums for this insurance are deducted directly from your benefit check. The premiums are based on your age and, as your age changes, the amount of your premium will also be recalculated.

Premiums are subject to change. Please contact the Division of Retirement and Benefits for the current premium costs.

WHEN LIFE COVERAGE STARTS

If you elect it, coverage under this plan for you and your eligible dependents is effective on the day you are appointed to receive a retirement benefit.

Coverage for a newborn child is effective from 14 days old. However, if a new dependent is confined in a hospital or a similar institution on the effective date of coverage, benefits will begin upon release from the facility.

WHEN LIFE COVERAGE ENDS

Coverage under this plan ends at the earliest time that one of the following occurs:

Failure to Pay Premium

Coverage ends at the end of the month in which you fail to pay the required premium.

Plan Discontinued

Coverage will end at any time this plan is discontinued by the State.

Dependents

Coverage for your dependents ends on the same day your retiree coverage ends, unless:

- You divorce. Coverage for your spouse ends on the date the divorce is final, or
- Your child no longer meets all eligibility requirements. Coverage ends at the end of the month in which your child first fails to meet these requirements, or
- Coverage is discontinued for all dependents.

If coverage ends, you may be eligible to convert to a private policy. This option is described in the *General Provisions* section on page 101.

AMOUNT OF COVERAGE

Optional Life Insurance is payable regardless of the cause of death. The following benefit amounts are provided:

Benefit Recipients

You are covered for the amount of Optional Life Insurance in effect at the time of your appointment to receive a retirement benefit.

Dependents

Your dependent spouse or children are covered for \$1,000.

GENERAL PROVISIONS

APPLICABLE LAW AND VENUE

This policy is issued and delivered in the State of Alaska and is governed by the laws of the State of Alaska. Any and all suits or legal proceedings of any kind that are brought against the State must be filed in the First Judicial District, Juneau, Alaska, within one year from the date of payment of the death claim.

ASSIGNMENT

You may assign your life insurance by completing a Transfer of Ownership form. This means that all rights and privileges of the policy transfer to the new owner. Since an assignment is irrevocable and new tax laws have a direct effect on assignment, consult your accountant or attorney before you assign your life insurance.

An assignment is not binding unless you file the appropriate form at the home office of the life carrier. The life carrier does not assume responsibility for the validity of any assignments of this Plan or any such rights.

BENEFICIARY

If you die, your life insurance benefits are paid to the beneficiary you designated on your continuation form.

If you want to change your beneficiary, you may do so without your beneficiary's consent by revising your continuation form and submitting it to the Division of Retirement and Benefits. The change is not effective until it is filed with the Division.

The term beneficiary means only that person or persons whom you designate on your continuation card and file with the Division of Retirement and Benefits.

If you don't designate a beneficiary or if no beneficiary survives you, the death benefits are paid:

- To your spouse; or, if there is none surviving,
- To your children in equal parts; or, if there are none surviving,
- To your parents in equal parts; or, if there are none surviving,
- To your estate.

If you designate more than one beneficiary and do not specify the interest of each, the beneficiaries share equally. If any beneficiary dies before you, the interest of that beneficiary is paid in equal shares to any beneficiaries who survive you.

CANCELLATION

Either party may cancel this life insurance contract without the consent of the insured by written notice delivered to the other party not less than 60 days before the cancellation is effective.

CLERICAL ERROR

Your insurance cannot be invalidated by the State of Alaska's failure, through clerical error, to inform the life carrier of your insurance application.

CONVERSION PRIVILEGE

If your insurance ends, you may convert your optional insurance to any form of individual policy of insurance (without double indemnity or disability riders) that the life carrier customarily issues, except a policy of term insurance. This coverage amount may not exceed the amount for which you were eligible when a retiree.

If you divorce or die, your spouse may convert his or her insurance to any form of individual policy of insurance (without double indemnity or disability riders) that the life carrier customarily issues, except a policy of term insurance. The amount that your spouse converts may not exceed the amount for which your spouse was eligible under the Life Plan, \$1,000.

The conversion privilege is not available for children covered under the Life Plan.

If this Life Plan terminates or is amended to terminate your insurance, or the Life Plan is replaced and you have been insured under the Life Plan for at least five years, you may convert your insurance for an amount equal to the lesser of \$2,000 or the amount of your terminated insurance, less any amount of life insurance for which you may be eligible under any other group policy which replaces it within 31 consecutive calendar days.

You have 31 consecutive calendar days from the date your coverage ends to apply for conversion and pay the required premium following termination. The premium reflects your attained age and class of risk. You do not have to provide evidence of insurability. If you or your spouse dies within this 31-day period, the amount of insurance you are entitled to convert is paid to you or your beneficiary even if you have not applied for conversion.

ENTIRE CONTRACT

All statements that you and the State of Alaska make are, in absence of fraud, considered representations and not warranties. No statements are used in any contest unless contained in a written application, a copy of which is furnished to insured persons or their beneficiaries.

This Life Plan may be amended at any time by mutual agreement between the State of Alaska and the life carrier or cancelled without consent of the insureds and their beneficiaries, but such change will be without prejudice to any claim that originates before the effective date of change. No change in this Plan is valid unless an executive officer of the life carrier approves and the approval is endorsed or attached.

FACILITY OF PAYMENT

All sums that become payable because an insured person dies are paid as the Plan specifies. The payment sum will not exceed the amount specified in AS 21.48.160 to any persons that the life carrier determines are equitably entitled by reason of having incurred funeral or other expenses in conjunction with your last illness or death.

If the beneficiary cannot produce a valid receipt, the life carrier has the option of making payments that do not exceed \$50 per month to any person or institution that assumes custody and principal support of the beneficiary, until a duly appointed guardian or committee for the beneficiary makes a claim. Any payment made in accordance with this provision discharges the life carrier to the extent of such payment.

INCONTESTABILITY

The validity of the Life Plan will not be contested, except for nonpayment of premiums, after it has been in force for two years. No statement that any member insured under this Life Plan makes relating to insurability will be used to contest the validity of the insurance.

MISSTATEMENT OF AGE

If your age is misstated, the amount payable is the full amount of insurance to which you are entitled at your true age. A premium adjustment is made so that the actual premium required at your true age is paid.

NOTICE OF DEATH

Written notice of death must be given to the Division of Retirement and Benefits, State of Alaska, within 30 days, or as soon as reasonably possible.

PAYMENT OF CLAIMS

All amounts payable for loss of life are paid to the designated beneficiary in accordance with and subject to the provisions of the Life Plan. All other amounts payable under this provision are paid to you. Written notice of claim must be given to the Division of Retirement and Benefits, State of Alaska, within 30 days after the occurrence or the beginning of any loss that this provision covers, or as soon as is reasonably possible. Notice given by or on behalf of the claimant to any authorized life carrier agent, with sufficient information to identify the insured, is considered notice.

RIGHT OF EXAMINATION

The life carrier has the right and opportunity to examine the person of the injured member as often as it may reasonably require during the pending claim, and also, where not forbidden by law, the right and opportunity to conduct an autopsy in case of death.

WAIVER OF PREMIUM WITH PERMANENT TOTAL DISABILITY

If, before age 60, you become totally disabled and unable to perform any work or engage in any occupation for wage or profit for nine consecutive months, you may apply for a premium waiver. If the waiver is granted, your insurance remains in force without any premium payment as long as you remain disabled.

After approval, you must furnish proof of disability during the three-month period immediately before each anniversary date, or discontinuance of your premium payment, to the life carrier. The life carrier has the right to have a designated physician examine you, but not more than once in any 12-month period, after your disability insurance has been in force for two years.

If you die while insured under this provision, the life carrier is liable only if written notice of the claim is given to the home office within one year from the date of your death. The notice must contain written proof that continuance of total disability existed until the date of death.

Total disability under this provision means you are unable to engage in any occupation for wage or profit. If you suffer the entire and irrecoverable loss by severance of both hands through or above the wrists, or the loss by severance of both feet through or above the ankles, or one hand through or above the wrist and one foot through or above the ankle, the disability is considered total unless and until you resume an occupation for wage or profit.

If you elected coverage under the conversion privilege before you were eligible for the disability waiver, you are granted all benefits under this provision in exchange for surrendering your individual policy without claim except for refund of premium, less loans or premium refunds paid under the individual policy. Nothing in the disability waiver provision permits you to have a greater amount of insurance than the amount you had while employed.

All benefits under this provision terminate immediately on the earliest of:

- The first of the month following the date you reach age 65;
- The date your total disability ends;
- The anniversary of your discontinued premium payments, if your insurance ended before that and you failed to show proof of continued disability; or
- The date you fail to submit a medical examination that is requested by the life carrier.

After your coverage terminates, you become eligible for all rights and benefits provided under conversion privileges as though your employment had terminated, unless you go back to work and again become eligible for benefits under this Plan.

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INDEX

A

Abortion 53
Adding a dependent 10, 60, 61, 62, 63, 114
Advance claim review, dental 69, 70, 71
Ambulance 91
Ambulance transportation 43
Ambulatory surgery 39
Anesthetic 40, 72
Apicoectomy 72
Artificial insemination 53
Assignment of life insurance 117

B

Beneficiary for life insurance 117, 118, 119, 120
Benefit payable
 for loss of life 116
 for medical care 5, 17, 59, 87, 103
Birth defects 40, 50
Blood transfusions 41
Brain injury 58
Bridges, dental 48, 72, 73, 74
Bunionectomy 27
Burns 58

C

Carpal tunnel release 27
Case management 57

Cataract removal 78
Certification 29
 home health care 22
 skilled nursing care 24
 skilled nursing facility 25
 travel 42
 when to call health carrier 30, 31
Childbirth 40
Claim denial 93, 94
Claim review, dental 69, 70
COBRA 97
Colonoscopy 27
Contact lenses 78, 79
Continuing coverage 97, 98, 99, 100, 101
Converting to an individual policy
 optional life 119
Coordinating benefits 91, 103, 104, 105, 106, 107
Coverage
 dental 2, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75
Crowns 66, 70, 72, 74
Custodial care 52

D

Death benefits 9, 62, 118
Deductibles
 dental 2, 66, 67
Deductibles, medical 1, 12, 13
Dental bene-
 fits 2, 18, 48, 66, 67, 68, 69, 70, 71, 72, 73, 89
Dental emergency treatment 72
Dentist, definition of 19
Dentures 48, 66, 70, 71, 72, 73, 74
Dependent benefits 6, 8, 9, 10, 11, 16, 17, 59, 60, 62, 63, 64
Disability, coverage after 5, 9, 62
Divorce 6, 7, 11, 60, 64, 97, 98, 99, 106, 114, 116, 119

E

- Ear examinations 83, 85
- Effective dates of coverage
 - dental-vision-audio 62
 - medical 9
 - optional life 115
- Eligibility 9, 10, 11, 63, 64, 106, 112, 116
- emergency 28
- Emergency, definition of 28, 29, 30, 44
- End of medical coverage 10, 11
 - dependents 11
- Endodontics 72
- Endoscopy, upper GI 27
- Enrollment in optional life benefits 113
- Expenses not covered
 - audio 84
 - dental 73
 - drug 36, 89
 - medical 51, 52
- Experimental services or supplies 55, 81, 85
- Extended illnesses 40, 57, 110
- Extending a hospital stay 31, 57
- Extending illnesses 100
- Eye examinations 78, 80
- Eyeglasses
 - frames 78, 80
 - lenses 76, 78, 80

F

- Filing a claim 87, 88, 89
- Fillings 66, 72
- Fluoride treatment 71

G

Generic drugs 36

H

Hearing aids 84

Home health care 22

Hospital admission for lower back pain 27

Hospital, definition of 20, 21

Hospital-related charges 21

Hysterectomy 27

I

Identification card 35, 88, 91

Individual case management (ICM) program 57, 58

Ineligible retirees 10, 63, 98

Inpatient treatment

certification 29, 31, 33

mental and nervous 32

rehabilitative care 38

substance abuse 33

K

Knee arthroscopy 27

L

Laboratory tests and services 37, 53

Laminectomy 27

Legal action 108, 110

Life Insurance 113

Limitations and exclusions

dental services 73

medical expenses 51

Loss of coverage 10, 11, 63, 64, 97, 98, 100, 115, 116, 123

M

Mail order drugs 35, 89

Mammograms 37, 38

Marine Engineers Beneficial Association Members 10, 62

Marriage 8, 9, 10, 53, 63, 65

Medical benefits 17

Medical equipment 41, 42

Medical supplies 41, 42, 73, 75

Medically necessary, definition of 17, 18, 19, 21, 31

Medicare 17, 29, 103

Mental and nervous disorders 32

Midwife services 19

Mouth, jaw, and teeth treatment 48, 49

MRI-knee 27

MRI-spine 27

N

Neonatal care 58

Nonemergency, definition of 28

Nonurgent admission 27, 30

Nurse midwife services 19

Nursing facility, skilled 22, 23, 24, 25, 26

O

Occupational injury or illness 52, 75, 80

Optional life insurance 113

Oral surgery 48, 72

Other group plans, description 103, 104

Out-of-pocket maximum 13
Outpatient
 ambulatory surgery 39
 rehabilitative 38, 53

P

Pap smears 37, 38
Payment of claims
 dental 2
Pelvic laparoscopy 27
Physical examination 37, 49, 93
Physician services, coverage of 88
Plastic surgery 50, 52
Pre-existing conditions 16, 17, 40
Pre-operative testing 39
Preadmission certification 30
Pregnancy 16, 40, 100, 101
Prescription drugs 34, 49, 89
Prophylaxis 71
PSA tests 37, 38

R

Radiation 37
Recordkeeping 92, 93
Rehabilitative care 38, 53
Reimbursement provisions 107
Restorations, dental 70, 72
Room and board 20, 21
Room and board expenses 20, 25, 31, 46, 52

S

Second surgical opinions
 plan-required 26

retiree-elected 28
Services and supplies not covered 52, 73, 79, 80, 81, 84
Skilled nursing care 24
Space maintainers, dental 72
Spinal disorders 58
Stroke 58

T

Teeth removal 49, 72
Temporomandibular joint disorder 49
Therapy 38
Totally disabled, definition of 40, 41, 101
Transportation by ambulance 43, 91
Travel 42, 43, 44, 45, 46
Travel preauthorization 45
Tympanotomy tube insertions 27

U

Upper GI endoscopy 27

V

Vested rights 112
Vision benefits 76, 77, 78, 79

W

Wheelchairs 41, 90

X

X-rays
dental 66, 71
medical 37



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