

# Health Matters



April 2008



## **Get HIP—Get Healthy!** ALASKACARE Announces Health Improvement Program

**Are you proactive about your health?** The ALASKACARE Employee Health Plan wants to help you stay healthy and is taking these steps toward that goal:

- Voluntary online health survey (thanks to those who participated!)
- the survey is designed to assess the value you place on a health improvement program and to gauge what types of health improvement efforts and incentives might work for you.
- Implementation of the health improvement program is targeted to begin after July 1, 2008.

**Watch for more details in the June issue of Health Matters.**

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**Correction—**  
Please note **2008**  
Medicare Part D  
correction on page 4.



## **Allergy Relief is just Over-the-Counter**

The Food and Drug Administration (FDA) has approved allergy drug **ZYRTEC®** to be sold as an over-the counter (OTC) medication. Now available without a prescription in its original prescription strength, this drug is used for the relief of symptoms such as sneezing, runny nose, and watery eyes due to hay fever or other upper respiratory allergies. **ZYRTEC-D®** has the added benefit of relieving nasal congestion but is kept behind the pharmacy counter because it contains a decongestant.

Although **ALASKACARE** does not cover OTC medications, the cost of **ZYRTEC®** can be reimbursed through your Health Flexible Spending Account (Health FSA - for active employees only).

 Medicare Corner

In this issue of *Medicare Corner* we continue to address your questions about various aspects of Medicare.

**If I am on disability and purchased Medicare Part B, should I drop Part B coverage if I'm not yet 65?**

If you are under age 65 and have purchased Medicare Part B, look carefully at the Part B coverage if you are considering dropping it. There may be services covered by Part B that will cost you more if you drop it. If you have a disability, you are eligible for premium-free Medicare Part A no matter what your age. ALASKACARE remains your primary plan and continues to cover you for physician and other outpatient (Part B) services until you reach age 65. But some outpatient services may still cost you more without Part B coverage.

**Why am I receiving my Premera Explanation of Benefits (EOB) before I receive my Medicare EOB?**

You may have noticed recently that when you have a claim the EOB from Premera arrives before you receive the EOB for the same claim from Medicare (even though Medicare is your primary plan, and the primary plan pays benefits first). This is because Medicare now sends EOBs quarterly (instead of more regularly, like monthly.) When you receive your Premera EOB, we recommend you keep it with the invoice from your provider until you receive your Medicare EOB. You can then check the amounts to make sure the Premera EOB is correct. If you have questions about your claims or EOBs, call Premera Customer Service toll-free at 1-877-762-9597.

**If my Social Security statement says I do not qualify for "full retirement" until an age older than 65 (like 66 or 70), does that mean I also am not eligible for Medicare until that age?**

No. Everyone is eligible for Medicare Part B at age 65, regardless of when you qualify for "full retirement" Social Security benefits.

**Well Baby Exam Coverage to Begin July 1, 2008**



Thanks to Senators Lesil McGuire and Hollis French, the recommendation of the Health Benefits Evaluation Committee, and the approval of Annette Kreitzer, Commissioner of Administration, the **ALASKACARE Employee Health Plan** will cover "well baby" exams beginning July 1, 2008.

Coverage will follow the guidelines recommended by the American Academy of Pediatrics for well baby exams through

the 24<sup>th</sup> month of life, with no deductible and no coinsurance assessed. Besides routine physical exams at suggested time intervals, well baby coverage includes services such as immunizations and nutrition counseling.

"Regular preventive exams and early detection improve the health of our babies and are cost effective in the long run. We are pleased to be able to offer this benefit as we continue to work toward improving the health care in the state. Well baby exams just make sense," said Commissioner Kreitzer.

Well baby coverage is for the **Employee Health Plan** only.

## COBRA—What you need to know about continuing health coverage and premium payments

**I** **mag**ine, for a moment, a scenario where your health coverage ends, affecting you and your dependents. This could happen for a number of reasons, but one of the most common (for active employees) is when a person terminates employment.

The federal **Consolidated Omnibus Budget Reconciliation Act** (yes, it's a mouthful; that's why we call it COBRA) ensures that you and your dependents have the right and opportunity to continue health coverage under certain conditions when it would otherwise end. (These conditions differ somewhat for active employees and retirees.)

Specific qualifying events provide you and your dependents the opportunity to continue health coverage. The purpose of this article is to explain the **timeframe for the payment of premiums** if you continue health coverage under COBRA only. This article does not describe qualifying events or other details. For more information, see below.\*

An important aspect of COBRA, and perhaps the most confusing, concerns premium payments. COBRA always gives you health coverage all the way back to the first day you lost your original coverage. In other words, coverage is always retroactive. This is why, if you elect COBRA coverage, you **MUST** pay premiums back to the first day you lost coverage.

Once the health plan is notified that your original coverage has ended, the plan has 14 days to notify you of your right to elect coverage. Once notified, you then have 60 days to enroll in COBRA and another 45 days to pay the premiums. Even if you do not pay

the premiums until the last possible date, you must pay them **all the way back to the first day you lost coverage**. Here's an example that helps explain why:

Your coverage ended January 31, 2008. You have 60 days after you receive your COBRA notice to elect coverage that will begin on February 1, 2008.

You receive your COBRA notice on February 10<sup>th</sup>. You decide you're healthy and don't need COBRA, but you fall and break your leg on April 5<sup>th</sup>.

You still have a short window of time to elect COBRA but you have to elect it back to February 1, 2008, and pay the premiums for February, March, and April. No partial month payments are allowed. If you lose coverage on any day of the month of February, except the last day, you still have to pay the full monthly COBRA premium for February.

Think of it this way, when you elect health insurance, you have to pay for every month you are covered, not just the months you were ill or injured and had to visit a doctor.

\*For detailed information on health coverage continuation for both active employees and retirees, please see the **ALASKACARE Employee Health Coverage Continuation** or **Retiree Health Coverage Continuation** brochures available on our Web site or by request from the Division.

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**Correction—**

The November 2007 edition of **Health Matters** contained incorrect dollar amounts in the table describing the prescription drug benefits provided by Medicare Part D for **2008**. A table with the correct **2008** amounts is below:

**2008 Prescription Drug Benefits Provided by the Medicare Part D plan:**

Benefit Stages	Coverage Ranges		Percent Covered by Part D	Your Cost	Your Cumulative Cost
	From	To			
Annual Deductible	\$0	\$275	0%	\$275	\$275
Initial Coverage Limitation	\$275.01	\$2,510	75%	\$559	\$834
<b>Coverage Gap</b>	\$2,510.01	\$5,726	<b>0%</b>	<b>\$3,216</b>	<b>\$4,050</b>
Catastrophic Coverage	\$5,726.01	NO MAX.	95%	Greater of 5% or \$2 generic and \$5 brand	Varies depending on amount of drugs you purchase

