

March 13, 2012

Jack C. McRae
Senior Vice President

Representative Wes Keller
State Capitol Room 432
Juneau, Alaska 99801

Re: HB 218, Specialty Pharmacy Tiers

Dear Representative Keller,

We at Premera Blue Cross Blue Shield of Alaska continue to have concerns with HB 218, pertaining to pharmacy tiers and wanted to make you aware of a requirement in the Affordable Care Act (ACA) that will require specific information about coverage and benefits, including pharmacy benefits, to be provided to members at certain times.

The language of this bill imposes mandatory notification processes on insurers that are duplicative to current processes and new federal reform requirements and further, would add costs and confusion for our members. Specifically, HB 218 requires member notification related to cost sharing, deductibles or copayments of pharmaceuticals in certain tiers at least 90 days in advance of term applicability.

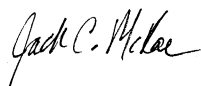
Premera provides timely information to members and groups about our benefit plans, including pharmacy benefits and cost sharing for tiers. Currently, we notify members about this information on an annual basis, upon initial plan enrollment or upon plan renewal. We also notify members if and when a pharmaceutical tier has been added to their current pharmacy benefit plan. Premera notifies impacted members by mail 30 days before such changes that would impact cost sharing.

In addition, as part of healthcare reform under the Affordable Care Act beginning September 23, 2012, insurers will be required to provide a summary of benefits and coverage document, inclusive of a specific section on drugs and cost sharing. This document must be provided during open enrollment periods for individuals and groups. A change at mid-year, or more specifically, a change that impacts the information provided in the summary document, triggers a 60-day notification requirement to members. This requirement will impact all plans: grandfathered and non-grandfathered individual and group coverage as well as self-funded plans.

We wanted you to be aware of this imminent ACA requirement as part of the discussion on HB 218.

Thank you for your consideration. I would be happy to answer any questions that you may have.

Sincerely,



Jack C. McRae
Senior Vice President