

Barbara Barnes

From: Paul Harris <pgharris@gci.net>
Sent: Wednesday, February 05, 2014 1:22 PM
To: Rep. Tammie Wilson; emil.mackey@alaska.gov; roman.castro@alaska.gov; Sen. John Coghill
Cc: sean.parnell@alaska.gov
Subject: etna interpretation of prescription coverage for tier 1 retired employees

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Once again with the change of insurance provider from Health Smart to Etna the Department of Administration is allowing Etna to interpret the benefits. The State has contracted with Etna to administer the insurance benefits it is the State's job to interpret what the benefits are.

For the past 4 (possible 5) years my wife has been using a compounded prescription that was prescribed by a health care provider. These specific compounded prescription was provided because of the side effects of over the counter medicines. Today we were told by North Pole Prescription Laboratory (an approved pharmacy under both Blue Cross and Health Smart), that the prescription benefit as administered by Etna would no longer cover these prescriptions. When I called the Etna health line they confirmed that these prescriptions were not covered. I was told that the only recourse was to file an appeal, a phone call is not sufficient, they would have to send me an appeals form in the mail. It seems that Etna does not have the ability to do conference calls with the Department of Administration so nothing can be resolved on the phone. So I called the Dept. of Administration Division of retirement and benefits. Roman Castro advised me that the problem was caused by the way Etna is interpreting the benefits and that I was not the only one having a problem with the interpretation Etna is using. Mr. Castro said that they had been instructed to tell people that had complaints to either email or write to Emil Mackey. That is what I am doing. Since for the past four years these prescription have been covered by our Health Insurance Prescription Policy; has the State reduced the insurance benefits provided to Tier 1 retirees receive or is Etna now controlling what benefits Tier 1 retirees can have?

The way I understand it is that the State of Alaska has contracted with Etna to administer the insurance benefits for the retired employees. Etna is paid to administer not interpret. It should not be Etna's job to determine what benefits the members get. Etna's job is to administer the payment of the benefits the State of Alaska has determined to be in affect. There has already been one attempt to change the benefits by the State and the Court has ruled that they could not make the change. In this case it appears that Etna has made the change either with or without the Department of Administration's approval. In either case the benefits that I have been receiving as a retired Tier 1 member have been reduced. This problem needs to be addressed and resolved quickly.

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