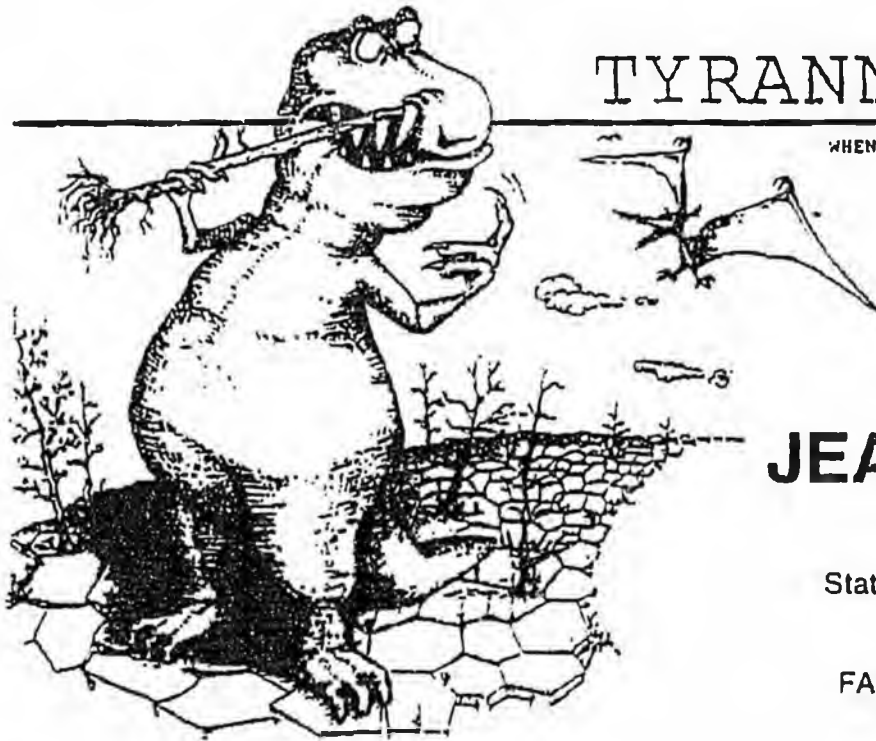


ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9422 HOUSE STATE AFFAIRS

58



TYRANNOSAURUS FAX

WHEN IT ABSOLUTELY, POSITIVELY HAS TO BE THERE
BEFORE THE NEXT ICE AGE

REPRESENTATIVE
JEANNETTE JAMES

State Affairs, Room 102 Capitol Building
Juneau, Alaska 99801

FAX: 465-2381

TEL: 465-3743

Becky

Juneau LIO, 2864

Here's how we'll be doing the hearing tomorrow, in case any of the LIO's want to know the process.

Feel free to FAX this around "wherever."

Barbara

House State Affairs

1/21/98.

Bonnie
(+ Dick) Kalmis - NP Pharmacy
after 10:00 a.m.
488-8555

PHONE MESSAGE		DATE 1/20/97	TIME 2:00
FOR	JG		
M	Mr. J. Robertson		
OF	206-442-4534		
PHONE	206-442-4534		
<input type="checkbox"/> FAX	<input type="checkbox"/> MOBILE	<input type="checkbox"/> PAGER	
MESSAGE	N.P. Care Med. Director N.P. Pharmacy Problem is resolved. (That is his PRIVATE line)		
<small>PRINTED IN U.S.A.</small>	AVERY	<input type="checkbox"/> URGENT <input type="checkbox"/> PHONED <input type="checkbox"/> RETURNED YOUR CALL <input checked="" type="checkbox"/> PLEASE CALL BACK <input type="checkbox"/> WILL CALL AGAIN <input type="checkbox"/> WAS IN <input type="checkbox"/> WANTS TO SEE YOU SIGNED <i>[Signature]</i>	

Per Bonnie - problem NOT solved.

\$31,000 owed to them -

She's faxing letter.

Avon + Dyson
(CNRA Trip)

Come Jan 22 Thurs.



**'Sorry!
Claim
denied!'**

cription?

1961-63 Richard Chamberlain played Dr. Kildare in the television drama.

NYLCARE - In the beginning...**10-01-97****Talked to: Kathy Gonzales re: Dental Claims for 7-1, 7-17, 8-12, 8-25****She said claims are on claim adjustor's desk - will send to co-pay after she (claim adjustor) has reviewed them.****10-14-97****Talked to: Jeannie McAlpine re: 7-1, 7-17, 8-12, 8-25****She said no record of claims for 7-1, 8-12, 8-25 under Con's active policy (20723). Jeannie said she would pull hard copies (?) of the claims and that would take a few days and then resubmit them. She mentioned contacting Kit Turk and said if I had further questions she would be a good person to get in touch with.****10-23-97****Talked to Brian (didn't get last name) re: 7-1, 7-17, 8-12, 8-25****He indicated he couldn't find a policy for Con under active. After further research he found it using a "D" in front of Con's social security number. I believe he was the representative that told me it meant "Dental "- later I found out it meant "Double "- like in double coverage. I was under the impression that something was going to be "D"- like in done.****In between these 2 dates I talked to someone (female) and asked if Jeannie McAlpine (see 10-14) had pulled the hard copies and resubmitted them. Her response was: "If Jeannie said she would, she did." Not knowing Jeannie personally and since my faith in NYLCARE's efficiency was slowly eroding, I asked if she'd check the computer to see when the "hard copies" had been pulled and she indicated to me that there wasn't room on the computer to record something like that. (Must be one of those mini-computers.)****11-18-97****Talked to Shelley - Anchorage Office - re: (well, you know by now)****She sounded very interested in assisting me and said she would contact Kit Turk/Concord. I was under the impression that Kit was the gal for**

the job.

12-07 Received a call on the answering machine - supervisor is checking on claims.

ONE MONTH LATER and still no co-pay

1/7/98

Talked to Vickie (Anchorage Office)

She really sounded interested in solving my problems (I've been fooled before). Vickie said no record of claims submitted for Sage 10-2 and Providence Anch. Anesthesia 10-13 - please resubmit. I took care of it that day. She would send in claims for Compton 10-13 and Newman 10-16 to Con's active for co-pay.

She called back later that day and said her supervisor had received an E-mail and claims were almost settled.

1-15-98

Talked to Vickie (Anchorage Office)- old habits are hard to break

Vickie will call Kit Turk again to see what's happening.

Vickie called back to say K. T. not in but left a message on her voice mail. Vickie will call back.

1-20-98

It's cold, it's dark and Vickie hasn't called or written! And you know what? I don't think there is a Kit Turk. I think they just made her up!!

P.S. Several times in talking to the various reps. they mentioned that the confusion was because it hadn't been decided whether the co-pay on my claims should be your active or retiree policy. Later I was told that it was to be your active and then your retiree. This means the claims (on me) go to California, then to Seattle and finally back to California. I hope the claims have a frequent flyer account - think of the mileage!

Example - Dental

2 policies cover Dental + Vision

Date Claim Processed:
Not when received

<u>Date of Procedure.</u>	<u>Dr.</u>	<u>A. Retiree</u> 20722	<u>C-Active</u> 20723	<u>C-Re</u> 20722
7-17-97	Angeline Luiters	10-15-97	12-16	
7-28-97	" Sage	10-16	⊖ so far	
8-25-97	" Sage	10-2	⊖ so far	
10-2-97	Con Sage	⊖	⊖ so far	

partial payments

No dental coverage →

Example - Medical

3 policies cover medical

		<u>A. Retiree</u>	<u>C-Active</u>	<u>C-Retiree</u>
8-1-97	Henry	10-17-97	⊖	⊖
10-13	A. Prov. Anch Anesthesia	⊖	⊖	⊖
10-13	" Compton	11/29	⊖	⊖
10-13	" ADL	11/26	⊖	⊖
10-16	" Newman	12-17	⊖	⊖

45 of 1-21-98

DRAFT

HOUSE STATE AFFAIRS STANDING COMMITTEE

February 10, 1998

8:00 a.m.

TAPES

98-_, Sides A & B

98-_, Side A

CALL TO ORDER

REPRESENTATIVE JEANNETTE JAMES, Chair, convened the House State Affairs Committee meeting at 8:00 a.m.

PRESENT

Committee members present were Representatives James, Berkowitz, Dyson, Elton, Hodgins, and Ivan.

SUMMARY OF INFORMATION

DAVID FORD, President of NYLCare, presented NYLCare's solutions to problems mentioned at the State Affairs hearing on January 22, 1998. He also responded to questions asked by committee members.

MARTY ROSEN, Senior Vice President of NYLCare, also presented NYLCare's solutions and other suggestions to alleviate problems.

MICHAEL KIRK, a Juneau retired teacher, testified regarding numerous problems he has had with NYLCare.

SENATOR LYDA GREEN noted she has had good luck with NYLCare's coverage, but she would like to see the issue of confidentiality of records addressed.

DANA GRAMS, a dental consultant, testified via teleconference from Anchorage that NYLCare's responses have been good.

DALE MCKIERNAN testified via teleconference from Fairbanks, saying a NYLCare branch office is needed in Fairbanks. He also noted problems he has had obtaining prescriptions in a timely manner.

GERALD BOWEN testified via teleconference from Kenai, discussing problems he also has had with prescriptions.

ROBERT NESVICK testified via teleconference from Ketchikan regarding numerous and unnecessary duplicate requests from NYLCare for information.

GALEN PAINE, an attorney with the Public Defendant's Agency, testified via teleconference from Sitka regarding many problems he has had with NYLCare.

DRAFT

KAREN PHARMAY, a pharmacist, testified via teleconference from Anchorage, regarding her dissatisfaction with NYLCare's policy of using an out-of-state mail order pharmacy which is owned by NYLCare.

BARRY CHRISTENSEN, a pharmacist and a representative of the Alaska Pharmaceutical Association, testified via teleconference from Ketchikan, concurring with previous testimony as to the inappropriateness of NYLCare using a pharmacy which it owns.

KATHRYN CALLAHAN of Juneau testified on behalf on Dr. Akiyama regarding new problems their office has encountered in the last two weeks since the previous hearing, noting that the state is not required to follow its own statutory requirements.

ALISON ELGEE, Deputy Commissioner with the Alaska Department of Administration, explained the differences between the old plan and NYLCare's coverage, and she answered questions from the committee.

JANET PARKER, Deputy Director of the Alaska Division of Retirement and Benefits, answered questions from the committee.

Committee members asked both NYLCare and the Department of Administration for written answers to the many new questions and concerns raised at today's hearing.

ANNOUNCEMENTS

A follow-up NYLCare hearing may be held toward the end of the legislative session, when the House State Affairs Committee has taken care of the bills needing hearing and NYLCare has had a chance to work on further solutions.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

CHAIR JAMES adjourned the meeting at 10:00 a.m.

NOTE:

The meeting was recorded, and handwritten log notes were taken. A copy of the tapes and log notes may be obtained by contacting the House Records Office at 130 Seward Street, Suite 211, Juneau, Alaska 99801-1182. (907) 465-2214, and after adjournment of the second session of the Twentieth Alaska State Legislature in the Legislative Reference Library.



NYLCARESM
HEALTH PLANS

Northwest

David E. Ford
President

February 10, 1998

NYLCare Health Plans
Northwest, Inc.
1400 One Union Square
600 University Street
Seattle, WA 98101-1158
206 442 4562 *tel*
206 447 5677 *fax*

The Honorable Jeannette James, Chair
State Affairs Committee
House of Representatives
State Capitol, Room 102
Juneau, Alaska 99801-1182

Dear Representative James,

Attached is a copy of my complete report to today's meeting of the Alaska House State Affairs Committee regarding the status of the AlaskaCare health plan.

Let me summarize by saying that we're enthused by the quality of the design of the AlaskaCare plan that you and your legislative colleagues assembled last year. We believe it's a good plan that meets the needs of the state employees and retirees who are its members. As anyone could expect with a program such as this, some problems are being encountered. As your claims administrator, we can say that we're committed to resolving any and all problems we discover or which are brought to our attention. Our goal is to work with the State Department of Retirement & Benefits to implement an AlaskaCare program that delivers an effective health care program to Alaskans today, tomorrow and into the future.

We are further committed to a system that focuses on care first without interference from paper or administrative process. We are establishing reporting mechanisms so that Alaska State employees, retirees and their dependents, members, our State Department of Retirement & Benefits partners and you can see that NYLCare is working hard to help Alaskans "be at ease with their health care."

Please feel unrestrained from sharing this document with anyone who also cares, as we do, about the health care system for Alaskans. We welcome any questions you may have at any time while we strive for this goal.

Sincerely,

DAVID E. FORD
President & CEO

Attachment: Full report to House State Affairs Committee
Alaska House of Representatives

Written Testimony, State of Alaska
House State Affairs Committee Hearing
By Mr. David E. Ford, President & CEO
NYLCare Health Plans Northwest
February 10, 1998

MADAM CHAIR and Members of the Committee. My name is David E. Ford, and I'm the President and Chief Executive Officer of NYLCare Health Plans Northwest. Thank you for inviting us here this morning.

I'd like to take a moment to introduce to the Committee a few of my colleagues. Please allow me to present:

- Kathy Odegard, Senior Operations Director for Claims & Member Services, NYLCare Health Plans Northwest.
- Mike Wiggins is our Director of Public Programs at NYLCare Health Plans Northwest.
- And Martin Rosen, Senior Vice President of Marketing of our Corporate Office, NYLCare Health Plans, Inc.

I have a copy of this testimony for each Member of the Committee and I'll leave a couple more copies for your staff. But, in the few minutes I have, let me touch on what we think are the most important issues.

First of all -- and this may surprise you -- we're happy to be here this morning. Although I'm not entirely happy about the circumstances that bring us together, I am happy that NYLCare has the chance to tell you, and show you, that the Alaska public employees and retirees contract is very, very important to us.

We are here today to tell you that -- for our part -- the period of transition for the Alaska employees and retirees to NYLCare is finished. I'm here to talk with you about the problems we have experienced and about the actions that we are putting in place to resolve these problems.

By the way, when I say, "We are here," I'm referring to the fact that you have the attention of the most senior level staff of NYLCare Health Plans as well as New York Life Insurance Company and that we're all very serious about these issues. You've hired NYLCare to administer this AlaskaCare program, and we take the responsibility for doing just that. The core group is here today and is prepared to answer any questions that the committee may have.

We have two primary concerns. The first is that Alaskans get the health care services they need -- now without interference from paper or administrative process. The second is that all problems associated with the administration of this contract will be resolved quickly. Let me summarize the key issues and actions we are taking.

1. **Problems Expressed at Your January 22nd hearing:** Various individuals have experienced problems with the new system.

Action: A letter went out to each and every one of those people responding to their specific problem and offering to answer their questions. We will also conduct follow up for every plan member who has a claim aged greater than 30 days.

2. **Backlog in the Processing of Claims:** The backlog of member claims has caused doctors and other health care providers not be paid in a timely way.

Action: We have put remedies in-place and are making significant progress. I can assure you this morning that we will meet the ten day goal by March 1st.

3. **Explanation of Benefits to Plan Members:** The third issue is the explanation of benefits, which have been difficult to understand and have made it difficult for providers to reconcile their accounts in a timely way.

Action: The solution we are putting in-place is a consolidated statement or voucher for providers and an improved explanation of benefits to the plan members. Our commitment is to have this completed by the beginning of April.

4. **Problems with the Coordination of Benefits:** The fourth issue involves questions surrounding the coordination of benefits and instances in which individual claims have been complicated because they are covered by multiple coverages. I understand that State Representative Con Bunde has had direct experience in his family with this issue.

Action: We are working to streamline and simplify this process by installing procedures that facilitate a claim being processed at the location it is received within NYLCare as opposed to being processed through more than one administrative site.

5. **Customer Service Issues for AlaskaCare Members:** Some plan members are experiencing slow customer service and, I'm very sorry to say, rudeness by some of our employees.

Action: Very simply stated, this is not the NYLCare way of doing business. We are instituting new training programs and have strengthened our system of monitoring and evaluating employee service. We do not tolerate rude behavior to customers, and I want to take this opportunity to apologize to any Alaska state employee or retiree who has experienced this behavior. Further, I want to ask anyone who is treated in this manner to call me at 1-800-654-3250 ext. 562 and report this behavior directly to me in the future.

6. **Coordination between Medicare and AlaskaCare:** Sixth is the issue of Medicare coordination.

Action: We are working with the Medicare intermediary in Fargo, North Dakota to receive Medicare payment information electronically. This will improve the claims turnaround for both members and providers.

7. **Some Communication Issues:** And finally, there are some basic communication concerns that we need to address.

Action: We have put in-place a program of communicating with the individual plan members and providers, and periodically to the Members of this Committee and other Legislators, about our progress in resolving these and other problems. Most importantly, we will continuously keep Alaska State employees and retirees informed about our progress in resolving their individual cases, how much time is expected and what specific activities are being taken to help them.

Let me also offer additional background which provides perspective as to where we are and the role of NYLCare. Last year, the state of Alaska made major changes to its health care program for active state employees and for state employees who have retired. The state changed from a privately insured program to a health care program that is self-insured by the state of Alaska. Under this new program authorized by the Legislature and implemented by the State Department of Retirement & Benefits, NYLCare does not function as an insurance company. Rather, we function as the benefits administrator of a program designed to give state employees and retirees more control over their own health care. Our job is to work with you as the private sector component of this public/private partnership and help you develop solutions that meet the health care needs of Alaskan state employees, retirees and their dependents.

We have called this program "AlaskaCare" to distinguish it from the fully insured program you had previously. This program is collaborative between NYLCare and the state Department of Retirement & Benefits. Our role is not, as before, to act as your insurance company, but rather to administer the specific benefits of the plan that the state has designed.

As we work with the Department to develop this AlaskaCare program, we intend to make it fully responsive to the needs of State employees and dependents. It's with that in mind that we have:

- Established two offices here in Alaska, one in Juneau and the other in Anchorage. These offices are staffed by Alaskans, including an Associate Medical Director located in Anchorage -- demonstrating that the care employees and retirees get under AlaskaCare is hands-on care, rather than health care by remote-control.
- We have designed an Internet website to allow Alaska state employees and retirees, as well as health care providers throughout Alaska, to access information about the program.
- We have set in motion a program to look into the full range of capabilities that the Internet and other technologies give us, including an application that will allow providers to check eligibility and benefits on-line.
- We have initiated a preferred provider contracting network to improve the predictability of costs and limit the extra, out-of-pocket expenses to the AlaskaCare member. This provider network is included in our contract with the Department of Retirement & Benefits.
- We have started exploring the potential uses of tele-medicine, which promises to allow us to extend the benefits of modern medicine into the most remote corners of the state.
- And we have established a 24-hour, around-the-clock nurse advice line for most of the employees, which is meeting widespread enthusiasm and use by plan members.

There are some issues regarding the AlaskaCare plan that are beyond NYLCare's control and I ask for your assistance with these issues. Let me be specific. First, there is the issue of the increase in premiums. These premiums and employee contribution levels are set by the state and our role is to implement your decisions.

A second issue we've heard about is health care benefits plan changes. When any employer, including a state government, creates a new system of health benefits, it does so with the idea of doing the greatest good for the greatest number of people. In some cases, employees have received a reduction in the benefits they receive. Again, we were hired to administer the benefits you want and we're going to do the best job we possibly can to help the State be successful with the program it has designed.

We hear there are some complaints about the requirement for enrollment in the Medicare program. But it's a fact that Alaska law now requires that individual

employees and retirees who are 65 and over enroll in Medicare. While our job is to administer that policy decision, we need your assistance in explaining the reasons for the legislative decision.

In short, our main concerns now are to help see that the services are delivered, the claims are paid and the problems are fixed. We are determined to do better with the management of the Alaskan public employee and retiree contract. We recognize the issues and we want you to know that we're addressing them at all levels of the corporation.

Some people have asked about what the incentives are for NYLCare to do well in this contract. The contract, as you probably know, contains certain performance penalties. But our real incentive to do well is expressed in our desire to develop other business in Alaska. And "reputation" is a key ingredient to doing that. There's our own professional pride in upholding the integrity of the NYLCare name. And finally there's the fact that we've invested a lot already in this contract so far, and want to develop its potential for our company. Each of these items alone would inspire us to do well here. Together, they comprise compelling incentives.

I'd like you to call me if there's a problem or if you have further questions. In the meantime, I'm going to get back to you periodically to report our progress. We have established goals, we will give you progress reports and demonstrate rapid improvement.

If you've seen some of our corporate documents, you may have noticed that our corporate mission is "...helping people be at ease with their health care. We work hard wherever we are to live up to it. And we will live up to it here in Alaska, as well.

Thank you very much, Madam Chair and Members, for your time this morning. I trust that the next time we have the occasion to visit with you, we'll have good news to report. In the meantime, we welcome the opportunity to have a direct dialogue with individual plan members and with the people who provide them their health care.

I'd be happy to take any questions you may have at this time.

Mr.
Kirk

Fax: 586-4318

no announcement

phone: 586-4318

Nyicare

Alameda

Post-it® Fax Note

7671

Date	# of pages ▶
2/16	
To	From
Mr. Kirk	REP: NYICARE
Co./Dept.	Co.
	Alameda
Phone #	Phone #
Fax #	Fax #
586-4318	

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

STATE AFFAIRS COMMITTEE
Representative Jeannette James, Chair



Rm 102, Capitol Building, Juneau

Phone 465-3743, Fax 465-2381

These letters RE: NYLCare are in
alphabetical order, for your reference.

*for hearing
2/10/98*

Allison

Author: dan@akcache.com (Allison, Dan) at CC2MHS1
Date: 1/23/98 7:33 AM
Priority: Normal
TO: Representative Jeannette James at LAA_TRANS, dan@akcache.com at CC2MHS1
Subject: NYL-Care Insurance
Representative James,

Last night I read in The Frontiersman newspaper (Palmer/Wasilla) that there was a public hearing yesterday morning to find out how the NYL-Care Insurance Program is working. I am sorry that I didn't read this in time to testify. However, I feel it my obligation to let you know my opinion.

The NYL-Care Insurance Program is a joke! My husband and I are both state employees and therefore have double NYL-Care coverage. We have two daughters, both of whom are still double covered under our plans. Right now we have five (5) outstanding claims that have NCT been coordinated between our two coverages. I have already had to make 2 lengthy phone calls regarding this matter. When the 800# was announced in Anchorage, I called (11-04-97) regarding coordination and the agent there told me that there didn't need to be coordination as long as we were still in the deductible portion of coverage. I thought that I had made him understand that even if it was deductible, it needed to be coordinated in order for later claims to be properly paid. At that time I also asked that all four names for our family be listed on both accounts for coordination purposes. I waited and nothing happened.

Meanwhile, more claims accumulated and were not coordinated. On 12-31-97, I called about the original claim plus four more. This time I called the 888# listed on the claim form. The lady that I talked to said that even though I had called to have all names placed in both insurance files, this had not been accomplished. I was assured that it would be taken care of and I asked for copies of several claims that she said had been coordinated, but that I had no record of. I asked that the five (5) claims be reconsidered for coordination. It is now twenty-two (22) days later and my husband has had numerous health problems that have required hospital stays, emergency room visits, and various tests. I still have heard nothing on these 5 claims and have only received correspondence back on two of the claims for December.

I feel that the State and its employees pay an enormous amount of money for insurance coverage. Those of us who are (un)fortunate enough to have both of the spouses working for the State sit back and watch a phenomenal sum being paid to insurance companies that is never ever recouped. Many of us feel that because the State is obliged to pay an equal amount of money for each employee that it would be much more beneficial if there were some sort of a menu plan whereby each employee could choose the coverages available for that dollar amount which would be most beneficial to his/her family.

I need to make another lengthy call to NYL-Care today, and quite frankly, I have my doubts how successful that call will be considering past performance. It should not be this difficult to get claims processed competently and efficiently. I have worked for the State of Alaska for 17 years and have taken pride in becoming more efficient with each passing year to give my employer my best possible effort. I have come to expect the same from people and companies being paid top dollar to provide a service to me and to my family.

I appreciate your request for information. I am sending a copy of this E-mail to NYL-Care.

Sincerely,

Christine Allison
Department of Environmental Conservation

HENRY I. AKIYAMA, MD
INTERNAL MEDICINE, & CARDIOLOGY
1420 GLACIER AVENUE
JUNEAU AK 99801
(907) 586-6226

Akiyama

January 26, 1998

RE: Nylcare overview

Dear Chairman James:

Please find enclosed a detailed list of all the problems, frustrations, and concerns as Medical providers we are experiencing. It was a pleasure to come before you and the committee on Thursday, January 22, 1998, and briefly describe the experiences we have had with NYL CARE.

1. **COMMUNICATION:** This seems to be the major problem between the enrollee's and NYLCARE. Our office has not run into one participant that knows what insurance coverage they have. **SOLUTION:** A simple, concise report that lists each specific plan. This needs to be coordinated by the State and NYLcare, to not further the confusion. The key word here is confusion.
2. **SERVICE:** The level of service that has been experienced by us as providers from NYLCARE has been by any standards unacceptable, and out and out incompetent. Claims do not get filed, processed, reviewed or paid in any reasonable time manner. Having to call and "baby-sit" claims on a daily basis is not what I would call quality service. **SOLUTION:** They need to implement more staff, with more thorough training, and put service as there number one priority. The turn over of employees has been tremendous in the NYLcare office which results in claims being lost, not followed through with, but most of all NOT PAID. We were told that each Benefit Technician handles around 200 calls a day... now that flags a problem to begin with, it should not be the number of calls that matters, but the call being handled correctly and accurately.
3. **PAYMENT:** This issue is at the heart of all providers who are still trying to give quality care, with the benefit of billing direct for their patients. Unless payment patterns, denials, and other time delays do not become a thing of the past, providers will not be able to offer there State patient the luxury of billing direct. It will be left to the participants to battle the claims on state time! Providers are not banks, but as the months roll by and payments are minimal and slow, that seems to be the position we are forced into. We know providers who have taken loans out to keep there practices running.
4. **FISCAL YEAR** July - January With NYLCARE having there benefit year different than any other insurance company, this proves to be a problem with coordinating benefits for all other insurance companies. We feel that State be in line with the rest of the insurance companies. This would make the active and the retirees all fall under the same

deductible year. The potential for future confusion and problems with this is enormous in our opinion.

5. **PENALTIES AND INTEREST:** All claims that don't get processed and paid in 21 days need to have interest added to them. Medicare and Medicaid follow with these same guidelines, and pay interest when a claim is not processed in a timely manner. Medicare just went through a change and had some problems to contend with, and this included untimely payments, but interest was paid. Is the state's self funded policy exempt from these guidelines? We are entitled to charge 18% interest on all unpaid balances to our patients. We do not want to impose this penalty due to processing problems out of our control, but may have to consider this in the near future.

6. **DOUBLE COVERAGE:** NYLCare needs to have all of its claims processed and paid out of one office. This is an issue with providers. With today's technology, why are we dealing with two separate offices in two different states? First of all this doesn't seem cost efficient or logical. Active and retirees with double coverage are being handled out of the Seattle office last we heard... But if you call Concord they can't tell you anything. AETNA was able to process both ACTIVE and RETIRED in one office. NYLCare should be expected to streamline its claims in one central office. Was this not an issue that was looked at from the beginning by the STATE?

7. **FOLLOW THROUGH-** It is expected with any job, that when you are asked to check or look up something and fix it, that it was accomplished. It seems that with NYLCare that follow through has gone out the window. You can call 3 different people in the same day and get 3 different answers. We have found that the only way to ensure that claims are corrected properly is to go to the supervisor. This is a ludicrous use of a supervisor's time, obviously the training and retention of staff needs to be improved. Our office found that our Electronic transmissions from 10-24-97 to 11-28-97 had been transferred to NYLCare but their system was saying that they did not receive them. After many phone calls to NEIC in Seattle confirming that yes indeed they were received, but not showing in their system by NYLCare, they needed to find them... on goes the battle. We got the week from 11/13- 11/18 visits faxed to Seattle, they were entered into their system on 12/24/97 by the supervisor Lita Swanson herself. So our office just lost 7 weeks in delayed payment time there. As of this date we have not received payment entirely on these claims. We then found four more weeks where they did not show any claims... Again no payments. They will tell you they don't have them, so why should they have to pay but we have verification that they were received by them. Again, we have to be the bank.

8. **TIME AND MONEY:** The amount of time it takes to process, handle, resubmit, and review, call, review again, fax, and resubmit, results in a great many number of hours of frustration and the accounts receivable going through the roof. At this point we have approximately \$47,500 dollars owed to us from months of incorrect and lost billings. Additionally, other staff have had increase hours to help with the other duties that accumulate while this is being dealt with at around 35 hours a week. This is a direct increase in overhead. We handle between 370-500 claims a week. When you have to resubmit 40-60% of these with reviews, and re faxes this becomes an enormous job. At this point we don't trust the system enough, and have implemented several check systems to track and monitor each claim individually. These routines were never even considered

with AETNA. We billed NYLCare 11/20/97 for compensation for the incredible overload we were experiencing from the beginning. They replied to us on 12/4/97 with the statement that they didn't have the ability to reimburse any provider or encumber the state other than for the services rendered. We were assured with that letter that Kathy Odegard, Senior Director of Operations, is doing everything in her power to alleviate or mitigate any administrative burdens your office may be having. (see letter attached)

9. EOB's- Now here's an issue for real... You couldn't read one of these if your life depended on it... Were are the CPT and ICD codes that are suppose to be on these in order for us to know what got paid and what did not..?? The explanation of denials leaves a lot to be desired.. ex:: not covered under you plans policy??? Over and above the usual and customary fees for this procedure??? At the beginning of this we were told that no historical data had been transferred, but then a few months into this whamo... the old usual and customary denials kept coming in... how do we as providers explain that at first they were paying and then they weren't??? It is the responsibility of the adjudicator of claims to provide an understandable explanation of the processing. The current format is difficult to understand for those of us who read EOB's all the time.

10. CUSTOMER SERVICE": It seems as though whenever you call them, you finally do reach (and let me reiterate the FINALLY) a Benefit Technician, the overall consensus is that Yes they seem to willing to help, but that the fact that so many holes are being found in the receiving and processing of the claims, it makes you actually wonder just how many of these benefit technicians that you talk to really do anything with your phone call. They are severely understaffed and frustrated themselves, and the turn around rate with employees is great, and need to appropriate funding to elevate the back log of claims and problems that have been in existence since the beginning. The state employees deserve to get there claims paid in some form of a timely manner, that should fall on the shoulders of NYLCARE, and they should appropriate funding as to eliminate the delay and frustration. As with any type of contract there are always avenues of expense that need contended with that are not presumed initially. With the state and NYLCare added help in many areas are the avenue that greatly needs expanded and now..

11. STATE LEVEL: We find on a daily basis that the information that was supposed to of been sent to NYLCare still has not been sent, and we try to call NYLCare to confirm benefit and eligibility and NYLCare says no they are terminated, no they don't have coverage, no they have no double coverage... The participant clearly states that they have coverage and that they are covered. We again get on the phone and call the STATE R&B regarding what types of coverage they have.. we leave a voice message because talking to a person just is not an option. Maybe later that day someone will call you back, but mostly we have to call back and remind them about what we called about. Remember we can not get on with our jobs until we know what and how to bill for what service level of insurance they have. For all we know maybe they don't have insurance, but the system is not working for this as well. Too many hoops to jump through to make this work well. The "waiting on other insurance information" Numerous patients have said. "so how many times do we need to call, and send in that card before they are going to release our claim for payment?" What should we say to that? We are finding that the state level is not much better at retrieving information and following through as NYLCare. The state R&R department only has 7 techs working in that division. It seems a shame that we can't even

get enough help at the state level, and then we complain about NYLcare being understaffed?? It would be really nice to call either place and get a person, instead of a recording or voice mail message system...

In closing we would like to reiterate that the most important reason we are speaking out is the PATIENT to PHYSICIAN care that will take a toll with the added stress and frustration that is being unduly handled by the powers to be with the STATE and NYLCARE. Our quality of care comes first to the patient, but it is coming harder and harder to provide this when there are so many obstacles and hoops to jump through to get payment for this care. We are at a point that billing for this Nylcare insurance will have to cease unless timely payments can be made, and reviews, pended claims get the attention that they need. In essence the system needs to prove to us that it can work, it is just not profitable for us to carry an incompetent insurance company and its practices .

We would like to extend our thanks to all the efforts over that past several months, and without them, who knows what would have gotten done, Kathy Odeguard, and Lita Swanson out of the Seattle office have been tremendously helpful, and have taken on more than their share of the problems associated with this disaster. The problem is they are only 2 people trying to solve a mountain of trouble and there is only so much time in a day.

To summarize the suggestions for improvement:


- 1: Provide participants with cards and booklets that show the coverage that each has opted for.
2. Increase staff and training of Benefits Technicians so that they can properly handle claims coming into NYLCARE without having to utilize the supervisors time for every mistake. Additionally we would like to see specific staff to handle the backlog of claims from the fall without diminishing the service of current claims. We see this as the only way to dig out from the hole that we are all in now.
3. The retirement and active claims would most efficiently handled from one office. The checks should also be cut and sent from the office that they originate to cut down any possible delays in payment.
4. The benefit year should be the same for both retiree's and active employees. Every insurance company that we deal with has a calendar year as its benefit year. Making the active benefit with the state's fiscal year may be easier for the Dept. of Administration but it makes it more complicated for all the providers and participants.
5. Interest should be paid on all "lost and improperly handled claims".
6. Revamping of the Explanation of Benefit statement. Blue Cross and Aetna have many examples that they would be able to follow. Providers and Participants should be able to read and understand how the claim was processed.

7. Retirement and Benefits should increase their staff to handle the calls and changes they are responsible for implementing. They should undertake an intensive education program for all employees of the state.

8. The state should keep a very close eye on NYLCare to ensure that all the problems that have been identified are corrected to at least the industry standard.

We thank you for undertaking this task and look forward to the result of your committee's action.

Sincerely,


Henry Akiyama and Business Office Staff

cc: Gov. Knowles
Fran Ulmer
Rep. Elton
Rep. Hodgins
Rep. Hudson
Rep. Vesey
Rep. Duncan
Rep. Majesky

Northwest

December 4, 1997

Dr. Henry I. Akiyama
1420 Glacier Avenue
Juneau, Alaska 99801

NYLCare Health Plans
Northwest, Inc.
1400 One Union Square
600 University Street
Seattle, WA 98101-1158
206 447 0757 tel
800 654 3250 tel
206 447 0762 fax

Dear Dr. Akiyama,

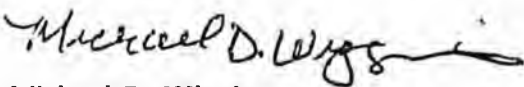
Re: Request For Payment For Administrative Services Other Than Medical Procedures

I am in receipt of your certified correspondence received and date stamped November 25th, 1997. Please be aware that NYLCare as the State of Alaska's contracted medical benefits administrator *does not have the ability to reimburse any provider or encumber the state other than for services rendered.* After meeting with your staff during my last visit; I can assure you that Kathy Odegard, our Senior Director of Operations, is doing everything in her power to alleviate or mitigate any administrative burdens your office may be having. This has included phone numbers for direct contacts with appropriate NYLCare staff and documenting each check sent to your office for services.

Although not intimately involved with each case in question, I can state with a high degree of certainty that all claim payment problems are not a result of claim processing errors, but are the result of a combination of things such as participant eligibility questions, lack of COB information or understanding COB saving application, State of Alaska actives not being aware of their benefit selection as part of the implementation of flex, lack of understanding of NYLCare's explanation of benefits, the unbundled billing of some laboratory procedures, and finally, NYLCare does some things differently than Aetna, the previous insurance company who underwrote the prior benefits for a number years. Yes, all of this has led to a somewhat less than satisfactory implementation from your perspective, but NYLCare is committed to making it better which can be evidenced by the significant man-hours we have spent with your staff in not just researching the issues, but resolving them.

Dr. Akiyama, what I can offer you at this point in time to mitigate some of the financial impact of the initial implementation is a prospective interim payment based on services rendered, but yet to be reimbursed. Obviously, this will mean a reconciliation at some point in time and is not a solution to any new administrative burdens you may feel that your office has acquired. It should be perceived as a good faith offer to lessen any financial impact of our new relationship and an acknowledgment by NYLCare of the significant nature of active and retired State of Alaska employees to your total patient base. If you would like to pursue this financial arrangement I can be reached at 206-442-4673. I anticipate being in Juneau on December 15th and if you would be available for dinner I would appreciate any insight you would be willing to share with me.

Sincerely,



Michael D. Wiggins
Director of Public Programs
& Special Accounts

HENRY I. AKIYAMA, M.D., F.A.C.C., P.C.

INTERNAL MEDICINE
& CARDIOLOGY

1420 GLACIER AVENUE
JUNEAU, ALASKA 99801

TELEPHONE (907) 586-6226
FAX (907) 586-6155

November 20, 1997

Michael Wiggins
Director of Public Programs
and Special Accounts
NYL Care Health Plans
1400 One Union Square
600 University Street
Seattle, WA 98101-1158

Dear Mr. Wiggins,

I am billing NYL Care for the extreme increase in work that has impacted my office. My bookkeeper, Candi Corcoran is spending between 20-30 hours per week exclusively on problems associated with NYL Care claims. I am sure that if you check your phone logs and E-mail messages you can verify that this is true.

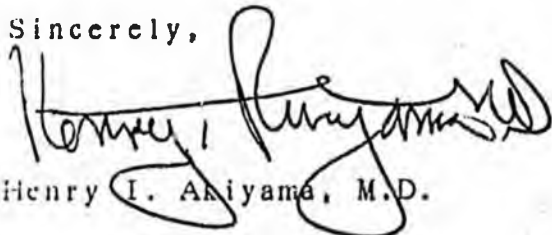
Due to her energies expended on NYL Care, other aspects of her job have had to be assumed by other office staff. Other part time staff have worked more hours, thus causing a direct increase in my overhead.

I know you are working hard to correct the many problems that are associated with a change of this magnitude. I do not feel that I should not only see my accounts receivables rise to a dismal proportion directly due to NYL Care claims but also have an increase of my actual practice cost.

I am submitting a bill for 25 hrs per week at \$20.00 per hour for 16 week. (August 1 - November 21) The total: \$8,000.00. Please submit payment to me within 30 days.

I would be happy to discuss this with you if you want to contact me directly.

Sincerely,



Henry I. Akiyama, M.D.

92-0055077

HENRY I. AKIYAMA, M.D., F.A.C.C., P.C.
INTERNAL MEDICINE & CARDIOLOGY
1420 GLACIER AVE. JUNEAU, ALASKA 99801
(907) 586-6226

STATEMENT

DATE _____

NYL Care Health Plans
P.O. BOX 91028
Seattle, WA 98111-9128

FILL IN AMOUNT ENCLOSED

DETACH HERE ↓ AND RETURN THIS PORTION WITH YOUR PAYMENT

IRS #92-0055077

HENRY I. AKIYAMA, M.D., F.A.C.C., P.C.

1420 GLACIER AVE., JUNEAU, ALASKA 99801

DATE OF SERVICE	RECEIPT NO.	PROFESSIONAL SERVICES RENDERED	CHARGES	PAYMENTS & CREDITS
8-1-97 to 11-21-97		Cost to practice/NYL Care claims \$20.00/hr 25 hrs per week/16 weeks	\$8,000.00	
PAYMENT NOW DUE →			NEW BALANCE	\$8,000.00

OVERDUE AFTER 30 DAYS

RETAIN THIS PORTION FOR YOUR RECORDS

Barron

TO: Alaska House State Affairs Committee
State Capital Building, Room 102
Juneau, Alaska 99811

FROM: Sandy R. Barron
3176 Pioneer Avenue
Juneau, Alaska 99801

Phone: 907-586-1621
Fax: 907-586-2275

DATE: February 16, 1998

RE: NYL Care Issues

I am writing this letter as the spouse of a retired Juneau teacher, who has been a member of the Alaska TRS retirement system since July of 1987, with retirement insurance benefits for both of us. I do all the family bookkeeping, therefore I submit the bills and follow-up claims. Since the takeover by NYL Care on July 1, 1997 the philosophy seems to be consumer beware.

Here are examples of some of the situations that I have encountered so far, along with backup information:

- 1) I paid for our doctor's appointments and sent in the claims to NYL Care. Numerous claims were never processed, so I have had to have the Doctor's offices resubmit these claims;
- 2) I am finding that claims are taking an average of 6 or 7 weeks to be processed or reprocessed. An example, a claim that was submitted on December 9, 1997 to NYL Care did not get back to me until February 2, 1998;
- 3) I submitted a claim under my name, but it was processed under my husband's name. I found the error and called NYL Care to have it reprocessed under the correct name;
- 4) A claimant having out patient services at the hospital are covered at 100%, but the claims were instead processed at 80%. I again called NYL Care to have the claims reprocessed;
- 5) My claims clearly showed the doctor's visit had been paid by the claimant, but NYL Care instead sends the check to the doctor. Because most doctor's do not send out credit slips, I have to take my time and trace down my refund;
- 6) Under the column, charges excluded, more and more amounts of money are showing up in this column to be paid by the patient;
- 7) Charges on many claims are being excluded, but no explanations are given on the form under notes, as to why;
- 8) I have several claims being processed and reprocessed. When I receive these it is taking more and more time to verify that everything is correct and if not, it takes more time to call NYL Care and wait another 7 weeks for the claim to be reprocessed.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Bickar

January 30, 1998

Representative Jeanette James
Chairwoman, State of Affairs Committee
Phone 465 3743
Fax 465 2381
Toll Free Phone 1-800-565 3743

Dear Rep. James:

This is in reference to the hearing that will be held February 3 in reference to NYLCARE.

I am very concerned about the fact that payment of our insurance claims have not been made to the local pharmacies. As a retired teacher the school district of Sitka make payments every month as part of my retirement agreement and I pay the supplementary payment so that my husband is also insured. We had no complaints for the ten years that we were cared for by Aetna. All claims were paid promptly by Aetna to the doctors, dentists, hospitals and pharmacies.

Now I understand that it is a very different story. Harey Race and Middle Pharmacy of Sitka have thousands of dollars due them. In fact they have received only one very small check since Aetna turned it over to NYLCARE. They cannot afford to keep GIVING us our medicine and receiving the small co-pay payment only that we are paying individually. As a Sitka business owner I know what happens when we have huge outstanding payments due us. We rely on our local pharmacies for the personal care that we receive from them. Please do something to insure that they are paid what they are owed so they can continue to furnish us with the care we expect and have always gotten from them.

I understand that the doctors, dentists and hospitals, etc. are having similar problems though I have not asked them just how much they have received, or are still owed.

Give us back Aetna if NYLCARE can not keep their word and give us the same advantages and pay for our needs.

Sincerely,

Patricia Bickar

Patricia Bickar, Box 1017, Sitka, AK
Tel: 747 8467 Fax: 747 4907
e-mail: pbickar@ptialaska.net

Blackett

P.O. Box 593
Kodiak, Alaska 99615

(907) 486-3505
January 24, 1998

Representative Jeannette James
Alaska State Capitol
Room 102
Juneau, Alaska 99801

Dear Representative James:

I appreciate your recognition of the Problems with NYLCare Health Plans Northwest and the hearing you held on January 22 to help resolve these problems.

I testified from Kodiak and am submitting the following as written documentation of my testimony:

1. My wife is an active state employee and I am a retired former state employee. Therefore we have co-insurance with NYL and benefits should be automatically coordinated. The problem is that benefits are not automatically coordinated by NYL as was done by Aetna. Instead claims must first be submitted to the primary insurer and then to the secondary insurer as if NYL was two separate companies. This causes substantial delays in payment of clinics and doctors and patient payment of interest on past due billings. I have one medical bill for my son with a service date of August 12, 1997 that still remains unpaid by NYL because of this problem. I have had the clinic re-submit the billing three times, called NYL representatives four times and was told that they would process the claim for payment, but it still remains unpaid.
2. Another problem is that NYL office for retirees insurance is in Concord, California and for state employees insurance in Seattle, Washington. This is very confusing to patients with co-insurance with NYL trying to resolve problems with claims and benefits that are coordinated. Often one office will tell me to call the other office first. Apparently the NYL computer system is not cross-linked with employee and retiree insurance information. I would prefer one phone number to call and to speak with one NYL representative that has the ability to access all health insurance for employees and retirees in Alaska as was done previously by Aetna.
3. We need an up-dated handbook of insurance information on coverage, procedures for claim processing, benefits, certifications, etc. by NYL. Although we were told that there would be no changes in insurance and that only the carriers are being changed, there are very obvious changes between the way NYL and Aetna do business.

4. The State contracted with NYL for health insurance even though NYL apparently did not have the capability that Aetna had to handle Alaska Insurance claims. After six months of transition time, NYL still has not developed a reasonable capability in efficiently handling our claims. There were problems with Aetna also, but they were minor compared to the the problems with NYL.

5. Department of Administration needs to work with NYL over the next six months to improve the way they handle our Alaska insurance. Time limits and penalties need to be imposed. Claim processing and coordination of benefits for retirees and employee insurance needs great improvement as does payment of late and overdue claims. If NYL remains unsatisfactory, another insurance company, at least as good or hopefully better than Aetna, needs to be contracted. To improve service, NYL needs to consider expanding the existing Anchorage office to centralize all Alaska insurance processing out of the Anchorage office including full responsibility for claim processing and payment. All doctor and clinic claims need to be paid within a 21-day limit.

Thank you for the opportunity to testify at the NYL hearing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roger F. Blackett", with a long horizontal flourish extending to the right.

Roger F. Blackett

Bowen

To Representative: Jeannette A. James

Att. Barbara Cotting
STATE AFFAIRS

As per your request I am writing about the prescription side of the Alaska Care Health plan, especially the RX Benefit Express Scripts.

I am a Retired State Employee 27 years and have been retired for 10 years. I have never had problems with the health plans.

Since N.Y.L. Care took over I have had problems.

1. Refusal of medicine. {Too many pills} when I was going traveling I was refused medication they said I had too many pills 7 pills more than the travel days. {Notice these were Heart Pills without which I would Die.}

2. Note attached from the Druggist from Express Scripte {Refill To Soon}

The Doctor had doubled the dose. So the pills had ran out.

The medications should be between me and the Doctor-- The Drugist should only fill what the Doctor orders. What happens if I should drop one pill down the drain by accident then I would be short.

In Alaska with long supply lines and a history of Natural Disasters. To not have a surplus of Necessary Life saving medications is very foolish.

Fred Meyer 
 43843 STERLING HWY
 SUCOOTNA, AK 99669

01/20/98
 RX6627179
 BOWEN, GERALD D
 ZOCOR 20MG
 DR. SANDERS, JIM D D TAB M
 REFILL TOO SOON

PREV DISPENSING DATE
 12/05/97
 DS SUP 100

907-260-2233

THIS INFORMATION MAY NOT APPLY TO YOUR SPECIFIC CONDITION. PLEASE CONSULT YOUR DOCTOR.

Gerald D. Bowen
Gerald D. Bowen
P.O. Box 764
Sterling, Alaska 99672
907-262-9168

Brown

Chairperson Jeanette James
 State Affairs Committee
 Juneau, Alaska

Dear Chairperson James,

It has been brought to my attention that you are reviewing state policy concerning insurance benefits for state employees. As a pharmacist I need to express my grave concerns about the State of Alaska making such deals and turning it's back on the pharmacies, pharmacists, and other health care providers in the State of Alaska. What the state has done is promote, by virtue of signing this contract, is to send Alaska dollars out of the state. **This was a bad contract and position from the start,** the state is not saving dollars here. The National Chamber of Commerce has data that says for every dollar spent within the community (state) it benefits 4 other people. For every dollar sent out of state, you drain dollar for dollar. We have a small checking account, and the state wants to spend more outside? Drug costs total only represent 7% of all health care dollars spent nation wide. Properly managed by pharmacist we can impact up to 30% of all hospital dollars spent. Pharmacy costs is the state's best buy. Based on Alaska Medicaid data **you should reward the pharmacist in the state,** for their efforts. Yet, you only rewarded them by giving them only 6% over their cost. 3% to physicians, heat & light building. The Permanent Fund and any other investment, except gold, did better. Have you every seen a Mail Order pharmacy sponsor a house league team, a local youth soccer team, or Yukon Quest event, Food pantry, or any other local need? Why should the State of Alaska be about the business of promoting Mail order pharmacies, who does that serve? Who benefits? And for that matter what about the chains like Wal-Mart, K-Mart, & Fred Meyers? How do they benefit the people of Alaska with their profits? Where does it go? When the State of Alaska promotes business and signs contracts, who should benefit? How should we write legislation? When will health care, insurance, and government start listening to pharmacist? The public does. See attached sheet.

I have seen the mail-order pharmacies promote their own products Merck-Medco (Blue Cross Blue Shield) or promote their own Mail-Order pharmacies New York Care (Fairness Points) because they own them. A violation of medical ethics in my view. Is this what the State of Alaska wants to promote? I have a lady in Fairbanks who would have gone 3 weeks without a anti-platelet drug, because the mail order pharmacy screwed up and her policy would not reimburse her for local service. Why should the insurance companies be allowed to give preferences to mail-order over local pharmacies. It should be the other way around. How can they write such policies in the state? **Who** benefits? It's not the patients, it's not the State of Alaska, it's not the local pharmacies, it's not the local community. As they say this is a lose lose scenario.

I am sorry I may not be able to testify in person, because I have a job. I am helping the sick here in the state of Alaska, in Fairbanks. Call me I'd like to talk to you.

Sincerely Yours
 Gerald Brown, Pharm.D., F.C.P.
 PO Box 70195 Fairbanks, Alaska 99707 452-2556(w)

**Testimony of Rep John Davies
before the House State Affairs Committee
Rep Jeanette James, Chair**

January 22, 1998

Madam Chair, Committee Members,

Thank you for the opportunity to address my concerns regarding the management of our health care plan by NYLCare. I have specific concerns and two general ones. The specific issues relate to the processing of claims from me for reimbursement from my Health Care Recovery Account (HCRA), from the Fairbanks Memorial Hospital to NYLCare, and from the Eye Clinic of Fairbanks to VSP. The general ones have to do first, with modern families that are blended and composed of adopted, step, or shared children, and second, with unnecessary paperwork.

In November I called NYLCare to ask how to submit a claim to my HCRA. I was advised that I may not be eligible to apply since my son was claimed by my ex-wife on her federal income tax return. I called the State benefits office to ask how this could be, since my son was clearly listed as my minor dependent, my ex-wife had no health care plan, and our divorce agreement requires me to provide health care insurance. Lisa Tourtellot advised me that my son should be eligible and that I should go ahead and submit my claim and that she would contact NYLCare to clear things up. On Dec. 2, I mailed my claim to NYLCare. When we had heard nothing by the end of the year, we called and found out that there was still a problem stemming from my son's tax status. I called the state again, Lisa told me there was no problem and that she had told the head administrator at NYLCare to pay the claim. Last week we received a form from NYLCare that said that we had a 30 dollar claim pending. No mention of our 500+ dollar claim from Dec. 2! Post Script: On Friday, January 23, I called Lisa to ask what to do next. She said that the tax status issue was resolved but there was now an issue regarding the secondary coverage. My wife has health care benefits (including dental) with Welfare and Pension. It does not include orthodontic care. Lisa said NYLCare wanted me to submit the claim to W&P to get a denial. Because I don't want to burden W&P each time I submit a HCRA claim, I called W&P and they faxed me a copy of the list of things that are not covered, which includes orthodontia. I faxed this list to the Juneau office where Freda (?) assured me she would expedite payment. I remain hopeful.

In August, both my son and I were served in the Fairbanks Memorial Hospital (FMH). They submitted a variety claims, some were paid in a reasonable amount of time. Others were lost by NYLCare, resubmitted by FMH and still remain to be paid.

The Eye Clinic of Fairbanks has had a long series of problems submitting claims to VSP. While not all of these are attributable to NYLCare or VSP, the situation with having a separate point of contact for billing vision claims contributes to the confusion and I think it would be better if vision claims could be integrated into the regular health care system.

There are many different blended family constellations possible, my wife and I each have children living with us who are products of previous marriages. It seems that modern health care systems should be able to accommodate this circumstance without requiring a lot of extra steps. The basic solution seems to be: if the child is shown as a dependent by the employer, the provider should treat them as an ordinary child.

There are many requirements of the present system that seem to force the generation of unnecessary paperwork. Why should hospitals and emergency rooms not be able to consolidate bills from all of the providers who work there? For each event, one bill could be sent to the insurance manager instead of 5 to 7, and if there is a secondary, 2 instead of 10 to 14. The bills to the secondary often may be for amounts not much different than the cost to process them. This is especially true of pharmacy bills. A number of simplifying possibilities come to mind. Why not have the secondary claim submitted automatically by the primary. Why not allow consolidated monthly status reports (only when claims are pending)?

Thank you very much for this hearing and the opportunity to address you.

A handwritten signature in cursive script that reads "John Davies".

Rep. John Davies
State Capitol, MS 3100
Juneau, AK 99801-1182

P.111
Feb 2, 1998

DeLong

Dear Jeannette James:

The health care plans the state provides has not helped us with our pharmacy needs. It is cumbersome at best, and does not take into account smaller communities which do not have "participating pharmacies".

We are a reasonably healthy family so our medication needs are limited to medicines we need when we see the doctor, not 3-5 days later.

When my son had to have a wisdom tooth extracted we could not wait for the antibiotic he needed.

Living in a small community brings with it some responsibilities to support your community. The type of program does not foster community support. If we don't support our local businesses, how can we expect them to support our schools and other community projects.

Please reconsider the pharmaceutical portion of our insurance plan.

Thank you.

Sincerely,
John DeLong, Mt Edgewood High School
21th

Post-It™ brand fax transmittal memo 7171		of pages »	
to	Jeannette James	From	John DeLong
Co.		Co.	MRHS
Dept.	State & Albion Comm	Phone	465-2281
Fax #	465-2281	Fax #	

DeWitt

BARB -
I was Director of
Office of Public Liaison at
HCFA / DHSS For A Bit. Medicare
Beneficiary Relations Reported to me. I
Am chasing info on this, but FE. Green
is more pressing
Right now.
DENY

MEMORANDUM

DATE: January 21, 1998
TO: Barb Cotting
FROM: Denny DeWitt, Legislative Assistant
Representative Mulder
Phone 465-2647 (Toll Free 888-465-2647)
Fax 465-3518
E-Mail: Denny_DeWitt@legis.state.ak.us
RE: NYLCARE Senior Benefits

It is my understanding that the state medical benefit program is requiring retirees or spouses reaching age 65 to enroll in Medicare Part A and purchase Medicare Part B. They then have the state plan pay secondary.

I am of the opinion that this may not be consistent with federal requirements that the employer plan is primary and that an employer cannot force or entice enrollment in medicare, especially in an attempt to save plan expenses and shift those costs to Medicare.

I have been away from this issue for some years now, but I would be surprised if this has changed much. There may be some sort of exemption for states, but that would also be new.

In any event, the state is treating its retirees differently than any other employer, and it ought to discuss why. If they are getting away with it because the feds just aren't pushing states, we ought to know that. Some private employers might think that is a bit of unfair competition in cost of employees.

I would appreciate your asking the NYLCARE and state folks about this issue.



H ? —

GREGORY H. DOSTAL, M.D.

Surgery

JAN 15 1998

3225 Hospital Drive, Suite 102
Juneau, Alaska 99801
(907) 586-3068

Plastic and Reconstructive
Hand and Microvascular
January 13, 1998

Dear Representative Hudson,

I recently had the pleasure of meeting one of your colleagues. As we spoke, our discussion evolved toward the topic of medical care. I understand that there have been some concerns arising with our insurance companies. I was encouraged to write.

I have been in Juneau for three years and I have already seen a rather disturbing trend regarding third party payers. Because of my involvement with injuries of the hand, I see a large number of worker's compensation patients. One year after I arrived, worker's comp unilaterally reduced their reimbursements rates 50 percent! Because of the uproar by health care providers, rates were readjusted to a 25% reduction six months later, with no retrograde compensation for the interim.

Federal regulators continue to target health care providers (surgeons in particular) to the point where some no longer accept Medicare, due to the significant reduced level of reimbursement (approximately 20-25 cents on the dollar). Fortunately from a strictly financial point of view, we have a relatively low number of Medicare beneficiaries here in Juneau. In places like Florida, practices that have a high volume of Medicare patients cease to become viable- if you have a practice overhead under 25% (which is exceptional) you might make it.

Unfortunately, insurance companies would like to follow the lead (if you can call it that) of the federal government, which seems to be supported at the national level. The president's directive on lowering the age limit for Medicare recipients is worrisome to say the least. There is a strong move to continue to decrease reimbursement, limit coverage, and burden the subscribers of policies and the people who provide health care. Unfortunately, there is only one senator on the national level who is a physician, and literally, a handful of congressmen with similar backgrounds. The road to help counter the powerful insurance lobbies and other special interests is a difficult and frustrating one.



Member
AMERICAN SOCIETY OF PLASTIC AND RECONSTRUCTIVE SURGEONS, INC.

On a local scale, I can give you an examples of what I consider less than appropriate behavior. I perform a number of procedures in our office (removal of moles and skin cancers for example). My bill involves a code/fee for the procedure, as well as a code/fee for a surgical tray. The cost of the instruments for a surgical tray (scalpel, surgical dissecting scissors, suture scissors, forceps, skin hooks, a needle driver, and sutures as a bare minimum) runs \$700 to \$1000. Additionally, my nurse cleans, sterilizes, and maintains the instruments for each procedure, a substantial investment of her time. We charge \$50 for the tray. Blue Cross has seen fit to reimburse for the surgical tray. However Aetna and now NYL Care have not. The latter two companies have stated that the materials and supplies are covered under the procedure code/fee alone. However, if I perform the same procedure at Bartlett, the insurance company reimburses not only for the instrument tray, but also for a substantial facility fee (and the patient would have a substantially higher copay). I am penalized for trying to be more cost effective. If I am called in at night to suture a facial laceration at Bartlett, the insurance company will pay for a surgical tray and facility fee, as well as my service. The end result is an inconsistent policy on behalf of insurers and confused and frustrated patients. NYL Care has told patients that I should raise my fees as compensation for the surgical tray, which I feel would be manipulative and misleading. Chances are, NYL care would also not cover such an increase and would attempt to pass it along to the policy holder.

I also perform various procedures for which we seek written preapproval, such as breast reductions (to be sure that the surgery is functional and not cosmetic). We send the insurers a copy of our initial evaluation notes, the functional reasons an individual will benefit from such surgery, an estimated amount of tissue to be removed, a list of the procedural codes and surgical fees, and the need for a surgical assistant, as well as Polaroid photographs. We request, not only preauthorization, but also, a predetermination of benefits for an individual's policy. Not infrequently, companies will reply that 'benefits are available', but will not address the concerns about exactly what their coverage policy is. Recently, we have received preapproval for two such cases and have performed the cases, only to be denied surgical assistance coverage (these procedures take 5-7 hours; without an assistant, they would take an additional 2 hours). This type of handling of claims is downright fraudulent (we are appealing to the insurers presently). And, yes, NYL Care is one of these companies.

In general, we have also seen a decreased reimbursement rate by NYL Care as compared to other providers. While some of this may be reflected in cheaper policies selected by the insured, we still have quite a number of patients upset when they see the amount that must come out of their pocket despite an increase in their premiums. NYL Care typically responds that, "Your doctor's fees are above the usual and customary.." Unfortunately, they usually give no good reasons for their fee scale and refuse to comment on the comparison to the fees suggested by the American Medical Association.

Our surgical fees have remained the same, or in some cases have actually been lowered, compared to when I arrived three years ago. In no case was there an increase. Our office costs, rent, malpractice, salaries, and supplies all continue to climb. Insurance premiums continue to climb, but subscribers are getting less in return. Somebody is making out well.

Another worrisome issue was raised during my last clinic in Ketchikan. Apparently there is a move afoot to essentially force people to go to Seattle for elective surgical care because the facility fees are cheaper there. Champus (the coast guard's insurer) already does this, although they are more than happy to have a Juneau doc take care of one of their people if it is a middle of the night emergency. SEARHC does this also, but sends its patients to Anchorage, where patients are covered by a different set of funds. These types of policies set bad precedents, wherein the residents of Juneau may eventually be forced to go south for any elective surgical procedure. This will dramatically effect the supply of health professionals here, and ultimately, the care of patients.

What to do about all of this? There are no easy answers, although there may be some options - perhaps an Alaskan insurance program. Alaska has a relatively small population with significant financial backing. Perhaps some funding could come from the permanent fund (I suspect this might be politically unpopular). I am originally from Vermont and am continually amazed at what 'out of state' corporations have tried to do there. I see a bit of a resemblance to a variety of issues here. The concept of value added resources may include health care programs generated by the people of Alaska for the people of Alaska. I first came to visit Alaska 15 years ago. I still have a tee-shirt which I bought then, stating that, "Alaska is what America was." I hope it can stay that way.

A handwritten signature in black ink, appearing to be the initials 'JG' or similar, located at the bottom right of the page.

Janet L. Downing
12/15, 1997

4

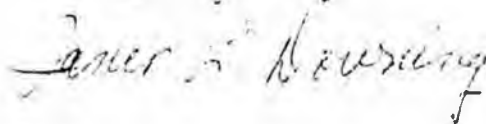
Dear Rep. James,

As you can see I am having considerable problems with NYLcare. I have tried to solve them myself but to no avail. I contacted Claudette Kreuzenstein of the Benefits Division but received no assistance. I do not know how to get the insurance company to honor their obligation to me.

Have they been paying your bills correctly? Are they correctly tracking your OUT-OF-POCKET expenses?

I would appreciate any help.

Sincerely,

A handwritten signature in cursive script that reads "Janet L. Downing". The signature is written in dark ink and is positioned below the typed name "Sincerely,".

HELP!!! HELP!!!! HELP!!!!! HELP!!!!!! Help!!!!!!

December 15, 1997

Janet L. Downing
P. O. Box 326
Ester, Alaska 99725
523-48-2841

NYLCare Health Plans Northwest
Ethix
P. O. Box 91028
Seattle, Washington 98111-9128

After much frustration and a realization that the quality of your accounting system is lacking I am writing this letter in hopes I can get your attention and ACTION!!!!!! I have called the customer services many, many, MANY times asking for assistance and so far NOTHING!!! I asked the representatives if I should write letters and they said no they were supposed to handle these problems. Well, they have not.

The following bills were submitted to you for payment :

Arua Chiu MD med service 7/10/97 \$69 Claim # 72600270056
Arua Chiu MD med service 7/22/97 \$108 Claim # 72610130064
Arua Chiu MD med service 8/11/97 \$69 Claim #72600270057
Linda Garcia MD med service 9/6/97 \$127 excluded charges \$18 Claim # 72650390092

These charges were mistakenly paid at 70% not the proper 80%. WHY??? You owe me or the clinic an additional \$35.50.

WHAT does it take to get this mistake corrected?

NEXT!!!!

This claim to Dr. Clarice Dukeminier has not been paid or its non-payment explained. It was for an annual pap smear.

7/18/97 \$91 Claim # 72370120055

WHY???

WHAT does it take to get this mistake corrected?

The next BIG problem is the accounting for the "1997 OUT OF POCKET SATISFIED TO DATE". Your system is not tracking this figure and is stuck at \$65.10.

According to the invoices I have the amount should be approximately: \$551.90 minus the additional 10% due on the above claims paid at 70 %.

WHAT does it take to get this mistake corrected?

NEXT!!!

Claim #72820170067 as follows:

Provider	Service	Dates	Actual chgs	Exclusions
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$ 25.45	\$.51
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$ 7.50	\$.15
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$ 5.79	\$.12
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$207.03	\$ 4.15
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$994.33	\$ 19.89
Fairbanks Memorial Hospital	Medical Services	9/8/97	\$437.56	\$ 8.76
TOTAL			\$1677.66	\$33.58

I am requesting a detailed accounting of these exclusions. Exactly what services were excluded and WHY. What could make a 12 cent difference? What could make a 15 cent difference? No reason is stated on the claim for the exclusions. According to the representative on the phone the reason was usual and customary according to the policy book. I still want a detailed accounting of which services were so minutely looked at. Fairbanks Memorial is the only civilian hospital in town so what they are charging is the USUAL AND CUSTOMARY charge for services in the community. No other facility in the Fairbanks area provides this test!!!!!!!!!!!! Please reevaluate your analysis of this bill.

Janet L. Downing
12/15, 1997

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What I am asking is not unreasonable. I am paying for a service (contract) and relying on your prompt service. I have been prompt in paying my premiums even though they increased by \$30/mo after your contract took effect. I am paying more for less coverage and the bills are not being paid promptly.

I am expecting a reply and action on these matters.

Sincerely,

Janet L. Downing

cc: Alaska governor's Office
Alaska State Benefits office
ASEA office
State Senators and Representatives

Judith Erickson
4465 Mountainside Drive
Juneau, AK 99801
(907) 586-3118

January 21, 1998

To: House State Affairs Committee

From: Judith E. Erickson

Re: Testimony Regarding NYLCare

My husband took his retirement from the State of Alaska last year. His retirement provides health insurance coverage for our family, which consists of my husband, myself and our two college-aged students.

In July 1997, my daughter was prescribed oral contraceptives by her doctor to try to cure an ongoing medical condition. I filled the prescription that month.

When my daughter had no adverse reaction to the drug and it seemed to be helping her, I filled six months of the prescription in August, so she could take them with her to college. My pharmacist advised me that in order to get reimbursement for these drugs, I must submit a letter from my daughter's doctor stating that they were prescribed for a medical condition.

I secured this letter and sent it into Express Scripts on September 3, 1997, with a claim for \$185.68. Attached to the claim were a copy of the original letter from my daughter's doctor and all seven original receipts. Fortunately, I kept a copy of the claim and all the receipts.

When I had not heard anything from Express Scripts or NYLCare by November, I began calling about my claim. I was advised that neither NYLCare nor Express Scripts had ever received my claim, although other claims sent at the same time were received by NYLCare and processed.

Ms. Mary Hinson with NYLCare agreed in November to take over my claim. She said these prescriptions were reimbursable and that she would take care of this claim as soon as she received a copy from me. She asked me to fax her a copy of my claim and copies of the prescriptions. I did so on November 18, 1997. Ms. Hinson never called me back to advise me the status of my claim, despite numerous phone calls to her.

On November 24, I received an explanation of benefits from NYLCare informing me that my claim had been forwarded to Express Scripts for payment. There was also a note on this form that said the charges for these prescriptions exceed usual and prevailing allowance and additional information from the provider may be considered.

In mid-December, I received notice from Express Scripts saying that my claim was rejected because this medication was not covered under my benefits. Express Scripts only showed three of the seven prescriptions on this form. I called NYLCare again to find out why this was not paid after NYLCare had authorized payment. I spoke with a claims representative who said she would type up a form authorizing payment of this claim and would fax it to Express Scripts.

One week later, I still had not received reimbursement so I called NYLCare again and was turned over to a supervisor named Joyce Cannon. She told me she would look into this claim and get back to me. Ms. Cannon called me back on December 17, and advised me that Express Scripts had issued me a check for \$52.23, reimbursement for two of the seven prescriptions. She said that since six of the prescriptions had the same date, Express Scripts assumed that they were duplicates, despite having copies of each prescription form. Cannon said the check was in the mail and Express Scripts was advised to issue me a check for the remaining five prescriptions.

On January 16, I called Ms. Cannon back to inform her that I had never received a check from Express Scripts. Every time I call Ms. Cannon, it costs me money. She does not give me an 800 number to contact her and never answers her phone. I must talk to her answering machine every time I call.

Ms. Cannon called me back, told me the December check had been issued and a check for the remaining five prescriptions was sent to me on January 6, 1998. If I had not received it, she suggested that she ask Express Scripts to reissue the check.

I called Express Scripts that day myself and after being put on hold for 25 minutes, I was told they had never issued me a reimbursement check for this claim. I was advised by Ms. Pat Gerran that I should contact NYLCare about this claim.

I called Ms. Cannon back to tell her what Express Scripts had told me. I once again had to leave a message. She got back with me on January 19, and told me that Express Scripts had issued these checks and she would have them reissued.

This past week, I had an appointment with a local orthopedic surgeon. I was referred to this doctor by my general practitioner. I know this doctor well, since he had treated my son for an accident and also performed surgery on him. In the past, this doctor billed my insurance. This week, I was asked to pay the \$315 charge at the time of service. The doctor's staff told me they are now requiring payment at the time of service because of the extreme problems they are experiencing in getting reimbursement from NYLCare.

I appreciate your attention to this issue. I know that my problems are probably quite small in comparison to many.

cc: Commissioner Mark Boyer

Findley

For meeting 2/10/98
Thank you.

To: Representative Jeanette James, Chair
State Affairs Committee
Fax 465-2381

From: Juneau Drug Co., Inc
202 Front Street
Juneau Alaska 99801
Phone: 586-1233
Fax: 463-3848

Juneau Drug is a locally owned business that employs two pharmacists year round and an additional pharmacist during the summer months. We contract with Alaska Medicaid, most Blue Cross of Washington and Alaska and the State NYL Care health insurance plans to provide pharmacy services.

Our concern with NYL Care focuses on mail order services provided by the insurance company, for the following reasons:

1. **Economic:** Mail order can decrease the number of prescriptions filled by our store causing decreased income and ability to employ pharmacists. Without pharmacists the store would close, eliminate 6-8 Alaskan jobs (3 pharmacists and 3-4 non-pharmacists) and decrease tax dollars for the city, state and federal governments.
2. **Patient Rights:** Mail order decreases the patient's right of access to care by the pharmacy of choice. Customers use mail order due to lower copays and increased authorized quantities per fill. This is unfair to Juneau Drug and the patient.
3. **Pharmacist Liability:** Mail order decreases the pharmacist's ability to maintain adequate patient profiles making it more difficult to check for drug interactions and contraindications. Incomplete profiles increase our liability and decrease patient safety.
4. **Customer Contact:** Mail order eliminates possible face to face customer contact and the pharmacist's opportunity to observe or discuss compliance, adverse reaction or inadequate medication response.
5. **Ethical Issue:** We do not believe that NYL Care should own the mail order pharmacy and direct business to their own profit.

Thank you for your attention;

Gail Myers Findley, RPh
Gail Myers Findley, RPh

Freeburg

HOSPICE 
& HOME CARE
of Juneau

3200 Hospital Dr. Suite 100 ♥ Juneau, Alaska 99801

(907) 463-3113 ♥ FAX 463-3835

FAX

Date: 2-4-98
 Number of pages including cover sheet: 2

To: BARBARA

Phone: 1/65-2381
 Fax phone: _____

From: Marianne Freeburg

Phone: (907) 463-3113
 Fax phone: (907) 463-3835

REMARKS: Urgent For your review Reply ASAP Please comment

*Re: Alaska NYL Care
 please call if questions*

If you have problems receiving this fax, please call 463-3113.

This transmission is private and confidential and is intended only for the use of the individual(s) named above. If you are not the intended recipient, be advised that unauthorized use, disclosure, copying, or distribution of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of this material to us.

Date: February 3, 1998

From: Marianne Freebury, R. N.

I was informed that there is going to be a legislative hearing on Alaska NYL Care. I am a Clinical Care Coordinator for a Hospice and Home Care Agency in Juneau, AK. I work with insurance companies on a daily basis, including Alaska Care, and would like to share some of my experiences.

On several occasions I have had to call to get pre-authorization or benefit information for prospective clients. On more than one occasion, I have had to call one number, only to be referred to other numbers that never connect me with the department that I need to talk to. There are times that I am on the phone for an hour or more just trying to get benefit information. The agents are apologetic and tell me that the phone systems are difficult to navigate through. The process of obtaining information is both time consuming and extremely frustrating.

The people on the other end of the phone are always pleasant and sound like they know what they're talking about. I had my doubts about this, however, when I would ask different benefit and pre-authorization people the same questions and get totally different answers about benefit information and what the client will need to pay out-of-pocket and when the fiscal year begins and ends.

Another problem that I have had is about a client that wished to access her long term care coverage. I inquired about it for her last November. This is February and we finally have the papers in hand and filled out. I was told that we weren't allowed to assist her with this. It was something that she had to deal with on her own. It took one month to send the paperwork out to her. It was sent Dec. 19. She never received it. She managed to get them to send more papers. I was told that her 90 days of self pay would not take effect until the completed paperwork was received by the insurance office. It would not be retroactive. This is grossly unfair for this poor lady. She will end up having to wait 6 months for her coverage to finally begin paying. All of this was within the control of the insurance company. The client had no control over this.

I am not certain what, if anything, can be done to improve organization, the phone system and communication within the insurance agency. I do know that until something is done, I will have to allow for extra time and hope that the information I receive is accurate.

North Pole Prescription Laboratory

167 Santa Claus Lane • ~~907-488-8555~~
North Pole, Alaska 99705
(907) 488-8555



FAX TRANSMITTAL

RUSH ()
CONFIDENTIAL ()
FOR YOUR INFORMATION ()

Date: 1/21/98 Pages: 11
 To: Barbara Fax Number: 907-465-2381
 From: BONNIE HOLM Fax Number: 907-488-8556
 Subject: _____
NYLCARE Teleconference

CONFIDENTIALITY NOTICE

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North Pole Prescription Laboratory

145 Santa Claus Lane • Suite 102
North Pole, Alaska 99705
(907) 488-8555

Holm

1/20/98

Since the change in administrators for the Employees of the State of Alaska Health Insurance specifically with regards to the prescription plan it has been a nightmare. The problem exists in the untimely payment of the claims which takes MONTHS, some have not been paid at all. This was not the case with the previous carrier. The current carrier owes us \$31,423.31 in unpaid claims and this can go on no longer. They are doing this same injustice to the "Preferred Providers" as well.

This current carrier is turning the State of Alaska's Health Care into a Managed Care Plan "telling" its employees when they can have prescription refilled (this by the way has to be 2/3 gone or they will refuse payment). Be it heart medicine, inhalers antibiotic regimens. Alaskans don't always live close to a supply source.

Managed Care likes to tell people they can't have a refill when they need it - they have to wait until this Managed Care says they can. We have lost a number of good customers to this plan. This concept of managed care is taking much needed revenue out of the State of Alaska to either Missouri (where the retirees claims are paid) or elsewhere. This is not right!!

North Pole Prescription Laboratory

145 Santa Claus Lane • Suite 102

North Pole, Alaska 99705

(907) 488-8555

2/.

With regards to the Return Program. In conversations I have personally had with Kevin Duesin the main reason for not processing our claims is because as a "non preferred provider" they had to give our pharmacy a dummy NABP number so that their system would identify our claims supposedly for faster payment. We had been submitting claims to the previous carrier without any problem and without them having to change anything. This number that I mentioned is a national number all pharmacies are required to have: National Association of Boards of Pharmacy which we already have and use on all submits.

I am enclosing several examples of unpaid Return claims starting with July. Please note the reasons for non payment as well as for the type of medicine.

In closing, thank you for your assistance in this matter. Please don't hesitate to call me if you have any questions concerning this.

Sincerely,

Brenda J. Holm

Mr. B. Horn

Horn

Representative **James James**
Chairman, State Affairs Committee
P.O. Box 2511

Friends,

I am a retired state employee. Over the years I have been very appreciative of the excellent service we received from Aetna. In the many years we were serviced by Aetna, we had no complaints. The Jennifer touch and our insurance cover became NYCare. My experience has been that everybody is willing to work for someone. All of my medical suppliers are complaining. My wife who handles our medical papers is annoyed. My plan is to pay more, to be left up and re-hospitalized or to be kept in a state of confusion. All of these people are important to my health service.

I like being able to work with my local providers. I feel that the more business we can do with our local community and our state the better off we all will be. They need and appreciate our business, and we need their services. I know that cost is important, but what is the cost in good will and good service?

I sincerely urge you to consider a return to the Eetna. Or if that is not possible please change the rules of the game NY care keeps playing.

In all sincerity

Charles W. Horn
Charles W. Horn



MEDICAL CENTER PHARMACY

1867 Airport Rd.

Suite # 105

Fairbanks, Alaska 99701

DEA # AM7082766

Phone 452-2328

452-8073 FAX

Jackson

To: Jeannette Jones
 From: Jerome Jackson R.Ph.

MEDICAL CENTER PHARMACY
 1867 AIRPORT ROAD, 105
 FAIRBANKS, ALASKA 99701

RE: STATE OF AK NYLCARE

A QUICK NOTE of my experience with this plan—

- ① WE BILL THE PATIENT'S MEDICATIONS FOR THEM AS A NON-PARTICIPATING PHARMACY (NON-CONTRACTED). A MAJORITY of CLAIMS have had to be BILLED 2 OR 3 times before payment has been made to the patient. THIS IS IN CONTRAST WITH THE BILLS WE SEND OUT FOR THE RETIRED STATE EMPLOYEES THROUGH EXPRESS SCRIPTS THAT ARE PAID ON THE FIRST BILLING WITHIN FIVE WEEKS.
- ② THIS OUTFIT DOES EVERYTHING IT CAN TO PERSUADE ITS CLIENTS TO USE THE CHAIN STORE PHARMACIES VS. LOCALLY OWNED INDEPENDANT PHARMACIES. (BY MAKING IT INCREASINGLY DIFFICULT TO BILL FOR SERVICES AND BY PROMOTIONAL MESSAGES ON CORRESPONDENCE TO USE 'CONTRACTED' (OUT OF STATE) CHAIN STORES.
- ③ MANY of our customers have very good reasons to prefer our services.
 - ⓐ MANY have BEEN WITH US 10-30 YEARS!



MEDICAL CENTER PHARMACY

1867 Airport Rd.

Suite # 213

Fairbanks, Alaska 99701

DEA # AM7062766

Phone 452-2328

③ (cont)

- ② THE PHARMACEUTIC KNOWS 90+% OF OUR CUSTOMERS BY NAME, KNOWS MANY OF THE MEDICATIONS ~~UP~~ THEY ARE ON BEFORE LOOKING AT THE FILE
- ③ THE PHARMACIST WAITS ON EVERY CUSTOMER, ALWAYS AVAILABLE FOR QUESTIONS, OR CONSULTATION ON DRUG THERAPY.
- ④ WE PROVIDE SERVICES NOT FOUND AT CHAIN STORES—
- PRIMARY AND SECONDARY INSURANCE BILLING
 - CHANGE ACCOUNTS
 - CONTACT WITH PHARMACEUTICAL (ZEPHAN)
 - WORKMANS COMP BILLING
 - MEDICAL SUPPLIES
 - INFUSION PHARMACY SERVICES.
 - PREPARATION OF MEMBERS (SPECIAL PACKAGING FOR PATIENTS ON MULTIPLE MEDICATIONS)
 - CLOSE PARKING - CAN DRIVE UP TO THE DOOR.
 - MAILISTS TO THE BUSH

BASICALLY THE STATE PLAN FOR ACTIVE EMPLOYEES IS TRYING TO FORCE ITS EMPLOYEES TO ACCEPT INFERIOR SERVICE AND SEEDING THIS PRESCRIPTION BUSINESS TO OUT-OF-STATE CHAIN STORES —



MEDICAL CENTER PHARMACY

1867 Airport Rd.

Suite # 213

Fairbanks, Alaska 99701

DEA # AM7062766

Phone 452-2328

AND you know the story —

Go to a chain store a pharmacy teck hands you your medicine in a BAG and sends you off — Why not get your medicine out of a vending machine ?

Go to our locally OWNED INDEPENDANT STORE —
A PHARMACIST gives you your medicine, counsels you, checks your profile AND provides the services as NOTED ABOVE. OUR customers cherish this service — it provides them great medicare care & supports AK business.

Think of THIS — WHAT OTHER PROFESSIONAL IS SO ACCESSABLE TO THE PUBLIC ? AND FOR FREE!!!

A PHARMACY that provides good SERVICE IS + VERY ECONOMIC. SERVICE for your state employees.

Thank you for your time
James A. Quinn

P.S. PLEASE SUPPORT House Bill NO. 300 BY REP BUDD —

2-5-98

Dear Representative Jeannette James,

Recently we received a letter from the Alaska Pharmaceutical Association, through our local Sitka pharmacy, regarding a State of Alaska Nylcare Hearing. We have been encouraged to speak out and let you know how the new insurance plan, specifically the mail order prescription drug plan, has affected us as consumers.

Living on an island in Southeast Alaska means our mail and prescriptions, comes in with the planes. It's no secret our weather effects the coming and going of those planes. Therefore it is an inconvenience to the consumer to have to mail order maintenance medications and be certain to have them arrive in a timely manner. The mail order co-pay is a nice incentive to use the mail order prescription service, however it ends up being more of a financial hardship for immediate and short term medications. New York Life/Nylcare Insurance Company doesn't make receiving prescriptions a smooth transaction with our small local pharmacy under their present prescription plan.

Being a healthcare provider myself, I have concerns about clients not receiving the face to face counseling that is needed when medication is prescribed. Not to mention assisting the client in being both safe and knowledgeable when taking several prescribed medications. I am aware the mail order prescription service offers some written direction for taking medications provided, but again, there are clients who do not read well and are embarrassed to ask for assistance in understanding the directions. Would there be legalities involved relating to client education issues? It's a fact there are legality issues in other health related services.

Besides being a consumer of prescribed maintenance medication, I would also like to speak up on behalf of our local pharmacy. These people are willing and able providers who go the extra distance to ensure client safety and satisfaction. These services are valuable commodities to our community. I would like to see the New York Life/Nylcare Insurance Company work with our pharmacy to provide a more immediate and friendlier co-pay system.

Thank you for allowing me the time to voice our problems and concerns.

Respectfully,


Michelle Kennedy
109 Bahrt Circle
Sitka, Alaska 99835

Kirk

Michael J. Kirk
P.O. Box 20844
Juneau, Alaska 99802

February 4, 1998

Hon. Jeanette James, Chair
House State Affairs Committee
State Capitol
Juneau, Alaska 99811

Re: Welcome to NYLCare

Dear Representative James:

Welcome to NYLCare is the title of the slick PR manual distributed to retirees by the State of Alaska Retirement & Benefits Division and the New York Life Insurance Health Plan.

My local physician recommended that I be hospitalized briefly in Seattle for diagnostic work. Let me describe the welcome I received from NYLCare on January 26 and 27, 1998:

On page 3 of this booklet, we are informed under *Checking into the Hospital* :

Let us know before you're hospitalized. For a pre-scheduled admission, you and your provider must contact NYLCare for certification at least 14 days in advance of the admission...

For emergency admission, you or a friend or a family member must notify us within two working days or as soon as reasonably possible.

If you do not receive certification, your benefits will be reduced.

[Italics added.]

On January 26 I spent one hour and 30 minutes, and again on January 27, 1 hour and 15 minutes, trying to carry out these instructions, on the telephone, arranging for certification for hospital admission, for transportation, and for out-patient housing. After being shunted back and forth on the phone from office to office and back again in several cycles, here is what I was told:

(1) that I would *not* receive admission certification in writing. Therefore I have no real proof of certification;

(2) that I will be reimbursed transportation costs (the normal one-half) *only if* the result of the diagnostic procedure was that treatment was necessary, i.e., even though my doctor advises the diagnostic procedure, I have to take a gamble on the result, and the system discourages people

from seeking diagnostic treatment; and

(3) that I would *not* receive financial assistance with needed out-patient housing, even though it is required for this prescribed medical service..

I find the tone and content of the Welcome manual to be bizarre and intimidating.

I find the instructions to be particularly bewildering for most elderly folks, many of whom are infirm and need special assistance in understanding their benefits.

I find the NYLCare implementation process to be, at best, chaotic, and at worst, it results in what I believe is wrong information and discouragement from seeking medical help.

* * *

To NYLCare, I ask, Is your main concern for the client or for your stockholders?

To the State of Alaska and its Retirement and Benefits Division, I ask whether it really knows how to enforce medical care management contracts which require value to be received for paid contracts.

To this committee, I ask whether this healthcare system should really be called CARE-22 ?

With Welcome manuals like this -- and a chaotic administration behind it -- who really needs a welcome mat?

Sincerely,


Michael J. Kirk

P.S. It was enlightening to read in the manual for *retirees* the instruction to seek certification at least 60 days before expected *maternity* hospitalization. Perhaps NYLCare believes their retirees are more active than is common. Or perhaps it indicates that NYLCare gathers its basic facts on the facts of life the same way it gathers its facts on health care.

cc: Jim Ayers, Governor's Office
Commissioner, Department of Administration
Director, Division of Retirement and Benefits

**CARR
GOTTSTEIN**

FOODS CO.

6411 A STREET ANCHORAGE, ALASKA

99518

Krull

Monday, February 09, 1998

To: Representative Jeanette James
Chairwoman, State of Affairs Committee

From: Martin Krull
Director of Pharmacy, Carr-Gottstein Foods, Inc.

Subject: NYLcare mail-order hearing February 10, 1998

Dear Representative James:

Carr-Gottstein Foods, Inc. d.b.a. Alaska Managed Care Pharmacy has operated a mail-order pharmacy out of Anchorage since 1994. We service several union based Medical Trust Funds for mail delivery only of prescription medications.

If the NYLcare mail-order contract had been made available to us, there would be an Alaskan based company servicing Alaskan employees. This would allow locally earned dollars to remain within Alaska.

Our mail-order pharmacy staff is familiar with the special conditions that apply to mailing prescriptions in temperature extremes throughout Alaska.

We are locally based and pride ourselves in serving our clients in a timely fashion. Also, a pharmacist is always available during the same hours as the members local physicians, which prevents us from having to contend with time zone conflicts. This also allows the pharmacy staff to consult with physicians and members on a real time basis.

Thank you for your time and consideration.

Sincerely,

Martin Krull
Director of Pharmacy
Carr-Gottstein Foods, Inc.
Phone 907-565-7590

Ron J. Miller
Manager
Alaska Managed Care Pharmacy

January 22, 1998

Representative Jeannette James
ATTN: Myrna McGhie
State Capitol Bldg.
Juneau, AK 99801

Dear Representative James:

This letter is submitted as testimony relating to your NYLCare hearings.

I have a Reimbursement Account (to cover my out-of-pocket expenses with pre-tax dollars). My year-end statement, attached, showed no claims open. However, there are well over \$900 worth of claims pending; almost \$700 worth have been pending for about three months.

According to NYLCare's "Participant Information" brochure, copy of relevant page attached, my reimbursements are supposed to happen "automatically" after the provider is paid. This "automatic" reimbursement took over three months for the \$96.25 that I have received to date. (Copy of record attached, showing claim date of July 24, 1997 and reimbursement date of November 1, 1997.)

Subsequent payments to my dental provider by NYLCare occurred on October 24, 1997 (for October 3 services) and December 17 (for October 28 services). My copayment for these two dates totaled \$674, and I also satisfied my \$250 medical deductible in November. This totals over \$900 of eligible claims for reimbursement, but I have yet to receive any reimbursement for these amounts from NYLCare (and their year-end statement shows no "open claims").

This state of affairs is unconscionable, especially so in light of their pithy little statement at the bottom of the year end form that says "Any account balance remaining 90 days after the end of the plan year will be forfeited." They are not even recognizing that claims exist within 90 days of the service! (I'm glad their mishandling of my account is occurring early in the plan year so that there is some hope of getting things straightened out and avoiding the obvious "Catch-22" involved in the 90-day deadline.)

Anything you or other state officials can do to improve NYLCare's processing would be greatly appreciated.

Sincerely,



Theresa M. Lauterbach
Legislative Counsel
Division of Legal and Research Services
Legislative Affairs Agency

NEW YORK LIFE INSURANCE COMPANY
51 MADISON AVE
NEW YORK, NY 10010



THERESA M LAUTERBACH
800 F ST APT N6
JUNEAU, AK 99801-1875

03171

YEAR-TO-DATE PARTICIPATION SUMMARY
STATE OF ALASKA

For The Period Beginning 07/01/1997 Through 12/31/1997

Plan Year 07/01/1997 To 06/30/1998,

Date: 01/06/1998

* * * REIMBURSEMENT ACCOUNT ACCOUNT SUMMARY * * *

(a/k/a: Flexible spending account)

Annual Election	\$960.00
Contributions	\$400.00
Claims Paid	\$96.25
Claims Open	\$0.00
Current Account Balance	\$303.75

wrong
\$400 is
"open"

ANY ACCOUNT BALANCE REMAINING 90 DAYS AFTER THE END OF THE
PLAN YEAR WILL BE FORFEITED.

Unconsciousable

Requests for Reimbursement

Reimbursements are processed on or about the 15th and 30th of each month.

Ha! Hardly!

To be reimbursed for eligible expenses, please follow these procedures:

- Submit the claim to all health care plans first. You will receive an Explanation of Benefits (EOB) showing your out-of-pocket expenses. If AlaskaCare is the final payer of you claims, any out-of-pocket expenses will be automatically forwarded for payment from your HCRA. *
- If AlaskaCare is not the final payer or you have services which are not covered by that plan, you should complete all sections of the HCRA reimbursement form and sign the form. Forms are included with this material. Additional reimbursement forms may be obtained from NYLCare, your human resources officer or the Division of Retirement and Benefits.
- The original EOB and copies of itemized bills or, if the expense is not covered by a health care plan, the original itemized bill, must be submitted with a reimbursement form.
- Photocopy the EOBs and/or itemized bills and the reimbursement form you are submitting for your records, as all originals become the property of NYLCare, and we will not be able to return them to you.
- Send the completed reimbursement form and original documents to the address at the top of the reimbursement form.

You can submit requests for reimbursement for eligible health care expenses that are listed on page 6. You may not submit any expenses that will be reimbursed by any other health plan coverage or any expenses which you will claim as a deduction on your Federal income tax return.

You may submit requests for reimbursement any time during the plan year and up to 60 days beyond the plan year end (extended period), for expenses incurred during that plan year.



NYLCARE
HEALTH PLANS

NYLCARE HEALTH PLANS, INC.
180 SHERRILL BLVD SUITE 1400
EXTON, PA 19341
(800)666-3168

EXPLANATION OF PAYMENT
PLEASE DETACH AND SAVE FOR YOUR RECORDS
0767 CHECK NO: 0000028481
NOVEMBER 01, 1997



THERESA M LAUTERBACH
800 F ST APT N6
JUNEAU AK 99801-1875

over 3 months!

*Source as
"Reimbursement
Account"*

FLEXIBLE SPENDING ACCOUNT - ADMINISTRATIVE SERVICES

POLICY #: G20723 STATE OF ALASKA
EMPLOYEE NAME: THERESA M LAUTERBACH
EMPLOYEE ID: 484607648
CLAIM #: 000001443

Claim Date	Account Type	Amount Eligible	Amount Paid	Amount Pended	Amount Not Eligible
07/24 - 07/24	HEALTH CARE	96.25	96.25	0.00	0.00
TOTALS		96.25	96.25	0.00	0.00

Plan Year	Health Care	Dependent Care
07/01/97 - 06/30/98		
Annual Election	960.00	0.00
Year To Date Contribution	240.00	0.00
Claims Previously Paid	0.00	0.00
Payment Adjustment	0.00	0.00
Claims Paid This Check	96.25	0.00
Claims Pending	0.00	0.00
Account Balance Remaining	143.75	0.00

Lowe

2/9/98

ATTN: BARBARA

As per our phone discussion this morning... please see that the legislative committee investigating NYLCare Insurance get the letter and two attachments to it. I sent the same to our union & NYLCare.

For the record, I went to a physicians office this morning and talked to the bookkeeper about NYLCare. The Dr's Office bills the ins. co. as a courtesy to the patient. However if they have much more trouble the patient will have to start paying for the visit up front. Then the patient will have to go after NYLCare for reimbursement.

NOT GOOD.

Thanks for your help



Douglas Lowe

W 465-4491

H 789-3866

F 465-3506

February 8, 1998

Reference: Coordinated Benefits

NYLCare Health Plans Northwest
P.O. Box 91028
Seattle, WA 98111-9128

Attention: Audio Claim Services

To Whom It May Concern:

This letter to you is multi-purposed in nature. The following will substantiate my claims, arguments and disprove your claims. I will also show, that even though AETNA had its failings, they at least gave the State of Alaska and her employees a heck of a lot more personal attention and insurance coverage for the amount of premiums paid.

When I first started wearing hearing aid appliances 12 years ago, Aetna always paid the maximum allowable for both of our policies under Coordinated Benefits, with no arguments or hassles what so ever. Miracle Ear was the supplier of my first two devices and Beltone, before this claim. As in the past, this service provider submitted the insurance claim forms using the coordinated benefits only to be denied by NYLCare. When we contacted NYLCare on 2/6/98 we were told that this type of benefit claim was not extended to its clients, never was and never will be. I explained to your representative (Daniel) that Aetna always extended the coordinated benefit coverage to us for hearing aids. Daniel then tells me that he use to work for AETNA and that they had never extended the coverage as I explained it.

If you take the time to review the enclosed documents, you will see that his claims and your company policies are in error. I then asked him that if the State of Alaska is paying two full premiums for my wife and I, why is coverage only extended on one policy? HELLO!!...Please pass the oil...Someone is getting shafted and it sure isn't NYLCare.

Your company's coverage to the employees of the State of Alaska is being scrutinized and is currently under investigation by our current Legislative session. As far as I am concerned, your company and literature distributed before our acceptance of you was misleading. Our coverage was supposed to remain the same!

As of this writing, I have now joined the ever-increasing number of employees that are tired of fighting with you folks on every claim in such a short period of time. I will also testify and present this claim to the necessary groups. I have copied this to the State of Alaska Insurance Commission, The State of Alaska Legislature and the Insurance Benefit Committee for State Employees.

I also believe that if you are not going to honor both of our insurance policies, you should at least refund the State of Alaska one of the premiums that is being paid to you.

Sincerely,

Douglas & Caron Lowe

Enclosures (3)

cc: State of Alaska Legislature
State of Alaska Insurance Commission
Ins. Benefit Committee For State Employees

02/06/1998 11:25 3077892359

BELTONE HEARING CTR

PAGE 01



AETNA LIFE INS CO-AETHA HEALTH PLANS
P.O. BOX 21645
SEATTLE, WA 98111

909-000551

EXPLANATION OF PROVIDER PAYMENT

THE HEARING CENTER
8745 GLACIER HWY # 312
JUNEAU AK

E-92-0128927

PAGE 1
02/28/96

99801-8091

ENCLOSED IS A DRAFT (909-02291589) IN THE AMOUNT OF \$1,489.00 IN PAYMENT OF THE FOLLOWING ASSIGNED BENEFITS. IF YOU HAVE ANY QUESTIONS ABOUT THE INDIVIDUAL PAYMENTS LISTED BELOW, PLEASE CONTACT THE APPROPRIATE ISSUING SERVICE CENTER.

NOTE: ALL INQUIRIES AND CLAIMS SHOULD REFERENCE THE INSURED ID NUMBER FOR PROMPT RESPONSES

SERVICE DATES	SERVICE PL CODE NO.	SUBMITTED EXPENSES	NEGOTIATED ADJUSTMENT	COPAY AMOUNT	PENDING OR NOT PAYABLE	SEE RPT'S	DEDUCTIBLE	COINSURANCE	PATIENT RESP	PAYABLE AMOUNT	
BILING SERVICE CENTER - P.O. BOX 21645, SEATTLE, WA 98111, - TEL. (206) 467-2000 YOR ID 60054 SUB-ID 0001 BNP NO - 392675 CRP NAME - STATE OF ALASKA											
INSURED: C LOWE		INSURED ID: 574266415									
PATIENT: DOUGLAS		RELATION: SPOUSE		PATIENT NO: NA		DIAG:		DRG:		TCN: 5594051	
0209	OT	1,489.00		689.00	AL				689.00	800.00	
CLAIM TOTALS:		1,489.00		689.00					689.00	800.00	
										LESS OTHER CARRIER PAID AMOUNT	911.00
										ISSUED AMOUNT	889.00
INSURED: DR LOWE		INSURED ID: 574188312									
PATIENT: DOUGLAS SR		RELATION: SELF		PATIENT NO: NA		DIAG:		DRG:		TCN: 5594051	
0209	OT	1,489.00		689.00	AL				689.00	800.00	
CLAIM TOTALS:		1,489.00		689.00					689.00	800.00	
										ISSUED AMOUNT	800.00
										== TOTAL ==	91,489.00
										== DRAFT AMOUNT ==	91,489.00

SEE REVERSE SIDE FOR CHANGE IN ADDRESS OR BILLING INFORMATION/PENDING OR NOT PAYABLE EXPLANATIONS



State of Alaska
Group Health Benefits

Complete this form and submit to:
Aetna Life Insurance Co.
P.O. Box 21645
Seattle, Washington 98111
(800) 426-3211

MEDICAL BENEFITS CLAIM FORM

Use this form for submitting Medical and Audiology claims from Doctors, Clinics, Labs, etc. Special forms are available for Vision, Prescription Drug, or Dental claims. Contact your employer or Aetna Life Insurance Company for additional forms. COMPLETE FORM—SIGN BELOW—ATTACH ITEMIZED BILL—MAIL TO ADDRESS ABOVE

PART 1 / PATIENT INFORMATION — Use separate form for each patient

1. PATIENT'S NAME FIRST INITIAL LAST <u>Douglas R. Lowe</u>		2. BIRTHDATE MO DAY YEAR <u>12 4 51</u>	9. IS THIS CLAIM DUE TO AN ACCIDENT OR INJURY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> HOME <input type="checkbox"/> AUTO <input type="checkbox"/> SCHOOL <input type="checkbox"/> WORK <input type="checkbox"/> OTHER _____
3. RELATION TO PARTICIPANT <input checked="" type="checkbox"/> SON <input type="checkbox"/> SPOUSE <input type="checkbox"/> CHILD	4. PATIENT <input checked="" type="checkbox"/> M <input type="checkbox"/> F	5. PARTICIPANT'S SOC SEC. NO. <u>5 074 118 9191 112</u>	DATE OF ACCIDENT _____ TIME OF ACCIDENT _____ <input type="checkbox"/> AM <input type="checkbox"/> PM
6. PARTICIPANT'S NAME, ADDRESS, CITY, STATE, ZIP <u>Douglas R. Lowe</u> <u>P.O. Box 32572</u> <u>JUNEAU, AK. 99803</u> Is this a New Address <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			10. IF ANOTHER PARTY WAS RESPONSIBLE FOR THE ACCIDENT, DO YOU INTEND TO MAKE A CLAIM AGAINST THIS PARTY? <input type="checkbox"/> YES <input type="checkbox"/> NO
7. PARTICIPANT'S TELEPHONE NO. (907) <u>789-3866</u>			11. IF ACCIDENT OCCURRED AT WORK IS CASE COVERED UNDER WORKERS' COMPENSATION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
8. IS THIS CLAIM FOR AN ANNUAL WELL-PHYSICAL EXAMINATION TO BE PAID UNDER YOUR SRS COVERAGE? <input type="checkbox"/> YES <input type="checkbox"/> NO			12. DO YOU OR ANY OF YOUR DEPENDENTS HAVE OTHER GROUP MEDICAL COVERAGE? (THIS INCLUDES OTHER AETNA COVERAGE) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO NAME AND ADDRESS OF OTHER CARRIER <u>Aetna</u>
			COVERAGE IS FOR: ACCOUNT (ID) NUMBER <u>574-26-6415</u> GROUP NUMBER (if any) _____ <input type="checkbox"/> PATIENT <input type="checkbox"/> SPOUSE <input type="checkbox"/> CHILDREN

PART 2 / MEDICAL INFORMATION — Use Separate form for each provider (Dr., Clinic, Lab., etc.)

11. PROVIDER'S (Dr., Clinic, Lab., etc.) NAME AND ADDRESS	12. DATE(S) OF SERVICE(S)	RYS OR CPT CODE	ITEMIZED DESCRIPTION OF SERVICES	CHARGE FOR EACH SERVICE
<u>The Hearing Center</u> <u>8745 Glacier Hwy. #312</u> <u>Juneau, Alaska 99801</u> <u>(907) 788-2358</u> PROVIDER'S PHONE NUMBER () _____	<u>2/9/94</u>	<u>72590</u>	<u>MONAURAL HEARING AID FITTING</u>	<u>1489.00</u>
13. PROVIDER'S IRS TAX NUMBER OR DOCTOR'S SOC. SEC. NO. You are required by law to provide this number. <u>92-0128927</u>				
14. HAVE THESE CHARGES BEEN PAID? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (If No, payment will be made to the provider)				
15. IS THIS ILLNESS DATE OF ONSET <input type="checkbox"/> NEW <input type="checkbox"/> CONT. 16. PREGNANCY RELATED? <input type="checkbox"/> YES <input type="checkbox"/> NO				
17. NAME OF HOSPITAL (if applicable) 17. ADM. DATE 17. DISCHARGE DATE				
18. DIAGNOSIS (including complications) ICD-9 CODE <u>Hearing Aids</u>				
19. TYPE OF OPERATION? (If unusual or complicated, attach code above report)				
				TOTAL <u>33 1489.00</u>

Any person who knowingly and with intent to defraud or deceive any insurance company files a statement of claim containing any materially false, incomplete or misleading information is guilty of a crime.

TO ALL PROVIDERS OF HEALTH SERVICES:
You are authorized to provide Aetna Life Insurance Company and consulting health professionals acting on Aetna's behalf with the information needed to evaluate and administer claims for benefits (including information relating to mental illness).
Aetna may provide the State of Alaska with any benefit calculation information used in the payment of this claim for the purpose of reviewing the experience and operation of the policy or contract.

I know that I have a right to receive a copy of this authorization upon request and agree that a photographic copy of this authorization is as valid as the original.

Date: 2/9/94 Patient's or Authorized Person's Signature: [Signature]

Fax 907-465-2301
Mortemore

2/2/96

CHAIRPERSON JEANETTE JAMES
STATE AFFAIRS COMMITTEE
JUNEAU, ALASKA

WE WOULD LIKE TO VOICE OUR SUPPORT FOR HOUSE BILL 4300.
IT IS VERY DETRIMENTAL TO OUR BUSINESS TO HAVE PRESCRIPTIONS
SENT TO ANOTHER STATE. WE FEEL IT IS IMPORTANT THAT PATIENTS
HAVE FACE TO FACE CONTACT WITH THEIR PHARMACISTS. PEOPLE THAT
NEED TO HAVE CHANGES MADE IN THEIR CARE SHOULD BE PERFORMED
BY PROVIDERS IN THE STATE OF ALASKA, NOT SOMEONE 2000 MILES
AWAY.

THANK YOU FOR YOUR SUPPORT:

ROGER MORTEMORE R.PH.
3430 THOMAS ST
FAIRBANKS, ALASKA 99709
PAYLESS/RITE-AID PHARMACY

AIMEE MORTEMORE R.PH.
3430 THOMAS ST
FAIRBANKS, ALASKA 99709
FAIRBANKS MEMORIAL HOSPITAL

Tammy Armstrong
RX Technician
4279 Bishop Circle
FAIRBANKS, AK 99709
Paycoast Riteaid
Pharmacy

J. LAWRENCE BRADLEY R.PH.
2055 DIGGER DRIVE
FAIRBANKS, ALASKA 99709
PAYLESS/RITE-AID PHARMACY

LEONA ECKERT-KISNER RX TECHNICIAN
2391 SOMERSET DR
FAIRBANKS, ALASKA 99709
PAYLESS/RITE-AID PHARMACY

Roger Mortemore R.Ph.

Aimee Mortemore

Tammy Armstrong

J. Lawrence Bradley R.Ph.

Leona Eckert

Druggists/Pharmacists Top Gallup Poll

Gallup Poll

for Eighth Straight Time

For the eighth straight time, American consumers have named pharmacists the nation's most trusted professionals. A full 64 percent of Gallup poll respondents rated the honesty and ethical standards of "druggists/pharmacists" as "very high" or "high," according to the Princeton, New Jersey-based Gallup Organization.

"We're pleased that once again the Gallup Poll results confirm that the community pharmacist is the most trusted professional in the eyes of the American public," said Dennis Ludwig, president of the National Community Pharmacists Association (formerly NABP).

The Gallup Poll asked more than 800 adults to rate the honesty and ethical standards of 26 different occupations. Those surveyed gave ratings of very high, high, average, low, very low, and no opinion. The survey was conducted December 9-11, 1976.

The clergy were again ranked second, a full eight percentage points behind pharmacists at 56 percent. Medical doctors and college teachers tied for third, each scoring 55 percent "very high" or "high" ratings.

"Our continuing number one performance in this poll clearly demonstrates that community pharmacists

are doing a first-rate job," said Ludwig, a Boulder, Colorado pharmacist. "Patients continue to affirm their trust in the care we provide by returning to our pharmacies and relying on our health care expertise."

The National Community Pharmacists Association, formerly NABP (the National Association of Retail Druggists), represents the pharmacist owners, managers, and employees of nearly 35,000 independent pharmacies across the country. Independent community pharmacists—more than 75,000 individuals—prepare a majority of the nation's retail prescription drugs.

Druggists/Pharmacists	64
Clergy	56
College teachers	55
Medical doctors	55
Dentists	54
Policemen	49
Engineers	46
Federal directors	46
Lawyers	46
Public opinion pollsters	44
TV reporters/commentators	43
Journalists	43
Building contractors	42
Local officeholders	41
Newspaper reporters	37
Lawyers	37
Business executives	37
Labor union leaders	36
Real estate appraisers	35
Scientists	35
Stockbrokers	35
Congressmen	34
State officeholders	33
Advertising practitioners	31
Insurance salesmen	31
Car salesmen	28

1976 Gallup Poll

"How would you rate the honesty and ethical standards of people in these different fields—very high, high, average, low, or very low?"

The Gallup Organization conducted this poll, 1969-1976, for the U.S. Dept. of Health, Education and Welfare.

Percentage Ranked "Very High/High"

JOHN F. RASTER, M.D.
Otolaryngology Head & Neck Surgery
10301 GLACIER HIGHWAY, SUITE 100
JUNEAU, ALASKA 99801
Telephone (907) 700-4047

Dear Representative Hudson,

I am an Otolaryngologist in Juneau and I was made aware of the open testimony regarding NKL care on the eve of tomorrow's session. My patients complain of limited reimbursements which necessitate their out of pocket expense approaching 50% of the procedure. Also a global fee is applied to initial consultations associated with an in-office procedure such as nasal endoscopy. This usually results in refusal of NKL care to pay the initial consult fee which is the most time consuming part of the evaluation and requires much thought and discussion. I would be happy to testify if given a bit of advance notice. Thank you

Sincerely

John F. Raster
P.S. I haven't raised my surgical fees since I came here in Dec '95

*Schwartz***ALASKA HEALTH CARE NETWORK, INC.**

FACSIMILE TRANSMITTAL SHEET

TO: The Honorable Jeanette James, Chair House State Affairs Committee Alaska State Capitol	FROM: Gary B. Schwartz, MPH	DATE: 02/09/98
FAX NUMBER: 1.907.465.2381	TOTAL NO. OF PAGES INCLUDING COVER: 3	
PHONE NUMBER: 1 800.860.4797	RE: Mischaracterization of NYLCare	

Dear Representative James,

My apologizes for not getting the attached letter to you before today. I would very much appreciate your sharing my correspondence with members of the House State Affairs Committee. The original correspondence is being sent under separate cover.

Thank you.

1867 AIRPORT WAY, SUITE 115-A; FAIRBANKS, AK 99701
PHONE 907.452.3772 FAX 907.452-6772



AHN
ALASKA
Healthcare Network

Non-Profit Physician Organization

Schwartz

BOARD OF DIRECTORS

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Medical Director

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Carl F. Thomas III, M. D.

Gary B. Schwartz
Executive Director

February 9, 1998

The Honorable Jeannette James, Chair
House State Affairs Committee
State Capitol, Room 102
Juneau, Alaska 99801-1182

Dear Representative James,

I am concerned with the mischaracterization of NYLCare Northwest's administration of the AlaskaCare health plan for state employees and retirees. Unfortunately, there has been poor communication among the State, the enrollees, providers and NYLCare. NYLCare is responsible for claims administration, but does not write or administer the benefits for the State employees and retirees. I am unsure as to who has ultimate responsibility for benefits determination or what benefit options are available to the enrollees. State enrollees do not appear to understand the benefits or the chosen options. With this lack of communication, it is difficult to correctly administer claims payment.

There have been payment delays by NYLCare during the initial start-up of the AlaskaCare health plan. Many of the medical practices represented by the Alaska Healthcare Network, Inc. (32 independent medical practices) experienced payment backlogs during the first few months of operation; however, this has been corrected by NYLCare. Comments to the effect that every Fairbanks provider is in arrears are misleading and inaccurate. To my knowledge, there is only one multi-specialty medical group, represented by the Alaska Healthcare Network, who has experienced a claims backlog in the past couple of months. According to Kathy Odegard, Senior Director of Operations with NYLCare, this backlog was reconciled on February 6, 1998.

For more than thirty years, I have been involved in health care administration and have had many opportunities to work with all of the major health plans in the United States. This includes Prudential, United Healthcare, Aetna, Mutual of Omaha, and several Blue Cross/Blue Shield plans (to name a few). I want you and members of the House State Affairs Committee to know that I consider NYLCare to be among the best of the best in terms of

professionalism, commitment, integrity, and follow-through. My opinion is shared among the medical leadership of the Alaska Healthcare Network and many of the medical practice administrators with whom I have contact.

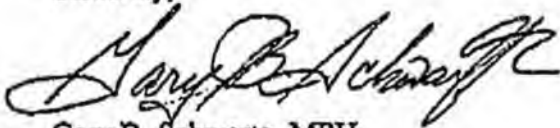
NYLCare has operated in good faith, is open and creative in its approach to problem solving for its client organizations, and takes a business partnership approach in its work with the Alaska Healthcare Network. They do this from a "community equity model" of business dealings, which translates into local initiative, local control, and local decision-making. I trust that all Alaskans want to operate in this manner and believe the opportunity is there for us.

Quite frankly, I am pleased that the State chose NYLCare to serve as its third party administrator and I look forward to NYLCare securing additional business in Alaska. I believe that with better communication and the opportunity to perform the prescribed functions addressed in the State contract with NYLCare there will be continuous improvements to the mutual satisfaction of the State, its enrollees, providers, and NYLCare.

I would be happy to share other specific thoughts and experiences regarding NYLCare along with recommendations for improving State program implementation. Please do not hesitate in calling me in this regard during or subsequent to the February 10th hearing in Juneau, should you desire.

Thank you.

Sincerely,



Gary B. Schwartz, MPH
Executive Director

Stevens

Larry Stevens
515 N. Franklin Street
Juneau, AK 99801-1123

January 22, 1998

Honorable Jeanette James, Chair
House State Affairs Committee
State Capitol, Room 102
Juneau, AK 99801-1182

Dear Representative:

Thank you for taking time to schedule a hearing to air problems with NYLCare medical insurance services provided to the State of Alaska. Here are some additional ideas not mentioned during today's hearing.

First, my experience is that NYLCare does a significantly BETTER job than Aetna in one particular area. They identify the specific claim involved when a payment is issued. By comparison, the Aetna Explanations of Benefits were ambiguous and required considerable research -- by Aetna service representatives -- to determine what portion, of which claims, had been paid by any given check.

I consider the NYLCare approach a SIGNIFICANT improvement!

Second, I believe that a major opportunity to reduce administrative overhead, and the attendant paperwork, is being overlooked and should be explored to help reduce the total cost of medical services.

At present, the insurance company will not reimburse a patient who pays the charge, at the time service is provided, any more than the actual out-of-pocket expense. In other words, there is no provision for a patient to obtain a discount for paying cash. As a result, there is no incentive for a patient to become involved in the claims process.

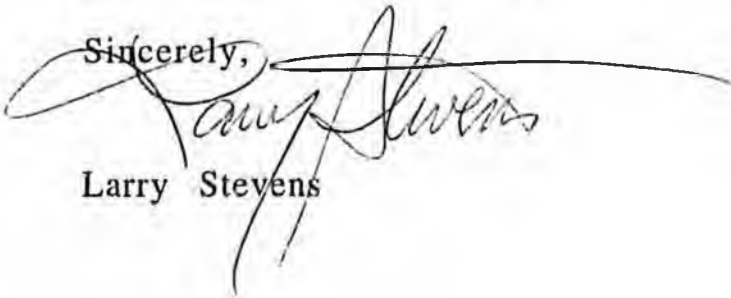
Honorable Jeanette James, Chair
January 22, 1998
Page Two

A small monetary consideration for immediate payment would result in a reduction of the doctor's overhead, a definite improvement in the doctor's cash flow situation, and the possibility of lower fees.

Finally, my experience confirms what others have suggested -- that greatly improved communication is essential. In particular, there needs to be a better, faster way to report status changes to NYLCare.

You don't need to hear all the gory details of my personal situation. Suffice it to say, that obsolete employment status information is the root cause of virtually ALL the errors made processing our claims!

Sincerely,



Larry Stevens

Thorgard

Author: thorgard@polarnet.com (Splash) at CC2MHS1
Date: 2/9/98 12:29 PM
Priority: Normal
TO: Representative Jeannette James at LAA_TRANS
Subject: HB 300. . .

I just heard about HB 300 this morning. It was timely, since I had just discovered that buying prescriptions from a local pharmacy is costing me 20% more than if I acquiesced to buy them from a chain approved by New York Life Care health insurance, provided by the State to state employees such as myself.

I had been getting my prescriptions at 80% pay (I pay 20%) from a long-time local pharmacy as late as 6/30/97, when our health insurance provider changed to NYLC. Now I discover, to my amazement and sadness, that since they are not approved by NYLC, the local pharmacy no longer is paid 80% of claims, but only 60%. This results in me paying about \$800.00 more, for six months, than I would have paid in the past.

Other than the unfairness of me having to pay so much more without notice that my benefits were going down, it is extremely unfair to Alaskan businesses, who are obviously losing customers over this practice. As it is, I will have to change pharmacies to one of the NYLC-approved ones which are paid 80% of the prescription price, since I certainly cannot continue to pay 40% myself.

If we want small businesses to succeed in Alaska, negotiating health care arrangements such as this are ridiculous. As it is, I consider myself to have suffered a loss of benefits, and a loss of \$800 because of lack of notice.

Please attempt to remedy this matter, if you can, Mrs. James. I trust your hearings will be very enlightening! Let me know what more I can do to encourage local businesses.

Thank you.

February 9, 1998

Helen Valkavich
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Representative Jeanette James
Juneau, AK

Re: State employees health care benefits
New York Life

Dear Representative James:

It is my understanding that you are seeking comments on the management of the state employee's new health plan. I would like to say from the outset that I have been employed by the State of Alaska since September 1989 and used Aetna benefits until the state switched to NYL Care last year. Not once did I ever have a problem with Aetna. Not once had any of my claims been denied.

Unfortunately, I have had many problems with NYL Care. I had a baby on August 23, 1997. When the state switched over to NYL Care in July, 1997, I called the information line to ask about maternity benefits. The agents seemed very unsure about the information they gave me and I ended up calling numerous times. Often, answers were preceded by "I think" or "I'm not sure, but I would call two or three times to talk with different agents to see if I could get a consensus, but often the agents disagreed among themselves regarding my coverage.

Since a new deductible year started in July 1997, I paid for my prenatal appointments and my doctor sent in the paperwork to NYL Care so that my payments could be applied to my deductible. NYL Care sent the paperwork back to me saying that they couldn't apply my payments to my deductible because maternity benefits had to be paid "globally". I called a few times to find out what "globally" meant, but no one was ever able to answer my question.

All of a sudden, NYL Care decided that maternity benefits were no longer "global" and that my payments for my prenatal appointments could be applied to my deductible. Just to make things very confusing, NYL Care sent checks to reimburse me for a couple of my prenatal appointments, but then told me I would have to pay full fare for subsequent prenatal appointments because I hadn't made my deductible yet.

Once I had the baby, things really got messy. Some bills got paid, others did not. I took my whole pile of paper to the local NYL Care office where I learned that my OB/GYN bill and two

hospital bills had never been sent in to NYL Care.. At least that's what I was told. Its funny that my OB/GYN had never failed in eight years to send in insurance paperwork until NYL Care took over. All my providers had sent me notice that they had sent the bills to the insurance company. A very nice woman at NYL Care called the providers and explained that the bills needed to be resubmitted. After numerous phone calls, NYL Care finally received all my bills. Processing took forever.

Once processing took place, I learned that two of my claims were partially denied. The first bill was my post-partum checkup. My doctor charged me \$135 - a fee which I understand is normal in this community. It is also a fee which Aetna was apparently prepared to pay. NYL Care told me that it was \$35 over and above the allowable cost. Other than telling me that \$100 was the maximum allowable cost for a post-partum check-up, I was unable to get any information regarding how NYL Care came up with that number.

The second bill was for my anesthesia. I had planned to try to do a natural childbirth. However, after 50 hours of being in labor, I decided I'd had enough and asked for something to help with the pain. The first medication, stadol, stopped working after only an hour. So I asked for the next step, an epidural. An anesthesiologist was called that morning (which was a Saturday). I received the epidural and felt a lot better.

When I received the bill, the doctor charged me around \$760 as the standard cost of the treatment and then another \$88 for special OB anesthesia.. NYL Care declined to pay the \$88. When I asked why, I was told that the \$88 was over and above customary charges.. Again, I was unable to get information as to how they arrived at a figure for customary charges..

I contacted the doctor's office to see if they could assist me in explaining the \$88 charge. The office apparently sent chart notes to NYL Care explaining the procedure for which the additional \$88 was charged. A representative of the doctor's office explained to me that when anesthesia is unplanned, the patient has not fasted before the procedure. Because stomach contents can cause complications for the anesthesia, it is necessary for the doctor to take certain precautions not necessary when the procedure is planned ahead of time. It is for that reason that the extra \$88 is charged.

After the chart notes were sent to NYL Care, I was again informed that my appeal was denied.. When I asked why, this time I was told that the \$88 charge was incidental.. I asked the agent if this meant over and above customary charges.. She said, No, its incidental.. When I asked her what she meant by incidental, she gave a long answer that made no sense whatsoever. It sounded like she was trying saying the procedure had been unnecessary. When I asked her if that was what she was trying to say to me, she circled around and told me again that the charge was incidental.. I am a lawyer and I think I'm usually pretty good at figuring out gobbledygook language, but I was completely befuddled by this one.

There are many other little problems I have had with NYL Care. I spent hours on the phone during and after my maternity leave trying to deal with this. Although a couple of the agents I worked with seemed very nice and tried hard to help me, I feel that the company itself is determined

to make it as difficult and unpleasant as possible for me to use my employee benefits.

I know others in my office are having problems with NYL Care, too, though most are unlikely to complain. For some its not worth the bother. Its just \$20 here and there. For others, they think that nothing will come of making a complaint.

Representative James, I hope that your investigation will be successful in making NYL Care more responsive to state employees. Thank you for your interest in this matter.

Sincerely,

Helen Valkavich

Varosi

JUNEAU URGENT CARE AND FAMILY MEDICAL CLINIC

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Jeanette A. James; Representative;
Chairwoman; State of Affairs FX 465-2381
Alaska State Legislature
State Capitol; Room 102
Juneau, AK 99801-1182

Dear Representative James,

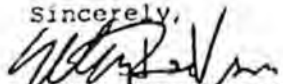
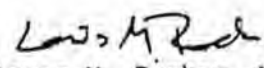
This letter is regard to the recent complaints against NYLCARE, the new health insurance claims processor for the State of Alaska. We would like to state our opinion about NYLCARE's performance with regard to payment.

Juneau Urgent Care has found NYLCARE's payments to be fair and prompt--both for general medicine and specialized medicine. We have found NYLCARE to be responsive when contacted over billing problems. We have found that nearly all of our charges were covered and reimbursed by NYLCARE. With Aetna this was not the case as charges were excluded even though Juneau Urgent Care has demonstrated that we are below usual, customary and reasonable charges for family practice and anesthesia services. We pride ourselves in delivering affordable, excellent medical care and appreciate NYLCARE's reimbursement policies for our services. We do not have a contractual agreement with NYLCARE, we are merely commenting on their performance compared to Aetna.

During the transition, some minor problems occurred. These problems, however, stemmed from patients being confused about their coverage. It is important to realize that the State of Alaska, Department of Administration is responsible for a majority of the problems that patients are experiencing. The State of Alaska determined the benefits for the employees. At the time of open enrollment the Alaska Care's Plan options were not clearly defined. To this date, the State of Alaska employees have yet to receive a Insurance Benefit Book from the Department of Administration. To further complicate the issue, employees in supervisory positions were given the option of 3 plans; and non supervisory positions were given the option of 2 plans. With a total of 5 plans and benefits that are not clearly defined it is no small wonder that providers and patients are confused.

NYLCARE processes claims based on benefits that have been defined by the State of Alaska. Without a clearly defined Insurance Benefit Book patients are unsure about what is covered. With a plan has been operational for seven months we recommend that a look at the State of Alaska's roll in the problem be a part of your discussion.

Sincerely,

 
Ellen Rose Varosi & Louis M. Packer, MD
Financial Officer Medical Director

Wagner

2/2/78

TO: Representative Jeannette James
From: Marilyn Wagner RPh
Subject: mail order pharmacy

Dear Representative James,

I am a pharmacist working in Fairbanks. I have also worked in Nome. My experience with mail order pharmacies is that they get the \$\$, but we local pharmacists are the ones who answer all their drug related questions. We are there when our Alaskan customers need us and we do not benefit financially from this. We also have to recall these people when they are out of medicine and their mail order prescription has not yet arrived. Why not allow our local businesses to prosper instead of sending Alaskan dollars elsewhere?

Respectfully,

Marilyn Wagner RPh
Home 452-5996
Work 456-2151

Dear Representative James:

This letter is to offer testimony regarding the new health care provider the State of Alaska now uses, New York Life Health Care (NYL). Thank you for this opportunity to provide this input and showing the concern to see how NYL is performing. If I were grading NYL at this time, NYL would be given a D-.

My reasons for this low opinion of NYL is based on several interactions with the company; and most have not been handled very competently. I have four young children, that, like most children go to the doctor now and then. Further, I order mail-order prescription supplies approximately every 3 months. Therefore, I have submitted several claims to NYL for various expenditures. Some of the claims were processed, but I had questions on others. So, I called there Seattle office, but after listening to a series of voice mail messages; and not getting to speak with anyone directly, I was directed to leave a voice mail message and someone would return my call. This happened three times, and not once was my call returned. I then wrote the company; no response has been received. I cited exact dates and referenced my claims in the letter, even mentioning the items I would like some information on. Finally, I recently contacted the new Juneau office to check on some additional claims I have submitted. Same situation, no response.

Based on the poor customer service provided thus far, you can see why I have such a low opinion of NYL and rated there service so low. I thought I never would say it; but Aetna Health Care actually was doing a better job of processing claims and responding to inquires, and in my opinion Aetna was not that efficient.

Thank you again for letting me provide these comments (some would even say vent; but I do have legitimate complaints and concerns).

I was not aware of your hearing on NYL until about 1 hour before it started, thus was unable to testify in person.

Sincerely,



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