



**RETIREE MEDICAL
SUMMARY PLAN DESCRIPTION**

JANUARY 2017



Place the following here:

Schedule of Benefits

Plan Service Providers

Plan Correspondence

ALASKA ELECTRICAL HEALTH AND WELFARE FUND

To All Covered Retirees:

We are pleased to present this updated booklet describing the benefits provided to Retired Employees and their enrolled Dependents by your Health and Welfare Plan as of January 1, 2017. Included in this update are the following recent changes:

- Chiropractic visits are now covered up to Usual, Customary and Reasonable charges (effective January 1, 2016).
- Services received in a Hospital emergency room are now subject to a \$100 copayment, which is waived if admitted directly to the Hospital (effective July 1, 2015).
- Coverage for hearing aid expenses was added to the medical benefit, paying up to \$500 per ear every 36 months (effective January 1, 2015).
- Aetna replaced MultiPlan as the Funds Preferred Provider network and also replaced HealthCare Strategies for medical management services (preauthorization for inpatient admissions and certain outpatient procedures) (effective May 1, 2015).
- The Copayment for visits at the Coalition Health Center or Wellness and Minor Care clinic increased from \$10 to \$20 per person, and from \$25 to \$50 per family visit (effective July 1, 2015). These benefits are for non-Medicare patients only.
- New Dependents cannot be added retroactively more than 365 days from the date the Administrative Office was first notified of the new Dependent (effective July 1, 2015).

If you have any questions about the benefits available to you, please contact the Administrative Office where the staff will be happy to assist you.

Sincerely,

Board of Trustees

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IMPORTANT NOTICE

The Alaska Electrical Health and Welfare Fund (Fund) is committed to maintaining health care coverage for Employees, Retirees and their Dependents at an affordable cost. However, the Board of Trustees (Trustees) reserves the right to amend or terminate coverage at any time and for any reason.

The Board of Trustees has the exclusive authority to interpret the provisions of the Plan, to determine eligibility for and entitlement to Plan benefits or to amend the Plan. Any interpretation or determination by the Trustees made in good faith, which is not contrary to law, is conclusive on all persons affected. The Board of Trustees has delegated to the Administrative Office the authority to administer the Plan and provide information relating to the amount of benefits, eligibility, and other Plan provisions. The Administrative Office does not have the authority to change the provisions of the Plan. In administering the Plan, the Administrative Office and any medical review organization used by the Fund may utilize internal guidelines and medical protocols in determining whether or not specific services or supplies are covered under the terms of the Plan. An interpretation of the Plan by the Administrative Office is subject to review by the Board of Trustees. No individual Trustee, employer, employer association, labor organization, or any individual employed by an employer or labor organization, has any authority to interpret or change the Plan.

Be sure to keep this document, along with notices of any Plan changes, in a safe and convenient place where you and your Dependents can find and refer to them.

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WEBSITE

The Alaska Electrical Trust Funds have established a website to provide you with immediate access to your plan information. The site located at www.aetf.com includes the following Fund related material:

- Plan Booklets
 - Health & Welfare
 - Pension
 - Money Purchase Pension
 - Legal
 - Updates to Plan documents
- Forms – Claims Forms, Legal Documents, and Notices
- Website Links
 - Aetna Preferred Provider Network
 - BridgeHealth
 - CVS/caremark
 - VSP
 - Other useful sites
- Updated Newsletter
- Health & Welfare Plan
 - Eligibility
 - COBRA rules and information
 - Information for Medicare eligible participants
 - Updating beneficiaries
 - Preferred Provider information
- Pension Plan
 - Retirement information
 - Benefit projection information
 - Retiree Health & Welfare costs
 - Vesting

- Money Purchase Pension Plan
 - Initiating a Money Purchase distribution
 - Changing investment options
 - Money Purchase bookkeeper website link
- Legal Plan Attorneys
- Reciprocity
 - Electronic Reciprocal Transfer Systems (ERTS) website link
 - Basics of Reciprocity
 - FAQs
- Trust Fund Contact Information
- Important Phone Numbers

RETIRED EMPLOYEE ELIGIBILITY

Medical and prescription drug benefits are available to Employees who have Retired and satisfied the following eligibility requirements.

Eligibility Rules

A Retired Employee who has **attained age 48** will be eligible to enroll on the first of the month coinciding with the date of retirement (or on the first of the month following the termination of eligibility as an active Employee under this Plan, if later), if he or she has had:

- In the 84 months immediately preceding retirement, 60 months of health and welfare eligibility with this Fund, for which Retiree funding has been paid, or
- In the 84 months immediately preceding retirement, 10,400 hours of health and welfare contributions reported to this Fund, for which Retiree funding has been paid, or
- Any time prior to retirement, 25,000 hours of contributions reported to this Fund, for which Retiree funding has been paid.

With regards to this section, monthly eligibility will be valued at 173.33 hours a month for the hours requirements above.

A Retired Employee who is **under age 48**, will be eligible to enroll on the first of the month coinciding with the date of retirement (or on the first of the month following the termination of eligibility as an active Employee under this Plan, if later) if he or she has satisfied one of the conditions above, and is either:

- Totally Disabled and is receiving a Disability Retirement Benefit from the Alaska Electrical Pension Plan, or
- Totally Disabled as defined by the Alaska Electrical Pension Plan and worked under a bargaining unit represented by IBEW Local 1547, or a special agreement, for at least 5 years.

To be Retired or in retirement status you must be receiving a monthly pension benefit from the Alaska Electrical Pension Plan or a similar plan provided by an employer contributing to the Alaska

Electrical Health and Welfare Fund or you must provide proof of retirement acceptable to the Fund.

Dependent Eligibility

Your Dependents are eligible when you are eligible.

Dependents are defined as:

- Your legal spouse.
- Children under age 26 including your natural children, legally adopted children or children placed for adoption, step-children, and foster children. In addition, children placed by an authorized placement agency, judgment, decree or court order, who reside with you or your spouse and for who you or your spouse is financially responsible for their care and support are also covered.
- Children age 26 and over, if the child is chiefly dependent upon you for support and maintenance and your child is incapable of self-sustaining employment because of mental or physical handicap. The incapability of the child must have commenced prior to attaining age 26 and the child must be an eligible Dependent on his or her 26th birthday. Coverage is not automatic; you must submit proof to the Administrative Office at least 31 days prior to the child's attainment of age 26.

In accordance with federal law, the Plan also provides medical/prescription drug/dental/vision coverage to certain Dependent children (called alternate recipients) if directed to do so by a Qualified Medical Child Support Order (QMCSO) issued by a court or state agency of competent jurisdiction. Contact the Administrative Office for details. You and your Dependents may obtain, without charge, a copy of the procedures governing medical child support orders and determinations from the Administrative Office.

Grandchildren and children of Dependent children will only be covered if the child meets the eligibility criteria set forth above. Coverage is not automatic. You must make specific application to the Fund.

NOTE: The Plan may request proof of Dependent status, such as a marriage certificate for a spouse, or a birth certificate for a Dependent child.

Dependent coverage terminates at the end of the month in which your eligibility ends, (or once they are no longer an eligible Dependent), unless you die.

If you are married, you may elect either retiree plus spouse coverage or retiree-only coverage. Your spouse will be covered unless you waive coverage for him/her. If you waive coverage for your spouse but maintain coverage for yourself, your spouse cannot be enrolled at any future date unless you experience a qualifying change in family status as defined on page 12. You may terminate coverage for your spouse at a future date. If you terminate coverage for your spouse but maintain coverage for yourself, your spouse cannot be re-enrolled in the future unless you experience a qualifying change in family status. Once enrolled as a Retiree, new Dependents acquired in the future can be added if enrolled within 60 days of the date the Dependent is acquired (for example, by marriage or birth of a Dependent).

A spouse covered under the Retiree health plan at the time of the Retiree's death shall remain eligible for retiree coverage for the remainder of his/her lifetime, subject to the same eligibility rules as the Retiree.

If an active Employee age 58 or older dies before retiring and would have been eligible for Retiree coverage had he or she retired, his/her spouse shall be eligible for the Retiree health plan, subject to the same eligibility rules as the Retiree, provided the Employee and spouse had been married for at least 3 years at the time of death. At such time as the surviving spouse becomes eligible for another source of health coverage (other than Medicare or Indian Health Services coverage), he/she will no longer be covered under the Retiree health plan. In the event the surviving spouse loses other coverage, he/she will be allowed re-entry into the Retiree plan at normal retirement age (currently age 58) or when he/she becomes Medicare eligible.

Dependent children covered under the Retiree health plan at the time of the Retiree's death shall remain eligible for Retiree coverage as Dependents of the surviving spouse until they no

longer meet the definition of a Dependent. Dependent children of an active Employee who would have been covered under the Retiree health plan at the time of death shall become eligible for Retiree coverage as Dependents of the surviving spouse until they no longer meet the definition of a Dependent.

Retiree Self-Pay Contributions

A monthly self-pay contribution is required for Retiree health coverage. The amount of the contribution depends upon the age and years of service of the Retiree and whether or not a spouse is to be covered.

The Fund will automatically adjust the Retiree contribution when the Retiree or covered spouse becomes Medicare eligible (currently age 65 for most Retirees). If you or your spouse becomes eligible for Medicare prior to age 65, please notify the Administrative Office.

If you or your spouse are eligible for Medicare coverage YOU MUST ENROLL IN BOTH PARTS A and B OF MEDICARE. Part A of Medicare covers general hospital expenses and Part B covers physicians and other medical expenses. If you are eligible for Medicare and fail to enroll, BENEFITS UNDER THE RETIREE MEDICAL PLAN WILL BE REDUCED AS THOUGH YOU WERE ENROLLED IN BOTH PARTS A and B OF MEDICARE. This means benefits would be paid on the assumption that you are enrolled in both Parts A and B of Medicare, and if you have not enrolled, you could incur significant uncovered out-of-pocket expenses. We strongly encourage all Retirees to contact Social Security to determine the procedures and timetables for enrollment in Medicare.

These provisions may be subject to change. Therefore, you should contact the Administrative Office to verify contribution requirements prior to your retirement.

Enrollment

A Retired Employee must enroll with the Plan to be eligible for benefits. Enrollment forms are available at the Administrative Office and must be completed at the time of retirement.

If you do not enroll while you meet the eligibility requirements for Retiree coverage, you will not be eligible to enroll in the future unless you elect to defer coverage as outlined below.

Deferred Coverage

If you choose not to enroll for Retiree coverage because you have other coverage, you must provide proof of the other coverage and you must complete a deferral form within 60 days of your retirement. Deferral forms are available from the Administrative Office. If you have deferred coverage, you may be allowed to enroll at a later date, if you enroll within 60 days after the other coverage is lost provided the loss is due to one of the following reasons:

- The loss of eligibility for the other coverage was a result of termination of employment, reduction in the number of hours of employment, death, divorce, or legal separation;
- The termination of employer contributions toward the other coverage; or
- If the other coverage was COBRA coverage, the exhaustion of that coverage. COBRA coverage is “exhausted” if it ceases for any reason other than failure to pay premiums on a timely basis.

At the end of your deferral you must submit a Retiree enrollment form within 60 days after the other coverage is lost in order to be covered; contact the Administrative Office for a copy of the form.

Changes in Family Status

If your family status changes and you are eligible to add/delete a Dependent and/or move from a married plan to a retiree-only plan or vice versa, you must notify the Administrative Office within 60 days of the change in family status to make an election change.

Election and enrollment changes will be permitted only within the first 60 days of the following qualified events:

- Marriage
- Divorce or legal separation
- Birth or adoption of a child
- Death of spouse

- Spouse’s loss of employer provided coverage

Moving from a Married Plan to a Retiree-Only Plan

If notified within the required 60-day period, the Administrative Office will make the plan change retroactively to the first of the month following the event, refund any difference in premiums paid, and reprocess any claims accordingly. A new enrollment form and the appropriate documentation of the change in family status is required. Outside of the 60-day window, Retirees can elect to change to a retiree-only plan prospectively (first of the month following written notification or receipt of a new enrollment form) and no refunds will be provided. A new enrollment form is required in this case. If coverage is waived on any Dependent but maintained on the Retiree, that Dependent cannot be re-enrolled in the future unless they experience a qualified change in family status as described above.

Moving from a Retiree-Only Plan to a Married Plan

If notified of a qualified change in family status within the required 60-day period, the Administrative Office will make the Plan change retroactively to the first of the month following the event and collect any difference in premiums due. A new enrollment form and the appropriate documentation of the change in family status is required. Any claims will be reprocessed accordingly. Outside of the 60-day window, Retirees cannot add a new Dependent.

Return to Active Employment

If you return to work (other than Active Employment) after becoming eligible for Retiree health benefits and your employer offers a group health plan other than the plan provided by this Fund, you can suspend your Retiree coverage during the period in which you are covered by the employer’s health plan. Contact the Administrative Office for assistance.

If you return to Active Employment after retirement and you do not have group health coverage through your employer, your Retiree health coverage will be terminated. If your Retiree coverage is terminated, see the section below to determine if you are able to re-enter the Plan at a later date.

If you return to Active Employment as an Employee eligible for active coverage in this Fund, your retiree coverage will be automatically suspended during the period in which you are covered as an active Employee by this Fund. Your retiree coverage will automatically resume upon termination of your active coverage through this Fund.

For the purposes of this section Active Employment means more than 40 hours of employment in a calendar month or in a four or five week pay period ending in a calendar month:

- in the State of Alaska; and
- in a job classification, the core skills of which are the same as or similar to those of employment in which the Employee was engaged at any time while accruing a benefit under the Plan, whether or not such employment is under the terms of a collective bargaining agreement or special agreement, or in a supervisor capacity over such job classification; and
- in the industry in which the contributing employers participate (i.e. any business activity of the type engaged in by the employers maintaining the Plan).

If Your Retiree Health Coverage is Terminated

If your Retiree eligibility was based on 60 months of health and welfare eligibility with this Fund or 10,400 hours of contributions reported to this Fund in the 84 months immediately preceding retirement, you may not regain Retiree health coverage unless you have re-satisfied the Retiree eligibility rules. You may only regain Retiree health coverage at age 58 or upon Medicare eligibility, provided you have had in the 84 months preceding attainment of age 58 or Medicare eligibility:

- 60 months of eligibility, for which Retiree funding has been paid or
- 10,400 hours of contributions reported to this Fund, for which Retiree funding has been paid.

If your Retiree eligibility was based upon 25,000 hours of contributions reported to this Fund prior to retirement, for which

Retiree funding has been paid, you may resume retiree coverage at age 58 or upon Medicare eligibility.

This Program is Not Guaranteed

The Board of Trustees is providing this program of Retiree health benefits to the extent that monies are currently available to pay the cost of such programs. The Board of Trustees retains full and exclusive authority, at its discretion, to determine the extent to which monies are available for this program and to determine the expenditure of such monies for the program. The program is not guaranteed to continue indefinitely. The program may be terminated or modified at any time by the Board of Trustees.

COBRA CONTINUATION COVERAGE

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), “qualified beneficiaries” may extend medical benefits on a self-pay basis under certain circumstances called “qualifying events.”

Qualified Beneficiaries

A qualified beneficiary means any individual who, on the day before a qualifying event, is covered under the Plan as a Dependent of a Retiree. Retired employees who have elected to receive Retiree health benefits are not eligible for COBRA.

36-Month Qualifying Events

A Dependent may elect COBRA for a maximum of 36 months following the date coverage would otherwise end due to one of the following qualifying events:

- Death of the Retiree;
- Divorce or legal separation between the Retiree and spouse; or
- The Dependent child ceases to meet the Plan’s definition of “Dependent.”

Notice Requirements

The Plan offers COBRA only after it has been notified of a qualifying event. A qualified beneficiary is responsible for notifying the Administrative Office of a qualifying event that is a death, divorce or child losing Dependent status. **The qualified beneficiary must provide this notice to the Administrative Office in writing within 60 days of the later of the date of the qualifying event; or the date coverage would be terminated as a result of the qualifying event; or the date this booklet or other notice is provided describing the procedure for electing COBRA.** The notice must identify the individual who has experienced a qualifying event, the Retiree’s name, and the qualifying event which occurred. If the Administrative Office is not notified during the 60-day period, the qualified beneficiary will lose the right to elect COBRA.

A qualified beneficiary, who first becomes covered under any other group health plan after the date of the election of COBRA, must notify the Administrative Office in writing of the other coverage.

Election of COBRA

When the Administrative Office is notified of a qualifying event, an election form is mailed to the qualified beneficiaries. The election form must be completed and returned to the Administrative Office within 60 days of the later of the termination of coverage, or the date the application was sent. If the election form is not sent to the Administrative Office by this date, the qualified beneficiaries will lose the right to elect COBRA.

Each qualified beneficiary has an independent right to elect COBRA. A Retiree or spouse may elect COBRA on behalf of other qualified beneficiaries in the family. A parent or legal guardian may elect COBRA on behalf of a child under age 18.

Type of Benefits

Medical and prescription drug benefits are available under COBRA, provided the qualified beneficiary was eligible for such benefits immediately prior to the qualifying event.

Cost and Payment

There is a cost for COBRA. Information regarding the cost will be sent with the election forms. The first payment is due 45 days from the date the election form is sent to the Administrative Office. The first payment must cover all months since the date coverage would have otherwise terminated. Thereafter, payments must be made monthly to continue COBRA. All payments must be sent to the Administrative Office.

COBRA eligibility will not commence, nor will claims be processed for expenses incurred following the date of the qualifying event, until the appropriate COBRA payments have been made. COBRA terminates if a monthly payment is made later than 30 days from the beginning of the month to be covered. If the initial payment, or any subsequent payment is not made in a timely fashion, COBRA terminates.

Termination of COBRA

COBRA ends on the first of the dates indicated below:

- The last day of the month the maximum coverage period for the qualifying event has ended (36 months).
- The last day of the month for which the self-payment was paid, or when the qualified beneficiary does not make the next payment in full when due. Delinquent payments must be made up within 30 days after the due date.
- The date the qualified beneficiary first becomes, after the date of election of COBRA, covered under any other group health plan which does not contain any exclusion or limitation that actually applies to any pre-existing condition of the qualified beneficiary.
- The date the qualified beneficiary becomes entitled to Medicare after the date of election of COBRA.
- The date the Fund no longer provides group health coverage.

COBRA is provided subject to eligibility. The Plan reserves the right to terminate COBRA retroactively in cases of fraud or misrepresentation.

Relationship Between COBRA, Medicare and Other Coverage

If you have Plan coverage based on COBRA and you are entitled to Medicare based on age or disability and no longer have current employment status, Medicare will pay first and the Plan will pay secondary and coordinate with Medicare. If you have Medicare coverage based on end stage renal disease and have coverage (based on COBRA or otherwise), the Plan will pay primary during the 30-month coordination period provided for by statute.

Relationship Between COBRA and USERRA Continuation Rights

If you lose coverage because you have entered military service for longer than 31 days and are covered by the Uniform Services Employment and Reemployment Rights Act (USERRA), you may elect to self-pay for coverage up to a maximum of 60 months. The maximum period coverage can be continued is the lesser of 60

months or the day after you fail to return to employment within the time frame provided by USERRA.

Effect of Not Electing Continuation Coverage

The Affordable Care Act (“ACA”) mandates that individuals obtain health insurance coverage or pay a penalty. This requirement can be met by your electing continuation coverage under the Plan, securing coverage through another group health plan, or purchasing individual insurance directly or through the HealthCare Exchange (“Exchange”) established in your home state.

In considering whether to elect continuation coverage, please be aware that:

- You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a spouse’s plan) within 30 days after your Plan coverage ends because of your qualifying event. You will also have the same special 30-day enrollment right at the end of the maximum continuation coverage period available to you, and
- You also have the right under the ACA to purchase healthcare coverage on your home state’s Exchange within 30 days after your group health coverage from the Fund ends. If you do not obtain coverage in an Exchange plan during this period, you will have to wait until open enrollment to purchase coverage.

Note: If you elect continuation coverage under the Plan, but decide to drop continuation coverage mid-year (for example, in May or August) you will not be able to enroll in a plan offered through the Exchange until the next annual open enrollment period.

Notices

Notices that are required for COBRA must be sent in writing to the Administrative Office.

If you have any questions about COBRA Continuation Coverage, contact the Administrative Office.

MEDICAL BENEFITS

The Plan provides benefits for the Medically Necessary treatment of a non-occupational Injury or Illness for you and your eligible Dependents.

Covered Charges are the actual costs charged for services to the extent that such charges are Usual, Customary and Reasonable for the area and the type of service, with the following exceptions:

- For non-Preferred Provider inpatient Hospital services within the Municipality of Anchorage, the Covered Charges for services will be limited to the contracted rate at the Preferred Provider Hospital.
- For non-Preferred Provider outpatient facility services for x-rays and/or imaging within the Municipality of Anchorage, the Covered Charges for services will be 50% of the billed charges.
- For non-Preferred Provider physical therapy and occupational therapy services within the Municipality of Anchorage, the Covered Charges for services will be 50% of the billed charges.

The Plan contracts with Preferred Providers in Alaska and throughout the United States. In addition, the Plan has Medical Management requirements. **FAILURE TO USE A PREFERRED PROVIDER OR COMPLY WITH THE MEDICAL MANAGEMENT REQUIREMENTS WILL RESULT IN FINANCIAL PENALTIES.** Please see pages 22 to 30 for more details.

Important Note for Retirees Eligible for Medicare

If you or your spouse is eligible for Medicare coverage: **YOU MUST ENROLL IN BOTH PARTS A and B OF MEDICARE.**

Part A of Medicare covers general hospital expenses and Part B covers physicians and other medical expenses. If you are eligible for Medicare and fail to enroll, **BENEFITS UNDER THE RETIREE MEDICAL PLAN(S) WILL BE REDUCED AS THOUGH YOU WERE ENROLLED IN BOTH PARTS A and B OF MEDICARE.**

This means benefits would be paid on the assumption that you are enrolled in both Parts A and B of Medicare; and if you have not

enrolled, you could incur significant uncovered out-of-pocket expenses.

We strongly encourage all retirees to contact Social Security to determine the procedures and timetables for enrollment in Medicare.

Annual Deductible

Each year you must pay an annual Deductible for covered Medical expenses before the Plan begins paying most benefits. This Deductible applies separately to each Employee or Dependent (up to the family maximum) during each calendar year. The annual Deductible is shown on the Schedule of Benefits insert.

Reimbursement Percentage

After you satisfy your Deductible, benefits for the calendar year are paid according to the reimbursement percentages for Covered Charges shown on the Schedule of Benefits insert.

See the Preferred Provider Provisions section, beginning on page 22 for a complete description as to when the reduced reimbursement percentage is applied for non-Preferred Provider services.

Medical Annual Out-of-Pocket Maximum

The Plan pays its normal reimbursement for Preferred Providers up to the annual Out-of-Pocket Maximum. Once the annual Out-of-Pocket Maximum is met, the Plan increases its reimbursement percentage for Preferred Providers as shown on the Schedule of Benefits insert.

The annual Out-of-Pocket Maximum generally includes your Coinsurance amount, the annual Deductible and any Emergency room Copayments. However, **the following do not apply toward the annual Out-of-Pocket Maximum:**

- 20% reduction in the reimbursement percentage for services received from non-Preferred Providers or Hospitals within Anchorage or outside of Alaska.
- For inpatient hospital services within the Municipality of Anchorage, the difference between the charges billed by the

non-Preferred Hospital and the contracted rate at the Preferred Provider Hospital.

- For outpatient facility services for x-rays, imaging and surgery within the Municipality of Anchorage, the 50% reduction in the charges billed by the non-Preferred Provider facility.
- \$1,000 penalty for use of a non-Preferred Provider Hospital within the Municipality of Anchorage for inpatient services.
- Expenses that are not Covered Charges.
- Expenses under the Fund's Prescription Drug benefit.

In accordance with the Affordable Care Act (ACA), your annual out-of-pocket expenses for in-network essential health benefits cannot exceed the maximum limit allowed under the ACA. In general, the Plan's Out-of-Pocket Maximum limits are lower than the maximum limit allowed under the ACA. To ensure compliance with the ACA, the Plan monitors your Out-of-Pocket expense on essential health benefits provided by preferred providers to ensure they do not exceed the maximum ACA limits.

Maximum Lifetime Benefit

There is no maximum lifetime benefit payable for you and your eligible Dependents.

Preferred Provider Provisions

You may choose to use either a Preferred Provider or non-Preferred Provider when you need medical care. Your choice determines how the Covered Charges will be processed.

The Fund contracts with Preferred Providers within the Municipality of Anchorage and outside of Alaska. These providers have agreed to provide eligible participants with efficient, cost-effective services and supplies at discounted rates. A list of Preferred Provider Hospitals and other service providers is shown on the Plan Service Providers insert as well as the Fund's website at www.aetf.com.

Providers that have not contracted with the Fund are called non-Preferred Providers and they do not provide discounted rates to the Fund. Covered Charges from non-Preferred Provider facilities in certain areas (Anchorage and outside of Alaska) will

be reimbursed at a lower Coinsurance rate and may be subject to penalty. Additionally, in no event will a non-Preferred Provider be reimbursed in excess of the Usual, Customary and Reasonable Charge, which may be lower than the billed charge from the non-Preferred Provider.

In combination, these factors may result in significant out-of-pocket expenses for you and your Dependents.

Within the Municipality of Anchorage

Within the Municipality of Anchorage, the Preferred Provider provision does not apply to physician services. It applies to:

- Inpatient and outpatient Hospital services, including facility services in connection with x-rays, imaging and surgery. The Preferred Provider provision does not apply to services performed in your Physician's office, using his/her staff and equipment.
- All physical and occupational therapy.

If you choose to go to a non-Preferred Provider within the Municipality of Anchorage for either inpatient or outpatient services, your Covered Charges will be limited as follows:

- For inpatient Hospital services, Covered Charges will be equal to the contracted rate at the Preferred Provider Hospital.
- For outpatient Hospital or facility services in connection with x-rays and/or imaging, as well as physical therapy and occupational therapy services, Covered Charges will be limited to 50% of the billed charges.
- A \$1,000 penalty will be imposed for inpatient care.
- For all non-Preferred Provider services, the Plan's reimbursement percentage will be reduced by 20% for the first \$50,000 of Covered Charges, prior to application of the Plan's standard Out-of-Pocket Maximum.

The above penalties will be waived for services that are not available at the Preferred Provider Hospital or facility. If you receive services from a non-Preferred Provider that you believe to be unavailable at the Preferred Provider Hospital or facility, it is

your responsibility to contact the Administrative Office so the Plan can verify whether the penalty can be waived.

The \$1,000 penalty and 20% reduction in the reimbursement percentage as well as any difference between the billed charges and the Covered Charges will not apply to your medical Out-of-Pocket Maximum.

Following is an example of how a claim is processed if you chose to use a non-Preferred Provider Hospital in Anchorage for inpatient services:

- First the billed charges would be reduced to the Covered Charges at the Preferred Provider Hospital.
- Then the \$1,000 penalty would be applied.
- If you have not met your Deductible, your Deductible would be applied.
- If the Plan's reimbursement percentage is 80%, the Plan would pay the remaining Covered Charges at a 60% reimbursement percentage until you met the first medical Out-of-Pocket Maximum. The reimbursement percentage would increase to 70% until the second Out-of-Pocket Maximum has been met.
- Thereafter, the reimbursement percentage would be 80% until \$50,000 in Covered Charges (not including the \$1,000 penalty) are adjudicated.
- Any remaining Covered Charges would be paid at 100%.

Outside of Alaska

The Plan contracts with Aetna to provide a network of Preferred Provider Hospitals, Physicians, and other service providers outside of Alaska. If you choose a Hospital, Skilled Nursing Facility or other treatment facility that is not in the contracted network, the Plan's reimbursement percentage will be reduced 20% for the first \$50,000 of Covered Charges. The 20% reduction will not be applied to your medical Out-of-Pocket Maximum.

This reduction will not apply if there are no Preferred Providers within 25 miles of where you receive medical care.

To find out if your Hospital, Physician or other provider is part of the Aetna Preferred Provider network, please refer to Aetna's online Preferred Provider directory at www.aetna.com/docfind. The Aetna network you belong to is Aetna Choice® POS II (Open Access).

Emergency Services

In Anchorage and Outside of Alaska, Preferred Provider provisions will not apply to services for an Emergency Medical Condition. However, the patient must be transferred to a Preferred Provider as soon as medically possible. Services incurred after the patient is able to be transferred will be subject to non-Preferred Provider reimbursement.

“Emergency Medical Condition” means a medical condition or injury with acute symptoms of sufficient severity (including severe pain) that, lacking immediate medical attention, could reasonably be expected to result in the health of the person (including an unborn child) being placed in serious jeopardy or result in serious impairment or dysfunction of any bodily organ or part.

Medical Management Provisions

To help ensure the effective use of medical services, the Fund has contracted with Aetna to provide medical case management and utilization review services. Aetna will work with you and your Physician to determine the treatment options that will provide the most beneficial and cost-effective care in your specific case. This may help to avoid unnecessary or more expensive medical procedures while promoting patient safety.

Services Requiring Preauthorization

The Plan only provides benefits for services that are determined to be Medically Necessary. Medically Necessary services must be prescribed by a Physician and considered by the Plan to be necessary and appropriate and within generally accepted health care practice, non-experimental, non-investigational and not in conflict with accepted medical standards. To assist in this process, the Plan requires preauthorization for all inpatient confinements in a Hospital, Skilled Nursing Facility, Alcoholism or Drug Abuse Treatment Facility or other treatment facility, as well as for some

outpatient services. This program is intended to ensure you are hospitalized or receive certain outpatient services only when Medically Necessary, and for the appropriate length of stay when admitted.

- **If you use an Aetna Preferred Provider**, your provider is responsible for obtaining the necessary preauthorization for you. If your provider fails to preauthorize required services, and the services are later determined to not be Medically Necessary, the provider will not be reimbursed and they cannot bill you for the services.
- **If you use a non-Preferred Provider**, your provider may preauthorize for certain services on your behalf. If you or your provider fail to preauthorize required services, Aetna will review the Medical Necessity of these services when the claim is filed and they will be subject to financial penalty as outlined below.

IF YOU USE A NON-PREFERRED PROVIDER, IT IS YOUR RESPONSIBILITY TO ENSURE THAT YOUR PHYSICIAN, SURGEON OR FACILITY COMPLIES WITH THE PREAUTHORIZATION REQUIREMENTS OF THE PLAN. FAILURE TO OBTAIN A PREAUTHORIZATION MAY RESULT IN SIGIFICANT FINANCIAL CONSEQUENCES TO YOU AND YOUR DEPENDENTS.

Inpatient Preauthorization

When confinement in a Hospital, Skilled Nursing Facility, Alcoholism or Drug Abuse Treatment Facility or other treatment facility is necessary, you will need to follow the procedures below in order to qualify for payment of these charges at the Plan's standard reimbursement rates. Benefits payable for each period of confinement will be limited unless an inpatient preauthorization is requested by you, your Physician, or the facility and approved by Aetna. The procedures differ depending on the type of admission:

- **For Non-Emergency Medical Admissions**
All non-emergency inpatient admissions must be preauthorized. Ask your Physician to contact Aetna with the requested information.
- **For Emergency Medical Admissions**

Emergency admissions must be authorized within 48 hours of admission (within 72 hours if you were admitted on a weekend or legal holiday), or as soon as reasonably possible. Ask your Physician to contact Aetna with the requested information.

- **To Extend Hospitalization**
Aetna will contact the facility on the anticipated date of discharge. If a longer confinement is anticipated, the attending Physician will be contacted to determine whether an extended stay is covered under the terms of the Plan.

Pursuant to Federal law, the Plan does not require preauthorization for a Hospital stay in connection with childbirth for either the mother or newborn child, provided that the Hospital stay is limited to less than 48 hours following a normal delivery, or less than 96 hours following a cesarean section. Preauthorization is required for any Hospital stay in connection with childbirth that is longer than the periods described above.

Notification of the number of inpatient days authorized will be provided to the facility by Aetna. You or your Physician may at any time request them to reevaluate or extend the length of an inpatient preauthorization. If you or your Physician has any questions, please contact Aetna.

If a non-Preferred Provider preauthorization is not obtained according to the timeframes shown above, Aetna will review the Medical Necessity of those services when the claim is filed, and process as follows:

- If the inpatient admission is determined to be Medically Necessary, the benefits will be limited to 50% of the Covered Charges, up to a maximum benefit reduction of \$1,000. Also the benefit reduction will not count toward satisfaction of your medical Out-of-Pocket Maximum.
- If the inpatient admission is found to be not Medically Necessary, no benefits will be payable.

Outpatient Services Preauthorization

Preauthorization is also required for some outpatient services. A current list of surgeries or other outpatient services that require preauthorization can be found on the Fund's website at www.aetf.com. This list is subject to change. At the time this booklet

was published, the following outpatient services required preauthorization:

- Observation stay more than 24 hours
- Ambulance transportation by fixed-wing aircraft (plane)
- Autologous chondrocyte implantation, Carticel
- Cochlear device and/or implantation
- Dental implants (to the extent covered by the medical plan)
- Dialysis visits
- Dorsal column (lumbar) neurostimulators: trial or implantation
- Electric or motorized wheelchairs and scooters
- Gastrointestinal tract imaging through capsule endoscopy
- Hip surgery to repair impingement syndrome
- The following Home Health Care related services
 - Private duty nursing
- Hyperbaric oxygen therapy
- Lower limb prosthetics
- Drugs and medical injectables to the extent these services are provided in a doctor's office or medical facility. Please ask your provider to refer to Aetna's National Preauthorization List for a full listing of medications that should be precertified.
- Orthognathic surgery procedures, bone grafts, osteotomies and surgical management of the temporomandibular joint
- Osseointegrated implant
- Osteochondral allograft/knee
- Power morcellation with uterine myomectomy, with hysterectomy or for removal of uterine fibroids
- Proton beam radiotherapy
- Reconstructive or other procedures that may be considered cosmetic, including:

- Blepharoplasty/canthoplasty
- Breast reconstruction/breast enlargement
- Breast reduction/mammoplasty
- Cervicoplasty
- Chemical peels
- Excision of excess skin due to weight loss
- Gastroplasty/gastric bypass
- Injection of filling material
- Lipectomy or excess fat removal
- Sclerotherapy or surgery for varicose veins
- Spinal procedures, including:
 - Artificial intervertebral disc surgery
 - Cervical, lumbar and thoracic laminectomy/ laminotomy procedures
 - Spinal fusion surgery
- Uvulopalatopharyngoplasty, including laser-assisted procedures
- Ventricular assist devices
- BRCA genetic testing
- Infertility services
- Organ transplants
- Pre-implantation genetic testing
- Pediatric congenital heart surgery
- Transthoracic echocardiogram

If an outpatient preauthorization is obtained, benefits payable for the Covered Charges for the test, procedure, or surgery-related charges will be paid as any other medical expense.

If an outpatient preauthorization is not obtained prior to the test, procedure or surgery, Aetna will review the Medical Necessity of these services when the claim is filed and process as follows:

- If the test, procedure or surgery is determined to be Medically Necessary, normal Plan benefits will be payable.
- If the test, procedure or surgery-related charges are found to not be Medically Necessary, no benefits will be payable.

Behavioral Health, Mental Health and Substance Abuse Services Preauthorization

Preauthorization is also required for some behavioral health, mental health and substance abuse services such as:

- Inpatient admission
- Residential treatment center admission
- Partial hospitalization programs
- Psychological testing
- Biofeedback
- Outpatient detoxification

A complete list of the behavioral health, mental, health and substance abuse services requiring preauthorization can be found on the Fund's website at www.aetf.com.

BridgeHealth Surgery Benefit

The Fund has contracted with BridgeHealth to provide Retirees and their Dependents with access to high quality providers across the United States. This includes access to centers of excellence as well as surgeons who are highly rated in the United States for their specialty.

You should contact BridgeHealth for information about this program if you or your Dependents have planned major surgeries such as:

- Cardiac surgery
- Vascular surgery
- Spine surgery
- Joint replacement

- Specific cancer treatments

Upon acceptance of your case, the following enhanced Plan provisions will apply when you utilize BridgeHealth network providers:

- Your Deductible and Coinsurance will be waived;
- Air and hotel are covered for the patient and companion, if medically required;
- A meals and incidentals allowance will be provided; and
- A BridgeHealth Care Coordinator will help coordinate all aspects of your treatment by helping collect the required medical records, assisting with provider selection and making travel arrangements.

This benefit is not available for Covered Persons for whom Medicare is primary.

To obtain more information about this benefit, contact BridgeHealth at (877) 478-1246 and identify yourself as an Alaska Electrical Health and Welfare Fund participant or go online at www.BridgeHealthMedical.com and register using the Fund's code, WSQXO.

BridgeHealth is an independent third-party contractor to the Fund. Neither the Fund nor BridgeHealth provide medical services and neither are engaged in the practice of medicine. The BridgeHealth Surgery Benefit program is entirely voluntary. It is up to you and your Physician to determine whether to use a BridgeHealth contracted provider, act on any performance ratings BridgeHealth provides or upon guidance about potential or recommended surgical procedures and alternative approaches or conservative treatment alternatives to surgery.

Chronic Condition Care Program

Chronic conditions are health issues which may never go away. To help you and your Dependents with chronic conditions, the Fund has contracted with HealthFitness to manage this program.

Chronic condition care is free and confidential. It is specially designed for non-Medicare eligible Retirees and Dependents who have been diagnosed with:

- Asthma
- Chronic obstructive pulmonary disease (COPD)
- Coronary artery disease (CAD)
- Diabetes
- A history of heart failure

Studies show that people who learn how to manage these conditions can better control their health, recover faster when sick and feel better longer. They can also often avoid emergency visits and hospitalization.

Chronic condition care provides valuable information and one-on-one assistance to help people improve their overall health. It is in addition to a Physician's treatment plan and HealthFitness partners with your Physician to help you, by giving you support and information about your health and by teaching you how to manage your condition.

Participation in the Program

HealthFitness reviews the Plan's health care claims each month to identify eligible Covered Persons who may have any of the chronic conditions listed above.

If you have been diagnosed with one of these conditions, a HealthFitness representative will call to explain the program and invite you to participate. If you decide to participate in the program ("opt-in"), a HealthFitness professional will call you to complete an initial health evaluation and consultation to assist in managing your condition.

Services Provided

Chronic condition care offers three valuable tools to help you learn to manage your condition and improve your overall health:

- **24-Hour Phone Line:** You will be able to call with your health questions and talk to a registered nurse, any time, day or night. For example, you can ask about symptoms you are experiencing, get help understanding your Physician's instructions or find out about medications.

- **Information Resources:** You will receive handouts, newsletters and work books that can help you manage your condition, set goals, chart your progress and monitor your health. You will also have access to online, user-friendly health information that is reliable and easy to understand.
- **One-On-One Help:** You will talk with a health professional by phone (about once per month) who will help you follow your Physician's care plan. Basically, you will have an entire health team behind you that can help you make lifestyle changes – like losing weight or starting an exercise program – and set realistic goals, overcome obstacles and achieve your objectives.

You may continue in the program as long as you are a Covered Person in the Plan; or you may discontinue your participation at any time, subject to the non-compliance penalty noted below.

How Your Benefits Are Affected

Covered Persons who choose to participate in the program ("opt-in") will maintain their same level of Coinsurance for Covered Charges for most covered health services. However, if you have been contacted by HealthFitness and choose not to participate ("opt-out"), the medical Coinsurance percentage you pay will increase 10%. This increased Coinsurance percentage will apply to all of your future medical claims.

If you are not willing to work with HealthFitness, you may qualify for an opportunity to avoid the increase in your Coinsurance by different means. Contact the Administrative Office and they will work with you (and, if you wish, with your Physician) to find a different way for you to satisfy the program requirements.

Covered Persons are independently eligible for the program. Participation (or lack of participation) by one individual in a family does not affect another's coverage. For example, if an eligible Retiree decides not to participate, his spouse's Coinsurance would not increase solely due to the Retiree's course of action.

Covered Medical Expenses

The Plan provides benefits for the following services and supplies provided they are Medically Necessary for the treatment of non-

occupational Illness or Injury and ordered and performed by a Physician:

Acupuncture for the treatment of pain, if performed by a Physician, or licensed acupuncturist (LAC).

Ambulance services as described in detail under Transportation Services on page 46.

Anesthesia and its administration.

Biofeedback Training, if performed by a Physician or billed by a Hospital during an inpatient stay, for anxiety disorders, migraine and tension headaches, intractable pain, neuromuscular disorders such as whiplash or back strain, stroke rehabilitation, and muscle spasms.

Chiropractic treatment by or under the supervision of a licensed chiropractor, up to a maximum of 24 visits per calendar year. Diagnostic x-rays related to chiropractic treatment are limited to one set per calendar year.

Cosmetic Surgery required for the repair of an Injury, treatment of a congenital abnormality, or initial reconstruction following or coinciding with surgery that would otherwise be covered by the Plan and was required for treatment of Illness.

Dental treatment by a Dentist or dental surgeon for repair of damage to the jaw and natural teeth as a direct result and within six months of an Injury (excluding charges payable under the dental benefit). The dental benefit calendar year maximum must have been paid out before any expenses are reimbursed under this medical benefit.

Diagnostic X-ray and Laboratory services performed in a Physician's office, Hospital outpatient department, or other independent facility.

Note: For outpatient diagnostic x-rays and/or imaging not performed in a Physician's office, failure to use a Preferred Provider Hospital within the Municipality of Anchorage will result in financial penalty. Please see page 22 for more details.

Durable Medical Equipment and Supplies for rental or purchase, including surgical dressings, casts, splints, braces, crutches, artificial limbs, artificial eyes or for rental of a wheelchair, Hospital-type bed or an artificial respirator, oxygen (including rental of equipment for its administration). In certain instances, the Plan will seek to rent the equipment with the rental fees applied to the purchase price.

Covered expenses are limited to the standard model of medical appropriate level of performance and quality for the diagnosed condition; deluxe or luxury equipment or items for convenience or comfort are not covered by the Plan.

Emergency Room services are covered, subject to a \$100 Copayment per visit and after the annual Deductible is met. This Copayment is waived if admitted directly to the Hospital or other facility.

Hearing Aid Devices, including the fitting of the device, are covered after the annual Deductible has been met, up to \$500 per ear every 36 months.

In order to receive this hearing aid benefit, you must be examined by a Physician before obtaining a hearing aid and obtain a written certification from the examining Physician that you are suffering from a hearing loss that may be lessened by the use of a hearing aid. Benefits will not be provided without this certification.

Benefits for an otologic examination by a Physician or an audiologic examination and hearing evaluation by a certified or licensed audiologist are covered under the Physician's services section as described on page 42.

The hearing aid (monaural or binaural) prescribed as a result of such examination, will include:

- ear molds,
- the hearing aid instrument,
- initial batteries, cords and other necessary ancillary equipment,
- a warranty, and
- follow up consultation within thirty days following delivery of the hearing aids.

Benefit payments will not be made for:

- the replacement of a hearing aid for any reason more than once in a period of 36 months; or
- batteries or other ancillary equipment other than that obtained upon purchase of the hearing aid; or
- repairs, servicing or alteration of hearing aid equipment; or
- a hearing aid which exceeds the specifications prescribed for correction of hearing loss; or
- expenses incurred after termination of coverage under this program except expenses for a hearing aid which was ordered prior to termination and was delivered within 30 days after the date of termination.

Home Health Care services provided by a Home Health Care Agency, up to a maximum of 130 visits per calendar year for the following:

- Part-time or intermittent home nursing care by or under the supervision of a registered nurse.
- Part-time or intermittent Home Health Aide Services which consist primarily of caring for the individual.
- Physical, occupational or speech therapy, subject to certain limitations.
- Medical supplies, drugs and medicines prescribed by the attending Physician but only to the extent that such supplies, drugs and medicines would have been provided had the individual remained Hospitalized.
- Laboratory services by or on behalf of the Hospital but only to the extent that such services would have been provided had the individual remained Hospitalized.

Home Health Care services are available provided the treatment or service is in accordance with a Home Health Care Plan and commences within seven days after termination of a Hospital confinement.

Each visit by a member of the Home Health Care team shall be considered as one Home Health Care visit and four hours of home health services shall be considered as one Home Health Care visit.

Payment is not made for:

- Any services or supplies not included in the Home Health Care Plan.
- Any services of an individual who ordinarily resides in your home or is a member of your family.
- Any custodial care (services which are provided primarily to assist an individual in the activities of daily living — e.g., meals and personal grooming).
- Any transportation services.

Hospice Care services provided by a Hospice, Hospice Care Team, Hospital, Home Health Care Agency, or Skilled Nursing Facility, up to a maximum Coverage Charge of \$150 per day and a lifetime maximum benefit of \$10,000 for:

- any sick or injured individual (you or your Dependent) who, in the opinion of the attending Physician, has no reasonable prospect of cure and is expected to live no longer than six months; and
- the family (you and your Dependents) of any such individual; but only to the extent that such Hospice Care Services are provided under the terms of a Hospice Care Program and are billed through the Hospice that manages that program.

Hospice Care Services consist of:

- Inpatient and outpatient care, home care, nursing care, counseling, and other supportive services and supplies provided to meet the physical, psychological, spiritual, and social needs of the dying individual.
- Drugs and medicines (requiring a Physician's prescription) and other supplies prescribed for the dying individual by any Physician who is a part of the Hospice Care Team.
- Instructions for care of the patient, counseling, and other supportive services for the family of the dying individual.

Covered Charges will not include any:

- Services or supplies not approved by the attending Physician and the Plan's medical management service organization.
- Transportation services.
- Custodial care (services or supplies provided to assist a person in daily living — e.g., meals and personal grooming).
- Hospice Care Services provided at a time other than during an Episode of Hospice Care.

Episode of Hospice Care means the period of time:

- beginning on the date a Hospice Care Program is established for a dying individual; and
- ending on the earlier of the date six months after the date the Hospice Care Program is established, the date the attending Physician withdraws approval of the Hospice Care Program, the date the individual recovers, or the date the individual dies.

Two or more Episodes of Hospice Care for the same individual will be considered one Episode of Hospice Care, unless separated by a period of at least three months during which no Hospice Care Program is in effect for the individual.

Hospital room, board, services and supplies in excess of the Hospital inpatient Deductible. Room and board benefits are limited to the Hospital's semi-private room rate. Benefits for confinement in an Intensive Care or Coronary Care Unit are limited to the Usual, Customary and Reasonable charge for such unit.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan, will result in financial penalties. Please see pages 22 to 30 for more details.

Infertility treatment is covered the same as any other condition, up to a lifetime maximum benefit of \$12,000 per person. Infertility treatment shall include:

- diagnostic testing used to determine the medical cause of infertility,
- confinement, treatment or service related to the restoration of fertility or the promotion of conception, including artificial insemination, in-vitro fertilization, embryo transplantation, reversal tubal ligation, and reversal vasectomy procedures, and
- prescription medications used to treat infertility as well as to promote pregnancy with some limitations.

Infertility expenses are available to you and your spouse, Dependent children are not eligible.

The Plan does not provide benefits for embryo storage or donor charges.

Mastectomy related services due to Illness are covered the same as any other treatment and benefits include:

- reconstruction of the breast on which a mastectomy was performed,
- surgery and reconstruction of the other breast to produce a symmetrical appearance, and
- prostheses and treatment of physical complications at all stages of mastectomy, including lymphedemas.

Services will be considered in a manner determined in consultation with the attending Physician and the patient.

Maternity related expenses, including pregnancy, childbirth, miscarriage, or abortion, are covered like any other medical condition. In accordance with federal law, the Plan does not restrict lengths of Hospital stays for a mother or newborn to less than 48 hours following normal vaginal delivery or 96 hours following cesarean delivery. In consultation with your Physician, you may choose not to stay the full 48/96 hours. The length of inpatient care may, however, be extended upon application of the mother's or newborn's attending Physician to the Plan, provided that the Plan determines that the extended stay is Medically Necessary.

Maternity expenses are available for you and your spouse, Dependent children are not eligible.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan for inpatient services, will result in financial penalties. Please see pages 22 to 30 for more details.

Mechanized Spinal Distraction Therapy is covered up to a maximum Covered Charge of \$175 per session and 20 lifetime sessions.

Mental Health services for Medically Necessary inpatient or outpatient treatment of mental or nervous disorders are paid on the following basis:

- Outpatient mental health treatment benefits are paid in the same manner as the majority of other outpatient Physician services provided under the Plan, subject to the Out-of-Pocket Maximum.
- Inpatient mental health treatment benefits are paid in the same manner as other inpatient Hospital treatment under the Plan and are subject to the inpatient Deductible and preauthorization requirements.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan for inpatient services, will result in financial penalties. Please see pages 22 to 30 for more details.

Naturopathic services by a licensed naturopath for treatment of an Illness or Injury.

Nursing services by a graduate registered nurse. Private duty nursing services are covered only to the extent that they are Medically Necessary. Payment is not made for services which are custodial or for services which do not require the skill level of a registered nurse. If extended nursing care is anticipated, we recommend that you contact the Administrative Office to determine the amount of nursing care that will be covered.

Nutritional Counseling is covered for the care of diabetes when such services are prescribed by a Physician as part of an approved self-care program. A maximum of one treatment plan per lifetime is covered by the Plan.

Obesity Related Treatment for Physician office visits and lab testing are covered. The initial consultation with a registered dietitian is also covered. Services provided that are not within the generally accepted health care practice will not be considered Medically Necessary. Participation in weight loss programs such as Medifast, Weight Watchers, and Jenny Craig are not covered by the Plan.

In order for the Plan to consider coverage for a gastric bypass operation, you must receive preauthorization from Aetna. The maximum Hospital Covered Charge for a gastric bypass procedure is the facility rate at the Preferred Provider Hospital in Anchorage. The lifetime maximum Plan benefit for gastric bypass treatment is \$50,000, which includes the gastric bypass procedure and all related costs, as well as complications and future procedures, including but not limited to panniculectomies.

Orthotics provided they are custom made to treat a covered condition.

Physical Therapy, Occupational Therapy and Speech Therapy for habilitative and rehabilitative services are covered as follows:

- If part of a prescribed treatment program, medically necessary habilitative therapy services, including occupational therapy, speech therapy, physical therapy and related therapies, to improve a mental health condition or congenital birth defect.
- If part of a prescribed treatment program, medically necessary rehabilitative therapy services on an outpatient basis, including occupational therapy, speech therapy and physical therapy to the extent that the therapy will significantly restore and improve a lost function(s) following a severe illness, injury or surgery.

Habilitative and rehabilitative services are subject to the following conditions:

- The service must be necessary to improve function or to maintain function where significant deterioration in function would result without the therapy;
- The services must be prescribed by the attending Physician and administered by a Physician or covered licensed therapist. The Plan may periodically request a review of the services by a Physician and the patient must continue under the care of the attending Physician during the time the therapy is being provided; and
- The services must not be custodial in nature.

Benefits for habilitative and rehabilitative therapy services will end when the Plan determines that no additional clinical improvement is expected as a result of the therapy.

Note: Failure to use a Preferred Provider Physical Therapist or Occupational Therapist within the Municipality of Anchorage will result in financial penalty. Please see page 23 for more details.

Physician's services for medical treatment when received in the Physician's office, at home, in the hospital or elsewhere, provided such charges are not made by a Hospital or Skilled Nursing Facility.

Podiatry services by a licensed podiatrist for treatment of an Illness or Injury. The Plan does not cover routine or cosmetic foot care including, but not limited to, callus or corn paring and trimming of toenails.

Pre-admission Testing relating to a Hospital admission, if done on an outpatient basis within 7 days prior to a Hospital admission, is payable at 100% of Covered Charges, and is not subject to the annual medical Deductible.

Prescription Drugs received at a retail pharmacy or through the mail order program are covered under a separate prescription drug benefit as described on pages 55 to 60.

Preventive Care services will be covered at 100%, with no Coinsurance or Deductible. The following services are covered:

- Preventive care services and screenings per the US Preventive Services Task Force (USPSTF) A and B recommendations. Covered procedures include such services as blood pressure and cholesterol screening, various cancer and sexually transmitted infection screenings. A complete list of these services and screenings can be reviewed at www.uspreventiveservicestaskforce.org/recommendations.

For Retirees and spouses, routine physical exams are covered subject to the following frequency limits:

Age	Frequency
Under age 40	Once every 5 years
Age 40-49	Once every 2 years
Age 50 and older	Once every year

For children, routine physical exams are covered subject to Plan guidelines.

Note: "Fit-to-work" physical exams will be covered to maintain certifications necessary/required to complete covered employment.

- Routine immunizations as recommended by the Advisory Committee on Immunization Practices (ACIP) and published in the Centers for Disease Control (CDC) annual immunization schedules for children and adults. Current ACIP recommendations and immunization schedules can be found at www.cdc.gov/vaccines.
- Preventive care services and screenings for infants, children and adolescents as recommended by the Health Resources and Services Administration (HRSA).
- Preventive care services and screenings for women recommended by the Health Resources and Services Administration (HRSA). A complete list of these services can be reviewed at www.hrsa.gov/womensguidelines.

If you have any questions about what is covered under the Plan's preventive care benefit, please contact the Administrative Office.

Prosthetic Devices to replace natural limbs or eyes. Prosthetic repair is also covered, provided it is less than the cost of replacement.

Radial Keratotomy or Laser Eye Surgery, only if eyesight is 20/70 or worse and cannot be corrected with eye glasses or contact lenses.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan for inpatient services, will result in financial penalties. Please see pages 22 to 30 for more details.

Seasonal Affective Disorder (SAD) lighting, up to a lifetime maximum benefit of \$200 per family.

Skilled Nursing Facility charges, up to 120 days per calendar year, for confinement due to the same or related Injury or Illness. In order to be covered, the attending Physician must certify that 24-hour nursing care is essential for recuperation from an Injury or Illness, and:

- The confinement is preceded by at least three consecutive days of Hospital confinement which qualifies for benefits under the Plan; and
- The confinement is due to the Injury or Illness requiring Hospital confinement and commences within the 14 days after termination of such Hospital confinement or within 14 days after termination of a Skilled Nursing Facility confinement which qualifies for benefits under the Plan.

The attending Physician must continue treatment and certify that continuation of such confinement is necessary for treatment of the Injury or Illness requiring such confinement. Confinement for custodial care (services and supplies which are provided primarily to assist an individual in the activities of daily living — e.g., meals and personal grooming) are excluded.

Note: Failure to use a Preferred Provider facility outside of Alaska, or failure to comply with the Medical Management provisions of the

Plan, will result in financial penalties. Please see pages 22 to 30 for more details.

Sterilization procedures such as vasectomy or tubal ligation for you or your spouse.

Substance Abuse services for Medically Necessary inpatient and outpatient treatment of alcohol and/or drug abuse shall be paid as follows:

- Outpatient substance abuse treatment benefits are paid in the same manner as the majority of other outpatient Physician services provided under the Plan, subject to the Out-of-Pocket Maximum.
- Inpatient substance abuse treatment benefits are paid in the same manner as other inpatient Hospital treatment under the Plan and are subject to the inpatient Deductible and preauthorization requirements.

Note: Failure to use a Preferred Provider facility outside of Alaska, or failure to comply with the Medical Management provisions of the Plan, will result in financial penalties. Please see pages 22 to 30 for more details.

Surgical Services for Medically Necessary surgeries resulting from an Illness or Injury. Included are surgical procedures performed in a Hospital, at a Physician's office or elsewhere. If you are hospitalized, surgical benefits are in addition to the Plan's Hospital benefits.

Assistant surgeon services are covered, up to 25% of the primary surgeon's covered charge, for a surgical procedure performed by an assistant surgeon or assistant Physician (other than a hospital intern or resident) when medically necessary.

Second surgical opinions help you understand surgery risks and alternatives. The Plan covers a second surgical opinion for non-emergency procedures; a third surgical opinion is also covered if the first two opinions do not agree.

Multiple surgical procedures performed at the same time, whether related or not, are limited as follows:

- Up to 100% of the Covered Charge is allowed for the primary procedure.
- For subsequent procedures, up to 50% of the Covered Charge is allowed for each additional procedure.

If you or your Dependents have planned major surgery, the BridgeHealth surgery benefit, as described on page 30, is available for certain surgeries.

Transplant services in connection with a human organ or tissue, provided the services are authorized in advance by the Plan's medical management service organization.

Transportation Services for you or your eligible Dependents will be considered as a Covered Charge if the expenses meet the following definition:

- Emergency transportation:
 - by a professional ambulance, to and from a Hospital; or
 - air or surface transportation by a regularly scheduled commercial carrier from any location where a covered individual becomes disabled to the nearest legally operated Hospital equipped to provide the special treatment necessary to treat the disabling condition not available in a local facility. Benefits are provided for round-trip coach transportation for the disabled individual and an accompanying adult if the disabled individual is a child under age 18 or an incapacitated adult.
- Non-Emergency transportation of you or your eligible Dependents will be covered only if the condition cannot be treated locally (within 100 miles from your home). Covered Charges for Non-Emergency Transportation will include:
 - air or surface transportation by a regularly scheduled commercial carrier to the nearest facility able to treat the condition. The Plan will pay the actual cost of documented travel expenses, not exceeding the cost of coach class commercial air transportation, from the site of the Illness or Injury to the nearest professional treatment. No travel

benefits will be payable for travel to any location other than the closest location in which treatment is available.

- benefits for an accompanying adult if the patient is a child under age 18 or an incapacitated adult.

No benefits will be paid for food or lodging.

Participants should contact the Administrative Office to precertify travel benefits.

TMJ surgery.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan for inpatient services, will result in financial penalties. Please see pages 22 to 30 for more details.

X-ray, radium, and radioactive isotope therapy.

Note: Failure to use a Preferred Provider Hospital within the Municipality of Anchorage and outside of Alaska, or failure to comply with the Medical Management provisions of the Plan for inpatient services, will result in financial penalties. Please see pages 22 to 30 for more details.

Limitations and Exclusions

No medical benefits are payable for the following:

1. Any treatment, service or confinement not prescribed or provided by a Physician.
2. Any treatment or service not Medically Necessary.
3. Any treatment or service due to sickness which is covered by a Worker's Compensation Act or other similar legislation, or due to injury arising out of or in the course of any employment for wage or profit.
4. Any treatment or service which is compensated for or furnished by the United States Government or any Agency thereof (except as required under Medicaid provisions or Federal law).
5. Any charges for hearing aids, except as specifically provided.

6. Any charges for glasses, or eye examinations for the correction of vision or fitting of glasses, except for the first pair of glasses or first pair of lenses for use after cataract surgery.
7. Any treatment or service received primarily for cosmetic purposes unless:
 - due directly to an accidental injury and furnished within 12 months after the accident; or
 - for reconstructive breast surgery necessary because of a mastectomy; or
 - as a result of breast cancer, for all stages of one reconstructive breast reduction on the nondiseased breast to make it equal in size with the diseased breast following reconstructive surgery on the diseased breast.
8. Any treatment or service resulting from war or act of war.
9. Any treatment or service due to pregnancy, or complications there from, of Dependent children.
10. Any procedure or treatment that is Experimental or Investigational.
11. Charges you are not obligated to pay or for which you would not have been billed if you were not covered by the Plan.
12. Charges for telephone or online consultations, cancelled or broken appointments or completion of forms or reports, except as required by the Plan.
13. Nutritional or dietary supplements or substitutes, and non-prescription medications or supplements.
14. Any service rendered by a person who ordinarily lives in your home or by an immediate family member.
15. Services and associated expenses for:
 - nutritional counseling except for diabetic nutrition training and services covered under preventive care.
 - baldness or hair removal.
 - physical exercise or physical conditioning programs.
 - educational services or treatment for a learning disability.
 - educational material, even if it is prescribed by a Physician.

- treatment for developmental delays except as specifically provided for in the Physical, Occupational and Speech Therapy section (see page 41).
16. Appliances or equipment primarily for convenience or environmental control, such as air conditioners, humidifiers and dehumidifiers, air filters, whirlpools, Jacuzzi or hot tub devices, exercise equipment, or expenses incurred for modifications of your home, property or vehicles.
 17. Fitness facilities and fitness program memberships.
 18. Biofeedback equipment.
 19. Treatment for any of the following:
 - relationship, marriage, custody, adoption, academic or other counseling when not attributable to a mental disorder.
 - involuntary commitments, police detentions, court ordered therapy, and other similar arrangements unless also Medically Necessary.
 20. Custodial care, regardless of who prescribes or provides it.
 21. Massage therapists whether or not prescribed by a Physician.
 22. Therabands, pillows, wedges, heel lifts, foot inserts, orthopedic shoes or boots, incontinence supplies, blood pressure monitors or any personal care items.
 23. Lost or stolen medical equipment.
 24. Chelation therapy, except for the treatment of heavy metal toxicity.
 25. Travel expenses, except as provided under Transportation Service Expenses. Examples of non-covered travel expenses include lodging, meals, and car rentals.
 26. For any treatment while on active duty in the U.S. Armed Forces, subject to the participant's right to self-pay for continuation coverage under USERRA.
 27. Treatment or services for an Illness or Injury caused by the act or omission of another person (known as the "third party") for which recovery may be available from the third party or the third party's insurer, under an automobile policy, commercial

premises policy, homeowners' policy, medical malpractice policy, renter's policy, or any other liability policy, including first-party uninsured or under insured motorist policy. The Plan may agree to advance benefits if the Covered Person agrees to reimburse the Plan as set forth in the Plan's reimbursement provision.

28. Any service or supply that is not Medically Necessary for the diagnosis, care and treatment of an Illness or Injury. This exclusion does not apply to the Plan's preventive benefits.

If any services or supplies are not specifically addressed in this booklet, whether as an exclusion or as a covered expense, you should not assume that such services or supplies are covered under the Plan. Please contact the Administrative Office if you have a question regarding covered services or supplies.

Payments for medical expenses as described in this section are made only for those charges incurred while covered.

COALITION HEALTH CENTER

As an alternative to visiting your regular provider or utilizing the Wellness and Minor Care Program, the Coalition Health Center is also available to Plan participants who are not Medicare eligible.

Charges for services provided at the Center do not apply towards your annual Medical Deductible, or Medical Out-of-Pocket maximum. Also, the medical reimbursement percentages do not apply. Instead you will be charged a flat dollar Copayment for each visit.

Summary of Health Center Services

The Health Center is staffed by experienced master's level trained Advanced Nurse Practitioners (ANP) providing the following services:

- Acute episodic care and symptom relief (sprains, strains and pains).
- Cholesterol, hypertension, and diabetes screenings, treatment, and management.
- Treatment of sore throats, earaches, headaches.
- Treatment of cough and sinus.
- Treatment of rashes and allergies.
- Treatment of acute urinary symptoms.
- Well-woman, well-man and well-child exams.
- Treatment of minor injuries.
- Physicals (annual, school and sports).
- Health education.
- Standard immunizations and flu shots.

In addition, labs are performed on site and some generic prescriptions are dispensed at no cost to you.

Cost of Service

- \$20 Copayment per visit per person.
- \$50 Copayment if three or more family members visit the clinic at the same time for services.
- \$0 Copayment per visit for preventive care services required under the Affordable Care Act.

The Copayment includes the visit and any lab work needed as well as any prescription medications dispensed at the Health Center.

Payment is due at the time of services and you will not have to fill out a claim form.

Location of the Health Center

The Coalition Health Center is located in Anchorage on the Alaska Regional Hospital campus, 2741 DeBarr Road, Suite C 210.

They can be reached by phone at (907) 264-1370 or online at www.coalitionhealthcenter.com if you have any questions or want to schedule an appointment.

Walk-in visits may be available if their schedule permits.

Services Not Covered

- Treatment for children under age 2.
- Treatment for eligible Retirees or their Dependents who are eligible for Medicare.

WELLNESS AND MINOR CARE PROGRAM

The Fund contracts with several medical clinics in Alaska to provide preventive and minor care for Covered Persons. By contracting with these clinics, the Fund is able to take advantage of negotiated discounts in order to help control health care costs.

The Wellness and Minor Care Program is provided in addition to the Plan's medical benefits. Charges for services provided under this program will not apply towards your annual Deductibles, reimbursement percentages, or Out-of-Pocket limits under your medical benefit.

You are not required to use this program. Preventive and minor care services may be covered under your medical benefits, but by using the Wellness and Minor Care Program, you may pay less in Out-of-Pocket expenses and reduce your waiting time.

A list of the participating clinics is found in the Plan Service Providers insert.

Summary of Clinic Services

A Physician, Physician's assistant, or nurse practitioner operating within the scope of their license will provide all services. Coverage includes treatment for conditions noted in the contract between the Fund and the clinic, such as:

- Colds
- Flu
- Minor illness or accident
- General medical care (minor)
- Needed x-rays or lab tests in conjunction with a covered service
- Preventive care

Services Not Covered

- Occupational accidents or illnesses.
- Treatment for infants under the age of one or preventive exams for children under the age of two.
- Treatment for substance abuse

- Treatment for chronic conditions
- Medicare-covered expenses
- Sutures to the face

Costs for Service

- \$20 Copayment per visit, per person
- \$50 Copayment if three or more family members visit the clinic at the same time for services

Payment is due at the time of service.

You do not have to fill out a claim form.

The Copayment will be waived for preventive care services required under the Affordable Care Act. The Copayment will remain applicable for all other eligible services.

Other Important Information

If the clinic provides you with services that are not specifically covered under the Wellness and Minor Care Program, the associated charges should be submitted to the Administrative Office for consideration under your medical Plan and those provisions would apply. If you have questions about what is covered under the Wellness and Minor Care Program, please contact the Administrative Office.

For Medicare eligible participants, expenses normally covered by Medicare are not covered under the Wellness and Minor Care Program. You should contact your regular Physician or the participating clinics to determine what services are covered by Medicare.

Medical records, including x-rays and lab test results, will be forwarded to your regular Physician.

PRESCRIPTION DRUG BENEFITS

Prescription drug coverage is available in two convenient ways: either through the Retail Pharmacy program (up to a 30 day supply) or the Mail Service Pharmacy program (up to a 90 day supply). Both programs are administered by CVS/caremark.

Retail Pharmacy

The retail pharmacy program is designed for short term or single use medications.

CVS/caremark has contracted with pharmacies nationwide as well as many independent local pharmacies. These pharmacies have agreed to fill prescriptions at negotiated price levels that should save money both for you and for the Fund. But, you may use any pharmacy; the choice is yours each time you fill a prescription.

The CVS/caremark retail pharmacy network works as follows:

1. Take your prescription to a network pharmacy and present it and your health plan ID card to the pharmacist.
2. The pharmacy will have access to the Fund's on-line eligibility and your Plan's provisions and will confirm your eligibility. Once your eligibility for benefits is confirmed, the pharmacy will ask you to pay according to the following schedule for each prescription:
 - **Generic Drugs** – \$15 Copayment, for up to a 30 day supply
 - **Brand-Name Drugs (generic not available)** – \$35 Copayment, for up to a 30 day supply
 - **Brand-Name Drugs (generic available)** – 100% of the cost; these drugs are not covered by the Plan unless approved through medical necessity
3. The pharmacist will then fill your prescription and bill the Plan directly for the remaining costs. You will not have to fill out any claim forms.

A list of CVS/caremark participating pharmacies can be obtained by accessing the CVS/caremark website at www.caremark.com, through CVS/caremark's smart phone app, by calling

CVS/caremark's customer care at (877) 478-1246, or contacting the Administrative Office.

If you choose a pharmacy that is not in the CVS/caremark network, or you do not present your health plan ID card to the pharmacist, you will need to pay the full amount billed by the pharmacy and submit a Prescription Reimbursement Claim Form to CVS/caremark. Follow the instructions on the form. You must submit this form along with your receipt for reimbursement. Claim forms can be obtained from CVS/caremark, the Administrative Office or the Fund's website.

These claims will be reimbursed at the participating pharmacy's negotiated rate, less the appropriate Copayment. The difference between the billed rate for the prescription and the CVS/caremark negotiated rate is an out-of-pocket cost to you. Any out-of-pocket cost you pay for these claims will not count toward the prescription drug Out-of-Pocket Maximum as described on page 58.

Note: If you live in or are traveling in an area which has no CVS/caremark network pharmacy within 25 miles, you will be reimbursed for the price of the prescription less your Copayment, if you file a paper claim.

Mail Service Pharmacy

The mail service program is designed for long term maintenance medications needed for ongoing or chronic conditions.

Using the mail service pharmacy will lower your Out-of-Pocket costs, and medications will be delivered directly to your home, or other address that you choose. You should contact the mail service pharmacy at least two weeks before you need your next fill to allow for processing and mailing of the prescription.

For prescriptions ordered through the mail service pharmacy, the following Copayments apply for each prescription:

- **Generic Drugs** – \$30 Copayment, for up to a 90 day supply
- **Brand-Name Drugs (generic not available)** – \$70 Copayment, for up to a 90 day supply

- **Brand-Name Drugs (generic available)** – 100% of the cost; these drugs are not covered by the Plan unless approved through medical necessity

You can get started with mail service by a variety of ways:

- Calling CVS/caremark – Be sure to have your ID card, doctor's contact information, prescription information and payment method ready for the representative and CVS/caremark will reach out to your doctor on your behalf.
- Asking your doctor to send a prescription to CVS/caremark mail service for maintenance medications once your doctor has determined the dose best for you. Your doctor may phone, fax or electronically prescribe to mail service.
- Mailing a 90 day prescription and Mail Service Order form to CVS/caremark. Allow at least two weeks from the day you submit your order for delivery of your medicine. Ask your doctor for a 30 day supply you can fill at retail while you wait for your mail service order if you choose this option. A Mail Service Order Form can be found online at www.caremark.com. A form can also be obtained at the Administrative Office or the Fund's website. A new order form and envelope will be sent to you with each delivery.

Preventive Care Prescription Drugs

In accordance with the Affordable Care Act (ACA), the Plan covers preventive care drugs at 100% with no Copayment. Preventive care drugs may include aspirin, tobacco cessation drugs, contraceptive drugs and devices, vitamin and mineral supplements as well as other products. Gender, age and/or other limits may apply. Please note that over the counter (OTC) drugs require a prescription to be covered and quantity limits may apply to some drugs.

A complete and up-to-date list can be found at www.hhs.gov/healthcare. This list may be subject to change.

Routine Immunizations

Routine immunizations are available from many retail pharmacies with no Copayment.

The Plan provides benefits for routine immunizations as recommended by the Advisory Committee on Immunization Practices (ACIP) and published in the Centers for Disease Control (CDC) annual immunization schedules for children and adults. Current ACIP recommendations and immunization schedules can be found at www.cdc.gov/vaccines.

Specialty Drugs

The Plan employs various management programs for specialty drugs to ensure the safe and cost-effective use of these medications. This may include, but not be limited to, prior authorization, days supply limits and formulary management. Specialty drugs share some of the following characteristics:

- High cost
- Unique storage or shipping requirements
- May require patient compliance and safety monitoring
- Potential for significant waste due to the high costs
- Prescribed for complex conditions like multiple sclerosis, rheumatoid arthritis, cancer as well as others

CVS/specialty is the Plan's preferred pharmacy provider for specialty drugs. Some specialty drugs may have limited distribution and may only be available from select pharmacies. An up to date list of specialty drugs may be obtained from the prescription benefit manager's website www.cvsspecialty.com.

Prescription Drug Out-of-Pocket Maximum

Once you and/or your Dependents have reached the following Out-of-Pocket Maximums for prescription drugs, all Copayments are waived for that person or family for the rest of the calendar year:

	Out-of-Pocket Maximum
Person	\$750 per calendar year
Family	\$1,500 per calendar year

Prescription drugs filled at retail or mail service apply to the Out-of-Pocket Maximum. However, the following charges will not apply to the prescription drug Out-of-Pocket Maximum, and the Plan will not pay these charges, even if the prescription drug Out-of-Pocket Maximum has been satisfied:

- Your Copayment if you purchase your medication from a non-network pharmacy, unless there is no CVS/caremark network pharmacy within 25 miles, or
- The difference between the billed charge and the contracted rate for prescriptions purchased without using your health plan ID card, or
- Brand-name drugs when a generic is available.

Prescription Drug Exclusions

The following are some of the common categories of drugs that are excluded from this prescription drug benefit and *not covered* by the Plan:

1. Any drugs for illness, disease or injury provided in whole or in part by state or federal Workers' Compensation laws or other legislation.
2. Cosmetic drugs or health and beauty aids.
3. Nontherapeutic vitamins, dietary supplements, or herbal remedies unless specifically stated as covered for preventive care, as stated in the section above.
4. Over-the-counter drugs, unless prescribed and specifically provided for preventive care as stated in the section above.
5. Medications (such as Viagra), or devices to treat erectile dysfunction.
6. Claims received after the 12 month filing limit.
7. Drugs administered or taken while confined in the Hospital, Skilled Nursing Facility, rest home, nursing home or similar institution, or a health care provider's office.
8. Drugs prescribed for the treatment of conditions, which are not within the medical uses approved by the FDA or the manufacturer (i.e. off label uses).

9. Drugs which are considered Experimental or Investigational as defined on page 73.
10. Drugs reimbursable by any government program – national, state, county, or municipal.
11. Medicines not requiring a prescription, except insulin.
12. Drugs lost, stolen, or damaged.
13. Drugs in excess of those with quantity limits.

GENERAL PROVISIONS

Coordination of Benefits (COB) With Other Medical Plans

If a Covered Person is covered by another plan or plans, the benefits under this Plan and the other plan(s) will be coordinated. This means one plan pays its full benefits first, then the other plan(s) pays.

The primary plan (which is the plan that pays benefits first) pays the benefits that are payable under its terms as if there were no other coverage.

The secondary plan (which is the plan that pays benefits after the primary plan has paid) will limit the benefits it pays so that the sum of its benefit and all other benefits paid by the primary plan will not exceed 100% of total Covered Charges. The amount of benefits the secondary plan pays will not exceed the amount it would have paid had it been the primary plan.

Order of Benefit Determination

Group plans determine the sequence in which they pay benefits, or which plan pays first, by applying a uniform set of order of benefit determination rules that are applied in the specific sequence outlined below. This Fund uses the order of benefit determination rules established by the National Association of Insurance Commissioners (NAIC) which are commonly used by insured and self-funded plans. Any group plan that does not use these same rules always pays its benefits first.

When two group plans cover the same person, the following order of benefit determination rules establish which plan is the primary plan that pays first and which is the secondary plan that pays second. If the first of the following rules does not establish a sequence or order of benefits, the next rule is applied, and so on, until an order of benefits is established. These rules are:

Rule 1: Non-Dependent or Dependent

- A. The plan that covers a person other than a dependent, for example, as an employee, retiree, member or subscriber is the primary plan that pays first; and the plan that covers the

same person as a dependent is the secondary plan that pays second.

- B. There is one exception to this rule. If the person is also a Medicare beneficiary, and Medicare is secondary to the plan covering the person as a dependent, and primary to the plan covering the person as a retired employee, then the order of benefits is reversed, so that the plan covering the person as a dependent pays first, and the plan covering the person as a retired employee pays second.

Rule 2: Dependent Child Covered Under More than One Plan

- A. The plan that covers the parent whose Birthday falls earlier in the calendar year pays first, and the plan that covers the parent whose Birthday falls later in the calendar year pays second, if:
1. the parents are married;
 2. the parents are not separated (whether or not they ever have been married);
 3. the parents have joint custody either through a court order or otherwise and there is no court order specifying that one parent has the responsibility for the child's health care expenses or to provide health care coverage for the child; or
 4. the child is over age 18 and neither parent has custody.
- B. If both parents have the same Birthday, the plan that has covered one of the parents for a longer period of time pays first, and the plan that has covered the other parent for the shorter period of time pays second.
- C. The word "Birthday" refers only to the month and day in a calendar year, not the year in which the person was born.
- D. If the specific terms of a court decree state that one parent is responsible for the child's health care expenses or health care coverage, and the plan of that parent has actual knowledge of the terms of that court decree, that plan pays first. If the parent with financial responsibility has no coverage for the child's health care services or expenses,

but that parent's current spouse does, the plan of the spouse of the parent with financial responsibility pays first. However, this provision does not apply during any Plan Year during which any benefits were actually paid or provided before the plan had actual knowledge of the specific terms of that court decree.

If the specific terms of a court decree state that both parents are responsible for the dependent child's health care expenses or health care coverage, the plan that covers the parent whose Birthday falls earlier in the calendar year pays first, and the plan that covers the parent whose Birthday falls later in the calendar year pays second.

- E. If the parents are not married, or are separated (whether or not they ever were married), or are divorced, and there is no court decree allocating responsibility for the child's health care services or expenses, the order of benefit determination among the plans of the parents and their Spouses (if any) is:
1. The plan of the custodial parent pays first; and
 2. The plan of the spouse of the custodial parent pays second; and
 3. The plan of the non-custodial parent pays third; and
 4. The plan of the spouse of the non-custodial parent pays last.

Rule 3: Active/Laid-Off or Retired Employee

- A. The plan that covers a person either as an active employee (that is, an employee who is neither laid-off nor retired), or as that active employee's dependent, pays first, and the plan that covers the same person as a laid-off or retired employee, or as that laid-off or retired employee's dependent, pays second.
- B. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.
- C. If a person is covered as a laid-off or retired employee under one plan and as a dependent of an active employee under another plan, the order of benefits is determined by Rule 1 rather than by this rule.

Rule 4: Continuation Coverage

- A. If a person whose coverage is provided under a right of continuation under federal or state law is also covered under another plan, the plan that covers the person as an employee, retiree, member or subscriber (or as that person's dependent) pays first, and the plan providing continuation coverage to that same person pays second.
- B. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.
- C. If a person is covered other than as a dependent (that is, as an employee, former employee, retiree, member or subscriber) under a right of continuation coverage under federal or state law under one plan and as a dependent of an active employee under another plan, the order of benefits is determined by Rule 1 rather than this rule.

Rule 5: Longer/Shorter Length of Coverage

- A. If none of the four previous rules determines the order of benefits, the plan that covered the person for the longer period of time pays first, and the plan that covered the person for the shorter period of time pays second.
- B. To determine how long a person was covered by a plan, two plans are treated as one if the person was eligible for coverage under the second plan within 24 hours after the first plan ended.
- C. The start of a new plan does not include a change:
 - 1. in the amount of scope of a plan's benefits;
 - 2. in the entity that pays, provides or administers the plan, or
 - 3. from one type of the plan to another (such as from a single employer plan to a multiple employer plan).
- D. The length of time a person is covered under a plan is measured from the date the person was first covered under that plan. If that date is not readily available, the date the person first became a member of the group will be used to

determine the length of time that person was covered under the plan presently in force.

Right to Collect and Release Needed Information

In order to receive benefits, the Covered Person must give the Administrative Office any information which is needed to coordinate benefits. Failure to provide information about other coverage may be considered fraud.

Effect of Medicare on Retired Employees

Benefits are coordinated with Medicare when you become eligible for Medicare. If a Medicare eligible Retiree or Dependent does not elect Medicare, or goes to a provider who does not participate in Medicare, benefits will be paid as if Medicare had paid as primary. Benefits under retiree plans are also coordinated with other coverage a retired employee or his Dependents may have.

If the claimant has coverage through an "active" employee plan, benefits will be determined under the active plan first. Medicare will be secondary and then this Fund will calculate its payment under the "Coordination of Benefits" provisions. If the claimant does not have active coverage, Medicare will be primary, and this Fund will pay secondary to Medicare.

Benefits payable by Medicare will be considered when determining how much is payable by this Plan. The maximum benefit payable under the Plan for Medicare eligible services will be the difference between the Medicare allowable cost and the Medicare payable amount. If you use a provider who is not participating in Medicare, you are responsible for the difference between the Medicare allowable cost and the amount charged by the provider, as well as the amount Medicare would have paid.

Coordination for Medicare Eligible Retirees Who are Traveling Outside the US

Medical claims for these Covered Persons will be paid as if there is no Medicare COB involved.

Coordination for Medicare Eligible Retirees Who Reside Outside the US

Medical claims for these Covered Persons will be paid as if Medicare had been primary.

Coordination with Medicare for Participants with End Stage Renal Disease (ESRD)

Medicare becomes the primary payor for ESRD on the 31st month of coverage for the duration of ESRD coverage.

Important Note for Retirees Eligible for Medicare

If you or your spouse is eligible for Medicare coverage: YOU MUST ENROLL IN BOTH PARTS A and B OF MEDICARE.

Part A of Medicare covers general hospital expenses and Part B covers physicians and other medical expenses. If you are eligible for Medicare and fail to enroll, BENEFITS UNDER THE RETIREE MEDICAL PLAN(S) WILL BE REDUCED AS THOUGH YOU WERE ENROLLED IN BOTH PARTS A and B OF MEDICARE.

This means benefits would be paid on the assumption that you are enrolled in both Parts A and B of Medicare; and if you have not enrolled, you could incur significant uncovered out-of-pocket expenses.

We strongly encourage all retirees to contact Social Security to determine the procedures and timetables for enrollment in Medicare.

Third Party Reimbursement

The Plan excludes benefits for a Covered Person if the Covered Person incurs an Illness or Injury caused by the act or omission of another party (known as the “third party”).

- If a Covered Person is pursuing or investigating a claim or lawsuit against a third party or insurer for an Illness or Injury caused by the act or omission of the third party, the Fund may initially advance payment for benefits related to the third party Illness or Injury. By accepting advance payment for benefits, the Covered Person agrees that the Plan’s payment

related to the Illness or Injury is conditioned on repayment from any recovery from the third party or the third party’s insurer, under an automobile policy, commercial premises policy, homeowners’ policy, medical malpractice policy, renter’s policy, or any other liability policy, including first-party uninsured or underinsured motorist policy.

- The Fund shall be entitled to first dollar priority to 100% reimbursement from the Covered Person, with respect to any full or partial recovery by the Covered Person, whether by judgment, settlement, award or otherwise, from any third party, insurer or persons making payments on behalf of a third party. If the Covered Person and the Covered Person’s attorney or personal representative recognize the Fund’s right to reimbursement, comply with the terms of the Plan and cooperate fully with the Fund, the Fund will deduct reasonable attorney fees and a pro rata share of the costs from the reimbursement amount.
- The Fund’s right to reimbursement applies without regard to the characterization of the recovery by the Covered Person and/or any third party or the source of the recovery. The Fund does not recognize the make whole doctrine, which is expressly rejected. The Fund does not otherwise agree to limit its right to reimbursement based on the amount of the Covered Person’s recovery; however, the Fund’s right to reimbursement will not exceed the amount of the Covered Person’s recovery, after payment of attorney fees and expenses.
- Before advancing benefits, the Fund may require that the Covered Person and/or the Covered Person’s attorney or personal representative execute, in writing, an agreement acknowledging this reimbursement right, the name and address of the party at fault, the name of any insurance company through which coverage may be available, the name of any other lien holders involved and a factual description of the accident and/or Injury.
- The Covered Person and/or the Covered Person’s attorney or personal representative also agree that in the event of a dispute as to the amount of the Fund’s claimed reimbursement, the Fund’s reimbursement amount will be

paid into a trust account and held there until the Fund's claim is resolved by mutual agreement or court order. The obligation to place the reimbursement amount in trust is independent of the obligation to reimburse the Fund. If the funds necessary to satisfy the Fund's reimbursement amount are not placed in trust, the Covered Person or the individual named to hold the funds in trust shall be liable for any loss the Fund suffers as a result.

- If the Fund is forced to bring a legal action against the Covered Person to enforce the terms of the Plan, it shall be entitled to its reasonable attorney fees, costs of collection and court costs.
- If there is a reasonable basis to believe that this provision or any agreement to reimburse the Fund is not enforceable or that the Covered Person will not honor the terms of this provision or any agreement to reimburse, the Fund will deny coverage and may seek refunds of overpaid benefits from providers. The Fund may also cease advancing benefits and exclude future expenses incurred after a judgment, settlement, or proposed settlement of the claim, irrespective of the amount of the recovery, if such expenses are related to the third party recovery.
- If the Covered Person fails to honor the terms of this provision or any agreement to reimburse, any advanced benefits will be considered overpaid benefits and the Fund may take appropriate action to collect the overpaid benefits, including, but not limited to, seeking refunds from providers, offsetting future benefits, including those of family members, denying future payments, bringing a breach of contract action in state court to enforce the Fund's right to reimbursement under this Plan provision or seeking a construction trust in federal court under ERISA § 502(a)(3). In addition to the overpaid benefits, the Covered Person will be liable for interest, and all costs of collection, including reasonable attorney fees and court costs. Interest will be calculated at the prime interest rate then prevailing at any national bank located in Anchorage, Alaska, on the date of the breach, plus five (5) percentage points, but not to exceed the amount permitted by law.

- The Fund shall have a constructive trust, lien and/or an equitable lien by agreement in favor of the Fund on any overpaid or advanced benefits received by the Covered Person, or a representative of a Covered Person (including an attorney) that is due to the Fund, and any such amount shall be deemed to be held in trust by the Covered Person for the benefit of the Fund until paid to the Fund. By accepting Plan benefits from the Fund, the Covered Person consents and agrees that a constructive trust, lien, and/or equitable lien by agreement in favor of the Fund exists with regard to any overpayment or advancement of benefits, and in accordance with that constructive trust, lien, and/or equitable lien by agreement, the Covered Person agrees to cooperate with the Fund in reimbursing it for all of its costs and expenses related to the collection of those benefits.
- Venue for any enforcement action of the Plan provision will be in the U.S. District Court for the District of Alaska in Anchorage. The Fund may bring an action in an appropriate court to enforce the agreement to reimburse, enforce the requirement that funds be placed in trust or seek other appropriate relief.

Right of Recovery

Whenever the Fund pays for covered services in excess of the maximum amounts payable, or pays for covered services during a period in which you or your Dependents are not eligible, no matter to whom the benefits are paid, the Fund has the right:

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

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

If repayment is not made upon demand by the Fund, and an offset is not available against future benefit payments, the Fund may bring a legal action to recover the overpaid benefit amount.

If benefits are overpaid as a result of the submission of a fraudulent submission of eligibility, the Fund shall have, in

addition to the rights set forth above, the right to report the matter for criminal prosecution to the appropriate law enforcement agency.

DEFINITIONS

The following terms when used in this document, have the following meanings unless a different meaning is clearly required by context.

Administrative Office means the office that provides administration services to the Alaska Electrical Health and Welfare Fund, located at the address provided on the Plan Service Providers insert.

Alcoholism or Drug Abuse Treatment Facility means a facility which specializes in the treatment of alcoholism and/or drug abuse and which is licensed, accredited or approved by the appropriate state authority established to regulate such facilities.

COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

Coinsurance means your share of the cost of a covered service, calculated as a percent of the Covered Charge for the service.

Copayment means a fixed dollar amount (for example \$15) you pay for a covered service, usually when you receive the service.

Coronary Care Unit is a hospital ward specialized in the care of patients with various cardiac conditions that require continuous monitoring and treatment by highly trained hospital personnel.

Cosmetic Surgery means surgery performed to alter:

- the texture or configuration of the skin, or
- the configuration or relationship with continuous structures of any feature of the human body,

which is performed primarily for psychological purposes or which does not correct or materially improve a bodily function. Cosmetic Surgery is performed to improve appearance and is not Medically Necessary. According to Federal regulation, Cosmetic Surgery does not include:

- reconstructive breast surgery necessary because of a mastectomy,
- or as a result of breast cancer for all stages of one reconstructive breast reduction on the non-diseased breast to make it equal in

size with the diseased breast following reconstructive surgery on the diseased breast.

Covered Charges are the billed costs charged for covered services to the extent that such charges are Usual, Customary, and Reasonable for the area and the type of service. For non-Preferred Provider services in Anchorage, the Covered Charges for inpatient Hospital services will be limited to the contracted rate at the Preferred Provider Hospital and a \$1,000 penalty will be imposed. The Covered Charges for outpatient Hospital or facility charges at a non-Preferred Provider in Anchorage will be 50% of the billed charges.

Covered Person is an Employee, Retiree or Dependent who is eligible and enrolled in this Plan.

Custodial Care is care that does not require the continuing services of skilled medical or allied health professionals and is primarily to assist the patient in activities of daily living. This may include institutional care to support self-care and provide room and board or home care. Types of custodial care include help in walking, getting into and out of bed, bathing, dressing, feeding and preparing of special diets, feeding by tube or gastrostomy, and supervising medications that are ordinarily self-administered.

Deductible is the amount you pay for Covered Charges each year before the Plan starts to pay most benefits.

Dentist means an individual who is legally licensed to practice dentistry, and shall include a Physician furnishing dental services which he or she is licensed to perform.

Dependent is defined in the Dependent Eligibility section on page 9.

Durable Medical Equipment means equipment that: (1) is designed for repeated use; (2) is mainly and customarily used for medical purposes; and (3) is not generally of use to a person in the absence of a disease or injury. Durable Medical Equipment includes, but is not limited to, such items as: Hospital bed; wheelchair; respirator; traction apparatus; intermittent positive pressure breathing machine; brace; crutches.

The items in the list that follows are examples of some, but not all, of the types of equipment that is not considered to be Durable

Medical Equipment: air conditioner; air purifier; heat lamp; heating pad; bed board; orthopedic shoes; corrective device for use in shoes; gravity traction device; exercise bicycle; weight lifting equipment; blood pressure monitor; exam gloves; food or formula; incontinence supplies; specially equipped van.

Employee means an employee for whom contributions are made to the Fund by a contributing employer on either an hourly or monthly basis, as specified in the applicable collective bargaining agreement or special agreement.

Experimental or Investigational (Medical Care) means a service or supply if any of these applies:

- The drug or device cannot be lawfully marketed without approval of the FDA and approval for marketing has not been given for regular nonexperimental or noninvestigational purposes at the time the drug or device is furnished;
- The drug, device, medical treatment, or procedure has been determined experimental or investigational by the treating facility's institutional review board or other board or other body serving a similar function, and the patient has signed an informed consent document acknowledging such experimental status;
- Federal law classifies the drug, device or medical treatment under an investigational program;
- Reliable evidence shows the drug, device, medical treatment or procedure is the subject of ongoing Phase I or Phase II clinical trials or is otherwise under study to determine its maximum tolerated dose, toxicity, safety, efficacy, or efficacy compared with standard means of treatment or diagnosis; or
- Reliable evidence shows the prevailing opinion among experts regarding the drug, device, medical treatment or procedure is that further studies of clinical trials are necessary to determine its maximum tolerated dose, toxicity, safety, efficacy, or efficacy compared with standard means of treatment or diagnosis (except as provided below),

For this section, "reliable evidence" means only published reports and articles in peer reviewed authoritative medical and scientific literature; the written protocol or protocols used by the treating

facility or the protocol(s) of another facility studying substantially the same drug, device, medical treatment or procedure; or the written informed consent used by the treating facility or by another facility studying substantially the same drug, device, medical treatment or procedure (except as provided below).

Exceptions: A service or supply will not be considered experimental or investigational if it is part of an approved clinical trial. An approved clinical trial is one that meets the criteria in either Category 1 or 2 below:

Category 1

- The trial is a Phase III or Phase IV trial approved by the National Institutes of Health, the FDA, the Department of Veteran Affairs or an approved research center;
- The trial has been reviewed and approved by a qualified institutional review board; and
- The facility and personnel have sufficient experience or training to provide the treatment or use the supplies.

Category 2

- The trial is to treat a condition too rare to qualify for approval under Category 1;
- The trial has been reviewed and approved by a qualified institutional review board;
- The facility and personnel have sufficient experience or training to provide the treatment or use the supplies;
- The available clinical or preclinical data provide a reasonable expectation that the trial treatment will be at least as effective as noninvestigational therapy; and
- There is no therapy that is clearly superior to the trial treatment.

The Administrative Office shall investigate each claim for benefits that might include experimental or investigational treatment. The Administrative Office may consult with medical professionals, including its own staff, to determine whether the treatment is excluded as experimental or investigational, or whether it is covered as one of the exceptions stated above.

Home Health Aide Services means those services which may be provided by an individual, other than a registered nurse, which are Medically Necessary for the proper care and treatment of any individual and are not considered Custodial Care.

Home Health Care Agency means any institution which is licensed pursuant to any state or local law and is operated primarily for the purpose of providing skilled nursing care and therapeutic services in an individual's home and

- maintains clinical records on each patient and the services are under the supervision of a Physician or a registered nurse; and
- has operational policies established by a professional group including at least one Physician and one registered nurse;

excluding any institution which is primarily involved in providing Custodial Care.

Home Health Care Plan means a program for continued care and treatment of an individual established and approved in writing by the individual's attending Physician within seven days after Hospital confinement for the same injury or sickness for which the individual was hospitalized, together with such Physician's certification that the proper treatment of the injury or sickness would require continued confinement in a Hospital in the absence of the services and supplies provided as a part of the Home Health Care Plan.

Hospice means a facility, agency, or service that:

- is licensed, accredited, or approved by the proper regulatory authority to establish and manage Hospice Care Programs; and
- arranges, coordinates, and/or provides Hospice Care Services for dying individuals and their families; and
- maintains records of Hospice Care Services provided and bills for such services on a consolidated basis.

Hospice Care Program means a program:

- managed by a Hospice; and
- established jointly by a Hospice, a Hospice Care Team, and an attending Physician;

to meet the special physical, psychological, and spiritual needs of dying individuals and their families.

Hospice Care Team means a group that provides coordinated Hospice Care Services and normally includes:

- a Physician;
- a patient care coordinator (Physician or nurse who serves as an intermediary between the program and the attending Physician);
- a nurse
- a mental health specialist
- a social worker
- a chaplain
- lay volunteers

Hospital means an institution operated pursuant to law for the care and treatment of sick or injured individuals, with organized facilities for diagnosis and major surgery, and 24 hour nursing service. Any institution, or part thereof (other than an Alcoholism or Drug Abuse Treatment Facility), which is used primarily as an extended care facility or for training, custodial or convalescent purposes is excluded.

Hospital Confinement Charges mean Covered Charges by a Hospital for room, board, and other usual services and by a Physician for pathology, radiology, or the administration of anesthesia while a person is confined in a Hospital. The charges must be incurred while the person is confined for a period of at least 23 consecutive hours (for any cause).

Illness means a bodily disorder, infection, or disease and all related symptoms and recurrent conditions resulting from the same cause. An Illness identified in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) is considered to be a mental health disorder for the purposes of this Plan. If there are multiple diagnoses, only the treatment for the Illness identified under the DSM code is considered mental health treatment. Illness does not include a condition incurred or aggravated while performing a job-related task, engaging in any activity for wage or profit, or for which compensation could be available if application were made under a workers' compensation or occupational injury law or similar legislation.

Injury means physical harm sustained as the direct result of a non-occupational accident, effected solely through external means, and all related symptoms and recurrent conditions resulting from the same accident.

Intensive Care Unit is a Hospital ward specialized in the care of critically ill patients that require continuous monitoring and treatment by highly trained hospital personnel.

Medically Necessary means that a treatment, confinement or service must be prescribed by a Physician and considered by the Plan to be necessary and appropriate and within generally accepted health care practice, non-experimental, non-investigational and not in conflict with accepted medical standards.

Out-of-Pocket Expenses means the Covered Charges for confinement, treatment, or service for which no benefits are payable, because of the calendar year Deductible, Hospital Deductible and Coinsurance or Copayment features. Out-of-Pocket expenses do not include any charges which are not considered Covered Charges, the 20% reduction in Coinsurance when a non-Preferred Provider is used with the Municipality of Anchorage or outside of Alaska or the \$1,000 penalty when a non-Preferred Provider Hospital is used for inpatient services within the Municipality of Anchorage.

Out-of-Pocket Maximum is the maximum amount of Out-of-Pocket Expenses you are expected to pay in a calendar year before the Plan increases its reimbursement percentage for most Covered Charges to 100% of Covered Charges for the rest of the calendar year. The Out-of-Pocket Maximum for medical expenses is separate from the Out-of-Pocket Maximum for prescription drug charges.

Physician means a provider who is legally licensed to practice medicine and is acting within the scope of his/her license. Physician includes:

- medical doctor, MD
- osteopathic doctor, DO
- podiatrist, DPM
- chiropractor; DC

- psychologist Phd, or PsyD
- a licensed social worker whether or not under the direct supervision of a medical doctor or psychologist
- naturopath, ND
- licensed or certified practitioner rendering counseling services when regulated by the appropriate state agency
- a state certified midwife
- physician's assistant, PA
- a nurse practitioner
- audiologist

Physician Visit means a personal interview between the patient and a Physician and does not include telephone calls or interviews in which the Physician does not see the patient.

Placed for adoption means assumption and retention by the Retiree or Retiree's spouse of a legal obligation for total or partial support of such child in anticipation of adoption of such child.

Plan means the Alaska Electrical Health and Welfare Plan.

Preadmission Testing Charges mean Covered Charges by a Hospital or other health care provider for tests that are performed:

- on an outpatient basis; and
- within seven days prior to admission to a Hospital for surgery or other inpatient treatment; and
- according to a formal preadmission testing arrangement with the Hospital where the surgery or other inpatient treatment will occur.

Qualified Medical Child Support Order is defined by Section 609 of ERISA. In general, a Qualified Medical Child Support Order means any judgment, decree or order (including approval of a settlement agreement) issued by a court of competent jurisdiction which:

- either:
 - relates to medical benefits under the Plan and provides for your child's support or health benefit coverage

pursuant to a state domestic relations law (including a community property law); or

- enforces a law relating to medical child support described in Section 1908 of the Social Security Act;
- creates or recognizes the existence of your child's right to be enrolled and receive medical benefits under the Plan;
- states the name and last known mailing address (if any) of you and each child covered by the order;
- reasonably describes the type of medical coverage to be provided by the Plan to each child, or the manner in which this type of coverage is to be determined;
- states the period to which the order applies;
- states each Plan to which the order applies; and
- does not require the Plan to provide any type or form of benefit or any option not otherwise provided, except to the extent necessary to meet the requirements of Section 1908 of the Social Security Act for medical child support orders.

Retired Employee or Retiree is one who meets the eligibility requirements as set forth on page 8, and pays the required monthly contribution.

Skilled Nursing Facility means an institution, or a distinct part thereof, which is licensed pursuant to state or local law and is operated primarily for the purpose of providing skilled nursing care and treatment for individuals convalescing from injury or sickness, and

- has organized facilities for medical treatment and provides twenty-four hour nursing service under the full-time supervision of a Physician or graduate registered nurse; and
- maintains daily clinical records on each patient and has available the services of a Physician under an established agreement; and
- provides appropriate methods for dispensing and administering drugs and medicines; and
- has transfer arrangements with one or more Hospitals, a utilization review plan in effect and operational policies

developed with the advice of, and reviewed by, a professional group including at least one Physician;

excluding any institution which is other than incidentally a rest home, a home for the aged, or a place for the treatment of mental diseases, drug addiction or alcoholism.

Totally Disabled or Total Disability means:

- you are completely and continuously disabled because of an Injury or Illness, unable to perform the duties of your occupation and not engaged in any other occupation for wage or profit; or
- your Dependent is either physically or mentally unable to perform all of the usual and customary duties and activities of a person of the same age and sex who is in good health and is not engaged in any work or occupation for wage or profit.

Usual, Customary and Reasonable Charge means the fees that fall within the customary range charged in a geographic area by most providers with similar training and experience for performing a similar service or procedure. This provision recognizes there will be differences in charges because of factors such as geographic location, provider skill and service complexity. The Trustees will make the final determination on whether the fee is a Usual, Customary and Reasonable Charge. For Preferred Providers, Usual, Customary and Reasonable Charges are their contracted fee amount.

HOW TO FILE A CLAIM

In order to receive payment for your claims, you must maintain a current Annual Medical/Dental Update form on file at the Administrative Office for you and each of your eligible Dependents. To avoid a delay in payment of your claims, you must send an updated form to the Administrative Office at least annually and any time there is a change, such as a change in other insurance coverage.

Only claims incurred during periods of eligibility will be processed. Your claim and all related information must be submitted to the Administrative Office within 90 days following the date expenses are incurred.

All claims, supporting documentation and additional information that is requested to process the claims must be submitted within one year of the date services are rendered unless you are not legally capable. Incomplete claims will not be considered until all required information has been provided. Claims submitted or completed more than one year from the date of service will not be considered.

Medical Benefits

1. In most situations, providers will submit bills directly to Aetna. If your provider does not bill directly you should obtain the bills that set forth the services and treatments received. Be sure the itemized bills show the following:
 - Patient's name
 - Retiree's name and ID number
 - Providers name, address and TIN number
 - Dates of service
 - Diagnosis codes
 - Medical claims: current procedural code (CPT)
 - Hospital claims: itemized bill

2. Forward your itemized bills and all necessary information to:

Aetna
P.O. Box 981106
El Paso, TX 79998-1106

3. If you want payment sent directly to the provider (hospital, doctor, etc.) you must assign benefits to the provider and indicate you want payment to the provider.
4. If your Dependent has other group coverage, list the Dependent's other insurance provider and attach the other insurance's Explanation of Benefits (EOB).
5. If you are a Retiree or a Dependent of a Retiree and are eligible for Medicare benefits, you must submit to the Administrative Office your itemized bills and the Medicare Explanation of Benefits (EOB) that shows what Medicare has paid. If you do not send the Medicare EOB, processing of your claim will be delayed.

Prescription Drug Benefits

See pages 55 to 60 for a detailed description on filing claims under the prescription drug program administered by CVS/caremark.

Procedures for Processing Claims

Properly filed claims are processed according to these guidelines:

Post-Service Claims

Any properly filed claim for health benefits that is not a pre-service, urgent care or concurrent care claim (as defined on the following pages) is processed as a post-service claim. If more information is needed, you (or your Dependent) are notified and given 45 days from receiving the notice to provide the information. The time for making a determination is counted from the date the information is requested until the earlier of the date the requested information is received, or 45 days after the requested information is mailed.

A post-service claim ordinarily is processed within 30 days of receipt. This may be extended for an additional 15 days if the Administrative Office determines that the extension is necessary due to matters beyond the control of the Fund and provides the

reason for the extension – including a statement of unresolved issues and information required to resolve them – within the initial 30 days.

Pre-Service Claims

These procedures apply only to processing treatment plans submitted for preauthorization. As explained in more detail on pages 25 to 30, inpatient admissions at Hospitals, Skilled Nursing Facilities, Alcoholism and Drug Abuse Treatment Facilities and other treatment facilities as well as certain outpatient services must be preauthorized in order to qualify for payment of these charges at your Plan's standard rate.

The Covered Person is notified within five days if more information is required to complete a pre-service claim or to allow processing, with specifics on the information needed. The Covered Person has 45 days from receiving the notice to submit the information. The time for making a determination does not include the period from the date the information is requested until the earlier of the date the requested information is received, or 45 days after the requested information is mailed.

A decision on a pre-service claim ordinarily is made within 15 days. This time may be extended for an additional 15 days if the Administrative Office determines that the extension is necessary due to matters beyond the control of the Plan and provides the reason for the extension – including a statement of unresolved issues and information required to resolve them – within the initial 15 days.

If services requiring preauthorization have been provided, and the issue is payment, the claim is processed as a post-service claim.

Urgent Care Claims

Urgent care claims are for services where following the normal claims processing timing rules could seriously jeopardize the Covered Person's health or ability to regain maximum function, or in the opinion of a physician familiar with the Covered Person's medical condition, would subject the Covered Person to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim. Urgent care claims may be filed, orally, or in writing, by the Covered Person, or physician or covered

provider with knowledge of the condition. The Covered Person is informed as soon as possible (and not more than 24 hours after the claim is received) of any additional information that is required to process the claim.

The claim is resolved as soon as possible, but no more than 48 hours after the Fund receives the additional information, or the end of the 48-hour period the Covered Person has to provide the information, whichever is earlier. Determinations about whether a claim is urgent are made using the judgment of a prudent layperson with average knowledge of health and dentistry.

If urgent care services have been provided, and the issue is payment, the claim is processed as a post-service claim.

Concurrent Care Claims

Concurrent care claims are claims involving an ongoing course of treatment that has received medical necessity approval from the Plan's medical management service organization. While the approved treatment is continuing, the provider or Covered Person may request additional or extended treatment that results in denial or reduction of the treatment plan. In addition, the medical management service organization may issue notice that approval will be withdrawn before the full course of treatment is completed. The Covered Person is notified of any denial or reduction at least 30 days in advance to allow time to appeal and obtain a determination on the appeal before the decision takes effect.

Any request to extend treatment that involves urgent care is decided as soon as reasonably practical. The Covered Person is notified of the determination within 24 hours of when the Plan receives the claim, if it's received at least 24 hours before the previously approved treatment ends.

Any appeal of a concurrent care claim is treated as a post-service, pre-service or urgent care claim appeal, as appropriate.

Notice of Denial

A benefit denial contains the following information:

1. The reason for the denial.
2. Reference to the Plan provision(s) relied on.

3. Description of any additional material needed for the claim, with an explanation of why it is necessary.
4. Reference to any internal rule, guideline or protocol used in denying the claim, with a statement that a copy is available without charge upon request.
5. An explanation of the medical judgment – applying Plan terms to the Covered Person's circumstances – if the denial is based on the service or supply being Medically Necessary or Experimental or Investigational, or an equivalent exclusion.
6. An explanation of the Plan's appeal procedures, including applicable time limits

The denial will be mailed to the Covered Person at the last known address.

Appeal to the Board of Trustees

The Board of Trustees has adopted the following procedures to review benefit claim denials.

Appeal of Benefit Denial

Covered Persons will have 180 days from the date of denial to appeal an adverse benefit determination. An appeal shall be submitted by the Covered Person or an authorized representative in writing. It shall be submitted to the proper address for either the Administrative Office or the claims administrative agent that made the denial. An appeal shall identify the benefit determination involved, set forth the reasons for the appeal and provide any information the Covered Person believes is pertinent. Except for urgent care claims, appeals will be accepted from an authorized representative only if accompanied by a written statement signed by the Covered Person (or parent or legal guardian where appropriate), which identifies the representative and authorizes him or her to seek benefits for the Covered Person. An assignment of benefits is not sufficient to make a provider an authorized representative.

The failure to file a claim appeal within 180 days of the denial will bar any claim for benefits or for other relief from the Fund.

Appeal Procedures

The procedures specified below are the exclusive procedures available to a Covered Person who is dissatisfied with an eligibility determination, benefit award or is otherwise adversely affected by an action of the Fund or its authorized claims payers. These procedures must be exhausted before a Covered Person may file suit under ERISA § 502(a). A Covered Person who is seeking benefits from an insurance company or HMO with which the Fund contracts shall utilize the procedures established by that entity.

Information To Be Provided Upon Request

You, and/or your authorized representative, may upon request have reasonable access free of charge to all documents relevant to the claim for benefits. Relevant documents include information relied upon, submitted, considered or generated in making the benefit determination. It will also include internal guidelines, procedures or protocols concerning the denied treatment option without regard to whether such document or advice was relied on in making the benefit determination. Absent a specific determination by the Board of Trustees that disclosure is appropriate, relevant documents do not include any other Covered Person's medical or claim records or information specific to the resolution of other Covered Persons' claims.

If a denial is based upon a medical determination, an explanation of that determination and its application to your medical circumstances is also available upon request.

Conduct of Hearings By the Appeals Committee

Except for urgent care and pre-service health claims, an appeal will be presented to the Fund's Appeals Committee at its next quarterly meeting. If an appeal is received less than 30 days before the next quarterly meeting, consideration of the appeal may be postponed (if necessary) until the second quarterly meeting following receipt of the appeal.

The Appeals Committee shall consist of at least one employer Trustee and one labor organization Trustee. The Appeals Committee will review the administrative file, which will consist of all documents relevant to the claim. It will also review all

additional information submitted by or on your behalf. The review will be de novo and without deference to the initial denial.

If the denial is based on medical judgment, the Appeals Committee will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The Fund may have an individual with a different licensure review a matter if they are trained to deal with the condition involved. The health care professional consulted will not be the individual who made the initial benefit determination nor the subordinate of that individual. The Appeals Committee will identify by name any individuals consulted for medical or vocational advice.

You or your representative will be allowed to appear before the Appeals Committee and present any evidence or witnesses. If you elect to appear before the Appeals Committee, a copy of the administrative file will be mailed to you. If you do not elect to appear, the hearing will be determined based on the administrative file and the comments of any witnesses consulted.

If you appear at the hearing (or if the Appeals Committee otherwise determines that such a record is appropriate) a stenographic record shall be made of any testimony provided. The Appeals Committee may in its discretion set conditions upon the conduct of the hearing, the testimony or attendance of any individual or address other procedural matters which may occur during a specific hearing.

Issuance of a Decision

The Appeals Committee will provide you written notification of its decision within five days. Where appropriate, the Appeals Committee may issue a more detailed explanation of the reasons for its decision within 30 days of the hearing. The decision will set out the specific reasons for an adverse decision, reference the plan procedure involved, inform you that all information relevant to the individual's claim is available upon request and free of charge, notify you of your rights under ERISA § 502(a), identify any internal rule or guideline relied on (or reference that it is available free of charge), and if a denial is based on a medical judgment, an explanation of the medical judgment applying it to your case or a statement that such information is available.

If a decision cannot be reached at the initial meeting at which an appeal is heard, the Appeals Committee may defer a decision on an appeal until the next quarterly scheduled appeals meeting as long as that written notice is provided to you.

Modifications to the Appeal Procedures for Pre-Service and Urgent Care Claims

The following modifications will be made in the appeal procedures set forth above for claims involving pre-service claims or urgent care claims:

Pre-Service Claims

Pre-Service health claims will be conducted in accordance with the above procedures with the following modifications:

- A decision or an appeal of a denial of a pre-service health claim will be issued in 30 days of receipt of the appeal.
- Unless the appeal hearing coincides with a quarterly Appeals Committee meeting, the Appeals Committee meeting will be conducted by a telephone conference call. You or your authorized representative may participate to the extent necessary for the Appeals Committee to develop an adequate record. If you wish to appear in person, you may elect to postpone the hearing until the next quarterly Appeals Committee meeting.

Urgent Care Claims

Appeals involving denial of urgent care will be subject to the rules set forth above with the following modifications:

- An initial decision will be made within 72 hours if the initial claim was complete when submitted or an additional 48 hours after receiving additional information if it was necessary to process the claim.
- An appeal may be made orally or in writing.
- A health care professional with knowledge of your medical condition may act as your representative without a prior written authorization.

- Information will be provided to you or your authorized representative via telephone, facsimile or other expedited method.
- A decision will be issued within 72 hours of an appeal of an initial denial.

External Review

If you remain dissatisfied after the Board of Trustees issues its decision on appeal, you may request an external review with an Independent Review Organization or bring a civil action under ERISA § 502(a). If you request an external review, such request is subject to the following:

- The Plan's claim appeal process must be exhausted before external or judicial review can be sought.
- External reviews are only available for appeals involving medical judgment or the retroactive rescission of coverage.
- You have four months from the date of the final adverse benefit determination to file a request for external review. Failure to request an external review within the four-month period will end your ability to seek external review.

Requests for external review should be sent to the Administrative Office.

Preliminary Review of External Review Request

Within five business days of receipt of a request for external review, the Fund will complete a preliminary review of the external review request. The preliminary review will be expedited if the request satisfies the requirements for an expedited external review. Within one business day after completion of this review, the Fund will notify you of its decision. If the request is not eligible for external review, the Fund will notify you. If the request for external review is incomplete, the Fund will identify what is needed and you will have the longer of 48 hours or the remaining portion of the four-month external review request period to provide the information. If the external review request is complete and eligible for external review, the Fund will refer the matter to an Independent Review Organization.

Expedited External Review

You may request an expedited external review if you received:

- an adverse denial of benefits which involves a medical condition for which the timeframe for completing an expedited appeal to the Board of Trustees would seriously jeopardize your life or health or your ability to regain maximum function and you have filed a request for an expedited appeal to the Board of Trustees; or
- an adverse decision on appeal to the Trustees which involves a medical condition for which the timeframe for completion of a standard external review would seriously jeopardize your life or health or your ability to regain maximum function, or the decision concerns an admission, availability of care, continued stay, or health care item or service for which you received emergency services, but have not been discharged from a facility.

Review by Independent Review Organization

If a properly filed request for external review is received, the Plan will provide the Independent Review Organization with the required documentation in the time required by applicable federal regulations. The Independent Review Organization will provide a response to you within 45 days after it has received the request to review.

If a claim satisfies the requirements for an expedited external review, the Independent Review Organization will provide a response to you within 72 hours after it has received the request to review, provided that written confirmation may be provided within 48 hours after the date the response is provided.

Judicial Review of Denied Claims

The Fund provides for no voluntary alternative dispute resolution procedures. If a Covered Person remains dissatisfied after the issuance of the Trustees' decision on appeal, or issuance of the Independent Review Organization's decision, you may bring a civil action under ERISA § 502(a). Any civil action must be brought no later than 180 days after the date of issuance of the Trustees'

decision on an appeal. The question on review will be whether, in the particular instance, the Trustees:

- were in error upon an issue of law;
- acted arbitrarily or capriciously in the exercise of their discretion; or
- whether their findings of fact were supported by substantial evidence.

Right to Sue

A lawsuit to obtain benefits will be deemed untimely if it is filed before:

- You have appealed the denial of your claim to the Board of Trustees, or
- The Board of Trustees has issued a decision on appeal; or
- You have exhausted the Plan's appeals processes for every issue you deem relevant.

The ERISA Statement of Rights provides additional information on legal action you can take if you feel your right to a benefit has been improperly denied.

Ongoing Review of Policy

The Board of Trustees will annually review its claim appeal procedures to ensure compliance with governing regulations. The Board of Trustees will require its claims administrative agents to provide annual reports about its claims procedures to document compliance with these procedures and to establish that claims are being processed consistently. A record of decisions on benefit claim appeals will be maintained.

SPECIAL DISCLOSURE INFORMATION

Name of Plan

This Plan is known as the Alaska Electrical Health and Welfare Plan.

Board of Trustees-Plan Administrator

This Plan is maintained and administered by a joint labor-management Board of Trustees, the name, address and telephone number of which is:

Board of Trustees
Alaska Electrical Health and Welfare Fund
701 E. Tudor, Suite 200
Anchorage, Alaska 99503

Telephone: (907) 276-1246
Toll Free: (800) 478-1246
Fax: (907) 278-7576
www.aetf.com

A list of participating employers and labor organizations can be examined at this office.

Members of the Board of Trustees

The current members of the Board of Trustees are:

EMPLOYER TRUSTEES

Larry Bell
Alaska Chapter, NECA
712 West 36th Avenue
Anchorage, AK 99503

Jesse Hale
Endeavor Electric
4011 Arctic Blvd., Suite 206
Anchorage, AK 99503

Paul Lantz
NPC Energy Service
7941 Sandlewood Place
Anchorage, AK 99507

Chuck Platt
Chatham Electric
2457 Brandy Lane
Juneau, AK 99801

Diedre Williams
Alaska Communications Systems
600 Telephone Ave. MS 15
Anchorage, AK 99503

UNION TRUSTEES

Knute Anderson
IBEW LU #1547
2000 Airport Way
Fairbanks, AK 99701

Pamela Cline
IBEW LU #1547
3333 Denali Street, Suite 200
Anchorage, AK 99503

John Ferree
IBEW LU #1547
2000 Airport Way
Fairbanks, AK 99701

Mike Hodsdon
IBEW LU #1547
3333 Denali Street, Suite 200
Anchorage, AK 99503

Diana Ruhl
IBEW LU # 1547
3333 Denali Street, Suite 200
Anchorage, AK 99503

Agent for Service of Legal Process

Each member of the Board of Trustees and the Plan Administrator is an agent for purposes of accepting service of legal process on behalf of this Plan.

Identification Number and Plan Number

The Employer Identification Number assigned to the Plan by the Internal Revenue Service is EIN 92-6001972; the Plan number is: 501.

Type of Plan

This Plan can be described as a welfare plan providing the following kinds of benefits to actives and retirees: medical and prescription drug benefits; for active Employees only: dental, vision care, weekly disability, accident and death benefits.

Type of Administration

This Plan is administered by a joint labor-management Board of Trustees.

Description of Collective Bargaining Agreements

This Plan is maintained under several Collective Bargaining Agreements between contributing Employers and the International Brotherhood of Electrical Workers of Local 1547. A copy of such agreements may be obtained by participants and beneficiaries at the Administrative Office, and at the Local Union offices, upon 10 days advance written request. The Trustees may impose a reasonable charge to cover the cost of furnishing the agreement. You may wish to inquire as to the amount of the charges before requesting copies.

Participation, Eligibility and Benefits

Employees are entitled to participate in this Plan, if they work under one of the collective bargaining agreements described above and if their employer makes contributions to the Fund on their behalf. Also, certain non-bargaining unit employees are entitled to participate pursuant to special agreements between their employers and the Board of Trustees.

The eligibility rules which determine which retirees and beneficiaries are entitled to benefits are set forth in the Eligibility section of this booklet.

The benefits to which eligible retirees and beneficiaries are entitled are set forth in this booklet.

Circumstances Which May Result In Ineligibility or Denial of Benefits

The circumstances which may result in disqualification, ineligibility, denial, or loss of benefits appear throughout this booklet.

Termination of Plan

The Board of Trustees has the authority to terminate the Plan. The Plan will also terminate upon the expiration of all collective bargaining agreements and special agreements requiring the payment of contributions to the Fund.

In the event of the termination of the Plan, any and all monies and assets remaining in the Fund, after payment of expenses, shall be used for the continuance of the benefits provided by the then existing benefit plans, until such monies and assets have been exhausted.

Entities Used for Accumulation of Assets and Payment of Benefits

The employer contributions and employee/retiree self-payments are received and held in trust by the Board of Trustees pending the payment of benefits, insurance premiums and reasonable administrative expenses. Medical, prescription drug, dental, vision and weekly disability benefits are self-funded and benefits are paid directly from the Fund.

The life insurance and accidental death and dismemberment benefits provided by the Fund are fully insured by an insurance company.

An insurance company provides a policy of stop loss insurance to the Fund, under which they have assumed the financial responsibility for medical claims exceeding a deductible amount per covered individual per policy year.

Source of Contributions

The Plan is funded through employer contributions, the amount of which is determined through collective bargaining between participating employers and labor organizations, and which is specified in the underlying collective bargaining agreement. Self-

payments are also permitted, as outlined in this booklet, for retiree coverage and to continue dependent coverage.

Plan Year

The Plan Year on which financial records are based ends December 31.

Statement of ERISA Rights

As a participant in the Alaska Electrical Health and Welfare Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Administrative Office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Fund with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Security Benefits Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Fund's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue Group Health Plan Coverage

- Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the Plan on the rules governing your COBRA Continuation Coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance:

- If you request materials from the Fund and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court.
- If it should happen that Plan fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Administrative Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Claims Review and Appeal

Claims review and appeal procedures are summarized in the section entitled "How to File A Claim."

Availability of Information

Plan documents and all other pertinent documents required to be made available under ERISA are available for inspection at the Administrative Office during regular business hours. Upon written request, copies of these documents will be provided. However, the Trustees may make a reasonable charge for the copies; the Plan Administrator will state the charge for specific documents on request so that you can find out the cost before ordering.

Plan Amendment

The Board of Trustees of the Alaska Electrical Health and Welfare Fund reserves the right to amend all or any part of this Plan at any time; to amend any contract providing insured benefits or other services; and to remove or change any insurance company or service company at any time.

Any amendment must be in writing and shall be effective upon adoption by the Board of Trustees, or at any such time as may be otherwise specified in the amendment, unless prohibited by applicable law.

Termination

The Board of Trustees of the Alaska Electrical Health and Welfare Fund reserves the right to terminate all or any part of this Plan at any time, and any contract providing insured benefits or other services. If any part of this Plan is terminated and replaced with similar benefits, any wage reduction amounts that were designated to pay premiums and/or monthly coverage costs for the terminated part of this Plan will be applied instead to pay premiums and/or monthly coverage costs for the new part of the Plan.

NOTICE OF PRIVACY PRACTICES

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

Pursuant to regulations issued by the federal government, the Fund is providing you this Notice about the possible uses and disclosures of your health information. Your health information is information that constitutes protected health information as defined in the Privacy Rules of the Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). As required by law, the Fund has established a policy to guard against unnecessary disclosure of your health information. This Notice describes the circumstances under which and the purposes for which your health information may be used and disclosed and your rights in regard to such information.

Protected Health Information

Protected health information generally means information that: (1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual; and (3) identifies the individual, or there is a reasonable basis to believe the information can be used to identify the individual.

Use and Disclosure of Health Information

Your health information may be used and disclosed without an authorization for the purposes listed below. The health information used or disclosed will be limited to the "minimum necessary," as defined under the Privacy Rules.

To Make or Obtain Payment. The Fund may use or disclose your health information to make payment to or collect payment from third parties, such as other health plans or providers, for the care you receive. For example, the Fund may use your health information to pay claims, or share information regarding your

coverage or health care treatment with other health plans to coordinate payment of benefits.

To Facilitate Treatment. The Fund may disclose information to facilitate treatment which involves the provision, coordination or management of health care or related services. For example, the Plan may disclose the name of your treating physician to another treating physician for the purpose of obtaining x-rays.

To Conduct Health Care Operations. The Fund may use or disclose health information for its own operations to facilitate the administration of the Fund and as necessary to provide coverage and services to all of the Fund's participants. Health care operations include such activities as: contacting health care providers; providing participants with information about health-related issues or treatment alternatives; developing clinical guidelines and protocols; conducting case management, medical review and care coordination; handling claim appeals; reviewing health information to improve health or reduce health care costs; participating in drug or disease management activities; conducting underwriting, premium rating or related functions to create, renew or replace health insurance or health benefits; and performing the general administrative activities of the Fund (such as providing customer service, conducting compliance reviews and auditing, responding to legal matters and compliance inquiries, including cost management and planning related analyses and formulary development, and accreditation, certification, licensing or credentialing activities).

In Connection With Judicial and Administrative Proceedings. If required or permitted by law, the Fund may disclose your health information in the course of any judicial or administrative proceeding in response to an order of a court or administrative tribunal as expressly authorized by such order or in response to a subpoena, discovery request or other lawful process. The Fund will make reasonable efforts to either notify you about the request or to obtain an order protecting your health information.

When Legally Required For Law Enforcement Purposes. The Fund will disclose your health information when it is required to do so by any federal, state or local law. Additionally, as permitted or required by law, the Fund may disclose your health information to a law enforcement official for certain law enforcement purposes, including, but not limited to, if the Fund has a suspicion that your

death was the result of criminal conduct or in an emergency to report a crime.

To Conduct Health Oversight Activities. The Fund may disclose your health information to a health oversight agency for authorized activities including audits, civil, administrative or criminal investigations, inspections, licensure or disciplinary action. The Fund, however, may not disclose your health information if you are the subject of an investigation and the investigation does not arise out of or is not directly related to your receipt of health care or public benefits.

In the Event of a Serious Threat to Health or Safety. The Fund may, consistent with applicable law and ethical standards of conduct, disclose your health information if the Fund, in good faith, believes that such disclosure is necessary to prevent or lessen a serious and imminent threat to your health or safety or to the health and safety of the public.

For Specified Government Functions. In certain circumstances, federal regulations require the Fund to use or disclose your health information to facilitate specified government functions related to the military and veterans, national security and intelligence activities, protective services for the president and others, and correctional institutions and inmates.

To Your Personal Representative. The Fund may disclose your health information to an individual who is considered to be your personal representative under applicable law.

To Individuals Involved in Your Care or Payment for Your Care. The Fund may disclose your health information to immediate family members, or to other individuals who are directly involved in your care or payment for your care.

To Business Associates. The Fund may disclose your health information to its Business Associates, which are entities or individuals not employed by the Fund, but which perform functions for the Fund involving protected health information, such as claims processing, utilization review, or legal, consulting, accounting or administrative services. The Fund's Business Associates are required to safeguard the confidentiality of your health information.

For Workers' Compensation. The Fund may release your health information to the extent necessary to comply with laws related to workers' compensation or similar programs.

For Disclosure to the Plan Trustees. The Fund may disclose your health information to the Board of Trustees (which is the plan sponsor) and to necessary advisors for plan administration functions, such as those listed in this summary, or to handle claim appeals, solicit bids for services, or modify, amend or terminate the plan. The Fund may also disclose information to the Trustees regarding whether you are participating or enrolled in the plan.

Authorization to Use or Disclose Health Information

Other than as stated above, the Fund will not disclose your health information without your written authorization. Authorization forms are available from the Privacy Contact Person, listed below. If you have authorized the Fund to use or disclose your health information, you may revoke that authorization in writing at any time. The revocation should be in writing, include a copy of or reference your authorization and be sent to the Privacy Contact Person, listed below.

Special rules apply to disclosure of psychotherapy notes. Your written authorization will generally be required before the Plan will use or disclose psychotherapy notes. Psychotherapy notes are separately filed notes about your observations with your mental health professional during a counseling session. They do not include summary information about your mental health treatment. The Plan may use and disclose such notes when needed to defend against litigation filed by you.

Your written authorization will be required for any disclosure of your health information that involves marketing, the sale of your health information, or any disclosure involving direct or indirect remuneration to the Fund.

Your Rights With Respect to Your Health Information

You have the following rights regarding your health information that the Fund maintains:

Right to Request Restrictions. You may request restrictions on certain uses and disclosures of your health information. You have the right to request a limit on the Fund's disclosure of your health information to someone involved in the payment of your care. However, the Fund is not required to agree to your request unless the disclosure is to another health plan for the purpose of carrying out payment or health care operations and your health care provider has been paid out of pocket in full. If you wish to request restrictions, please make the request in writing to the Fund's Privacy Contact Person listed below.

Right to Confidential Communications. You have the right to request that the Fund communicate with you in a certain way if you feel the disclosure of your health information through regular procedures could endanger you. For example, you may ask that the Fund only communicate with you at a certain telephone number or by e-mail. If you wish to receive confidential communications, please make your request in writing to the Fund's Privacy Contact Person, listed below. The Fund will attempt to honor your reasonable requests for confidential communications.

Right to Inspect and Copy Your Health Information. You have the right to inspect and copy your health information. This right, however, does not extend to psychotherapy notes or information compiled for civil, criminal or administrative proceedings. The Fund may deny your request in certain situations subject to your right to request review of the denial. A request to inspect and copy records containing your health information must be made in writing to the Privacy Contact Person, listed below. If you request a copy of your health information, the Fund may charge a reasonable fee for copying, assembling costs and postage, if applicable, associated with your request.

Right to Amend Your Health Information. If you believe that your health information records are inaccurate or incomplete, you may

request that the Fund amend the records. That request may be made as long as the information is maintained by the Fund. A request for an amendment of records must be made in writing to the Fund's Privacy Contact Person, listed below. The Fund may deny the request if it does not include a reasonable reason to support the amendment. The request also may be denied if your health information records were not created by the Fund, if the health information you are requesting be amended is not part of the Fund's records, if the health information you wish to amend falls within an exception to the health information you are permitted to inspect and copy, or if the Fund determines the records containing your health information are accurate and complete.

If the Fund denies a request for amendment, you may write a statement of disagreement. The Fund may write a rebuttal statement and provide you with a copy. If you write a statement of disagreement, then your request for amendment, your statement of disagreement, and the Fund's rebuttal will be included with any future release of the disputed health information.

Right to an Accounting. You have the right to request a list of disclosures of your health information made by the Fund. The request must be made in writing to the Privacy Contact Person listed below. The request should specify the time period for which you are requesting the information, but may not start earlier than April 14, 2003 when the Privacy Rules became effective. Accounting requests may not be made for periods of time going back more than six (6) years. An accounting will not include disclosure made to carry out treatment, payment, and health care operations; disclosures that were made to you; disclosures that were incident to a use or disclosure that is otherwise permitted by the Privacy Rules; disclosures made pursuant to an authorization; or in other limited situations. The Fund will provide the first accounting you request during any 12-month period without charge. Subsequent accounting requests may be subject to a reasonable cost-based fee. The Fund will inform you in advance of the fee, if applicable.

Right to a Paper Copy of this Notice. You have a right to request and receive a paper copy of this Notice at any time, even if you have received this Notice previously or agreed to receive the Notice

electronically. To obtain a paper copy, please contact the Privacy Contact Person, listed below.

Right to Opt Out of Fundraising Communications. If the Fund participates in fund raising, you have the right to opt-out of all fund raising communications.

Privacy Contact Person. To exercise any of these rights related to your health information you should contact the Privacy Contact Person listed below. The Fund has also designated a Privacy Official, listed below.

Alaska Electrical Health & Welfare Fund
Attn: Health & Welfare Supervisor
The Administrative Office

Duties of the Fund

The Fund is required by law to maintain the privacy of your health information as set forth in this Notice, to provide to you this Notice of its duties and privacy practices, and to notify you following a breach of unsecured protected health information. The Fund is required to abide by the terms of this Notice, which may be amended from time to time. The Fund reserves the right to change the terms of this Notice and to make the new Notice provisions effective for all health information that it maintains. If the Fund changes its policies and procedures, the Fund will revise the Notice and will provide a copy of the revised Notice to you within 60 days of the change. You have the right to express complaints to the Fund and to the Secretary of the Department of Health and Human Services if you believe that your privacy rights have been violated. Any complaints to the Fund should be made in writing to the Privacy Contact Person identified above. The Fund encourages you to express any concerns you may have regarding the privacy of your health information. You will not be retaliated against in any way for filing a complaint.

The Fund is prohibited by law from using or disclosing genetic health information for underwriting purposes.