



## Changes in Pharmacy Network

Due to the budget crisis for fiscal year 2011, the PEEHIP Board was forced to cut costs in all areas of the PEEHIP program to keep the plan financially sound and sustainable. Everyone was affected by the plan changes. All members have experienced increased copayments, deductibles, and higher monthly premiums. Providers were asked to make adjustments in their reimbursement rates as well. When the plan year started, there were new contracts negotiated with all network pharmacies. All of the pharmacies except for the 338 independent pharmacies affiliated with American Pharmacy Network Solutions (APNS) agreed to the new reimbursement rates. That leaves about 300 independent and 700 chain pharmacies to service PEEHIP members. These numbers are based on actual pharmacy providers that are currently under contract with PEEHIP. In addition, APNS pharmacies processed approximately 24% of all PEEHIP prescriptions for the 10 month period beginning October 1, 2009.

PEEHIP and MedImpact have been in constant financial negotiations with APNS and have made many attempts to work out a fair arrangement. Unfortunately, APNS continues to demand a significantly higher reimbursement for their goods and services. PEEHIP is not forcing or

asking any pharmacy to operate at a loss, but only to accept the same terms and agreements that 41 out of 42 pharmacy associations have agreed to and still receive a reasonable profit. The Board even agreed to allow these pharmacies to set their own copays in order to give them the level of revenue they demanded.

On December 7, 2010, the PEEHIP Board of Control, as a proactive measure to protect the plan, unanimously agreed to allow the removal of APNS pharmacies from PEEHIP's participating provider network with MedImpact effective January 1, 2011, if mutually acceptable reimbursement rates are not agreed upon.

After the Board meeting, PEEHIP made a final offer through MedImpact that included the option to let APNS pharmacies increase their copays to whatever level they deemed necessary to ensure a profit margin. That offer was rejected with the message that they would consider no other offers short of the APNS proposal. As a result, the pharmacies associated with APNS will no longer participate in the MedImpact/PEEHIP pharmacy network after December 31, 2010. Therefore, no benefits will be available if you use one of these pharmacies. A full list of APNS pharmacies can be found on the PEEHIP Web site at [www.rsa-al.gov/PEEHIP/pharm-benefits.html](http://www.rsa-al.gov/PEEHIP/pharm-benefits.html).

All members who are impacted by this change should have already received a letter from MedImpact/PEEHIP notifying them of this change. The letters are customized for each member and give the location of the closest participating pharmacy or pharmacies and instructions on how to transfer your existing prescriptions.

The good news is that 94.4% of our PEEHIP members utilizing an APNS pharmacy have access to other participating pharmacies within 10 miles. These pharmacies have agreed to accept the reimbursement offered by PEEHIP. For your convenience, PEEHIP has a Pharmacy Locator link on its Pharmacy Benefits web page at [www.rsa-al.gov/PEEHIP/pharm-benefits.html](http://www.rsa-al.gov/PEEHIP/pharm-benefits.html) to help you find a participating pharmacy near your home.

PEEHIP is already operating on a very strained budget and for the plan to absorb additional costs would cause more premium and copayment increases to all our members. ■



# Eligible Dependents Defined

**P**EEHIP defines the following individuals as eligible dependents for health insurance coverage, subject to the appropriate documentation.

1. Your **spouse** as defined by Alabama Law to whom you are currently and legally married. **(Excludes a divorced spouse.)**
  - a. A marriage certificate is required for proof of eligibility.
  - b. In common law marriages, proof of common law marriage is required as a condition of eligibility. A Common Law Marriage Questionnaire must be completed and documentation must be provided which includes but is not limited to: A copy of your federal income tax return for each year claiming to have been common law and covered under PEEHIP, showing your and your common law spouse's tax filing status with the IRS.
2. A **child under age 26**, only if the child is:
  - a. **Your biological son or daughter.** A birth certificate is required for proof of eligibility.
  - b. **A child legally adopted by you or your spouse.** A certificate of adoption is required for proof of eligibility.
  - c. **Your stepchild.** A birth certificate showing the member's spouse's name; and a marriage certificate showing the member's and parent's name.
  - d. **A foster child** who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.
  - e. **Any other children** such as grandchildren, who meet the same requirements as foster children and must be placed with you by decree or other order of any court of competent jurisdiction; for example, legal custody or legal guardianship.
3. An **incapacitated child** who is 26 years of age or older will be considered for coverage provided the dependent meets all of the following requirements:
  - a. Is unmarried
  - b. Is permanently incapable of self-sustaining employment because of a physical or mental handicap.
  - c. Is chiefly dependent on the member for support.
  - d. The handicap must have existed prior to the time the child attained age 26 and the child had to be covered as a dependent on the member's PEEHIP policy before reaching the limiting age. Two exceptions:
    - i. New employee requests coverage of an incapacitated child over the age of 26 within 30 days of employment; or
    - ii. Existing employee requests coverage of the incapacitated child over the age of 26 within 45 days of the qualifying life event of loss of other group coverage.
  - e. If approved for coverage, the child is not eligible to be covered on any other PEEHIP plans once he/she reaches the limiting age of 26.
  - f. Proof of the child's condition and dependence is required as a condition of eligibility.

If you have a dependent covered on your PEEHIP contract who does not meet the definition of an eligible dependent, please notify PEEHIP as soon as possible. Ineligible dependents must be removed from your coverage and may be eligible for continuation of coverage under COBRA. ■

---

## Notice About the Early Retiree Reinsurance Program

**Y**ou are a PEEHIP plan participant, or have been offered the opportunity to enroll as a PEEHIP plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees

participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, PEEHIP may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, copayments, deductibles, coinsurance, or other out-of-pocket costs. If PEEHIP chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under

this program are available and this plan sponsor chooses to use the reimbursements for this purpose.

PEEHIP may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families. You are receiving this notice by U.S. mail and you are responsible for providing a copy of this notice to your family members who are participants in this plan. ■

# Medicare Part B Drugs and Supplies

**M**edicare Part B is a Medicare benefit that helps cover doctors' services, outpatient care, and some prescription drugs and supplies when they are medically necessary. Medicare Part B also covers some other medical services that Medicare Part A does not cover such as some of the services of physical and occupational therapists, and some home health care. A person may receive a Medicare Part B benefit by paying his or her monthly Medicare Part B premium and annual deductible.

The drugs and supplies covered under Medicare Part B can include but are not limited to those within the following categories: Diabetes Supplies (such as blood glucose test strips, lancets and blood glucose monitors); Oral Anti-Cancer medications; Respiratory medications; and Immunosuppressants. These Medicare Part B medications and supplies are not covered under the PEEHIP prescription drug benefit for retired members and their covered dependents who are Medicare eligible but will be covered under Medicare Part B.

Medicare Part B drugs and supplies should be filed with Medicare Part B for retirees and their covered dependents who are Medicare eligible. When using a participating Medicare pharmacy, it is important to present your Medicare card and your PEEHIP insurance card to the pharmacist. Once a member has reached his or her Medicare Part B annual deductible, the medications covered under Medicare Part B are covered at 80%. However, you must tell the pharmacy you have "PEEHIP supplemental insurance" to cover the 20% portion of the claim and PEEHIP will reimburse the pharmacy for the 20% coinsurance amount under the major medical benefit of your PEEHIP plan. PEEHIP does not pay for any of the Medicare Part B deductible. ■

---

## It's time for Scale Back Alabama 2011!



**S**et to kick off its fifth year on January 20, 2011, Scale Back Alabama is a free, confidential, statewide weight-loss contest for adults 18 years of age and older held the first of each year. The purpose of the 10-week contest is to encourage Alabamians to get healthier by losing weight, exercising, and having fun while doing it. Last year's campaign drew more than 30,000 people in almost every county with a cumulative reported weight loss of almost 200,000 pounds.

A new component was added last year to the Scale Back Alabama campaign. The new component allowed school personnel the opportunity to be healthy role models for their students by participating as a **Scale Back Alabama School**. School personnel again can participate in the Scale Back Alabama School program. It is a win-win situation as school personnel work to achieve a healthier lifestyle while their students cheer them on and learn the importance of healthy habits.

Schools with five or more teams participating in Scale Back Alabama are eligible to become a Scale Back Alabama School. These eligible schools receive special recognition and are entered into a separate school drawing for prizes that promote good nutrition and physical activity habits for the students. (These prizes are in addition to the cash prize drawings referenced below.) It is important to note that students are not allowed to participate and weight loss for students is not being encouraged. Read below to find out how to participate in Scale Back Alabama and how to sign up to become a Scale Back Alabama School.

### Scale Back Alabama 2011 Dates

January 20, 2011

Scale Back Alabama kicks off

January 22 – 28, 2011

Participants register and weigh-ins are recorded

April 9 – 15, 2011

Scale Back 2011 concludes and ending weights are recorded

To take part in the program, teams of four can register and weigh in during the week of January 22–28, 2011, at any one of the hundreds of public weigh-in sites around the state. A complete list of Scale Back sites and hours for weigh-ins is available at [www.scalebackalabama.com](http://www.scalebackalabama.com). To sign up to become a Scale Back Alabama School, contact Molly Killman at [molly.killman@adph.state.al.us](mailto:molly.killman@adph.state.al.us) or call her at 334.206.5646.

### Team Prizes

- ◆ To be eligible for team prizes, each team member must lose at least 10 pounds during the 10-week contest, as recorded by a coordinator at a Scale Back Alabama weigh-in site.
- ◆ Winning teams will be determined by a random drawing from all eligible teams.
- ◆ The first team drawn will win \$1,000 per team member, or a total of \$4,000 for the entire team.
- ◆ The second team drawn will win \$500 per team member, or a total of \$2,000 for the entire team.
- ◆ The third team drawn will be rewarded \$250 per team member, or a total of \$1,000 for the entire team.

### Individual Prizes

- ◆ All individuals who lose at least 10 pounds, as recorded by a coordinator at a Scale Back Alabama weigh-in site, will be eligible for an individual prize, regardless of their team's achievement. However, individuals that are drawn for a team prize are not eligible to win the individual prizes.
- ◆ From the pool of eligible contestants, 50 individuals drawn will win one of 50 achievement prizes of \$100 per person.
- ◆ The individual prize drawings will be conducted after the Webcast on April 28 and posted on the Web site approximately two hours after the conclusion of the Webcast.

**Get registered and get started on a healthier lifestyle of losing weight, exercising more and having fun while doing it!**

# Healthier Eating Means Better Living

One of the most effective ways to improve your overall health is to follow a well-balanced diet low in saturated fats. Doing so can make you feel better, look better, and even reduce the risks for certain conditions, such as heart disease.

Following these simple guidelines and eating a well-balanced diet can help improve your health, as well as the way you look and feel.

- ◆ Eat a diet consisting mainly of fresh fruits and vegetables, peas, beans, lean meat, grains and unsaturated fats.
- ◆ Recognize your hunger pains and eat only when hungry.
- ◆ When you eat, focus on eating. Don't try to eat while watching television, driving or working. You'll find that you eat less.
- ◆ Don't eat to the point of feeling full and bloated. Eat only until you feel satisfied.
- ◆ If you crave an unhealthy food, eat it in small quantities. Don't deprive yourself - you may just binge later.
- ◆ Pay attention to what you eat. If you feel nauseous or uncomfortable or you have heartburn after a meal, your body is telling you something. Listen to it.
- ◆ Don't let stress, loneliness or anxiety determine what you eat. Using food as an emotional crutch can have a negative effect on your mental and physical well-being. ■



# High Blood Pressure: Risk Factors



Researchers have yet to determine an absolute cause for high blood pressure, also known as hypertension. However, they have identified a number of factors that contribute to your risk of developing this condition. Following are some of the most common risk factors:

- ◆ Increasing age. As people get older, they are more likely to develop high blood pressure.
- ◆ Family medical history. If members of your family have this condition, you could be at a greater risk for developing it yourself.
- ◆ Race. African-Americans are at a higher risk for this disease than other races.
- ◆ Too much salt in your diet. Most Americans use more salt than they need. Heavy salt intake can increase blood pressure. Cut your salt intake and your risk for high blood pressure.
- ◆ Other conditions. People with diabetes mellitus, gout or kidney disease can experience problems with blood pressure. Also, people who drink too much alcohol, smoke, don't exercise enough or are overweight are at a higher risk. Taking certain medications can also cause high blood pressure.

If you're at risk, make sure you take steps to monitor your blood pressure. Consult your doctor and make sure that he or she checks your blood pressure at least once a year. ■