

Stop Think & Decide

We want to stop double-digit increases in our health insurance premiums in Alaska. To work toward this goal, The Foraker Group and the Alaska State Chamber of Commerce have joined forces to offer a program that focuses on helping our employees better manage their health, instead of shifting higher costs to them.

Our long-range strategy is to reduce health care costs and increase employee productivity by changing the way we think about health care. Let's:

Stop doing business as usual in health insurance.

Think about managing our health care instead of letting it manage us.

Decide to put our employees in charge of their health care.

* *What's Inside?*

This brochure highlights the key features and objectives of The Foraker Group Benefit Plan. If you have any questions after reading this brochure, please contact your broker for more details.

Who's Eligible & What's Required to Participate?

To be eligible to participate in The Foraker Group Benefit Plan, members of the Alaska State Chamber of Commerce must meet the following criteria:

- **Must** be a Chamber member in good standing (*dues are current*)
- **Must** pay an annual fee of \$100 (*in addition to other ASCC membership fees*)
- **Must** agree to pay 75% or more of the health care insurance premiums for your employees and may opt to pay a portion of the health care insurance premiums for dependent coverage, if offered.
- **Must** agree to contribute a minimum of \$750 into the Health Savings Account for each employee (per year) and to work with the employee to insure a contribution for dependents of \$1,500, if offering dependent coverage.
- **Must** agree to participate in the Health Risk Management program.

NOTE: Your organization is encouraged and expected to meet these requirements as you may lose any incentives and possibly be terminated from The Foraker Group Benefit Plan.

THE FORAKER GROUP BENEFIT PLAN

The purpose of The Foraker Group Benefit Plan is to promote personal responsibility for improved health and stable lifestyles

The Foraker Group Benefit Plan is made up of the following plans:

- Medical (three options) through Premera Blue Cross Blue Shield of Alaska* (PBCBSAK)
- Optional Dental (two options) through Premera Blue Cross Blue Shield of Alaska* (PBCBSAK)
- Life (offered with Medical) through LifeWise Assurance Company
- Optional Short-Term Disability through LifeWise Assurance Company
- Optional Long-Term Disability through The Hartford

*Premera Blue Cross Blue Shield of Alaska is an independent licensee of the Blue Cross Blue Shield Association. Life and disability offerings are not Blue Cross Blue Shield products; LifeWise Assurance Company and The Hartford are solely responsible for these products.

Dental Options

There are two dental options available. One option—the Preventive Only plan—covers only diagnostic and preventive care (eg, *oral exams, routine dentings X-rays*) up to \$500 per person per calendar year. The other option—Dental Optima™ plan—provides coverage for diagnostic/preventive, basic, and major services as shown in the table below:

Features	Dental Optima™ Plan	Dental Preventive
	Member Responsibility	Member Responsibility
Calendar Year Deductible		
Individual	\$50	N/A
Family	\$150	N/A
Diagnostic and Preventive Care (eg, <i>dentings, oral exams, X-rays</i>)	20%	0%
Basic Care (eg, <i>fillings, oral surgery, periodontal maintenance</i>)	20%	Not covered
Major Care (eg, <i>dentures, partial and full bridges, replacement of crowns</i>)	50%	Not covered
Annual Maximum	\$1,500	\$500

Disability Options

What would happen if your employees became ill or suffered an injury and could not work? You can provide them with peace of mind by adding LifeWise Assurance Short-Term Disability and/or The Hartford Long-Term Disability coverage to your benefits package.

Short-Term Disability

The following Short-Term Disability coverage is available:

- Benefits begin on the 15th day of an injury or illness, up to 26 weeks.
- Benefits begin on the 30th day of an injury or illness, up to 26 weeks.

Long-Term Disability

Long-term disabilities can cause significant financial hardship, and most people are not prepared for a disability, although disabling injuries and illnesses are on the rise—in and out of the workplace. Help your employees deal with this trend by providing them with Long-Term Disability coverage through The Hartford. As an ASCC member enrolled in The Foraker Group Benefit Plan, you can offer the most competitive employer-sponsored LTD coverage specially designed for your employees at group rates. A variety of LTD plans are available through The Hartford, including the Enhanced Ability LTD plan, which includes stay-at-work and return-to-work support. Please see your broker for coverage options to suit the needs of your employees.



Dental and Disability Premiums
Premiums for the dental and disability plans will be determined from demographics, job descriptions, and salary levels.

Health Risk Management Program

Research shows that employees' health improves dramatically when Health Risk Management (HRM) programs are put in place. And with healthy lifestyles come lower health care costs and increased productivity. Therefore, your participation in the HRM program is a requirement of The Foraker Group Benefit Plan. You will be encouraged to engage your employees in a comprehensive HRM program, which includes the following components:

- Health Risk Assessment
- Enhanced Personal Health Manager
- Moderate Risk Coaching
- Lifestyle Management Web Portal Package
- Biometric Testing (*Optional*)

Employees who fall in a mid or high-risk category on the Health Risk Assessment will be asked to work with a health coach to learn how to improve their health condition, thereby reducing their health risks. These employees will also receive ongoing support through a personalized Web portal to enhance the opportunity for success.

Incentives for Participating in the HRM

There are two incentives for participating in the HRM:

1) A Health Risk Management Incentive

If you join either the \$1,500, \$2,500, or the \$3,000 deductible plan, you will receive an enhanced HRM service (ending in 2011). The approximate value of this incentive is in excess of \$120 per employee per year. This incentive addresses the top priority of The Foraker Group Benefit Plan, which is to identify and support employees who have potential health risks or who simply want to improve their health.

2) A Rate Incentive

A rate credit of \$30 per employee/per month will be granted to all ASCC member groups joining the Foraker plan. This rate reduction is allowed because of the assumption of 100% employee participation in the HRM program (i.e., completing the online Health Risk Assessment). This rate incentive is granted for the first year of enrollment in 2010; the level of participation will affect future renewal rates.

Medical Options

Three medical plan options are available:

HeritageSelect HSA™ High Deductible Plan with a Health Savings Account (HSA)

This medical plan option combines two high deductible health plans (\$1,500 or \$3,000 per individual per year) with a health savings account (HSA). Employees/participants must satisfy an individual deductible before the plan pays benefits. *EXCEPTION: Preventive care services such as physical exams, mammograms and immunizations along with some generic prescription drugs are covered in full with no deductible*

Health Savings Account

As an employer participating in this plan, you must contribute at least \$750 to each employee's HSA. The employee can elect to contribute additional pre-tax dollars to the HSA, minus the employer subsidy, up to the maximum cap as determined by the IRS. The money in the HSA can then be used to pay for qualified medical expenses. *(Please refer to the Department of Treasury website for HSA contribution levels www.ustreas.gov/ofces/publicaffairs/hsa/)*

Employees can grow their savings through investment options offered by the employer's bank of choice. Any funds they do not use will continue to accumulate, and they can take the money with them if they decide to change their medical plan option or leave the company.



Basic Life and AD&D Insurance

Life and AD&D insurance coverage in the amount of \$15,000 per person will automatically be provided to each covered employee enrolled in either of the High Deductible Health Plans with HSA or the Catastrophic plan. Employees must work at least 30 hours per week to be eligible for this coverage. This benefit will not be required if the employer already has Life With Assurance Coverage in place and wishes to continue with the existing policy.

HeritageSelect Envoy™, a Catastrophic Plan

The HeritageSelect Envoy plan, which provides employees with catastrophic coverage (a \$2,500 per person per year deductible), is available if you are unable to offer the high deductible plan with HSA to your employees because of monetary or logistical reasons. This plan provides in-network and out-of-network coverage after a deductible. Preventive care services are covered in full with no deductible. Professional office visits require a co pay for the first 6 visits; thereafter, employees must pay their portion of coinsurance after satisfying the deductible.

Pharmacy Benefits

Applicable to the HeritageSelect Envoy™ Catastrophic Plan only

The prescription drug copay varies depending on the type of prescription:

Tier 1: Generic - \$10

Tier 2: Preferred Brand - \$30

Tier 3: Non-Preferred Brand - \$50

Prescription drugs are covered at 100% after the applicable copay when using participating retail pharmacies. Up to a 30-day supply of covered medications is provided. Participants can save money by purchasing maintenance medications through the mail-order pharmacy. The cost for up to a 90-day supply of prescription drugs is \$25 for generic, \$75 for preferred brand, and \$125 for non-preferred brand drugs.

PLEASE NOTE: The High Deductible Plan with HSA requires pharmacy benefits to be applied to the deductible and coinsurance.



Change Employee Behavior

The High Deductible Plan with an HSA increases your employees' awareness of health care costs and encourages them to spend their health care dollars wisely.

Medical Plan Comparison

The following table provides a comparison of the medical plan offerings:

Features	HeritageSelect HSA™ High Deductible Plan		HeritageSelect Envoy,™	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible				
Individual	\$1,500 / \$3,000		\$2,500	
Family	\$3,000		3 x individual deductible	
Member's Coinsurance	20%	20% (40% hospital/CD facility)	20%	20% (50% hospital/ 50% hospital/CD facility)
Calendar Year Out-of-Pocket Maximum				
Individual	\$5,000	Not applicable	\$5,500	Not applicable
Family	\$10,000		3 x individual OOP maximum	
Office Visit	Deductible/Coinsurance	Deductible/Coinsurance	\$25 copay (first 6 visits); then Deductible/Coinsurance	\$25 copay (first 6 visits); then Deductible/Coinsurance
Preventive Care Office Visit	Covered in full	Covered in full*	Covered in full	Covered in full*
Immunizations	Covered in full	Covered in full*	Covered in full	Covered in full*
Mammography	Covered in full	Hospital/CD facility: Deductible/Coinsurance All other: covered in full*	Covered in full	Hospital/CD facility: Deductible/Coinsurance All other: covered in full*
Inpatient Hospital	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance
Outpatient Surgery	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance
Mental Health Inpatient Facility Room & Board	Deductible/Coinsurance, 6 days per calendar year		Deductible/Coinsurance	Deductible/Coinsurance
Mental Health Outpatient	Deductible/Coinsurance, 12 visits per calendar year		Deductible/Coinsurance	Deductible/Coinsurance
Emergency Room	Deductible/Coinsurance	Deductible/Coinsurance	\$100 copay plus Deductible/Coinsurance	\$100 copay plus Deductible/Coinsurance
Prescription Drugs	Deductible/Coinsurance (<i>specific preventive drugs covered in full</i>)	Deductible/Coinsurance (<i>specific preventive drugs covered in full</i>)	See Pharmacy Benefits	See Pharmacy Benefits
Routine Vision Exam (1 per calendar year)	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance
Vision Hardware (crest of lenses per calendar year; one frame every two calendar years)	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance	Waive deductible; subject to Coinsurance
Lifetime Maximum	\$2 million		\$2 million	

*Balance billing may apply if a provider is not contracted with PBCBSAK; members are responsible for amounts in excess of allowable charges.

THE FORAKER GROUP – Origin of our name: We see Denali (Mount McKinley) as a metaphor for the nonprofit sector. Just as Sultana (Mount Foraker) stands next to Denali in the great Alaska Range, The Foraker Group stands beside the nonprofit sector in Alaska.

ALASKA STATE CHAMBER OF COMMERCE – The voice of Alaska business – promoting a positive business climate in Alaska.

theforakergroup

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