

NOVEMBER 2005



# ALASKA TEAMSTER-EMPLOYER WELFARE TRUST

## 2004 SUMMARY ANNUAL REPORT

*This report reflects the financial health of your medical fund.*

*If you have questions about this report, please call 907-565-8300 or (800) 478-4450,  
or email us at [rosek@959trusts.com](mailto:rosek@959trusts.com).*

[www.akteamstertrusts.com](http://www.akteamstertrusts.com)

### SUMMARY ANNUAL REPORT FOR THE ALASKA TEAMSTER-EMPLOYER WELFARE TRUST

This is a summary of the annual report of the Alaska Teamster-Employer Welfare Trust, a multi-employer plan, for the year beginning Jan. 1, 2004 and ending Dec.31, 2004. The annual report has been filed with the Employee Benefit Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

#### SELF-FUNDED BENEFIT INFORMATION

The Plan maintains its medical, dental, drug, vacation, disability and vision benefits under a self-funded program.

#### INSURANCE INFORMATION

The following brief description of the Plan benefits is provided for general information purposes only. Participants should refer to the Plan document for more complete information. The Plan has contracts with MetLife to pay certain life insurance and accidental death and dismemberment claims. The Trust also maintains stop loss coverage under contract with ULLICO for participants and dependents. The total insurance premiums charged to the Plan for the year ended Dec. 31, 2004 were \$683,329.

#### BASIC FINANCIAL STATEMENT

The value of the Plan assets, after subtracting liabilities of the Plan, was \$4,932,406 as of December 31, 2004, compared to \$2,893,250 as of Jan. 1, 2004. During the Plan year, the Plan experienced an increase in its net assets of \$2,039,156. This increase included unrealized appreciation or depreciation in

the value of the Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the costs of assets acquired during the year.

During the Plan year, the Plan had total income of \$24,793,126 including employer contributions of \$19,502,727, participant contributions of \$4,200,233, earnings from investments of \$766,277 and other income of \$323,889.

Plan expenses were \$22,753,970. These expenses included \$1,736,354 in operating expenses, \$57,611 in investment expenses, \$19,630,455 in benefits paid directly to participants and beneficiaries, \$683,329 in insurance premiums charged by insurance companies and a net increase of \$646,221 in benefit obligations.

Benefits and eligibility rules will change from time to time. Retiree benefits differ from active employee benefits and also can be changed or eliminated at any time. Be sure to use the most recent plan booklet and to read any special notices about your coverage. Do not rely on outdated information. If you lose your coverage, you may be entitled to continue it by making self-payments. Consult your booklet or the Plan office for details.

**DURING THE PLAN YEAR, THE PLAN HAD TOTAL INCOME OF \$24,793,126, INCLUDING EMPLOYER CONTRIBUTIONS OF \$19,502,727, PARTICIPANT CONTRIBUTIONS OF \$4,200,233 AND OTHER INCOME OF \$1,090,166.**



## YOUR RIGHT TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investments;
3. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call:

Alaska Teamster-Employer Service Corporation  
520 East 34th Avenue, Suite 107  
Anchorage, AK 99503  
(907) 565-8300 or (800) 478-4450

The charge to cover copying costs will be \$4.00 or \$.25 per page for any part thereof.

You will also have the right to receive from the Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover the copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 520 East 34th Avenue, Suite 107, Anchorage, AK 99503, and at the US Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying charges. Requests to the Department should be addressed to: Public Disclosure Room, N5638, Employer Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.



## OUT-PATIENT PENALTIES IN ANCHORAGE

### Q: What is included in out-patient services?

A: Out-patient services include laboratory tests, diagnostic examination like mammograms, colonoscopies and MRIs. It includes treatments such as chemotherapy, radiation therapy and hemodialysis. It also includes surgical services when you can be released in less than 24 hours following the surgery.

### Q: If I use another out-patient facility, such as Providence or HealthSouth, how will my claim be penalized?

A: Only 50 percent of the usual, reasonable and customary charges will be considered. Then, that amount is paid at 70 percent. For example, if you use a facility other than Alaska Regional for an out-patient procedure and the total charge by that facility is \$5,000, the Plan will only consider 50 percent of those charges, or \$2,500 and then pay 70 percent, or \$1,750. Therefore, of the \$5,000 charge, you will be responsible for \$3,250.

### Q: Why is the penalty so big?

A: When we negotiated the preferred contract with Alaska Regional, we were able to get 50 percent off retail charges. Using the example above, the charges at Alaska Regional would have been \$2,500 and the Plan would have paid 80 percent, so that your total responsibility would have been \$500. We are fighting to use each health care dollar wisely. It would make no sense to pay for the same services at a facility other than Alaska Regional when the negotiated rates at Alaska Regional are so favorable. Using Alaska Regional saves you and the Plan money.

### Q: My physician's clinic has a lab and screens tests through this lab. Since the Plan has negotiated a discount at the Alaska Regional lab, can I ask my doctor to send them there?

A: Yes. If your doctor does not need the results immediately, you should instruct that the test be conducted at the Alaska Regional lab, which will save you money.

## ALASKA REGIONAL IS YOUR PREFERRED PROVIDER FOR OUT-PATIENT SERVICES

In Anchorage and only in Anchorage, the Plan has negotiated discounts at Alaska Regional Hospital for services including the emergency room, in-patient hospital services, out-patient hospital services, maternity care and surgical services.

When you use Alaska Regional Hospital, your co-payment amount is 20 percent instead of 30 percent. If you choose to use another facility when you could have used Alaska Regional, you pay more.

## IMPROVEMENTS TO YOUR WELLNESS BENEFIT

People go to the doctor for one of two reasons. You go because you are ill or have symptoms and need the doctor to help you resolve the problems. You might also go to the doctor when you are well and have no signs of an illness or injury, simply because you want to confirm that you are well. This type of visit is called a wellness visit.

During these wellness visits, the doctor might find illnesses that have not presented symptoms, such as high cholesterol or blood pressure, which is why we encourage you to go in for a routine check-up, even when you feel well.

The Trustees amended the Plan and improved the wellness benefit effective Jan. 1, 2006. Here is a summary of the benefits beginning Jan. 1, 2006.

BENEFITS PAID AT 100 PERCENT OF UCR, NOT SUBJECT TO DEDUCTIBLE		
What	For Whom	How Often
Mammogram	Women ages 35 to 39 Women ages 40 to 49 Women ages 50 and over	One Baseline Every two years Annually
Pap smear, including office visit and laboratory tests	Women age 18 and over	Annually
BENEFITS PAID AT 100 PERCENT OF UCR, NOT SUBJECT TO DEDUCTIBLE, WITH A \$300 ANNUAL MAXIMUM		
What	For Whom	How Often
Routine physical Exam performed by a physician. Diagnostic x-rays and laboratory tests	Age 13 and over	Annually
Well child care	Age 12 and under	As needed
Digital rectal exam	Over age 40	Annually
Prostate Exam	Men	Annually
Fecal Occult Blood Test	Over age 50	Annually
BENEFITS PAID AT 70 PERCENT OF UCR, NOT SUBJECT TO DEDUCTIBLE		
What	For Whom	How Often
Flexible Sigmoidoscopy	Over age 50	Every Two Years
Total Colon Exam by Double Contrast Enema		Every Five Years
Total Colon Exam		Every Ten Years



## CURASCRIP – YOUR SPECIALTY PRESCRIPTION DRUG PROVIDER

**CuraScript Pharmacy**, a subsidiary of Express Scripts, is now an exclusive provider of a select group of specialty medications covered by the Trust.

Specialty drugs are usually newly developed drugs that are very expensive and rarely prescribed. Often the expensive injections that doctors provide in their office are specialty drugs.

You will need to obtain any specialty medications through CuraScript Pharmacy instead of your physician's office. Your physician should be aware of this new program and can obtain an enrollment form to order your medication for you.

Prescriptions covered by this program are subject to a \$100 Participant co-payment for each prescription. These medications will not be covered if they are submitted under the medical plan for payment, as they were in the past.

If you have any questions about specialty drugs or CuraScript Pharmacy, please contact the Trust Customer Service Office at 800-478-4450 or 565-8300.

[WWW.EXPRESS-SCRIPTS.COM](http://WWW.EXPRESS-SCRIPTS.COM)

When you buy your prescription drugs at a retail pharmacy, you are limited to a 30-day supply. When you buy through mail order, you can get a 90-day supply. This difference is to encourage people to use mail order because it costs less to dispense drugs through a mail order facility than through a retail pharmacy. If you have problems getting a prescription filled, call us right away. If you call us when the problem arises, we can solve it and make sure you don't pay more than you should. For example, if the pharmacy was unable to process your claim and you paid out-of-pocket, contact us within five working days so that the pharmacy can reprocess the claim and give you a refund.



## AN IMPORTANT MESSAGE ABOUT YOUR 2006 PRESCRIPTION DRUG BENEFIT FROM EXPRESS SCRIPTS

When it comes to your prescriptions, getting the best buy takes action. When thinking about a drug, you should first consider how well it works and whether it's safe. Then you should think about how much it costs. A drug that costs more but doesn't do more isn't a best buy. Here are some little-known facts to consider:

- When you spend more on prescription drugs, you aren't always getting more.
- Many patients who take expensive drugs will do just as well with drugs that cost less.
- Generic and lower-cost brand drugs are often equally effective and more affordable.

## DRUGS ON THE NATIONAL PREFERRED FORMULARY ARE BEST BUYS

What was a good buy in the past isn't necessarily a good buy today. That's why every year, it's Express Scripts' role to

recommend National Preferred Formulary updates to the Alaska Teamster-Employer Welfare Plan. Express Scripts evaluates drugs to determine how effective and safe they are, then how affordable.

Prescription drugs that meet these standards are included in your National Preferred Formulary. Next year, some alternative brands and generic drugs will be added while other drugs will no longer be included. Your plan's 3-tier structure is designed to provide the most savings with the tier-1 generics or tier-2 drugs that are on your 2006 National Preferred Formulary. Drugs that are not on your National Preferred Formulary will remain available, but you will pay at the highest (tier-3) co-payment level.

## GETTING THE BEST BUY TAKES ACTION

Because of these changes, the amount you pay for your prescription drugs may increase, unless you act. So when it's time to refill your prescription for 2006, talk to your doctor. Express Scripts will send you the 2006 National Preferred Formulary later in the year. You should give this Formulary to your doctors so they know which drugs will save you money.

## YOUR PHARMACY BENEFITS ARE NOW ONLINE

Get more from your prescription benefit. Register today at [www.express-scripts.com](http://www.express-scripts.com) to access savings, convenience and service online.

[WWW.EXPRESS-SCRIPTS.COM](http://WWW.EXPRESS-SCRIPTS.COM)

- SEE WHAT YOU'LL PAY FOR A SPECIFIC DRUG.
- DISCOVER WAYS TO SAVE.
- ORDER REFILLS AND TRACK THE STATUS OF YOUR ORDER.
- LOCATE PARTICIPATING RETAIL PHARMACIES NEAR YOU.
- CHECK YOUR BENEFIT COVERAGE.
- VERIFY COVERAGE FOR ELIGIBLE DEPENDENTS.

## EDUCATING, ADVOCATING AND EMPOWERING INDIVIDUALS THROUGH DISEASE MANAGEMENT

Being diagnosed with a chronic condition can be a stressful and confusing time for both you and your loved ones. Not only must you manage your condition medically, but you must still maintain the ability to take on life's everyday activities. It's difficult to always know the necessary changes that you may need to make in order to better manage your condition.

That's why Alaska Teamsters has partnered with Cardium Health, a national health and disease management company, to help guide you on a path to better health.

Disease management programs are designed to improve lives. They help individuals develop the skills, motivation and tools necessary to make positive behavior changes to enhance overall health. Programs like the one being offered to you through Cardium Health are emerging as popular tools for employer groups, not just because they promote preventive medicine which help to reduce health care costs but, more importantly, because they improve the quality of life for our members.

These free and completely voluntary programs work in partnership with your doctor to offer you guidance and support with chronic conditions, including heart disease and diabetes. Cardium Health works with you to develop a wellness plan to help you achieve healthy eating habits, healthy body weight and increase physical activity. Other programs include tobacco cessation allowing you to break free from tobacco dependence and better manage stress.

All disease management programs are conducted over the phone and are completely confidential. No personal health

information is shared with your employer group. The highly trained Cardium Health staff of clinicians includes nurses, dietitians, diabetes educators, exercise physiologists and behavioral health specialists. As an enrolled participant, you are provided your own health coach who calls once or twice a month at a time and place that is convenient for you. You are also able to call your health coach for support any time you may need it. With a caring friendly voice on the phone, health coaches take the time to answer your questions and encourage you to take better care of yourself. They recognize that each person is a unique individual and work with you one-on-one to guide you to better understand your condition and help you make more informed health decisions.

### PROGRAM PARTICIPANTS REAP REAL REWARDS FOR PARTICIPATING.

They lower their cholesterol and get their blood pressure to a healthy level. Individuals lose weight successfully. They stop smoking and stay smoke-free. They have stronger relationships with their doctors, take medication appropriately and are better able to manage the stress of everyday life.

Effective Jan. 1, 2006, to find out if you may be eligible to participate in these free and completely confidential programs offered to you by the Alaska Teamsters, go to [www.mycardiumhealth.com](http://www.mycardiumhealth.com), enter "ATEAM" as your access code and simply follow the screens as prompted. You can also talk with your benefits administrator or call Cardium Health today toll-free at (877) 767-7700.

[WWW.MYCARDIUMHEALTH.COM](http://WWW.MYCARDIUMHEALTH.COM)

## LIPITOR GOING OFF THE NATIONAL PREFERRED FORMULARY

On Feb. 1, 2006, Lipitor (used to lower cholesterol) goes off the National Preferred Formulary and will be substituted with Zocor. For 80 percent of Plan participants, we expect that this drug will be just as effective as Lipitor. However, there is a smaller percentage of participants who can take Crestor or Lovastatin as a substitute. Zocor then goes generic in June 2006 and the cost to the Plan for this very popular drug will be dramatically lower.



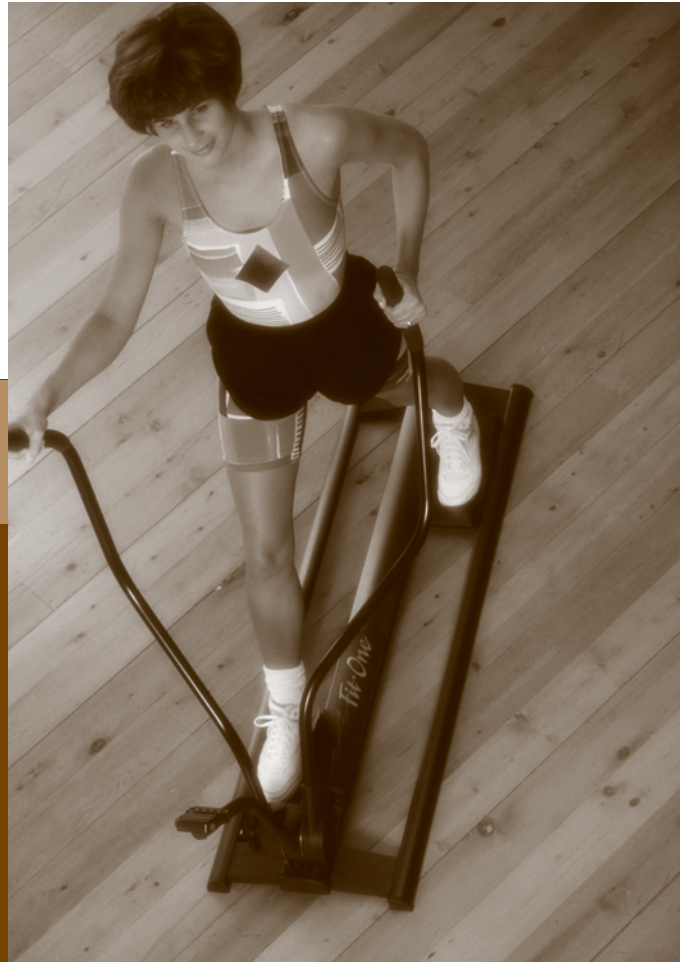
## WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998

Your plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between breasts, prostheses and complications resulting from a mastectomy (including lymphedema).

## YOUR MEDICAL AND DENTAL CLAIMS NOW ON-LINE

By going to the Trust website, [www.akteamsterstrusts.com](http://www.akteamsterstrusts.com), and clicking on the link, you can check your eligibility status, see what claims have been paid and what claims are pending and view the explanation of benefits which includes the amount you have paid toward your deductible and out-of-pocket limits.

NOTE: If you DO NOT wish to have your claims information accessible electronically, contact the Trust office and request to have your on-line access blocked.



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520 E. 34TH AVE., SUITE 107  
ANCHORAGE, AK 99503-4116

SERVICE CORPORATION

ALASKA TEAMSTER-EMPLOYER



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