

January 1, 2014

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State & Public School Life & Health Insurance Task Force

Room 171, State Capitol, Little Rock AR

Dear Task Force Members,

Thank you for taking on the difficult job of investigating the Public School Employees insurance situation. It is a complex and difficult problem with no easy or quick solutions.

I am a teacher at Rural Special School in Stone County, north central Arkansas. Due to my activities of the past couple of years it seems I have become an unofficial spokesperson for thousands of my colleagues statewide. I feel it is my duty and personal responsibility to continue to keep you informed about the true cost of this insurance disaster. It has been, and continues to be, devastating for the people and families affected. Education in Arkansas will suffer greatly as a result if the problem is not corrected NOW. I would much prefer to present this to you in person, and will gladly come with updates in the future if you would like, but due to the timing of the meeting I cannot be there on January 7th. I hope that you will accept this input to your study of the insurance issue.

I am writing to you today in hopes that you will understand more clearly, the current state of affairs for teachers and school employees. I have copied and pasted many comments and questions from my Facebook group discussions below so that you can read some of the issues that have come up just in the past few weeks, this only goes back as far as December, 2013. Last year I compiled a variety of stories that were told by teachers/employees from the same site. Some of you already have that handout, but if you do not have it I will gladly send you one. It contains direct quotes detailing the hardships placed on already overworked and underpaid, yet still dedicated professionals in our schools. This is essential in order for you to see firsthand, without any editing, spin, or over-dramatization, what it is like dealing with health insurance for people in our school systems.

There are several common themes that become clear as you read these comments (keeping in mind that this is only a sampling, not all of them) from group members.

1.) Lack of, or poor, communication. Very few people have any idea what to do or how to go about using the insurance they have. There has been a consistent and negligent lack of communication from EBD and school districts about how to proceed, whether on someone's old plan or their new ones. Even bookkeepers and administrators have been giving out wrong information because they don't know either. Occasionally there are e-newsletters sent out but the information is vague, and usually we are directed to the ARBenefits.org page for further information. I have found that many of the links on the page will not load, so it's hard to get what is needed from their website.

2.) There are a remarkable number of serious documentation errors in many cases, and the basic paperwork involved in the handling of those cases. If these people had not saved their original faxes and paperwork their situations would be much worse. Once everyone begins sharing stories and comparing notes, you find that mistakes are the norm, not the exception.

3.) Information, such as it is, comes from EBD in bits and pieces, and people are told different things by different people. Employees are constantly confused, so much so that the same questions keep being asked repeatedly on our group page. We try to go to the source to get the correct info from the right people, but that is not always easy to do. We manage to sort out a lot of issues, but Facebook is not (and should not be) the official source of information people should have to use...EBD must do a better job of disseminating information. They need to go out to districts and/or co-ops to make sure everyone knows what is being done, and what they have to do to make sure they are doing what they need to do the right way. (For example, the woman who did not realize she had to add her newborn to her policy within 30 days, then discovered the doctor & hospital charges were not covered, unlike her first 2 children who were automatically covered.)

4.) Transparency! If we understand what is happening and how aspects of our insurance are handled, we would become better and more educated clients. Third party companies such as Datapath (and Catamaran, which I have just recently heard of that deals with pharmacy benefits) also must be held to the same standards as far as communication and transparency with customers, and correct documentation.

5.) ARBenefits.org website needs to be updated with current board members. As of 1/1/14 it still shows the original board from 2013, several of whom were removed months ago. It shows no new members. If the Governor has appointed new ones to replace the old ones, nobody knows this. If it has been made public, we have not heard about it.

6.) EBD executives should be put under scrutiny. Does what they say match what is really true?

7.) There are bookkeepers who need to tell you about their experiences. PLEASE contact district and co-op bookkeepers and ask them to explain to you how terribly complicated and unreasonable EBD has been in the past. I have asked one in particular to contact you but I don't know if she has. It is not an easy thing for some people to do on their own...you need to talk to them!

INDIVIDUAL SITUATIONS

- I had a bad accident in December while sledding with my kids (broken coccyx, 6 surgeries on a deep cut, MRSA infection 2 weeks in hospital stays and \$4000 in antibiotics that my insurance refused to cover).
I am on home health for the next two months at least to change the wound dressing and maybe more MRI's. I have no idea if my insurance will pay for my treatment.
- Last year (2012), in October, I signed up for the Silver plan as an individual through my school district. The paperwork was faxed, and we received a fax confirmation. I knew that it wouldn't be effective until the new year, so when I didn't receive any paperwork or insurance cards for a while, I didn't think much of it. The new year came around, still nothing. I forgot all about it for a while, because I didn't need to go to the doctor or anything. In June, I got sick and wanted to visit the doctor, and remembered I still didn't have a card, so I called EBD. They said that they had no evidence that I even tried to send in my paperwork to be insured through them. So for ALMOST A YEAR, I was uninsured completely. We finally got it all figured out, because I had (thankfully) kept my original paperwork and fax confirmation, so they honored it at that time. Yes, it was definitely my fault for waiting that long, but also theirs because their "confirmation" was a complete lie. Fast forward to now. I filled out paperwork to change to the Bronze plan with an HSA. We faxed it and received a "confirmation". Again, I waited on an insurance card. It came in the mail today, but it still says "Silver". I IMMEDIATELY called EBD, got a "voicemail is full" the first time, the second time finally got on a line, but waited 20 minutes to talk to someone. When I finally get to talk to a real person, SURPRISE! They never received my new paperwork to switch from Silver to Bronze. I sent the paperwork mid-October and again got a confirmation. The lady I was talking to then told me that "sometimes this happens because so many people are trying to get through, your fax says "confirmed", but that is only on your end, not ours. This only happens to about 1% of applications, though.". One percent?! This happened to me, TWICE in a row. She did tell me that if I had the original paperwork and fax

confirmation they would honor it. Luckily, since this already happened to me once, I was not stupid enough to throw it away.

- I have somewhat of the opposite story. July 2012 I was hired in a new district and took out insurance on my children and myself for the first time (gold plan). I called EBD the first of August to confirm my cards were in fact correct and my children and I were covered and if I took them to the doctor our insurance would be honored. I was told my insurance was active. I made a cardiologist appointment and 6 month check up and shots for my son and a yearly appointment for myself. All three doctor's offices also got confirmation that I was in fact insured. Once the offices filed the claims they were all denied. When I called EBD to find out why it was because I had not yet paid any premiums at the time of the appointments. I called the state insurance board and they didn't even want to talk to me because EBD is a state organization. They have free rein. I'm still paying off the \$3000 cardiologist appointment.
- I was not signed up for the change I made on insurance during open enrollment. I found out on the day of my appointment as well.
- Has everyone received their new cards? I have not heard anything from them...
- Yes, they were taking the money out, they just weren't covering me.
- I just got my cards that say "silver" on them instead of "bronze" which is what I switched to when I faxed in the paperwork. I haven't been able to get a hold of anyone.
- What makes this really bad is that we shouldn't HAVE to check on our insurance to make sure it is correct. We should be able to trust that if we filled out the paperwork and sent everything the way we were supposed to, we would have the correct insurance.
- Before I ever received my cards I had to take my son to the doctor, I stopped by my school to ask our insurance person what I should do since I didn't have a card yet, she called to get my information so I could give it to my doctor and they had no record of me and my family. She pulled my info because she knew that I had recently signed up because my husband had lost his job. Thankfully, with her help, we figured it all out.
- When I started teaching 34 years ago because I was covered individually I didn't pay anything for my health insurance due to my districts contribution paying my portion. Yes Virginia, at one time AR teachers had affordable healthcare.
- Yes- same thing happened to us this year- cards said gold but we switched to bronze- said we didn't switch- a lady in our admin office that helped us had kept our paperwork-- have correct cards now.
- Yes same thing happened to me beginning of last year. Same as you when cards didn't come in I didn't really notice until I went to dr and had no cards. When I

called they said they never received my application (sent via fax). I had kept my fax and confirmation as well and sent again.

- The same thing happened to me when I changed school districts in July- thankfully I had saved my confirmation
- I haven't received my new insurance cards! Great one more annoying thing to add to my overwhelming schedule!
- All of these "mistakes" are totally on EBD ! It appears that these EBD employees need some training and/or new leadership! If EBD was a company well known to the general public --- like Target --- we would be seeing these "mistakes" on the evening news!
- I got my HSA cards today but no money on them until the 15th of January. Or maybe later?! I feel a little better since I got my cards today but for the last 18 years I've not had to worry about such things. Just go to dr and it was covered. Turning my medical world upside down or so it seems I know we'll make it just stressed due to change.
- I went from Gold to Silver and after the phone call from my doctors office today to confirm an appt. on Thursday I am really worried. I don't want to go into details about what the appointment is for, but they basically told me that I have to pay \$935 on Thursday. Part of it for a procedure that insurance doesn't cover. The rest is the deductible.
- My greatest fear in changing from the gold to bronze plan has become a reality! Three fold even. My husband began having chest pains three weeks ago and went to our regular md who sent him to the cardiologist after EKGs. Cardiologist sent him for a nuclear stress test which in turn resulted in a need for a heart cath. All this time I'm thinking, sure am glad we are going get this done before Jan. 1. WRONG! Heart cath will be this coming Monday. This is #1 in the three-fold. #2- got a call from our pharmacy on Monday that the hubby's Crestor was denied the refill without prior authorization. I was stunned but expected it to be quickly straightened out another the pharmacy said they would call the prescribing doctor who would take care of it. Got a call from that doctor's office yesterday stating they had called about it and found out that Crestor was changed tiers and would cost a lot more. Ok, I say, no problem, just go ahead and call it I today since I knew we would be self pay on medications until we met the deductible. I explained to her I would be on a new insurance level. Went to the pharmacy late yesterday to pick it up and big surprise! Dr.'s office never called it in. Now, I get to pay full price as soon as it actually gets called in. #3 in this experience! The husband has either fractured a rib or stressed a ligament with all his coughing and sneezing from an asthma/allergy attack yesterday! He won't go get an X Ray since January 1 means paying out of pocket! Trying to be positive since the good news is we will meet that deductible pretty quickly!

- When I had silver last year it was HECK getting ins to pay. Doctor wanted husband on the medicine but ins continued to say no without a stupid piece of paper. I finally told them they would they be willing to pay for his funeral since the doctor who knows my husband's condition knows more than a (I cursed) piece of policy? Threw a huge fit and also told them to send a doctor to examine my husband instead of trying to diagnose him by policy. Finally got the meds. Good luck to you and hubby! Hope he gets well soon.
- My husband received his card last week but my son and I haven't.....has anybody else not? Also, no HSA cards.
- My cards were all together in one envelope. But I still haven't got the HSA cards.
- I haven't received my HSA card either . I am new to bronze starting tomorrow! Talked to a CSR today , He said my cards were mailed Dec 26 . By the way whoever is doing the HSA cards does NOT have very good customer service at all!!
- I feel for you. I also switched (gold to silver) and now they found something in my mammo from December and want to aspirate in January to see if it's a cyst or cancer. I'm really regretting my decision to switch.
- A heads up.....My kids and I have been on the Bronze plan for two years. I love it, but I wanted to warn everyone about something we are going through. The pharmacy benefits are handled by a 3rd party company called Catamaran. This is the first year that we have met our family deductible of \$3,000, so I was excited to only have to pay 20% on their epi-pens this year. I tried to fill their prescriptions today, and the company that handles our pharmacy claims only shows us only meeting about \$600 of our yearly deductible instead of the entire \$3,000. We had met \$600 by March, so I cannot imagine why their system has not been updated since then. They cannot give me any information as to why this happened, so I'm hoping I can get it figured out tomorrow. I have a feeling this will be happening to quite a few people with the large number of people changing to the Bronze plan.
- When you use discount programs, cards, etc... They generally do NOT count towards your deductible.... The more you know.... 3rd year bronzer here.
- You might want to see how much they cost without using your insurance. My cholesterol medicine is \$54.00 cheaper per month without filing it on insurance. I always ask the pharmacist if it is cheaper with or without insurance.
- I spoke with AR Benefits this morning. They are showing my girls' epi pens were rejected because it is not formulary. I explained that Catamaran is saying it was rejected because I have not reached my deductible. It is being sent for investigation which will not help me much because it takes a couple days for them to investigate. I had spoken to AR Benefits back in August when they were rejected, and the two companies were saying the exact opposite. Catamaran

said it was not formulary, and AR Benefits said it was formulary but I was still \$600 away from my deductible. This is so frustrating. There is a coupon available that is good for \$100 off each prescription, but each prescription is \$332. That would still be about \$460 to get them filled. I have to figure out if I want to go ahead and pay full price and hope they reimburse me when it gets worked out, or if I want to let it go. As of tomorrow, we will be on my husband's bronze plan. It used to be cheaper for us to have separate bronze plans, but our district worked it out to where it is almost the same price for us to have a family plan next year. I really should have worked on this earlier. My daughter had surgery December 6, and I was trying to let those bills go through, so my deductible would be met. Lesson learned.....

- I am going on my husband's insurance effective tomorrow. We will now pay less per month to insure all four of us than what I was paying just for myself
- Just talked to EBD people. They have no record of me going from gold to bronze. Imagine that! They said over 130,000 people went to bronze this year. Hope my bookkeeper kept a copy of the fax confirmation number.
- I have not received mine yet either. I called today and they do not have me in the system. The school said they faxed it early November. The lady that does this for my school system is supposed to be checking on it for me.
- I just got my HSA cards and activated them. It looks as though we will be paying for prescriptions until the 20th of January, which is my first pay day, or until the money gets to the card. Where do we submit receipts for acknowledgement of purchases or will they know from our insurance ID?
- Question. ...I'm on the gold plan for 2013 & I had a baby this past October. EBD is telling me they aren't required to pay for newborn benefits following delivery unless the child is added to the plan. Maybe I'm misinterpreting something, but I thought it was federal law that this plan can't restrict benefits for 48 - 96 hours following delivery. Thoughts?
- For those of you who have received your card from Datapath, did you also receive all the terms and conditions related to the plan. I spoke to a supervisor at Datapath on Nov 11 and demanded a copy which I have yet to receive. I want to see the terms I agreed to by signing up for this plan in 2011.

I should say that any time I have made contact with EBD, usually with the administrators, they have been courteous and helpful. I believe that they want to do the right thing with this organization, but they need a lot of assistance and some unpleasant scrutiny in order to be able to achieve that end.

Thus far, this letter has not addressed the need for a complete overhaul of the PSE insurance program, but it is clear that fundamental change in funding and structure is the ONLY way to keep this ship afloat. Make no mistake, it is still sinking. People are

struggling. Most people who have switched to the bronze plan did so because they felt they had no other choice, not because they wanted to. They are scared and insecure about their financial futures. Their stress levels went sky high today as they began their new insurance. The fear of "what if" between now and when they can somehow build their HSA plans to meet out of pocket expenses is weighing VERY heavily on their minds. This is a stress they should not have to deal with...this on top of all the other inherent stresses in education, plus all the new ones put upon them with TESS and Common Core overloading their work levels. It is a tough time to be a teacher in Arkansas.

The bottom line is this: if we, the public school employees of Arkansas, are treated fairly and reasonably, and have access to affordable health insurance, we will use it. If not, we will go elsewhere...for insurance, or in growing numbers of cases, employment. It **is** that serious, and it **is** that important.

Thank you for taking the time to read this rather long collection of thoughts. This is the reality, the day to day details of what we are having to deal with. I invite you to join my Facebook group so that you can see for yourself as the situation unfolds, how we manage to sort things out and help each other. "AR School Employees Health Insurance" is the name of the group. Please send a request to join and I will add you. It is an informal group, so sometimes the discussions get pretty rancorous, but if you accept that at the outset with the proverbial grain of salt, I think you will find it to be very informative.

Sincerely,

A handwritten signature in black ink that reads "Shelley J. Smith". The signature is written in a cursive, flowing style.

Shelley J. Smith

Teacher, Rural Special School

Fox, Arkansas