

## FROM THE PRESIDENT'S DESK



by Bob Doll

Fellow Retirees,

We at RPEA hope that you are focusing on enjoying a summer in Alaska, or elsewhere. We will join you, I hope, but we'll be keeping "an eye on the store" as well. For the next few months the Executive Board, the office staff, and I have these things to keep abreast of:

- WEP/GPO is high on our list of concerns, even though our US Senate delegation has assured us of their support for repeal.
- A new health plan Third Party Administrator contract is in the works and we'll be looking closely at its provisions for member coverage and cost.
- Overseas purchasing of medical drugs may be considered by Congress soon and we'll again be interested in minimizing drug costs for retirees.
- Our annual recruiting efforts are targeted for the summer months and this year will be no exception; do you know someone who should be a member?
- The final session of the current legislature will open in January; we'll continue to push issues like Defined Benefit, and we'd like to know other topics that interest you.
- We have an annual election under way; we'll tabulate the votes and inform you of the results early this summer.

Keep in touch.

Bob Doll

## End of Session Report

By Kurt Fredriksson,  
RPEA Legislative Affairs Director

The 2009 legislative session is now history and the state's legislators have returned home to their districts. As reported in previous editions of this newsletter, RPEA's top legislative priority has

been to support the passage of Senate Bill 23 and House Bill 30 which would return the defined benefit retirement system for public employees.

Alaska's public employees should be covered by a defined benefit retirement plan that helps public employees continue to live in Alaska after they retire. SB 23 and HB 30 would establish a defined benefits retirement plan that would include a 10% Alaska cost of living allowance, and post retirement pension adjustment to offset inflation.

The good news for this end of the session report is both SB 23 and HB 30 have a growing list of legislators as sponsors and the public testimony heard in the committee's of referral has largely supported a defined benefits retirement system. Nine Senators have signed on as co-sponsors for SB 23 (Elton, Ellis, French, Wielechowski, Menard, Paskvan, McGuire, Thomas, and Davis), and 19 Representatives have signed on as sponsors of HB 30 (Harris, Hawker, Munoz, Kawasaki, Guttenberg, Gara, Lynn, Dahlstrom, Kerttula, Herron, Tuck, Edgmon, Gruenberg, Buch, Gardner, Crawford, Peterson, Holmes, and Crawford).

The bad news to report is that neither bill passed out of their respective bodies or the legislature as a whole. SB 23 passed out of Senate Labor and Commerce and State Affairs and was sent to Finance. It was never heard and will come up again in January, 2010. HB 30 was heard first in House Labor and Commerce where our President Bob Doll testified in favor of its passage. Unfortunately, no vote was taken and the bill now awaits the legislature's return next year.

SB 133 was another piece of legislation important to RPEA that creates a state-wide health information exchange system that allows health providers to exchange confidential health records electronically. The bill was introduced by Senator Joe Paskvan late in the session with fourteen Senator co-sponsors and eight House co-sponsors. 133 has over \$20 million in federal dollars attached to it, which will pay for a substantial portion of costs of the transition to electronic records. This effort has been ongoing by many medical providers in Alaska for years. RPEA President Bob Doll sent letters to legisla-

tors expressing RPEA's support of SB 133 and it has passed the Senate and House and now awaits the Governor's signature.

## Retiree Health Care Third Party Administrator Contract

By Sam Trivette,  
Medical Information Director

The State of Alaska and Wells Fargo Insurance Services of Alaska signed the TPA contract on April 13, 2009 for WFISA to take over the duties as TPA, effective 7-1-09. It appears as of 5-22-09, all protests and appeals are resolved regarding the award of the TPA Contract, so Wells Fargo will be the TPA.

After pushing hard since the Intent to Award notice was issued on March 6 to give the contract to WFISA, RPEA received a copy of the State of Alaska Draft Timeline/Task List on May 13. The spreadsheet List is 4.5 pages long. There are many, many steps in the process to take over the operation of the system, only a small percentage were listed as completed by the 5-13 draft. But we know the State and Wells Fargo began in person meetings the week of April 20, and had their second set of in person meetings the week of May 18. They advise us they also meet weekly via teleconference and key staff discuss issues daily.

Since WFISA is a third party administrator, not a health insurance company, they partner with a number of other companies to provide the services to plan participants, such as Costco Wholesale/Envision Pharmaceutical Services, Magellan Behavioral Health, Beech Street health care provider network, etc.

RPEA has talked to Wells Fargo management on a number of occasions recently. They assure us their goal is to deliver at least the same or higher level of service to retirees under the new contract. Wells Fargo & the State say their goal is to make the transition as seamless as possible. RPEA was finally able to arrange a face to face meeting with the State, Wells Fargo staff, and some of the Wells Fargo partners on May 19. It was a short meeting but RPEA did make

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## Southeast Region Chapter

By Gary Miller

The Southeast monthly meeting of Retired Public Employees of Alaska will be on Thursday, May 14, at 11:30 a.m. in the Aurora Room at the airport. Our guest speakers will be **Representative Beth Kerttula**, **Representative Cathy Munoz** and former Senator Kim Elton's finance assistant, **Jesse Kiehl**.



The **election for all chapter offices** will be in June. Contact John Bisom or me if you are interested in running for a seat. The chapter offices are chair, vice-chair, secretary and treasurer.

The **state executive board election** will be held in June, also. Four seats are up for re-election. The state-wide seats are for **vice-president, treasurer, communications director** and **legislative director**. The people in state-wide seats serve from any community in Alaska. We meet monthly via teleconference and once yearly in Anchorage. Let me know if you are interested in running for one of these seats and I will nominate you.

Our guest speaker in April was Joelle Hall from Anchorage (AFL-CIO). She talked about the Employee Free Choice Act now before the U.S. Congress. **Small businesses are not included in the Employee Free Choice Act.** Only large employers, such as Wal-Mart, are affected by this act. As a result, Wal-Mart is planning to spend **\$300 million to fight the act.**

This legislation is important to RPEA because it affects the PERS and TRS trust funds. Union workers have better wages and health insurance. Many people in our country are uninsured and delay going to a doctor until their health issue becomes large and expensive. Then they go to the emergency room which costs more than going to a doctor's office which drives healthcare costs up which causes health providers and hospitals to raise their rates to compensate. Therefore, those of us with health insurance pay a higher rate which drains the PERS and TRS health trusts.

A **motion** was introduced and seconded to send a letter from our chapter to Senator Lisa Murkowski and ask her to vote for the Employee Free Choice Act. The motion passed unanimously. The senator's staff received the letter on April 19. No response has been received yet.

Our **annual chapter picnic** will be

Monday July 13 from noon until 2:00 PM at Sandy Beach in Douglas. It will be a potluck.

## Northern Region Chapter

By Charlie Gallagher

The last snowstorm is unexpectedly raging. The lawn was raked and the outside water was almost turned on - spring was in the air. This is an appropriate moment to reflect upon our Northern Region RPEA accomplishments last year.



Your officers and committee persons continue to function well. We have a budget which is active and allows us the ability to partially subsidize our tasty luncheons in our warm and comfortable home at the Princess Hotel. The current officers all have volunteered to stay on.

The membership drive last summer grew our local membership by about 5%. We sent out 2400 mailed ads to every PERS/TERS retiree in Fairbanks. Our meeting attendance stayed about the same. We intend to promote our membership and advertise our meetings using the Interior newspapers this fall. While it bothers me "younger" retirees are not participating, I believe this is due to factor of the economy and tier system. Unlike ten years ago there is an awful lot of uncertainty out there. Many Tier 1 folks stayed on due to the recession, and Tier 2 members are not eligible to fully retire until 60. This is one reason RPEA "needs to be!"

This year we again had both Democratic and Republican participation at our functions. Our speakers were the Senior Ombudsman, the Senior Center Manager, our R&B Medical Benefits Director, and our RPEA Medical Information Director. Dr. T. Neil Davis completed our season discussing the amazing, broken U.S. health care system. His book; Mired in the Health Care Morass, is a Must!

We will have our NR RPEA business meeting with pizza at the APEA Office during the last week of August.

We want our first speaker on September 16<sup>th</sup> to be the Alaska Division of Insurance discussing Long Term Care Plans, and "Obligations".

You don't have to be a member to come to our meetings and we certainly encourage you to bring friends. Our lunch buffet is \$12.00.

### RPEA

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### RPEA Executive Board

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### Important Phone Numbers

#### Premiera Blue Cross:

Anchorage: 258-5065

Seattle, (877) 762-9597

#### Retirement & Benefits:

Juneau, 465-4460 or (800) 821-2251

### Meeting Schedule

**Southeast Chapter:** Second Thursday each month, 11:30 a.m., in the Aurora Room at the airport  
**Southcentral Chapter:** Second Tuesday each month, 11:30 a.m., Anchorage Senior Activity Center  
**Northern Chapter:** Third Wednesday each month, 12:30 p.m., Princess Hotel

**RPEA Executive Board:** Third Tuesday each month, 10:00 a.m., Anchorage APEA/AFT Field Office (via teleconference) 274-1720

Check out our **website** at <http://rpea.apea-aft.org>

RPEA NEWS is published in-house. Contact the editors through the RPEA Office.

## Let's Hear from You



RPEA appreciates your membership and support of this retiree association. There is strength in numbers. Please pass this newsletter on to a friend.

Comments? Questions? Suggestions? Something to say? Write us at RPEA, 3310 Arctic Blvd, Suite 200, Anchorage, Alaska 99503  
Email us at [RPEA@alaska.net](mailto:RPEA@alaska.net)  
Call us at (907) 274-1703

The office is staffed from 9:00 a.m. to 1:00 p.m., and rest assured that we will respond to messages, emails and letters. Your feedback and ideas are welcome.





# RPEA NEWS

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### Alaska's Legislator's Position on GPO/WEP

In April 2009, RPEA President Bob Doll sent letters to Alaska's congressional delegation requesting them to vote for the Social Security Fairness Act. Senators Murkowski and Begich have replied. We will print them in the order received, beginning with Senator Murkowski's. Senator Begich's letter will appear in our next newsletter. We are pleased with the Senators' positive stance on the Social Security Fairness Act and encourage them to remain steadfast in their position throughout the coming negotiations.

April 29, 2009

Dear Robert:

Thank you for contacting me to express your concerns regarding the Government Pension Offset Provision and the Windfall Elimination Provision of the Social Security Act.

I believe that public employees deserve the chance to earn the same Social Security benefits as private sector employees. For this reason, I cosponsored S. 484, the Social Security Fairness Act, which would repeal the Government Pension Offset and the Windfall Elimination Provision. It is my hope that S. 484 will be considered as part of any broad Social Security reform effort that may occur in the 111<sup>th</sup> Congress.

Under current law, the Government Pension Offset provision (GPO) reduces spouses' Social Security dependent benefits by two-thirds of their own government pension. The Congressional Budget Office estimates that the GPO provision has cut benefits for approximately 300,000 Americans by more than \$3,600 per year. Additionally, under the Windfall Elimination Provision (WEP), a modified formula is used to calculate the Social Security benefits of retirees who also receive a pension from a job at which no Social Security taxes were collected. Some have estimated that WEP reduces the Social Security benefits of public pensioners by over \$4,000 per year.

Nearly one million government and public service retirees nationwide, including hundreds of thousands of teachers, police officers, and firefighters, are affected by GPO/WEP. Most of these retirees reside in states that maintain their own public employees' retirement systems, such as Alaska. The current system creates a serious disincentive to a career in public service at a time when we need to attract qualified people. This inequity must be addressed.

Again, thank you for contacting me.

Sincerely,

**Lisa Murkowski, United States Senator**