



RPEA Reporter

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From the President's Desk

By Bob Doll

It isn't often that we find ourselves sharing adverse circumstances with the governor and some of his cabinet, plus most of the state Legislature. That is happening now as a result of the recent loss of personal state employee and retiree data by PricewaterhouseCoopers. The loss relates directly to participants enrolled in the PERS and TERS retirement plans during 2003 and 2004, affecting some 77,000 people. That's not just a big number – it also includes some prominent names in Alaska politics and government. I'll leave it to our readers to cast their memories back to those years.

If there ever was a self-correcting problem, this is it. Most of us can recall some occasion during our careers when an engine ran off the track somewhere in our department or agency. This is such an occasion, in spades.

From “collateral” intelligence I've received, I feel assured that the barn door has been closed on the potential for this type of information handling loss to occur again. Too late for many of us, but there is some comfort in knowing that our concerns have had some high-powered impetus. I wish that were more often the case.

RPEA Legislative Committee Report

By Andrea Doll

RPEA continues to track SB 23, a return to a defined benefits retirement plan. Sen. Joe Thomas has received the “white paper,” an analysis of the economic benefits to the state of Alaska for the return to a defined benefits plan. Generally speaking, the bill is not expected to move because of Sen. Bert Stedmen's opposition to it.

We are also tracking the bills outlined below. They are strongly supported by AARP and the Commission on Aging. The executive board is sending letters of support to the respective bill sponsors.

SB 199: This bill has passed the Senate. It provides a two-year funding cycle for medical assistance covering dentures. Up to this point, a qualifying senior could

only get one set of dentures (upper or lower) per funding cycle! This bill will remedy that situation.

HB 265: The sister bill of SB 199, sponsored by Gardner, Peterson and Gara (D), has not been heard in the House Health, Education and Social Services (HESS) Committee. It is expected that it will get its first hearing soon and then go to House Finance. Reps. Berta Gardner and Pete Peterson are asking for letters of support. I recommend calling or writing to the HESS Committee.

HB 270 and SB 238 (Medicaid for Medical and Intermediate Care): There are many very ill individuals who, when a cost-of-living adjustment (COLA) increase raises their income



RPEA

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Important Phone Numbers

Wells Fargo Insurance Services

AlaskaCare: (877) 517-6370
Pharmacy Help Desk: (800) 361-4542

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 a.m.,
Anchorage APEA/AFT Field Office
(via teleconference) 274-1720

Check out our Web site at
www.rpea.apea-aft.org.

Contact the editors through the
RPEA office.

AlaskaCare Quarterly Review

For years, the Division of Retirement and Benefits (R&B) has conducted quarterly reviews of the AlaskaCare plan with the third-party administrator (TPA) under contract with the state. Active employees and retirees have occasionally been invited to attend the multi-day meetings, either for the full length or for a smaller segment. For the February 2010 review, RPEA and the National Education Association (NEA) were invited to attend for about one hour and 20 minutes. Thanks to Sue Nielsen, Andrea Doll and Mary Zalar for taking the time to attend on behalf of RPEA.

RPEA and NEA were warmly welcomed by Pat Shier, director of R&B, and Matt Larkin from Wells Fargo Insurance Services (WFIS), the current TPA. During the meeting, RPEA representatives reminded R&B and WFIS that members were awaiting a response to the four pages of member questions submitted in early December 2009. As a result, RPEA received the responses on February 22, 2010; these are posted now on the R&B Web site at <http://doa.alaska.gov/dr/ghlb/retiree/index.html>.

The R&B and the TPA believe they have significantly improved the timely payment of claims. Some claims seem to take a long time since some providers only bill once a month. The TPA contract has performance goals on the timely payment of bills, and penalties are incurred if the goals are not met. There is no financial incentive for the TPA to

deny claims. Under a provision of the plan's new model drug management provision, R&B said \$3 million was saved the first quarter of FY10. Although many complaints have been received on uniform, customary and reasonable pricing issues (UCR), R&B said only 2.9 percent of the claims reimbursements have been reduced because of UCR.

The TPA sends out customer service surveys to a percentage of members who call each day. Of the surveys recently returned, 88 percent were satisfied with the service they received. Preventative and wellness services are a growing issue with retirees and will be discussed in the future.

Alaska Regional Hospital has just become the preferred provider in Anchorage. There is no difference to the retirees' costs in choosing a hospital, but using Alaska Regional does save the Retiree Health Trust money. R&B said one-third of the members already go to Alaska Regional.

R&B also spoke about members shopping for medical services and the benefits of using a preferred provider. R&B and WFIS encouraged members to advocate for themselves and negotiate the charges with their provider. The analogy was used of buying a car – never pay the sticker price. They also recommended members call WFIS ahead of time to find out what amount of a specific procedure is covered by insurance, and encouraged members to use a preferred provider if available.

Executive Board Member Elections

Each year, four positions on the RPEA executive board are open for election. This year, those positions are president, secretary, director of medical information, and director of membership. Elections take place in late spring and officers begin serving their two-year terms on July 1, 2010.

The board urges members to consider running for one of these key offices, or

to ask another RPEA member to run. Nominees must be a regular member in good standing to serve as an officer.

Duties of each position are found in the RPEA bylaws posted on the RPEA Web site at www.rpea.apea-aft.org. For more information, telephone the office at 907-274-1703 or 800-478-9992 or send an e-mail to rpea@alaska.net.

RPEA Medical Committee Report

By Sam Trivette,
Medical Information Director

One of RPEA's primary missions is to provide answers to members' questions. In the first week of December, RPEA submitted four pages of questions related to AlaskaCare to the Division of Retirement and Benefits (R&B) and to Wells Fargo Insurance Services (WFIS). RPEA was notified the last week of February that the responses had been posted on the R&B Web site at <http://doa.alaska.gov/drb/ghlb/retiree/index.html>. Look under "Quick Links" on the lower right side of the page and click on "FAQ's – retiree health plan."

RPEA is generally pleased with the responses and will attempt to get

clarification on those answers that need attention. RPEA continues to receive comments from members and will continue to advocate for a clear, open process with AlaskaCare and no reduction in medical benefits. RPEA continues to urge members to appeal the denial or reduction of payments on any claim to WFIS and, ultimately, R&B in appropriate cases. Thanks to everyone who has sent RPEA information since the new third-party administrator took over in July 2009.

RPEA and the National Education Association were invited to the third-party administrator quarterly meeting held jointly by R&B and WFIS on February 9 to discuss the status of AlaskaCare. Three RPEA representatives attended. Unlike the August 2009 quarterly meeting, when RPEA was present for most of two days of meetings, and at which all of WFIS subcontractors (partners) were present, RPEA was invited to attend the February meeting for only an hour and only R&B and WFIS were present. Notes from that

meeting are provided in a separate article in this issue.

Much of the medical committee's time and effort during the February and March 2010 meetings have been devoted to discussions of the need for and potential benefits of a survey of RPEA members regarding health care. RPEA has found the information gained from previous surveys to be very helpful in understanding members' issues, and helps RPEA seek solutions to those issues raised.

After considerable discussion, the committee will be recommending to the RPEA executive board that a survey be sent to members in the near future. The final survey design is expected to be completed in March. The questionnaire may come to members as a standalone mailer or may be included with the next newsletter. RPEA requests members' help in filling out the questionnaire and providing the most feedback possible so RPEA can best serve its members.

New Campaign Financing Impacts

Many news articles have been published recently about the U.S. Supreme Court decision regarding campaign financing (*Citizens United v. Federal Election Commission*). Here is a non-attorney layperson's view of the impact of that decision as it affects state and local elections.

Before the court decision was issued, corporations, nonprofit organizations and unions were prohibited from spending their regular treasury funds for independent public communications that "expressly advocate" – that is, explicitly give – "vote for/defeat"-type messages. Independent public communications means messages provided to the general public via TV, radio, mail, electronic means, etc., rather than just to the members of the corporation, organization or union.

As the result of the decision, all these groups will now be able to use an unlimited amount of their regular

treasury funds for general public communications to "expressly advocate" for or against a candidate.

Most election experts expect this change will significantly affect many elections. Those groups that have the most money will be able to buy the most media to try to influence the votes of all citizens, not just group members. There is ample research showing that increased campaign spending affects the outcome of many elections. Since corporations typically outspend other groups by a wide margin, they are likely to have a much larger impact on future elections.

Many current state legislators have concerns about the consequences of this decision. There have been bills introduced in both Alaska legislative bodies, and they appear to be bi-partisan. The bills, HB 409 and SB 284, seem to deal with this issue by requiring full public disclosure of campaign monies



spent by the corporations, nonprofit organizations and unions. As of the third week of March, both bills had hearings and may be moving. RPEA has taken no position on the bills yet, but is watching them closely. Stay tuned.



Southeast Chapter Report

By Gary Miller

Not only does RPEA pinch pennies, but we also look for ways to save you money. Here is an updated list of retiree discounts:

At the age of 55:

- Reduce your car insurance costs by taking a driver's safety class (AS 21.89.025).
- In Juneau, one restaurant gives a senior discount beginning at the age of 55 (Mi Casa).

Not only does RPEA pinch pennies, but we also look for ways to save you money.

At the age of 60:

- You get a free lifetime hunting and fishing license that includes a state duck stamp.
- For \$10, you can get a lifetime pass into all federal parks (this includes the Mendenhall Visitors Center in Juneau).
- You can get power of attorney and simple wills done for free at Alaska Legal Services.

At the age of 65:

- You get one free physical from Medicare. There is a time limit, so get it early.
- There is a property tax reduction. The first \$150,000 of your assessed value

is exempted from property tax. If the property tax exceeds 2 percent of your gross income, you may get an alternate property tax exemption that is even lower. This is also available to disabled veterans.

- When you turn 65, vehicle registrations are \$2 per vehicle.
- Get free passage on CBJ buses in Juneau by showing a tax-exempt card.

Other tips:

- By using generic drugs and ordering through the mail, PERS/TRS retirees don't have to pay the co-pay.
- Disabled people and seniors can get a proxy hunting and fishing license so that others can hunt and fish for them.
- In Juneau, there is a 5 percent sales tax on gas. You can reduce your gas price by 15 cents per gallon (when gas is \$3 per gallon) by giving your senior tax exemption number to the attendant.



Southcentral Chapter News

By Bob Madigan

Nutrition matters, even late in life. That was the theme of a presentation by Leslie Shallcross of the University of Alaska Fairbanks Cooperative Extension Service when she spoke to a group of about 30 members of the RPEA Southcentral Chapter who braved a fierce winter storm to attend the March meeting.

Good nutrition requires us to understand how many calories we need to maintain our weight and then to make sure the meals we eat have the right amount of calories balanced across food groups. The goal is not only to find a balance between food intake and physical activity, but to do it in a way that promotes health.

To help with the task, professor Shallcross presented a chart of recommended amounts in each food group for differing caloric goals. As an example, consider a 2,000-calorie-per-day plan, which is just about halfway between the typical requirements for men and women. She suggested that this diet should include two cups of fruit per day, two and a half cups of vegetables (including different types and colors), three cups of milk, six ounces of lean meat, six ounces of grains (including an equal amount of whole and other grains), and one fluid ounce of oil (such as olive, canola, corn

grams). The high levels of sodium found in packaged food make staying under this limit a real challenge, but Shallcross emphasized its importance. Too much salt leads to problems in the gut, high blood pressure, kidney stones, retention of fluids, and heart disease.

Exercise is another part of the equation and helps determine not only caloric needs, but overall health as well. She recommended 30 minutes of moderate aerobic exercise five to six times a week, accompanied by resistive exercises two to three days a week. These new

Good nutrition requires us to understand how many calories we need and then to make sure the meals we eat have the right amount of calories balanced across food groups.

or safflower oil). This plan leaves about 250 calories unspecified and available for a special treat.

One food ingredient singled out for special attention was salt. The recommended total salt intake for a day is a little less than 1 teaspoon (1,500

recommended levels are up significantly from previous guidelines and reflect the newest research.

Members stayed after the presentation to ask additional questions. It was clear that nutrition is a major concern of RPEA members.

MEMBERSHIP APPLICATION

Clip and mail to: RPEA, 3310 Arctic Blvd., Suite 200, Anchorage, AK 99503
Questions? Call 274-1703 or (800) 478-9992

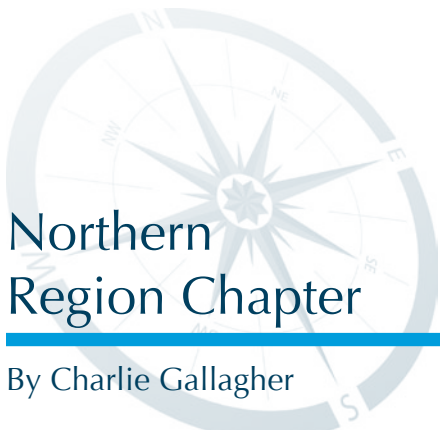
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|---|---|
| <input type="checkbox"/> New Member | <input type="checkbox"/> \$35 for 1 Year |
| <input type="checkbox"/> Renewal of Membership | <input type="checkbox"/> \$65 for 2 Years |
| <input type="checkbox"/> Non-Member Subscription \$35 | <input type="checkbox"/> \$145 for 5 Years |
| <input type="checkbox"/> Change of Address, Phone or E-mail | <input type="checkbox"/> \$400 for Lifetime |

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Northern Region Chapter

By Charlie Gallagher

I don't know if you have noticed it, but we have – things are a lot less contentious in the Alaska Legislature than it has been for years. Gee, it seems as if the parties are working together with the Office of the Governor. It is also apparent the governor is “leading.” Committees are working in a bi-partisan manner for the benefit of us, the people of Alaska. Keep

it up, legislators! It really helps that the ACES tax program has, at least for now, cut through the Cinderella tax system Alaska bought into during the 1990s.

While we don't see movement on some of our key interest bills, such as a restoration of an Alaska defined benefit pension system, our representatives are polite, attentive and aware of our situations. Now if the United States Congress we have elected could follow suit!

In January, our luncheon speaker was Ron Inouye from the Osher Life Long Learning Program at the University of Alaska Fairbanks. His slide show explained the mission of the program and the benefits and inexpensive costs for the individual classes. It certainly has been an effective educational opportunity for many of us. I learned Picasa photo

lab last spring, and here is a site where you can look at the sun from the Soho Satellite: http://sohowww.nascom.nasa.gov/data/realtime/eit_304/512/. Now you can watch for sunspots and aurora opportunities on your own.

On February 17, Karen Parr gave us an update and presented a slide show on the senior residence and community center called Raven Landing. It is happening! The RPEA Northern Region Chapter was very pleased to send a letter of support to Gov. Sean Parnell encouraging his support for the new senior center. We would anticipate moving our lunches there, as is done in Anchorage. The old senior center is just too small.

We are very pleased with our new RPEA Reporter and wish to thank Greg Wilkinson for his efforts to launch it!

Retirement Plan White Paper Released

The Alaskan Public Pension Coalition (APPC), which has more than 30 member organizations representing more than 150,000 working Alaskans, has produced a white paper study on the

effects of Alaska's change from a defined benefit retirement plan to a defined contribution retirement plan.

The APPC was formed to review the impact of the 2005 changes and determine if the state of Alaska would be better served by a return to a defined benefit system for public employees. The passage of Senate Bill 141 (SB 141), which eliminated the guaranteed defined benefit pension system, was

conceived to address the so-called unfunded liability. Unfortunately for Alaska and its employees, the passage of SB 141 has not produced the desired results and has set in motion a different set of events that will impact the way all Alaskans will live in the future.

Read the full study on the RPEA Web site at www.rpea.apea-aft.org.



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Protecting & Enhancing Your Retirement Years



ADDRESS SERVICE REQUESTED

RPEA statewide board elections are coming. More information on page 2. Be sure to VOTE!

Legislative Committee Report

Continued from page 1

level, are bumped out or disqualified for receiving Medicaid for necessary services, including home- and community-based waiver services. They then have to set up a trust, a costly and lengthy process. The current frozen income dollar amount was initiated by former Gov. Frank Murkowski back in 2003. This bill asks to go back to the old wording, which puts eligibility at 300 percent of the maximum SSI. This bill is sponsored by Rep. Cathy Munoz and has a high priority for AARP and the Commission on Aging. It has a zero fiscal note and is currently awaiting a hearing in the House HESS.

SB 238: This bill was passed out of HESS and is awaiting a hearing in Senate Finance.

Committee Substitute SB 32: A review of the costs and consequent rate adjustment of state and federally funded home- and community-based services has not been done, in some cases, for 10 years. This bill would require a

review every four years. The need is for individuals to be able to stay at home for as long as possible and not have to pay enormous costs at a nursing facility. This bill has passed the Senate and is now in House Finance. This bill is expected to wait until the last weeks of the session, as it could be used for negotiation.

HB 25 (Hawker)/HB 75 (Cissna)/SB 172 (Olson): The establishment of the Alaska Health Reform Policy Commission. The current health commission is sun-setting. Sen. Donald Olson's bill has the greater chance of success. This bill is currently in Sen. Bettye Davis' committee (Senate HESS) and is scheduled for a hearing soon.

Other bills of interest, such as opening more slots in nursing programs, loan forgiveness, and preventive care, are not on the Commission on Aging's priority list. They are important, however, as we look down the line at the needs of Alaskans in the not-too-distant future.

Job Opportunity with RPEA

RPEA is looking to hire. The administrative assistant position will become open May 3, 2010 and RPEA is looking to fill it with (preferably) an RPEA member. The position is part-time, 20 hours a week, and the pay is competitive.

The right person should be able to successfully manage a small office on their own, prepare documentation as directed, develop and maintain office procedures, answer telephone inquiries, maintain membership rolls using a Microsoft Access database and Excel spreadsheet, and do other regular office duties.

For more information, call the RPEA office at 907-274-1703 or send an e-mail to rpea@alaska.net. Resumes are required.