



RPEA Reporter

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www.rpea.apca-aft.org

From the President's Desk

By Bob Doll

Another Alaska Legislature has adjourned. In its two 90-day sessions, the Legislature failed to even consider returning to a defined benefit pension system for state employees. Other useful things have been accomplished, but our primary issue remains unresolved. There is no change in the state's retirement system, but we at RPEA have another opportunity to change the makeup of the Legislature.

We on the executive board will do our best to determine the position of every incumbent and candidate for office with regard to defined benefit and any other particularly salient state government policy issue. We will summarize the results and publish them to our members. We hope that RPEA members will consider candidates' views on these issues when deciding how they will vote in November.

It has always seemed to me that the genius of the American system lies not only in the commonly cited Bill of Rights and the Commerce Clause, but also in the article I provisions for the election of representatives and senators every two years. Those provisions have been replicated in the state of Alaska constitution.

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2010 Legislative Session Summary

By Andrea Doll

All in all, the 2010 Alaska Legislative session was fairly good. The Senate majority held together, House members spoke to one another and, consequently, there were many good bills passed.

The following is a synopsis of bills that RPEA was interested in:

SB 23 – Return to Defined Benefits: No Action. No one expected the Legislature to take this up and that's what happened. Sen. Bert Stedman rigidly refused to have even a committee hearing. Rep. Cathy Munoz reported that the Legislature will hire an actuary to study the cost differences.

SB 199 – Medical Assistance Covering Dentures: Passed. It provides a two-year funding cycle.

SB 10 – Medicaid/Insurance for Cancer Clinical Trials: Passed.

SB 238 – Medicaid for Medical and Intermediate Care: Passed. This bill alters the language of the Medicaid statute establishing income eligibility for persons requiring a nursing home-level of care. It returns the statute to the original wording of AS47, which sets the maximum income eligibility rate at 300 percent of the supplemental security



income benefit rate, rather than at the current frozen dollar amount of \$1,656.

SB 172 – Alaska Health Reform Policy Commission: Passed. This re-establishes the 11-member commission, which was set to sunset. Now, the new commission will have expanded representation and authority. Members will be appointed by the governor for four-year terms.

SB 32 – State and Federally Funded Home- and Community-Based Services: Failed (stalled in House Finance). 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 to be done every four years. With the cost reviews and possible rate adjustments, individuals would be able to stay at home for as long as possible without having to pay excessive costs at a nursing facility.

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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.

RPEA Expresses Concern Over Optional Life Insurance Management

After hearing members' experiences with the retiree Optional Life Insurance Plan and witnessing erratic premium fluctuations, RPEA President Bob Doll sent the following letter to Department of Administration Commissioner Annette Kreitzer.

May 14, 2010

Dear Commissioner Kreitzer,

As I'm sure you know, we at the Retired Public Employees of Alaska (RPEA) have as one of our missions the continuing review of all retired state employee programs. We are especially concerned with the effectiveness and cost of those programs which are funded principally or wholly from employee contributions. I am writing today out of concern for the Optional Life Insurance Program (OLIP).

In late December 2009, RPEA members were notified by mail of the results of a review of premiums for the OLIP. According to the Division of Retirement and Benefits (R&B), "This year's (2009) review indicates that we have used significant amounts of the premium reserves and as such, we need to return the premiums to their original levels." The result was large monthly premium increases for all OLIP participants.

This information came on the heels of a 2008 reduction in the premium which was described by R&B as "significant." Taken together with the recent history of the management of the OLIP, we are concerned (1) that the Plan is not being properly managed and that (2) this is further evidence of inadequate beneficiary representation in the management of all retirement plans, especially those to which retirees are the sole contributors.

We reach this conclusion not only on the basis of the most recent premium fluctuations but also from our monitoring of the program over the last decade. Since about 2000, the OLIP contractor, UNUM Life Insurance Company, had been providing the state with annual reports advising that the program had

"excess reserves." There was, as far as we know, no response from the Department. But as the reserves continued to grow, some of our members dropped the coverage because of the cost.

In 2004, the PERS/TERS Board and RPEA began to press for action. As a result, in 2005 the state made a 41% decrease in premiums for that year and agreed to revisit the issue in the Fall of 2006. In the summer of 2007, on the basis of a new report from UNUM, premiums were again reduced by another 9%. Then in December 2009 we were notified that premiums would again be raised to "their original levels," which in the case of some of our members represented a three-fold increase.

To illustrate the impact of this latest change, let me offer the example of one of our members, whose coverage is \$47,000. The DOA letter dated December 28, 2009, referred to the "significant reduction in the monthly premium which occurred in January 2008" as a result of an annual premium review. The member's monthly premium for 2008 was \$96.82. For 2009 it remained \$96.82. The letter informed the member that effective January 1, 2010, his monthly premium would increase to \$274.95, some 275%! Not surprisingly, his view is that he would have gladly foregone the January 2008 reduction, and its continuance in 2009, in favor of a more reasonable increase for 2010; we agree.

RPEA is aware that demographic trends may shift and that the resulting actuarial data may have to be revised. We are less concerned with the motivations behind these premium excursions than we are with the proper administration of an entirely retiree-funded insurance program and our inability to exercise any supervision over the program. With the demise of the PERS/TERS Board, retirees have effectively been excluded from sources of information and from oversight of an insurance program they alone pay for. The history of premium fluctuations convinces us that retirees should be afforded some means to oversee this insurance program. And based on our anecdotal knowledge

AlaskaCare, Medical Committee and Health Care Reform

By Sam Trivette,
Medical Information Director

It has been an extremely busy two months since the April 2010 RPEA Reporter went to press. Health care reform passed Congress in March. I have attended many meetings and received many briefings on the new laws, and I began providing e-mail highlights to our members in April. Included was a broad overview summary, two bulleted summaries on senior issues and a five-page summary of the timelines for when the various provisions go into effect.

Since then, I have posted two lengthier documents on our Web site. One is an overview by the Alaska Department of Health and Social Services, and the other is a fairly detailed analysis of the bills by the highly respected Kaiser Family Foundation (KFF).

If you have access to e-mail but we don't have your address, please send it to our office at rpea@alaska.net and we will forward the April e-mail with attachments. We will also provide other links as time goes on. If you don't have access to the Internet, please let the RPEA office know and we will gladly mail the packet to you. We will also include the KFF analysis if you wish.

Besides the information noted above, I have had meetings with the staff of both U.S. senators. I also have participated in Webinars and teleconference calls with U.S. Department of Health and Human Services (HHS), the American Federation of Teachers retirees, AARP, the Alliance of Retired Americans, and others. I will post some material from these sources in the future. Many responses to recent questions posed to U.S. HHS Secretary Kathleen Sebelius are posted on the official Web site, www.healthreform.org.

As I mentioned in our April summary, our intent is to ensure our members know the facts and the impacts of the new laws, as so much misinformation has been in the media during the last year. If you do nothing else, I encourage you to read our summary sent out on April 9. Further updates will come. We continue to hear that the most comprehensive and easy-to-understand information can be found on the KFF Web site, www.kff.org.

In other news, the RPEA medical committee has been working on the content of a membership medical survey since 2009. In April, the RPEA board approved the expenses, and the questionnaire was mailed out. As of the first week of May, more than 700 of the questionnaires had been returned. Work now has begun on designing the spreadsheets that will be used to capture and analyze the data. It will be reviewed and results will be reported to our members later this year. Thanks to each of you who took the time to complete the questionnaire.

RPEA was again invited to attend a short portion of the latest AlaskaCare quarterly review meeting, which took place on April 29. Four of us attended, along with

one NEA retiree. Two RPEA attendees and the NEA representative submitted written questions. We have some summary notes from that meeting, which will be posted on our Web site. We did get some good information on the "usual, customary and reasonable" (UCR) rules by which Wells Fargo Insurance Services (WFIS) makes its decisions on payments, as well as some background surrounding this issue. WFIS and the Division of Retirement and Benefits (R&B) have agreed to provide written responses to our questions, and we expect they will be again posted on the R&B Web site once they are provided to us.

Finally, we have heard from a number of sources that although the provision in the new health care bill that allows a dependent to stay on a parent's insurance until age 26 is not scheduled to take effect until 2011, almost all insurance companies have already agreed to implement that provision now, and most have done so. R&B advised us at the April 29 meeting they did not intend to do so until 2011, so we will be discussing this and other provisions with them soon. They advised us the next quarterly meeting is anticipated for late July or early August 2010.





Southeast Chapter Report

By Gary Miller

To be or not to be – political, that is. In a recent survey of former members of the RPEA Southeast Chapter, several said that RPEA is too political. Here is a description of where I try to go with the chapter.

RPEA does not have a political action committee but our parent organization, Alaska Public Employee Association, does. It is called the Employee Political

Information Committee (EPIC). Contributions to it are all voluntary. I personally contribute to it because they, in turn, make contributions to candidates who support both current and retired workers. EPIC contributions go to both republicans and democrats who support us. I like the fact that they are nonpartisan.

RPEA also does not have lobbyists, although some of us have spoken to legislators and before legislative committees regarding legislation that affects retirees. We try to keep you informed and encourage you to write to your legislators about issues that affect your retirement.

RPEA does not endorse candidates. It is up to you to decide who you want to support. RPEA does send questions to candidates about issues that affect retirees.

We try to keep you informed and encourage you to write to your legislators about issues that affect your retirement.

We then share those questions and answers with you for your information.

Finally, the Southeast Chapter invites candidates for federal, state and local offices to speak, which gives our members a chance to listen and ask questions related to retiree issues. We do this to give you an opportunity to evaluate the people who will be affecting your life through legislation. And through all of this, I try to keep the chapter neutral.



Southcentral Chapter News

By Bob Madigan

If you have window within 40 inches of the lock on your entry way door, you have given a burglar a way to break in. But by adding a special transparent film on the inside of that window, it can be made almost impossible to break.

This was one of the tips shared by Anchorage Police Department Officer Anita Shell, when she spoke on personal safety at the April meeting of the RPEA Southcentral Chapter. The special film

can be obtained from firms that sell security systems, Shell added.

Anchorage has about six to eight burglaries a day and only three detectives are available to investigate them. In truth, the odds of solving any given burglary are small, so the best plan is prevention.

The odds of solving any given burglary are small, so the best plan is prevention.

Doors should be kept locked, even when outside working around the yard. It also helps if the screws that hold the striker plates of locks and deadbolts are long – 3 inches, if possible – to prevent the door from being easily forced open. If a storage shed contains valuable items, like an expensive snow blower, a stout padlock is recommended.

Another good idea is to install a peep hole viewer in the front door, so a visitor's identity can be verified before opening

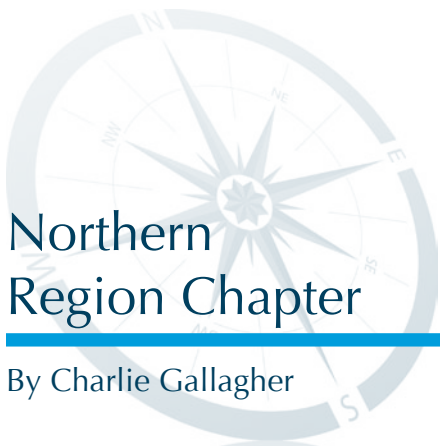
the door. Shell recommended those with a 180-degree viewing angle over those with a 160-degree angle.

Shell also recommended that shrubs be pruned so the perimeter of the house is visible from the street. The branches on spruce trees should be trimmed from the

ground to about 6 feet. Motion-sensing lights on the outside can also be a help, as burglars don't like to be observed.

One overlooked risk is a garage door opener left in a vehicle. If you discover your opener missing, Shell recommended immediately reprogramming the door.

RPEA members left the meeting with good ideas about how to better protect themselves.



Northern Region Chapter

By Charlie Gallagher

It has been a productive winter for the Northern Region Chapter. We were involved with all our legislators, the Division of Insurance, the Senior Ombudsman, the Alaska Retirement Management Board, the Osher program at the University of Alaska Fairbanks, energy programs, the Fairbanks Police Department Weed and Seed project, AlaskaCare meetings, and the Alaska Commission on Aging.

We also continued our monthly luncheons. Finding speakers for our lunch program is sometimes challenging, but less so as our chapter becomes recognized. Some speakers actually volunteer, and some are follow-up speakers who offer updated information on timely subjects such as estate planning and medical facilities. We plan to begin each year with a non-political topic of major concern to our Northern region. In September, we intend to ask the Interior Community Health Center to speak about their mission and role.

The Alaska Commission on Aging forum identified regional and statewide issues of concern to seniors.

We attended the Alaska Commission on Aging meetings on May 4 and 5 in Fairbanks. The forum identified regional and statewide issues of concern to seniors, including:

- Doctors not accepting Medicare
- Lack of long-term care facilities and the failure of Senate Bill 32
- Energy costs
- Transportation
- Senior employment
- Safe places for caregivers and family to stay when coming in to the city
- Seniors' anxiety about insurance and medical billing
- A lack of geriatric specialists
- The need for a local, centralized information exchange and media service for seniors (both paper and electronic).

There was discussion about the Health Care Reform Act's passage and its interpretation. Two things were very clear. Gov. Sean Parnell's lawsuit pertains only to forcing the uninsured to buy insurance, thus it only affects 6.4 percent of Alaskans who want to pay their own way. The lawsuit will not deter planning.

The rest of us will be covered by the health care reforms according to Health and Social Services Deputy Commissioner

Patrick Hefley. New business models for senior care facilities, such as long-term care facilities, will evolve from the act's interpretation for both the private and the public sectors.

I found a useful site for seniors at <http://www.hss.state.ak.us/dsds/>. Click on the "Aging and Disability Resource Center" box. If you are in want of something to browse on a rainy day, you can get a pretty good idea about what is happening in Alaska. Then, for something fun, type "Nellie's Recipes" in the search box.

In closing, I want to thank our chapter officers and liaisons: Judith Strohmaier, vice chair and facilities person; Mary Zalar, secretary and medical committee; Frank Abegg, treasurer and energy speaker; Doris Robbins, legislative committee and congressional watchdog; Bob Grove, legislative committee; Maggie Billington, media assurance; and Darleen Paisley and Carol Alderman, cash collectors! Big thanks to Fairbanks APEA for the use of their meeting room and copier, and to all those members who come to represent RPEA at our luncheons. We have had people from Tok, McGrath, Clear, Copper Center and Nome participate in our meetings. Every member is an ambassador for their retirement program!

From the President's Desk

Continued from page 1

Because of that two-year cycle, Americans have no need of revolution or violence. There is always another chance to succeed, and it is to that effort that we at RPEA now set our hand. But the election cycle has no value if citizens don't participate.

Vote your pension.

RPEA Expresses Concern Over Optional Life Insurance Management

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of members who have dropped OLIP coverage, sometimes after having made significant payments into the program from their retirement income, we are more convinced than ever that retirees should be allowed to play some role.

We look forward to hearing your suggestions for avoiding these wild

fluctuations in insurance premiums and for providing retiree participation in the operation of the OLIP.

Sincerely,

R.J. Doll
President, RPEA

Anti-Corruption Ballot Proposition 1: What's it All About?

A New York millionaire is supplying funding to back an initiative in the Alaska primary election on August 24, 2010 that purports to “stop former VECO President Bill Allen-type behavior.” However, this initiative will not in any way stop the implied corrupt behavior. Instead, it is an attack on citizen participation in government. Here are some of the highlights of the impact of Ballot Proposition 1:

- Bans individuals who hold government contracts of \$500 or more a year from giving campaign contributions.
- The ban applies to family members of a person who holds a government contract, including spouse, child, spouse's child, son-in-law, daughter-in-law, parent, sibling, grandparent, grandchild, step-brother, step-sister, step-parent, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, guardian and domestic partner.
- Defines employee collective bargaining agreements as “government contracts.”
- Prohibits board members of nonprofits who receive any local or state contributions or grants from making campaign contributions or

from advocating for funding from the Legislature.

- Prohibits union negotiators, leadership and political committees (and their extended family members) from giving contributions to candidates. This could extend to RPEA members since RPEA is a retiree subsidiary of the APEA union.
- Prohibits public money from being used to influence, lobby or campaign. For example, the Anchorage School District would be prohibited from having its staff or board members go to Juneau to testify on legislative or funding issues during the legislative session, unless they did it on their own time and with their own money.
- Prohibits public employers from facilitating check-off payroll deductions for union dues or contributions to political action committees, such as the Employees Political Information Committee.
- Large, out-of-state corporations would not be affected – only Alaskans,

Alaska businesses, Alaska municipalities and Alaska nonprofits.

There are many possible unintended consequences of this initiative. Despite multiple legal opinions that have concluded much of it is unconstitutional, it will be on the ballot. Suffice to say there is a large, diverse coalition of groups all around Alaska that have signed on to **oppose Ballot Proposition 1**. The list includes many Alaska municipalities, the Alaska Municipal League, the Alaska Chamber of Commerce, many nonprofits and most unions. Expect more information from RPEA and its affiliates on this in the near future. Members who plan on being gone from the state in August are urged to vote absentee.



On Being Green

By Greg Wilkinson

We hear a lot these days about the state of our environment. Is it really getting worse? If so, how will that affect our children, our grandchildren, our seventh generation grandchildren? And what can we do to help?

One way is to think “green” in the small things. One RPEA member does just that. Sara Hornberger of Anchorage, Alaska shared some of her tips on “being green.”

“I am using vinegar and baking soda for many of the household chores for which I used to buy chemical items,” Hornberger

said. “As an example, I use one cup of white vinegar in a full wash load rather than fabric softener. Our laundry comes out as soft as when I use the commercial softener.”

“Rather than spend a lot of time scrubbing the bottom of a pan that has protein residue from cooking beans, meat, etc., I pour in enough white vinegar to cover the bottom and let the pan sit for 30 to 60 minutes. Then I rinse, dry and put away – residue gone.”

“I keep white vinegar in a spray bottle and spray all fruit and vegetables before using, let sit for 10 minutes, then rinse. Or, put a cup of white vinegar in several quarts of water to wash fruits and vegetables before using to remove insecticides and other residue.”

Do you have tips on “being green?” Send them to rpea@alaska.net and we will share them with other RPEA members in the Reporter. Spread the word to help the environment.



MEMBERSHIP APPLICATION

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

- | | |
|---|---|
| <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 |

Name _____ Spouse _____

Mailing Address _____
STREET/PO BOX CITY STATE ZIP

Home Phone _____ Other Phone _____

E-Mail _____

AFT Membership Cards

The RPEA office has received inquiries recently about the American Federation of Teachers (AFT) membership cards that were mailed to RPEA members. RPEA has been affiliated with AFT since 1997, so RPEA members are also members of AFT.

As a union with 1.5 million active and retired members, AFT negotiates various discounts and other benefit plans for its members. Many of the programs and discounts have been around for years, but some are added or dropped from time to time. RPEA met with the director of AFT+ Member Benefits in mid-May and was told his staff has worked hard to develop partnerships with companies

that provide high-quality services and programs at competitive prices.

The membership cards were sent out to make sure RPEA members are aware of these benefits and to provide information on how to access them. For details, visit www.aft.org/members and click on "Your AFT+ Membership." Members may be asked to provide their membership number or other information on the card to access a benefit.

AFT has some new programs going into effect this summer. The benefits director suggested RPEA members check out the new auto and home insurance programs offered by MetLife. From past

experience, some legal services are not likely to be useful for RPEA members living in Alaska, as there were few or no Alaska attorneys on their list. However, it may be a good deal for members who live outside Alaska.

Beside various insurance programs, AFT+ Member Benefits offers health products, legal and financial services (including credit cards), consumer shopping discounts (for items like computers, books or magazines), and many travel and entertainment discounts. Check them out on the AFT Web site. RPEA members can also call or e-mail the RPEA office for assistance or to request a benefits brochure.

Travel Tips for Retirees

By Greg Wilkinson

It is well known that many RPEA members are dedicated travelers. After all, being retired opens up lots of possibilities to see the world. Do you have a favorite trip experience you would like to share? Is there somewhere on this earth that you have seen and would not hesitate to suggest as a travel destination to a friend? If so, tell us about it and we will pass it on to give members more ideas on where

they might want to go next. Make it a short story (that could be challenging), about 300 words or so, and tell us what led you to choose that place, how you prepared and what you found when you got there. What was the best part, what part didn't you like? Share your dream trip with other members and maybe they will make it theirs! To share your travel story, send it to rpea@alaska.net.





RPEA Reporter
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Protecting & Enhancing Your Retirement Years

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Legislative Affairs Report

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This bill was strongly endorsed by health care professionals, the AARP and the Alaska Commission on Aging (ACOA). Rep. Munoz explained that there was not enough time to forge a passable bill, but this was strongly contested by AARP. The question became more about why the governor placed a huge fiscal note on it at the last moment. It was explained that the administration did not want statutory changes, but wanted to work with regulations instead. If that is the case, the general opinion of the ACOA and AARP is that they will direct their efforts that way. This bill is considered urgent. Pat Luby from AARP said seniors will have no place to go if something is not done as soon as possible.

Other bills of interest include:

SB 13 – Increase in Denali Kid Care Funding: Passed.

SB 139 – Loan Repayment and Financial Incentives for Health Care Providers: Failed. After a great deal of lobbying and testifying, this bill stalled in

Finance. The general thought is that this was a personal-political issue between two legislators and the bill failure was the fallout. This was a case of politics over the public good.

SB 174 – Student Loan Forgiveness: Failed. This bill failed in Senate Finance, and stayed in House Finance.

HB 260 – Medicare and Preventative Health Care: Failed. It had no chance this session.

SB 219 – Traumatic Brain Injury: Passed.

HJR 35 – Amendment to the Alaska Constitution Regarding Health Care: Failed.

SCR 13 – Resolution Recognizing the Importance of Formal and Informal Caregivers: Passed.

HB 50 – Limiting Mandatory Overtime for Registered Nurses: Passed. Not everyone is happy with this. Some of the smaller care facilities

have nurse shortages and this new law will create difficulties for them.

All RPEA members are invited to participate in the monthly teleconferences and share their concerns on areas of legislative interest. The toll-free call-in number is 1-888-745-1720. Please note there will be no teleconference in May or June. Stay tuned for July!

Join or Renew Online



Available now! RPEA members can join or renew and pay their membership dues online using the RPEA Web site. Just click the link at the bottom of the home page. It is convenient, easy and secure through PayPal. Use your credit card or PayPal account to keep your membership up to date. Support RPEA so RPEA can support you! Visit <http://rpea.apea-aft.org>.