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## Governor Bill Walker STATE OF ALASKA

### ADMINISTRATIVE ORDER NO. 288

I, Bill Walker, Governor of the State of Alaska, under the authority of Article III, Sections 1 and 24 of the Constitution of the State of Alaska, and AS 44.19.145(c), establish the Retiree Health Plan Advisory Board.

### PURPOSE

The Commissioner of the Department of Administration (Commissioner) is tasked with the administration of the State's group life and health insurance, including the Alaska retiree health care trusts. The Alaska Retirement Management Board (ARMB), staffed by the Department of Revenue, is statutorily authorized to serve as the trustee of the assets of the State's retirement systems and the Alaska retiree health care trusts (in addition to serving as trustee for other State plans). The Department of Administration has recommended the creation of an advisory board to facilitate engagement and coordination between the State's retirement systems' members, the ARMB, and the Commissioner regarding the administration of the retiree health plan.

I find that creation of a Retiree Health Plan Advisory Board will provide an efficient and transparent way to facilitate regular engagement, communication, and cooperation between the Office of the Governor, the ARMB, the Commissioner, and retirement system members regarding the administration and management of the State's retirement systems.

Therefore, I order the creation of the Retiree Health Plan Advisory Board (Board) as follows:

### COMPOSITION OF BOARD

The Retiree Health Plan Advisory Board consists of seven voting members who are appointed by the Governor. Members serve at the pleasure of the Governor. Each member of the Board shall serve staggered three year-terms consistent with AS 39.05.055(5).

The Retiree Health Plan Advisory Board shall consist of:

1. One member who is an ARMB trustee by virtue of AS 37.10.210(b)(2)(C) or (D);
2. One member who is a human resources official or financial officer employed by a political subdivision participating in the State's retirement systems;
3. One member who is a Public Employees' Retirement System (PERS) retired member, selected from a list of three individuals nominated by retiree groups that represent PERS members;

4. One member who is a Teachers' Retirement System (TRS) retired teacher or member, selected from a list of three individuals nominated by retiree groups that represent TRS members;
5. One member of the State's retirement systems who is a retired member under PERS Tiers I, II, or III, TRS Tiers I or II, or the Judicial Retirement System (JRS);
6. One member who is an active or retired member of PERS or an active or retired teacher or member of TRS who is vested in the PERS Tiers I, II, or III or TRS Tiers I or II retiree plans. If an active member, the person should not be more than five years from eligibility for retirement; and
7. One public member who is not a member or beneficiary of the PERS system, the TRS system, or the JRS; this person must have at least five years' relevant experience and expertise in health care administration, finance, or governmental budget issues, or other background helpful to the board's mission.

### **APPOINTMENTS TO BOARD**

The list of nominees for positions under paragraph (3) and (4) should include, for each nominee, information applicable to the nominee and a resume or other representation which support eligibility for that qualification category. Further, the list of nominees should include identification of retiree groups that participated in developing the nomination, and reasonable proof that representatives of each relevant retiree group have had the opportunity to participate in a process to select a nominee whether or not that representative or retiree group agrees with the nomination submitted.

The Governor may choose from the nominee list, request further solicitation, or make an appointment of the Governor's choosing.

If a vacancy occurs on the Board, the Governor may appoint an individual qualified for that seat to serve the balance of the unexpired term. Four members – or a majority of the Board if a vacancy exists – constitute a quorum for doing business. Proxy voting is not permitted. The Board shall annually select a chair and a vice-chair.

In addition, the Commissioner or the Commissioner's designee shall serve as a nonvoting, ex-officio member of the Board.

### **DUTIES AND RESPONSIBILITIES**

The Board shall review available non-confidential information, hold public meetings, and provide periodic reports to the Commissioner. The periodic reports may include recommendations to the Commissioner related to the health care plans of the State's retirement systems, including optional life insurance, long-term care insurance, and optional dental-visual-audio programs. The recommendations must consider:

1. the cost of the service or changes relative to the long-term and short-term fiscal viability of the plans, including policies to retain prudent reserves in the plans;
2. the affordability to the health care plans from the perspective of plan sponsors, participating employers, and plan beneficiaries, including the effect of premiums assessed to beneficiaries; and
3. the clarity of the plan to beneficiaries; and the Department's ability to offer consistent, transparent direction and oversight to third-party plan administrators.

The Board may also submit to the Commissioner reports to provide input on the performance of service providers including third-party administrators, insurance providers, and annuity providers to the State's retiree health care plans.

### **COMMISSIONER DUTIES AND ADMINISTRATIVE SUPPORT**

The Commissioner will normally report to the Board within three months after receiving a recommendation from the Board the status of that recommendation's progress, implementation, costs, and overall impacts to beneficiaries. The Commissioner may extend this period if based upon administrative necessity.

The Commissioner shall notify the Office of the Governor and the Board in writing if the Department disagrees with a Board recommendation.

The Commissioner shall provide administrative support for the Board using existing personnel and monetary resources. Consistent with law and available appropriations, the Board shall coordinate with the Department for the use of personnel and consultants with respect to advisory matters to be considered by the Board. Consistent with available staff and other priorities, the Department shall work to timely submit data and information requested by the Board. If the Department disagrees with a Board request for assistance, the Commissioner shall notify the Board in writing of the reasons why the resources or requested data or information were not provided. A State agency is not required to create documents, produce personal records, or provide records excluded from the Alaska Public Records Act (AS 40.25.100 - 40.29.295).

### **GENERAL PROVISIONS**

Members of the Board receive no compensation for service on the Board, but are entitled to per diem and travel expenses in the same manner permitted for members of State boards and commissions. The Department of Administration will provide administrative support for the board consistent with available appropriations, and board costs – including travel expenses and per diem – will be provided through Department of Administration unrestricted general funds only.

The Board shall strive to use teleconferencing or other electronic means, to the extent practicable, in order to gain the widest public participation at minimum cost.

The Board has access to public records as provided under the Alaska Public Records Act (AS 40.25.100 - 40.29.295). Records of the Retiree Health Plan Advisory Board are subject to inspection and copying as provided under the Alaska Public Records Act (AS 40.25.100 - 40.25.295).

The meetings of the Board shall be conducted in accordance with the AS 44.62.310 - 44.62.319 (Open Meetings Act). The Board shall meet at a date and time set by the Commissioner or the Commissioner's designee, expected to be quarterly.

The Board is advisory only and may not engage in activities that would qualify as administration in support of the health plans.

On or before October 1, 2022, the ARMB, the Board, and the Commissioner shall each submit a report to the Governor outlining the efficacy of the Board and make a recommendation whether the operations of the Board should continue. If the Governor does not otherwise extend the Board, the Board shall terminate on the sixth anniversary. The creation of this Board is intended to aid the Commissioner in the discharge of statutory duties regarding plan administration. Nothing in this administrative order creates a vested right under the Constitution of the State of Alaska, or any other provision of law.

### DEFINITIONS

In this Order,

“active member” has the meaning in AS 39.35.680(1) or AS 14.25.220(1);

“member” has the meaning in AS 39.35.680(22);

“retired teacher or member” has the meaning in AS 14.25.220(36);

"retiree Group" shall mean a retirement organization representing persons receiving benefits under a State retirement system if the retirement organization is affiliated with an organization representing employees of the employer under AS 23.40.070 – 23.40.260 (Public Employment Relations Act).

### EFFECTIVE DATE

This Order takes effect immediately.

DATED at Juneau, Alaska, this 29<sup>th</sup> day of September, 2017.



Bill Walker  
Governor