

**Retiree Health Plan Advisory Board
Modernization Committee
Meeting Agenda**

Meeting: Modernization Committee
Date: June 12, 2018
Time: 1:00pm-4:00pm
Location: Anchorage: Atwood Building, 550 W 7th, 12th Floor Conf. Room
Juneau: State Office Building, DBR 6th Floor Conf. Room
Teleconference: (907) 269-3000 / Session No: 804 901 371/ Attendee No: # 808 521 878
WebEx Link:
<https://stateofalaska.webex.com/stateofalaska/j.php?MTID=m2efd777aef949ee81b699c0d8600232c>

Committee Members: Mark Foster, Cammy Taylor and Joelle Hall

June 12, 2018

1:00pm	Call to Order – Judy Salo
1:05pm	Determine Chair
1:10pm	Public Comment
1:30pm	Process Outline and Discussion (DRB staff will present) <ul style="list-style-type: none">• Evaluation framework
2:00pm	Break
2:20pm	Priority and other items to review (Recommendations) <ul style="list-style-type: none">• DRB will provide available data• Discuss ideas for other modernizations
3:20pm	Next steps <ul style="list-style-type: none">What goes to the actuariesWhat we work on in the interimSchedule next meetings
3:40pm	Public Comment
4:00pm	Adjourn

DRAFT-Summary of Responses to Proposed Plan Design Change

Proposed change:

Plans affected: DB Retiree Plan

Reviewed by:

Date: June 12, 2018

Indicate impact of plan design change to area of service (check one):

Table 1. Plan Design Changes

	Actuarial	Member	Financial	DRB Ops	Clinical	TPA	Providers
No impact							
Minimal impact							
High impact							
Need Info							

Description of proposed change:

Narrative: *Insert analysis including but not limited to an overview of the reason for the change, potential broad impacts, and whether the change is neutral, an enhancement or a diminishment.*

Table 3: Comparison of Current to Proposed Change

Actuarial Impact

Neutral / Enhancement / Diminishment

Narrative: *Insert analysis including but not limited to actuarial value and its impact on the plan and whether the impact is neutral, an enhancement, or a diminishment.*

Table 2: Actuarial Impact

DRAFT-Summary of Responses to Proposed Plan Design Change

Member Impact:

Narrative: *Insert analysis including but not limited to details on number of members impacted and a description of the type of impact e.g. new benefit, cost, access, changes in utilization, etc. (member distribution will be outlined in Table 4, provider impact, summary of any public comment).*

Table 4: Member Disruption

Financial Impact to the plan:

Narrative: *Insert analysis describing the financial impact to the plan and the methodology used to estimate the impact.*

DRB operational impacts:

Narrative: *Insert analysis describing the operational impact to the Division include an estimate of any increased or decreased costs associated with the change.*

Third Party Administrator (TPA) operational impacts:

Narrative: *Insert analysis describing the operational impacts to the TPA including any manual interventions required, additional staffing or training, and any other modifications or changes that would be required.*

Clinical considerations:

Narrative: *Insert analysis including comments or recommendations from clinicians related to the necessity and impacts related to the proposed change.*

System considerations:

Narrative: *Insert analysis related to the impact on the health care system in Alaska related to the proposed change.*

DRAFT-Summary of Responses to Proposed Plan Design Change

Documents attached include:

<u>Document Name</u>	<u>Page numbers</u>	<u>Notes</u>

DRAFT

Public Comment

Prepared for the Retiree Health Plan Advisory Board

Comment received May 14, 2018 to June 8, 2018

From: [REDACTED]
Sent: Monday, May 14, 2018 8:07 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Aetna and Moda

Dear Advisory Board Members,

I am writing you this letter for two reasons MODA (Dental Delta) and Aetna.

First, I disagree with MODA's policy of contracting with dentists. I just appealed to them and I will send you a copy of my appeal. It explains my position very well. [REDACTED] [REDACTED]

"I am officially appealing this under payment of my dental hygiene (charges Perio Maintenance D4910).

I pay for my dental insurance and I have \$2000 at my disposal for dental care. I dispute Colorado Delta Dental taking the LOWEST amount dentist charges for this procedure and applying it to my insurance.

I do not agree with your system of making deals with dentists and then limiting my charges at your discretion because my dentist does not belong to your membership. This is wrong!!! I already pay for my insurance and I paid my \$50 deductible. I have \$2000 for my dental care.

Colorado Delta Dental has NO right to take the LOWEST amount that any dentist in Colorado charges for this procedure and apply it to me. I Appeal this amount and want the rest of my charges applied to my dental account and paid for this service."

My second comments are about Aetna. Aetna has an impossible Appeal system. When one writes an Appeal they do NOT address the issues the member raises in their return letter. There is NO ONE to speak to about it, because the number they give you to call, when you call it they say, that is NOT our department. Then when you write your second appeal they do not address the issues you raise either. It gets worse from there. They are an impossible organization. They have upset me so much and they do not care. At one point they lost my appeal so I went without medical care and was in pain for four months waiting for the appeal to be processed. They did apologize for losing the appeal. This is just an example of how wrong they have been to me. In addition, they have been in the news for their poor appeals practices, but the State of Alaska still supports this horrible business. I have been complaining for years and no one listens.

Please do not support MODA stealing our dental insurance away from us and horrible Aetna for their inadequate appeals process and provide the retirement community with real insurance.

Please feel free to contact me for more information.

Thank you so much,

[REDACTED]

[REDACTED]

[REDACTED]



P.O. Box 110203
Juneau, AK 99811-0203

PRSRT MKT
US Postage PAID
Anchorage, AK
Permit No. 957

An old persons mouth
shrinks like the rest of their
bodies. This Moda Ins. is
B.S. Shame on you for allowing
this type of dental ins

0000101
066
896



44*2*28170*****ALL FOR AADC 852

DIXIE BOYER



Your board needs to review this plan Introducing your new Retiree Health Plan Advisory Board!

We are pleased to introduce you to your new Retiree Health Plan Advisory Board (RHPAB) board! This board was created by the Governor under Administrative Order 288 to give retirees in the Public Employees, Teachers, and Judicial Retirement Systems (PERS/TRS/JRS) a voice in the administration of the retiree health care plans. The board members are:

✦ **Mauri Long**

Retired Public Employee Association (RPEA); PERS retiree

✦ **Cammy Taylor**

RPEA; PERS retiree; Board Vice-Chair

✦ **Gayle Harbo**

Alaska Retirement Board; TRS retiree

✦ **Senator Judy Salo**

National Education Association; TRS retiree; Board Chair

✦ **Dallas Hargreaves**

Human Resources Director, City and Borough of Juneau

✦ **Mark Foster**

PERS beneficiary

✦ **Joelle Hall**

Public member; AFL-CIO

Seven years is too long!

The board will meet quarterly, with the next meeting scheduled for May 8, 2018. Additional information, including how you can attend and participate in these public board meetings, is available online at alaska.gov/drb/alaskacare/retiree/advisory.html.

If you do not have access to a computer, you can request information through the Division of Retirement and Benefits toll-free at (800) 821-2251, or in Juneau at (907) 465-4460.

*You need to get
a better dental
ins. due to a 2yr wait*

ALASKA CARE

Retiree Health Plan



for dentures

*It was 2yrs
before?*

B

Ms Dixie Boyer

21 MAY 2018 PM 10 L



RECEIVED

MAY 25 2018

Div. of Ret. & Benefits

Alasha Care
P.O. Box 110203
Juneau, Ak.
99811-0203

99811-020303



From: William Updegrove [REDACTED]
Sent: Wednesday, May 30, 2018 10:06 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Fwd: Changes to Retiree Pharmacy coverage

Please justify to me your reasoning for planning to involve both Medicare and a private company in administering the Alaska retiree pharmacy benefits for those of us over 65. The Aetna home delivery system has worked very smoothly for me - what benefit is it to me or the state to add additional layers of costly bureaucracy?

William Updegrove

-----Original Message-----

From: Dave Musgrave <[REDACTED]>

Sent: Wednesday, May 30, 2018 10:09 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>;
[REDACTED]

Subject: Planned changes in Retirees Pharmacy Plan

Dear Retiree Health Plan Advisory Board,

I strongly object to the implementation of any planned changes in the Retirees Pharmacy Plan that does not comply with the Alaska Supreme Court's RPEA v. Duncan. In particular, the changes must adhere to the following.

- A) The analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience—including accepted actuarial sources—rather than by unsupported hypothetical projections.
- B) Equivalent value must be proven by comparison of the actual benefits provided to those that are proposed in the changes.
- C) Where any individual shows that a proposed change results in a serious hardship that is not offset by comparable advantages, that affected individual must be allowed to retain existing coverage.

Please inform me when A) and B) have been completed and provide the results of those analyses.

Thank you,

David L Musgrave

[REDACTED]

-----Original Message-----

From: Janice Templin-Weller [REDACTED]

Sent: Wednesday, May 30, 2018 10:43 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Changes to Retiree Pharmacy Plan

My husband worked for a school district and retired after 30 years and I worked for the State of Alaska for 28 years. We retired with TERS and PERS with the constitutional commitment from the State of Alaska that our level of benefits could not be changed to disadvantage or decrease our benefits. We have already seen a decrease in benefits for chiropractic care and accupuncture. Now we are threatened with a decrease in benefits for our prescription coverage. This is not acceptable and not what we signed up for when we retired. This change is not constitutional and must not be implemented.

Janice Templin-Weller

-----Original Message-----

From: Sue Petersen <[REDACTED]>

Sent: Wednesday, May 30, 2018 11:02 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Change of pharmacy plan

To whom it may concern:

We earned the pharmacy benefits we have.

Alaska can't diminish our benefits!

There is a protocol you must follow. Do it right the first time. We will take you to court if we have to.!!!

Sue Petersen

Sent from my iPhone

From: Sandra Lemke Nesvick [REDACTED]
Sent: Thursday, May 31, 2018 2:03 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Insurance changes

As a retiree of Alaska I object wholeheartedly to this new proposal regarding our medication benefits. Please rethink this proposal and restore our benefits to the level that allows us to live on our retirement without investing the services of a shopping cart for our possessions.

Sandra L Nesvick

From: Gary Miller [REDACTED]
Sent: Thursday, May 31, 2018 1:59 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Fwd: Pharmacy Coverage Change
Cc: Dennis Sharon Early <[REDACTED]> Sam Kito <representative.sam.kito@akleg.gov>, Justin Parish <representative.justin.parish@akleg.gov>, Sharon Hoffbeck <[REDACTED]>

When I went to work for the State of Alaska in 1975, I was promised a retirement system that would cover my healthcare after I retired. There wasn't anything in the retiree hand book that said if I wanted those promises and benefits to be kept that I would have to fight for them. This new scheme to switch me to Medicare and reduce my prescription drug benefits is a violation of the Alaska Constitution and violates the Alaska Supreme Court decision protecting my retiree benefits.

I want you to oppose these changes. I worked for the State of Alaska for 26 years. I kept my part of the bargain by staying with the State of Alaska. The State of Alaska needs to keep its word and stick with the bargain that was promised me!!!!!!

Gary Miller
[REDACTED]

From: Deborah Hansen [REDACTED]
Sent: Thursday, May 31, 2018 1:09 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Changes in Pharmacy coverage - concerns regarding co-ordination of benefits

Hello-

I am concerned about your change in coverage and how it will affect my husband. His [REDACTED]
[REDACTED]. Will this change in coverage since it is Federal then become
his primary? I do know that we have had many problems with Medicare and coverage since [REDACTED]
[REDACTED]

Currently, the pharmacy coverage is working very well and there are no problems. Given our problems
with reconciling bills with Medicare and their constant denials, I anticipate the change in coverage not
going well.

Deborah Hansen
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: [REDACTED]
Sent: Thursday, May 31, 2018 12:04 PM
To: AlaskaRHPAB@laska.gov
Cc: [REDACTED]
Subject: Rx drug change

Hello

I think that DOA changing to the proposed Part D plan would be a change not allowed by the court decision several years back.

This new plan seems far worse than our Tier 1 Alaska Care Rx plan now, as there are far more restrictions and requirements to comply with on proposed Part D Plan to get medication that our Dr's prescribe than on our Tier 1 Rx. Plan. I'm [REDACTED] and my [REDACTED], this is bad news for us as our Rx needs keep increasing with age. Why have you, DOA proposed to change my plan after retirement and if done it's not equal to what we have? You should look someplace else to make up for the budget shortfall, you already took ½ of our permeant fund checks.

I spent 27 years working for SOA with a guarantee of the Tier 1 health plan, back when I started in 1976 you couldn't get people in the Electronics Tech field to work for SOA as your wages didn't compare with Pipe line wages. The Tier 1 benefits package was promised and agreed to in union our contract. That is what kept lots us on board with SOA through the years also. I request DOA to not continue with this. I also request REPA to file court proceedings to stop this.

Thanks

Allen Sanders

[REDACTED]

From: Carol Thompson [REDACTED]
Sent: Thursday, May 31, 2018 11:59 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>; Sharon Hoffbeck [REDACTED]
Subject: Retirees' Pharmacy Plan

Dear Retiree Health Plan Advisory Board,

I strongly object to the implementation of any planned changes in the Retirees Pharmacy Plan that does not comply with the Alaska Supreme Court's RPEA v. Duncan. In particular, the changes must adhere to the following.

- A) The analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience—including accepted actuarial sources—rather than by unsupported hypothetical projections.
- B) Equivalent value must be proven by comparison of the actual benefits provided to those that are proposed in the changes.
- C) Where any individual shows that a proposed change results in a serious hardship that is not offset by comparable advantages, that affected individual must be allowed to retain existing coverage.

Please inform me when A) and B) have been completed and provide the results of those analyses.

Thank you,

Carol Thompson
Retiree

--

Carol C. Thompson

[REDACTED]

From: Brad Parker [REDACTED]
Sent: Thursday, May 31, 2018 11:39 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: FW: Proposed Change to Retiree over 65 prescription plan

I object to any changes in the pharmacy plan for those of us over 65 [REDACTED]
[REDACTED] mostly paid for by my current employer's pharmacy plan and supplemented by the Alaska Care Plan. When I retire I plan to rely on the Alaska Care plan. I was hire by the State of Alaska in 1977 and retired from the State of Alaska in 2000. At both times I expected that my wife and I would one day receive the benefits as promised by the D.O.A and the state.

It certainly appears that it is the intention of the State to diminish those benefits this coming year. This is unfair and wrong. We do not want to participate in a plan which will force me to use drugs not prescribed by our doctors. This will also create a night mare with coordination with other insurers.

Bradford Parker

From: Brad Parker [REDACTED]
Sent: Thursday, May 31, 2018 11:49 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Changes to Retiree Pharmacy plan

I have [REDACTED] It was coordinated with my other insurance .What will happen to that promised approval ?

This is terrible . What kind of trouble will we go through when this happens. It took us 6 months to get things worked out with our pharmacy and the insurance companies when Aetna took over. It was a very frustrating mess. Please do not change our prescription plan. It will be another mess even worse when we have to have our other insurance coordinate with this Part D plan or will it even be possible ??

If we drop our other insurance it will probably put a greater cost on the Alaska Care plan.

Bradford Parker

From: Jerrold Fields [REDACTED]

Sent: Thursday, May 31, 2018 11:02 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject:

So what is the point of constitutional law if the SOA and DOA try to bypass? I have medications that are life saving and expensive and that I have taken for awhile. How might this plan adversely affect my health? The only advantage to this proposed change I can see is the SOA will pay less money! Sounds like greed and corruption to me and we the people who paid their dues get screwed! I hope RPEA and the advisory board can stop this, it stinks! This is a set up for retirees. There is no doubt this is a less advantageous plan for retirees. It seems DOA is attempting to bypass the law to push this through, which is in itself a bad sign. I have 100% coverage on meds presently, will that continue under this new plan. In other words will [REDACTED] still meet my co-pay? What happens if the Feds decide to just discontinue this? The appeals processes sound horrible! The insurance deciding what meds I should take other than my doctors and I deciding is also horrible! Is this stoppable? What does RPEA think in more detail? Does RPEA/advisory board see any advantages for retirees?

Thanks,

Jerrold Fields

From: Don & Marge Dewoody [REDACTED]
Sent: Thursday, May 31, 2018 8:42 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Changes to Pharmacy Plan

After reading your email regarding above, I feel that there is discrimination against people over 65 and Tier 1 employees. Since I am a Tier 1, retired 1994, I was under the impression that we were protected (State of Alaska Constitution) from such changes. What happened? Aetna has not seemed to have regard for the rights of retired employees. They haven't been able to handle their job as it is. Why add another department to add to the already present problem?

I thank the board for their work on our behalf.

Respectfully submitted,

Donnell C. DeWoody

From: Robert F. Nesvick Jr. [REDACTED]
Sent: Thursday, May 31, 2018 7:42 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Chance in REITREE PHARMACY PLAN

RHPAB,

As a State of Alaska Retiree over the age of 65, I would like to file an objection to the proposed change in the Retiree Pharmacy Plan. We worked long and hard serving the citizens of the State for these benefits.

The Alaska Supreme Court in the past has ruled that the State of Alaska can not diminish our benefits, and this proposed change would do just that.

Robert F. (Bob) Nesvick Jr.
Retired Alaska State Trooper

[REDACTED]

From: Kevin O'Sullivan [REDACTED]
Sent: Thursday, May 31, 2018 7:25 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: CHANGE IN RETIREE PHARMACY PLAN

To: Board chair, Judy Salo and Retiree Health Plan Advisory Board

As you are probably aware, beginning in approximately mid-November DOA will enroll all retirees who are 65 and older in a Medicare Part D pharmacy plan called an EGWP/wrap. It will be administered by a separate Pharmacy Benefits Manager (PBM). DOA is in the process of reviewing bids in response to the RFP (Request for Bids) that was put out earlier this year.

Our existing health plan benefits are protected under Article XII, Section 7 of the Alaska Constitution from diminishment or impairment, and cannot be changed to disadvantage or impair the current retiree benefits unless comparable new advantages are included to offset the proposed changes.

Additionally, because the EGWP is a federal program, it is not a Constitutionally protected benefit like the prescription drug program under our current health care plan, and could be modified, suspended or cancelled at any time by Medicare.

Before DOA can impose any proposed changes—including the EGWP plan--to the retiree health plan, it must follow the process specified by the Alaska Supreme Court in the case of *RPEA v. Duncan* by performing an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value.

The law requires DOA to make these analyses before it imposes any proposed changes. We objects to these changes because DOA has not done the required equivalency analysis.

Kevin and Cristine O'Sullivan
State of Alaska retirees

From: Debra Buzdor [REDACTED]
Sent: Thursday, May 31, 2018 7:08 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Fwd: [Rpea.sc.mat-su] [Rpea.sc] [Rpea.members] CHANGE IN REITREE PHARMACY PLAN

To the board:

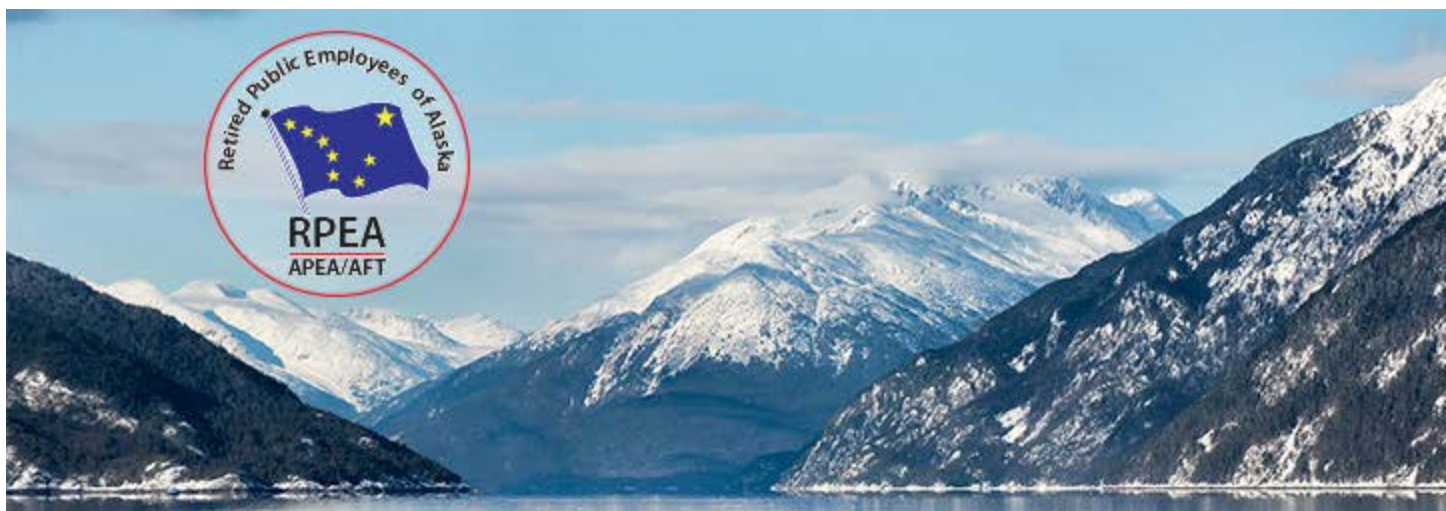
I am a retired Mat-Su Teacher. I was upset when I retired and learned that our insurance coverage which was promised for the 24 years I worked, was actually a scaled down package compared to our coverage as active teachers. NOW you are going to make it harder to get prescriptions, when we are all pushing into our 70's????

I HIGHLY DISAGREE WITH ITEM NUMBER AND 1 AND NUMBER 2. This is a violation of our agreement.

Please reconsider taking this action, (see below) and thank you for your participation and for your work.

----- Forwarded message -----

From: Sharon Hoffbeck [REDACTED]
Date: Wed, May 30, 2018 at 9:05 PM
Subject: [Rpea.sc.mat-su] [Rpea.sc] [Rpea.members] CHANGE IN REITREE PHARMACY PLAN
To: RPEA Members--All [REDACTED]



CHANGE IN RETIREE PHARMACY PLAN

We want to give you a heads-up about some changes the Department of Administration (DOA) is planning to make to the retiree pharmacy plan, **effective January 1, 2019**. This change is scheduled to begin implementation mid-November, 2018.

These changes will only affect those 65 and over. The Pharmacy plan for those 65 and under will remain the same.

According to a presentation by the Department of Administration (DOA) at the May 8th Retiree Health Plan Advisory Board meeting, beginning in approximately mid-November DOA will enroll all retirees who are 65 and older in a Medicare Part D pharmacy plan called an EGWP/wrap. It will be administered by a separate Pharmacy Benefits Manager (PBM). DOA is in the process of reviewing bids in response to the RFP (Request for Bids) that was put out earlier this year.

Medicare Part D is a commercial pharmacy plan, approved by Medicare but not managed by Medicare. What DOA is implementing is called an EGWP/wrap, which is a Medicare Part D pharmacy plan with a 'wrap' that is intended to supplement the Medicare Part D drug plan with the additional pharmacy benefits that the AlaskaCare retiree plan currently includes.

A few of the major changes are:

1. If a prescribed drug is denied, the denial must be appealed using a 5 step federal appeal process. Currently, if there is a denial, the Division of Retirement & Benefits can directly intervene with the Third Party Administrator (currently Aetna), assuring the retiree pharmacy plan is not diminished.
2. Step Therapy appears to be a part of the Medicare Part D/EGWP plan. This would be a significant change and diminishment from the current retiree pharmacy plan. Step Therapy requires that you may have to try other drugs that are less expensive and chosen by the PBM, other than the drugs your doctor prescribes, and if they do not work as needed you can then request the drug your doctor prescribed. This is a multi-step process that can potentially impact your course of care prescribed by your doctor. Under the current retiree plan, your course of care is a decision between you and your doctor.
3. The regular monthly Medicare Part D premium will be paid from the medical trust for all retirees.

For those in a 'high income' category set by the federal government (currently \$85,000 single or \$170,000 married),

there will be an additional monthly surcharge that currently ranges from approximately \$35.00--\$75.00. This surcharge must be paid by the retiree, and will be reimbursed by the state at a later date. The state will not be notified if you are in the high income category, and you must contact them to activate the reimbursement process. If the surcharge is not paid, you will be dropped from the Medicare Part D/EGWP plan, and enrolled in an alternate pharmacy plan designed by the state that will not have the same benefits as the current pharmacy plan. The details of this alternate pharmacy plan have not yet been disclosed by DOA.

4. Copays for some drugs may increase.

To see DOA's EGWP/wrap pharmacy plan presentation, please go to the RPEA website and you will find it posted under "Retiree

Health Plan Advisory Board", "EGWP/Wrap Pharmacy Plan". An acronym that you will see repeatedly in their report is "CMS" which

stands for Centers for Medicare & Medicaid Services.

RPEA Website Link:

<http://www.rpea.apea-aft.org/>

As you know, our existing health plan benefits are protected under Article XII, Section 7 of the Alaska Constitution from diminishment or impairment, and cannot be changed to disadvantage or impair the current retiree benefits unless comparable new advantages are included to offset the proposed changes.

However, because the EGWP is a federal program, it is not a Constitutionally protected benefit like the prescription drug program under our current health care plan, and could be modified, suspended or cancelled at any time by Medicare.

Before DOA can impose any proposed changes—including the EGWP plan--to the retiree health plan, it must follow the process specified by the Alaska Supreme Court in the case of *RPEA v. Duncan* by performing an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value.

Furthermore –

1. The analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience—including accepted actuarial sources—rather than by unsupported hypothetical projections.
2. Equivalent value must be proven by comparison of the actual benefits provided to those that are proposed in the changes.
3. Where any individual shows that a proposed change results in a serious hardship that is not offset by comparable advantages, that affected individual must be allowed to retain existing coverage.

RPEA believes that the law requires DOA to make these analyses before it imposes any proposed changes. RPEA objects to these changes because DOA has not done the required equivalency analysis. RPEA's specific objections are included in the statement that Brad Owens, our Executive Vice President, made at the May 8th Retiree Health Plan Advisory Board meeting. This statement is posted on the RPEA website and can be located under "Retiree

Health Plan Advisory Board”, “2018/05/08 RPEA Statement to Advisory Board”.

RPEA Website Link:

<http://www.rpea.apea-aft.org/>

Comments concerning these changes should be made to the Retiree Health Plan Advisory Board at AlaskaRHPAB@laska.gov. This email address is managed by the Department of Administration, and emails are forwarded to the Board chair, Judy Salo. We ask that you also cc RPEA: sharonhoffbeck@gmail.com.

As always, please feel free to contact me directly.

Sharon Hoffbeck

President

Retired Public Employees of Alaska

[REDACTED]

--

Deb Buzdor

[REDACTED]

From: dale skinner [REDACTED]
Sent: Thursday, May 31, 2018 6:43 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Proposed changes to the Pharmacy Plan

As a state retiree who is over the age of 65 I am totally and completely against this change being made to the existing pharmacy plan. I see these changes as increasing our cost for the drugs we need and will need as we get older. I am also opposed to this step therapy. I see this as being a significant change and greatly diminish from the current retiree pharmacy plan. To force a patient to first use a drug which their doctor has NOT recommended is not only foolish but could be very dangerous to the patient. In order for a patient to go from first trying a drug which your doctor has not prescribed to using a drug which the doctor knows is best for the patient, will this require one to go through this 5 step reveal process? Who is the one to determine if a lesser drug is working or not? Who is at the forefront of wanting to make this change? I see this as having the potential of increasing ones cost due to increased doctor visits and possible ER visits due to this lesser drug not working properly. How about the patient you dies because they were forced to take a lesser drug?

Dale Skinner

From: Ullmayer [REDACTED]
Sent: Thursday, May 31, 2018 5:48 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Fw: [Rpea.se.juneau] [rpea.se] [Rpea.members] FW: CHANGE IN REITREE PHARMACY PLAN

Sometimes I wonder if, financially, it would not be better for some of us to just divorce and live together than to stay married. For those retirees whose spouses are on their insurance that is not an option. Please consider reimbursement by the State of Alaska in the form of a health savings account that would be nontaxable. Is that possible?

-----Original Message-----

From: Carol Thomson [REDACTED]

Sent: Thursday, May 31, 2018 5:27 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Thank you

Thank you for the updated mail address... and thank you for the important information you send to Alaska retirees.

Sent from my iPad

From: PATRICK STEVENS [REDACTED]
Sent: Thursday, May 31, 2018 4:52 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: proposed changes to pharmacy benefits

Dear Sirs:

I have been informed that State of Alaska retirees over the age of 65 are about to become participants in the Medicare Part D program for pharmaceuticals. I object to this change.

From my understanding, other Medicare retirees are allowed, under the Medicare Part D program, to select from a wide variety of pharmacy programs when they enroll, and are able to change their program at the beginning of each benefit year. Therefore, they are able to adjust their program to fit their needs. The program you are enrolling us in will not give us that choice. In fact, it may be a pharmacy program that greatly reduces an individual enrollee's benefit and damage their health care irreparably.

I understand that Alaskacare is an expensive program, and that the State of Alaska has assumed a great burden by providing these benefits to retirees. But I also understand that these benefits were earned by myself and all other retirees as a part of our contract with the state during the time we worked. I expect the state to honor their contract, just as I honored mine.

Thank you,

Patrick A. Stevens

[REDACTED]

[REDACTED]

-----Original Message-----

From: [REDACTED]

Sent: Thursday, May 31, 2018 3:16 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Cc: [REDACTED]

Subject: EGWP

I have read through the proposed changes to our Alaska Retiree RX benefit plan as presented in your EGWP Presentation.

You can butter it any way you want but the end result is that the retiree will be the loser if this goes forward.

No where do you cover how the program will work for those of us (husband and wife) that are both Alaska Retirees. Currently any co-pay is covered by the other's plan. I'm sure you know how coordination of benefits (COB) works. How will it work under the proposed plan changes? Is it a benefit that we will lose?

If an individual is currently taking a medication that is covered under the current plan (no pre-authorization required) but now under the EGWP requires a pre-authorization and MEDICARE does not authorize this medication, what does the individual do??? Are they now required to jump through a bunch of hoops to appeal. If so, this is a diminishment to our current benefit package.

Any added administrative hoops that the EGWP requires of the retiree does in fact diminish the retirees benefit package.

Once this program falls under federal regulations the state will have lost control and the retiree will be at the mercy of MEDICARE. How does this fair with Article XII, Section 7 of the Alaska Constitution?

If I currently am receiving medication "XYG" and 5 years down the road MEDICARE states they are no longer going to let me have "XYG" because "XYG" is no longer in the MEDICARE formulary, how is this not considered a diminishment of our benefit package.

If our current RX benefit package is protected under Article XII, Section 7, of the Alaska Constitution then how can the state give up ownership of this program to MEDICARE. Once it is transferred to MEDICARE it will no longer be protected by the Alaska Constitution. What would the state be able to do if MEDICARE did away with Part D?

Stan and Debbie Palco

[REDACTED]

Henry M. Wiedle



Department of Retirement & Benefits:

Regarding the below change: if this occurs and they take away the medication that we are now on, a lawsuit will be filed. This is age discrimination plain and simple. We have worked all our life to have reliable health care and now our doctors cannot prescribe what is best for us and instead some pharmacy can do it. This is insane and won't be without a lawsuit. A strong letter will follow.

Henry & Margaret Wiedle
Anchorage

From: Sharon Hoffbeck [REDACTED]
Sent: Monday, June 04, 2018 9:28 AM
To: 'Hank Wiedle'
Subject: RE: [Rpea.sc.anchorage] [Rpea.sc] [Rpea.members] FW: CHANGE IN REITREE PHARMACY PLAN

Hi Hank—

You should send your comments to the Div. of Retirement & Benefits at AlaskaRHPAB@alaska.gov.

Please also cc me in your message to DRB.

I know this appears to be age discrimination, but we've asked the attorney representing RPEA and he said that the courts may not consider it such any more than the requirement to enroll in Medicare Part B at 65. But you never know what a court may decide.

I've attached the statement that RPEA made to the administration and Retiree Health Plan Advisory Board, as well as a document we have supplied them outlining the requirements that must be followed before changes can be made. DRB did none of them prior to making this decision.

Sharon Hoffbeck
President
Retired Public Employees of Alaska

[REDACTED]

I am referring to this letter we received, my comment is in RED.

H Wiedle

From: Hank Wiedle [REDACTED]
Sent: Monday, June 4, 2018 9:09 AM
To: 'Sharon Hoffbeck' [REDACTED]
Subject: RE: [Rpea.sc.anchorage] [Rpea.sc] [Rpea.members] FW: CHANGE IN REITREE PHARMACY PLAN

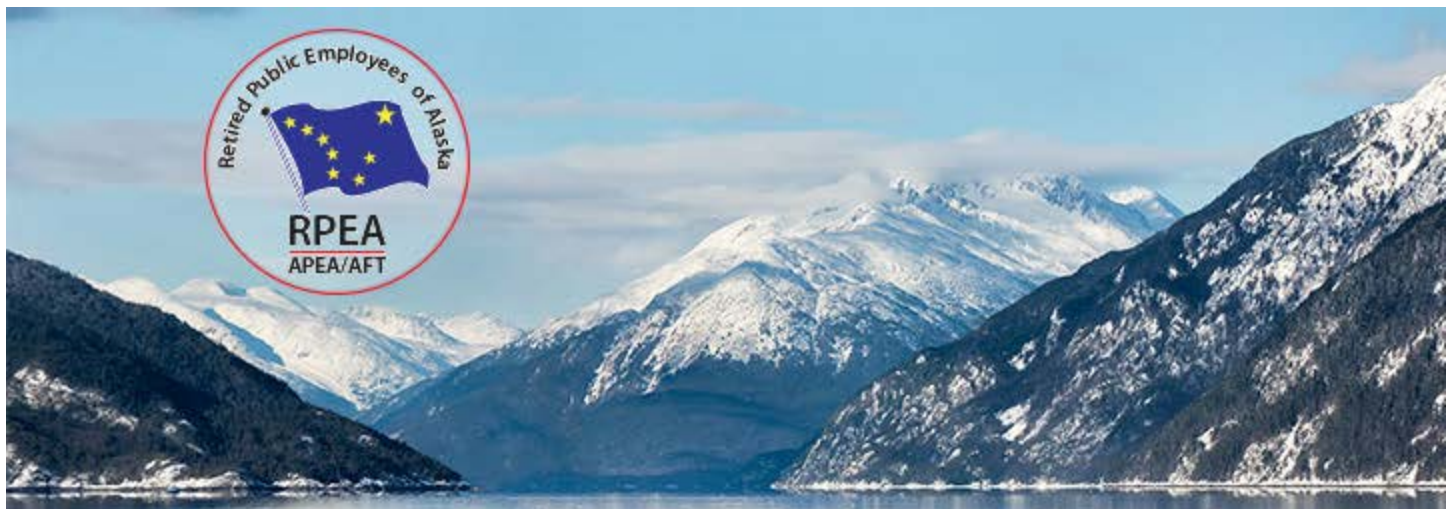
Regarding the below change: if this occurs and they take away the medication that we are now on, a lawsuit will be filed. This is age discrimination plain and simple. We have worked all our life to have reliable health care and now our doctors cannot prescribe what is best for us and instead some pharmacy can do it. This is insane and won't be without a lawsuit.

Henry & Margaret Wiedle
Anchorage

From: [REDACTED]
[REDACTED] **On Behalf Of** Sharon Hoffbeck
Sent: Wednesday, May 30, 2018 9:23 PM
To: RPEA Members--All
Subject: [Rpea.sc.anchorage] [Rpea.sc] [Rpea.members] FW: CHANGE IN REITREE PHARMACY PLAN

Email address correction—
The Retiree Health Plan Advisory Board email address is:
AlaskaRHPAB@alaska.gov.

From: Sharon Hoffbeck [REDACTED]
Sent: Wednesday, May 30, 2018 9:05 PM
To: RPEA Members--All [REDACTED]
Subject: CHANGE IN REITREE PHARMACY PLAN



CHANGE IN RETIREE PHARMACY PLAN

We want to give you a heads-up about some changes the Department of Administration (DOA) is planning to make to the retiree pharmacy plan, **effective January 1, 2019**. This change is scheduled to begin implementation mid-November, 2018.

These changes will only affect those 65 and over. The Pharmacy plan for those 65 and under will remain the same.

According to a presentation by the Department of Administration (DOA) at the May 8th Retiree Health Plan Advisory Board meeting, beginning in approximately mid-November DOA will enroll all retirees who are 65 and older in a Medicare Part D pharmacy plan called an EGWP/wrap. It will be administered by a separate Pharmacy Benefits Manager (PBM). DOA is in the process of reviewing bids in response to the RFP (Request for Bids) that was put out earlier this year.

Medicare Part D is a commercial pharmacy plan, approved by Medicare but not managed by Medicare. What DOA is implementing is called an EGWP/wrap, which is a Medicare Part D pharmacy plan with a 'wrap' that is intended to supplement the Medicare Part D drug plan with the additional pharmacy benefits that the AlaskaCare retiree plan currently includes.

A few of the major changes are:

1. If a prescribed drug is denied, the denial must be appealed using a 5 step federal appeal process. Currently, if there is a denial, the Division of Retirement & Benefits can directly intervene with the Third Party Administrator (currently Aetna), assuring the retiree pharmacy plan is not diminished.
2. Step Therapy appears to be a part of the Medicare Part D/EGWP plan. This would be a significant change and diminishment from the current retiree pharmacy plan. Step Therapy requires that you may have to try other drugs that are less expensive and chosen by the PBM, other than the drugs your doctor prescribes, and if they do not work as needed you can then request the drug your doctor prescribed. This is a multi-step process that can potentially impact your course of care prescribed by your doctor. Under the current retiree plan, your course of care is a decision between you and your doctor.

3. The regular monthly Medicare Part D premium will be paid from the medical trust for all retirees.

For those in a 'high income' category set by the federal government (currently \$85,000 single or \$170,000 married), there will be an additional monthly surcharge that currently ranges from approximately \$35.00--\$75.00. This surcharge must be paid by the retiree, and will be reimbursed by the state at a later date. The state will not be notified if you are in the high income category, and you must contact them to activate the reimbursement process. If the surcharge is not paid, you will be dropped from the Medicare Part D/EGWP plan, and enrolled in an alternate pharmacy plan designed by the state that will not have the same benefits as the current pharmacy plan. The details of this alternate pharmacy plan have not yet been disclosed by DOA.

4. Copays for some drugs may increase.

To see DOA's EGWP/wrap pharmacy plan presentation, please go to the RPEA website and you will find it posted under "Retiree Health Plan Advisory Board", "EGWP/Wrap Pharmacy Plan". An acronym that you will see repeatedly in their report is "CMS" which stands for Centers for Medicare & Medicaid Services.

RPEA Website Link:
<http://www.rpea.apea-aft.org/>

As you know, our existing health plan benefits are protected under Article XII, Section 7 of the Alaska Constitution from diminishment or impairment, and cannot be changed to disadvantage or impair the current retiree benefits unless comparable new advantages are included to offset the proposed changes.

However, because the EGWP is a federal program, it is not a Constitutionally protected benefit like the prescription drug program under our current health care plan, and could be modified, suspended or cancelled at any time by Medicare.

Before DOA can impose any proposed changes—including the EGWP plan--to the retiree health plan, it must follow the process specified by the Alaska Supreme Court in the case of *RPEA v. Duncan* by performing an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value.

Furthermore –

1. The analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience-including accepted actuarial sources—rather than by unsupported hypothetical projections.
2. Equivalent value must be proven by comparison of the actual benefits provided to those that are proposed in the changes.
3. Where any individual shows that a proposed change results in a serious hardship that is not offset by comparable advantages, that affected individual must be allowed to retain existing coverage.

RPEA believes that the law requires DOA to make these analyses before it imposes any proposed changes. RPEA objects to these changes because DOA has not done the required equivalency analysis. RPEA's specific objections are included in the statement that Brad Owens, our Executive Vice President, made at the May 8th Retiree Health Plan Advisory Board meeting. This statement is posted on the RPEA website and can be located under "Retiree Health Plan Advisory Board", "2018/05/08 RPEA Statement to Advisory Board".

RPEA Website Link:
<http://www.rpea.apea-aft.org/>

Comments concerning these changes should be made to the Retiree Health Plan Advisory Board at AlaskaRHPAB@alaska.gov. This email address is managed by the Department of Administration, and emails are forwarded to the Board chair, Judy Salo. We ask that you also cc RPEA: sharonhoffbeck@gmail.com.

As always, please feel free to contact me directly.

Sharon Hoffbeck
President
Retired Public Employees of Alaska


RPEA STATEMENT
TO ADVISORY BOAR


Duncan
Template.pdf



Retired Public Employees of Alaska, APEA/AFT

3310 Arctic Blvd., Suite 200, Anchorage, Alaska 99503

Phone: (907) 274-1703 or (800) 478-9992, Fax: (907) 277-4588

Email: rpea@alaska.net

Web site:

www.rpea.apea-aft.org

PUBLIC COMMENTS BEFORE THE RETIREE HEALTH PLAN ADVISORY BOARD

May 8, 2018

Good morning. My name is Brad Owens and I am the Executive Vice President of the Retired Public Employees of Alaska. These comments today are offered on behalf of RPEA.

1. RPEA is a non-profit organization which was formed in 1996 and incorporated in 1998. Its members are mostly retired public employees and their dependents. Its purpose is to protect retiree benefits by educating, assisting and advocating on behalf of not only the members of RPEA but for all persons covered by PERS, TRS, JRS and other state retirement systems.
2. This Retiree Health Plan Advisory Board was recently created to provide an efficient and transparent way to facilitate regular engagement, communication and cooperation between the members of the state retirement systems and the Governor, the Department of Administration and the ARM Board (Alaska Retirement Management Board) about the administration and management of the state's retirement systems.
3. The principal responsibility of this Board is to make recommendations to DOA related to the health care plans provided under the state retirement systems.

I want to comment on three items today:

1. The EGWP program,
 2. The health plan modernization proposed by DOA, and
 3. DRB's regular denial of access to the OAH appeal process.
-
4. The materials provided by DOA for this meeting indicate it has been developing changes to the retiree health care plans: The Employer Group Waiver Program or EGWP (pronounced "egg whip") and the "DB Retiree Health Plan Modernization."

5. The EGWP is a program offered by the federal government under Medicare as a group Medicare Part D prescription drug plan option. It is described by the DOA as the “most cost-effective way for the retirement system to provide retiree prescription drug coverage for Medicare eligible retirees and dependents.”
6. DOA recognizes that the existing health plan benefits are protected under Article XII, Sec. 7 of the Alaska Constitution from diminishment or impairment and, as such, cannot be modified to disadvantage or impair these current retiree benefits unless comparable new advantages are included to offset these proposed changes.
7. However, because the EGWP is a federal program, it is not a Constitutionally protected benefit like the prescription drug program under our current health care plan and could be modified, suspended or cancelled at any time by Medicare.
8. Despite this, it appears DOA proposes to change our current health care plan by implementing this EGWP plan in the very near future. In fact, the Financial Analysis provided at page 33 appears to be a forecast of savings in 2018.
9. The DOA also proposes a Retiree Health Plan Modernization through amendments to the current health care plan over the next two years. However, the timeline provided in the Plan Cycle, at page 4, appears to show implementation of the proposal in 2018.
10. This proposal is based on 12 areas DOA has focused on, described at page 9 of the materials, such as outdated pharmacy design, the safety and efficacy of drugs, reduced sensitivity to the price and increases in unnecessary services, confusion over rehabilitative services and dental implants, and use of a network for enhanced clinical review. It does not, however, indicate either the source of these concerns, nor the scope or impact of the concerns.
11. But before DOA can impose any of these proposed changes – either the EGWP or the proposed modernization -- it must follow the process specified by the Alaska Supreme Court in the case of *RPEA v. Duncan*: first, it must perform an equivalency analysis to establish the value between the changes which disadvantage retirees as a group and those that provide offsetting advantages; second, this analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience-including accepted actuarial sources-rather than by unsupported hypothetical projections; and third, equivalent value must be proven by a comparison of the actual benefits provided to those that are proposed in the changes.

12. In addition, where any individual shows that a proposed change results in a serious hardship that is not offset by comparable advantages, that affected individual should be allowed to retain existing coverage.
13. Similarly, changes that will predictably cause hardship to a significant number of beneficiaries who cannot at the time of the change be specifically identified, an option of providing an election to beneficiaries to retain existing coverage should be available, unless the state can show a compelling need for the change and the impracticability of providing for an election.
14. Likewise, major deletions in the types of coverage, such as coverage of a particular disease or condition, should not be allowed even though other coverage might be improved, if the deletion would result in serious hardship to those who suffer from the disease or condition in question.
15. Lastly, changes that substantially reconfigure the mix of benefits to beneficiaries should be approved only upon a strong showing of justification and unusual gaps in coverage should be avoided.
16. DOA must perform an analysis of the impact of these proposed changes on the retirees and beneficiaries before it imposes the changes. It must do so because, as the administrator and fiduciary of these retirement benefits, it must ascertain the impacts of any changes that disadvantage retirees, what the nature and extent of the disadvantage might be, identify and provide prior notice to any retirees who might experience a substantial hardship as a result of the changes and provide them an opportunity to establish such hardship, and ensure that any diminishment or impairment caused by these changes are offset by adequate and comparable new advantages.
17. We believe the law requires DOA to make these analyses in an adequate and proper way before it imposes any proposed changes.
18. We hope that this Board, in fulfilling its responsibilities to the retirees and participants of these health care plans, will investigate these proposed changes and recommend whatever steps are appropriate to ensure DOA follows the proper procedure.

The other matter I wanted to bring to the attention of this Board is the concerted and ongoing effort by DRB to deny members their right to appeal claim denials to OAH.

DENIAL OF OAH APPEAL RIGHTS

DRB has regularly inserted itself into the appeal process and has settled specific claims that have been appealed but has done so in a way that precludes the retiree from obtaining a decision on whether he or she is entitled to rely on the settled claims as a determination of coverage for future claims of the same type.

This has occurred over the last year or more primarily in the area of rehabilitative care involving physical therapy, occupational therapy, massage therapy and chiropractic care. What DRB has done is settle the specific denied claims and directed payment of those claims but has also stated in each appeal that settlement of the past claims is not a determination as to coverage for any similar future claims.

In many cases the retiree has objected to this refusal by DRB to determine future coverage of similar claims under the terms of the plan and its refusal to submit this remaining coverage issue to OAH for a decision – a right to which they are entitled under the provisions of PERS and TRS.

DRB has repeatedly taken the position that payment of the specific denied claims renders any further appeal to OAH moot. In this manner, DRB has been able to avoid any decision on the merits of coverage for future similar claims. This regular course of conduct violates the statutory right to appeal to OAH and constitutes a breach of DRB's fiduciary duty.

RPEA requests this Board to investigate these refusals to submit appeals to OAH and to recommend appropriate action to DOA which allows retirees to exercise their statutory right to have their entire claim decided by OAH.



Retired Public Employees of Alaska, APEA/AFT

3310 Arctic Blvd., Suite 200, Anchorage, Alaska 99503

Phone: (907) 274-1703 or (800) 478-9992, Fax: (907) 277-4588

Email: rpea@alaska.net

Web site: www.rpea.apaa-aft.org

***DUNCAN v. RPEA* COMPARATIVE ANALYSIS**

The retiree health care plan was first developed as part of the public retirement systems in 1975. It was specifically intended to encourage qualified individuals to enter into and remain in public employment. It provided extensive and valuable health care benefits and coverage for qualified public employees. The retiree health care plan, like other retirement benefits, created a type of “savings” plan for public employees – one they could rely upon to provide the promised coverage once they retired.

In the case of *Duncan v. RPEA*, the Supreme Court ruled that health care benefits, just like other retirement benefits, are protected from diminishment or impairment by the Alaska Constitution. However, that does not mean that retirement benefits cannot be changed. Benefits can be modified so long as the modifications are reasonable, and one condition of reasonableness is that disadvantageous changes must be offset by comparable new beneficial changes.

The Court in *Duncan* recognized that health care benefits must be allowed to change as health care evolves. Recognizing the economic realities of administering health care coverage, the Court reluctantly concluded that an equivalency analysis of any changes must be done from a group standpoint rather than on an individualized basis.

However, the Court reiterated that equivalent value must be proven by **reliable evidence**.

Under any group approach, just as with an individual comparative analysis, offsetting advantages and disadvantages should be

established by solid, statistical data drawn from actual experience rather than by unsupported hypothetical projections.

Such statistical data can include accepted actuarial sources, but the Court did not say an actuarial analysis was the only, or even the best, data.

The Court reiterated that equivalent value must be proven by a comparison of the benefits **actually provided** – a mere comparison of old and new premium costs does not establish equivalency.

The Court warned that Duncan did not allow or approve any **major deletions** in the **types of coverage** offered during an employee's term. Coverage of a particular disease or condition should not be deleted, even though other coverage might be improved, if the deletion would result in **serious hardship** to those who suffer from the disease or condition in question.

Where an individual can show that substantial detriments were not offset by comparable advantages and that this resulted in a **serious hardship**, the affected individual should be allowed to retain existing coverage.

Moreover, the Court stated that changes that will predictably cause hardship to a significant number of beneficiaries who cannot at the time of the change be specifically identified should be given the option of an election to retain existing coverage, unless the state can demonstrate a compelling need for the change and the impracticability of providing for an election.

Finally, the Court stated that changes that substantially reconfigure the mix of benefits to beneficiaries should be approved **only** upon a strong showing of justification; and any unusual gaps in coverage should be avoided.

Proposed *Duncan* Equivalency Analysis Template

1. Is there an identified legitimate need to change the benefits provided?
2. What are the reasons for each proposed change?
3. What data exists that supports or bears on each proposed change?
4. Do the proposed changes substantially reconfigure the mix of current benefits?
5. Will the proposed changes result in any unusual gaps in in the benefits or coverage currently provided?
6. Do the proposed changes involve the restriction, reduction or elimination of currently provided benefits?
7. If so, how many members will be impacted by each particular change?
8. Will the proposed changes predictably cause hardship to a significant number of members who cannot be specifically identified?
9. Have all members affected by the proposed changes been given adequate notice of the proposed changes?
10. Have the affected members been given adequate opportunity to question or obtain additional information about the proposed changes?
11. Have the affected members been given adequate opportunity to show any proposed changes may result in substantial hardship?
12. Is any substantial hardship offset by comparable advantages?
13. Do the proposed changes result in the diminishment or impairment of any current benefits?
14. Has there been an adequate and timely comparative analysis performed to determine if there is equivalent value between the offsetting advantages and disadvantages under the proposed changes?
15. What specific solid statistical data, drawn from actual experience, has been used in this comparative analysis?
16. Has the comparative analysis and the data upon which it is based been made available to all affected members sufficiently before the implementation of the proposed changes to allow their response and input?

From: Mike Mitchell [REDACTED]
Sent: Thursday, May 31, 2018 4:14 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Medicare Part D wraparound

Dear Alaska RHPA Board Members,

The Federal 5 step appeal process is effectively a diminution of benefits because acts as a barrier and could lead a lower standard of care simply by the fact that Federal appeals are time consuming. Some of us may die while waiting for that decision. I belong to the >\$85,000/year club. I think it is wrong to allow the imposition a surcharge by Medicare which requires a request to DOA for reimbursement. The original plan has no hoops such as this to jump through. It appears to me that DOA wants me to pay more for less and perform acrobatics to gain what is now an undiminished benefit. If this gets implemented as described our pharmacy benefit which we earned will be diminished for sure. Please do what you can to stop this action before its hurts retirees.

I have to wonder if this move thought through. By moving us to Medicare part D, the State of Alaska is giving up its right to negotiate for lower prices with the drug companies. Our corrupt Congress has prohibited Medicare from negotiating lower drug prices. As a result, Medicare pays the highest possible amount for drugs. What a sweet deal for the pharmaceutical manufacturers! This move could very well cost the State of Alaska more than it currently does.

Sincerely,
Mike Mitchell

-----Original Message-----

From: judy [REDACTED]

Sent: Thursday, May 31, 2018 6:12 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: new pharmacy plan for retirees over 65

I am not at all in support of the purposed changes as outlined in the Medicare Part D EGWP/wrap. There is no way of knowing before approval of the PLAN's activation, what may or may not be an approved medication, for starters. No way of determining what additional costs may be. I absolutely agree with RPEA's objections and concerns as outlined!!!!

And I do not understand how this new pharmacy plan can be approved and put into motion without required due process of a constitutionally protected benefit. When I retired I signed documents agreeing to the benefits the State of Alaska promised I would receive. It did not state those benefits might change after I reached the age of 65!!! The DOA is not above the law. They need to be reminded of that fact. Sincerely, Judith A. Bassett, Retiree

-----Original Message-----

From: Julie Morgan [REDACTED]

Sent: Thursday, May 31, 2018 6:25 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Retiree benefits

As a retiree and life long Alaskan I trusted the state upon my retirement that they would honor a commitment to me to uphold my benefits. That has not proven to be true.

The state has an obligation to its employees to at the very least to ask our opinions when they decide to change our agreed upon benefits. I am very disappointed at being treated as a non entity when deciding my health care! What's next, death panels!!

I strongly object to how the state is treating its former loyal employees regarding our health care. We are active and have brains. How dare you!

Julie Huber Morgan

Julie Huber Morgan

From your friend or family member, Julie Morgan

From: Barbara Smith [REDACTED]
Sent: Thursday, May 31, 2018 11:37 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Hoffbeck Sharon [REDACTED]
Subject: Changes in the Retirement Pharmacy Plan

[REDACTED] and will be affected by the recently proposed EGWP/Wrap Pharmacy Plan. I will also be affected by the “high income” monthly surcharge. To require retirees to pay for a Medicare part D coverage and then have to REQUEST a refund of the premiums, and threatening us by saying if it isn’t paid “you will be dropped from the Medicare Part D/EGWP and enrolled in an alternate pharmacy plan that will not have the same benefits is blackmail. Not giving us the alternative plan is unconscionable and sneaky way to cheat retirees out of benefits. The State of Alaska is trying to wiggle out of providing retirees pharmaceutical benefits protected by the Constitution.

The denial process, and Step Therapy is onerous, involving oppressively burdensome effort on behalf of the “elderly” and their physicians. This is a disadvantage and impediment to both the retiree and their physician who have already established or are in the process of establishing, personal medication treatments. A Pharmacy Benefit Manager is going to decide! Who is this person? Do they know what is best for the retiree better than their own physician? I think not. This is another way to try to bring costs down, focusing on the economics of treatment instead of the health and wellbeing of the retiree. A 5 (five) step appeal process? That is definitely another very burdensome piece of this poorly thought out proposal.

Because the EGWP is a federal program you state adopting it as the State Retiree Drug provider is not Constitutionally protected by the State of Alaska and could be modified, suspended, or cancelled by Medicare. This fact by itself puts retiree pharmacy benefits in danger of loss, harm or failure and thus diminishes the benefits and security we currently have under our pharmacy plan. I would think this would make these proposals illegal. These are attempts to change and chip away at the retiree benefits that were promised and protected by the State of Alaska Constitution.

I oppose these latest attempts to change the Retiree Pharmacy Plan.

Sincerely;

Barbara Smith
[REDACTED]

From: Stan Reed [REDACTED]
Sent: Friday, June 01, 2018 2:11 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: CHANGE IN RETIREE PHARMACY PLAN

To: DOA

This unacceptable and arbitrary proposed change to our retiree pharmacy plan has not followed correct protocol for such changes, and will create hardship for the recipients affected by the proposed change.

As people transition into a fixed income life, especially after 65, much of our financial planning is completed. We have planned and projected what we will need to continue to live our life out as we have planned it. The pharmaceutical agreement that the State of Alaska made with us is the agreement we have used to plan our future. The nebulous black hole of part D Medicare will create unnecessary hardship. My health decisions and the medications that I may need to have prescribed are between me and my doctor. I do not need to live with the fear that a required medication may be denied, leaving me to advocate and appeal through a maze of a five step process. All this while I am not having my health concerns addressed as I wait for you to decide whether or not my life is worth treating as my doctor and I see fit.

As you know, our existing health plan benefits are protected under Article XII, Section 7 of the Alaska Constitution from diminishment or impairment, and cannot be changed to disadvantage or impair the current retiree benefits unless comparable new advantages are included to offset the proposed changes. Medicare part D is not Constitutionally protected.

This plan is not acceptable.

Stan Reed
Retired Anchorage Teacher

From: Gene Dodd [REDACTED]
Sent: Friday, June 01, 2018 6:43 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Retiree Health Insurance When Traveling out of USA

Good Morning:

My wife and I are retired Alaska school teachers now living in Southern AZ. We travel outside the USA several times a year and always run into the problem of health insurance when doing so. While I can understand the difficulty of having our insurance accepted as in the USA when traveling to Russia, it seems to me that we could work something with the Canadian provinces so that our Alaska Care is accepted in Canada just as it is in the USA. Since coming to Alaska in 1976, we have traveled in and through Canada dozens of times and I'm sure many other retirees do also. Thank you.

Howard and Karen Dodd

From: Eric M [REDACTED]
Sent: Friday, June 01, 2018 7:35 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Eric(Desktop) [REDACTED]
Subject: Medicare Part D pharmacy plan called an EGWP/wrap

June 1, 2018
Eric & Mary Marchegiani

[REDACTED]
[REDACTED]
[REDACTED]
Email:

Retiree Health Plan Advisory Board
Email: AlaskaRHPAB@Alaska.gov

Subject: Retiree Pharmacy Program & Medicare Part D pharmacy plan called an EGWP/wrap

Dear Sir/ Madame:

It is my understanding that effective January 1, 2018 that the Retiree Pharmacy Plan will be changed to Medicare Part D pharmacy plan called an EGWP/wrap for all those Retirees over 65. My wife will turn [REDACTED] [REDACTED] and I am already [REDACTED]

I understand the State of Alaska wishes to contain Health Care costs but at the same time the State of Alaska has a Constitutional Obligation to provide health benefits that are not diminished over time. Before DOA can impose any proposed changes—including the EGWP plan--to the retiree health plan, it must follow the process specified by the Alaska Supreme Court in the case of RPEA v. Duncan by performing an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value.

My wife and I believe that the law requires DOA to make these analyses before it imposes any proposed changes. We object to these changes because DOA has not done the required equivalency analysis. In addition, we oppose these changes as we believe that they do diminish our benefits with no real benefit other than making the system that much more complicated for the Retirees.

I continue to emphasize the fact that many years ago the State made the pitch that they would provide great health benefits when we retired and as such was the reason that the State was going to pay us less at the time we were employed. It was supposed to be an investment in the future for our retirement. Sad to say no one remembers that promise!!

At every turn in the last 5 or so years, the State of Alaska has attempted to modify our health benefits to the detriment of the Retirees.. The system has consistently gotten more complicated and harder for Retirees to follow what is going on. As we age, we were hopeful that things would not be as complicated and easier to deal with; but the State has abrogated that option, making our benefits more complicated and harder to know when we are being taken to the cleaners. In my mind the State is purposely attempting to make it more complicated and harder for the Retirees to deal with so that no one will challenge them on it. It is time that the State leave our benefits alone and meet its Constitutionally required mandate to provide health care without it being reduced in any manner. If they State wanted to improve our benefits we would be all in favor of it but that has not been the case.

Sincerely,

Eric & Mary Marchegiani

PS: Remember some day; -- you too will be a Retiree – and you also will have to live with the benefits that you are reducing today.

From: Bill Burgess <[REDACTED]>
Sent: Friday, June 01, 2018 8:29 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck RPEA <[REDACTED]>
Subject: Objection to Moving me out of State Benefits

I am a retiree from the State of Alaska. I am [REDACTED] years old and not in the best of health. I am emailing you to STRONGLY protest the move to diminish my retirement benefits. Also, making it EXTREMELY difficult to appeal a denial by adding a 5 government step process.

How dare you enroll me in a non-State of Alaska pharmacy insurance program. I am already experiencing a reduction in my dental benefits from MODA, next will be even more reductions in benefits from Aetna surely. How can the State DOA violate the Alaska State Constitution which states you cannot diminish benefits??

From: Becky Charlton [REDACTED]
Sent: Friday, June 01, 2018 9:06 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Medicare Part D

To Alaska RHPAB,

Thank you for putting out the information concerning the latest change to our retirement health care plan.

I strongly object to any change in our current health pharmacy plan.

I feel once again DOA is taking advantage by offering us Medicare Part D which is a nightmare to deal with according to any senior that is covered under it.

What the state has already taken from our health care coverage is bad enough but now to attack our strong pharmacy plan and give us Medicare Part D is not even comparable.

Thank you for being there for us and fighting for our health rights.

Sincerely,

Becky Charlton

From: julane martin <[REDACTED]>
Sent: Friday, June 01, 2018 10:48 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Changing our Retiree Pharmacy Plan

To whom it may concern.

In the first place you say you are implementing the new pharmacy plan in November. It's June today and that gives us only 3 months to understand why this is being done to Retirees over 65. Most of us are no longer working and are on a fixed income. I for one am not understanding this.

I have an Alaska Care Retiree Health Plan and it includes the pharmacy plan. How could this be changed without contacting any members unless you think 3 months is enough time. How can it go into effect on January 1st of 2019, when you plan on implementing it in November. You are taking the oldest most vulnerable of the retirees and raising costs, and giving us a difficult and problematic way of using the plan, but yet you still don't know who is going to run it.

I am angry and I need answers and this change needs to be spelled out to help folks understand it. I certainly don't. Please reply to me, as I phoned the Retiree and Benefits and they knew absolutely nothing about this plan except that they got the notice today. Who is representing us on this?. Thank you for your time. Please answer my reply. Thank you, Julane Martin [REDACTED]

From: [REDACTED]
Sent: Friday, June 01, 2018 12:26 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>;
[REDACTED]
Subject: CHANGE IN RETIREE PHARMACY PLAN

Retiree Health Plan Advisory Board

Re: Changes in the Retiree Pharmacy Plan

I'm writing to give you my feedback on the "Change in Retiree Pharmacy Plan" being considered (I hope it is still being considered and not already decided course of action).

My name is Walter White, and I'm currently a retiree.

My take on this:

The current plan is GREAT - I hope and pray you don't change it!

What is this bear scat about there could be up to 5 steps for any appeals? Sounds like more red tape, longer reply time, longer delays, more waiting for someone else to review and decide, etc, all the while the retiree is still without the prescriptions his or her doctor has prescribed. Sounds like you are making it more complex and eventually you are hoping the member just rolls-over and gives in/up before anything get resolved or "appealed". Why not devote your time and money to make it easier on the retiree not harder, without changing the plan?

Medicare Part D: Are you kidding! You are now going to have us subscribe to yet another federal government program and all the non-sense that goes with it. They can't balance a check book what makes you think they will handle our prescriptions processing any better. With using federal programs, it is always subject to budget cuts (the feds don't have the retiree best interest in mind, now do they) - then what happens? Sounds like to want to pass all responsibility to someone else and no longer be accountable for the state retirement plan. You should keep the plan under state control and administration - just like it is currently. Leave the doctoring to the doctors that have the best interest for the patience; not the best interest of the "company" (who's only interest is to save the company money). Stick with the administrating the pharmacy plan (dispensing of prescriptions) and let the doctors be doctors.

To recap:

Plane and simple:- We have a great plan... Keep it and don't change it.

Walter E White

[REDACTED]

[REDACTED]

[REDACTED]

From: Brad Owens [REDACTED]
Sent: Friday, June 01, 2018 3:24 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Duncan Principles and checklist

After the May 8 Board meeting, I thought about the question asked by a Board member: does DOA have a template for the rules established by the Duncan decision? Commissioner Ridle answered that it did not have one.

I thought it might be useful to send to the Board a more complete description of the comparative analysis principles announced by the Court in Duncan, as well as a proposed template for analyzing changes to the retiree health care plan.

I have attached below a more complete description of the analysis required by Duncan. I have also included in that review a proposed template for use by DOA when it reviews changes it proposing to the existing benefits and coverage under the retiree health care plan. I hope the Board members, and DOA, find this helpful.

ATTACHMENT:

DUNCAN v. RPEA COMPARATIVE ANALYSIS

The retiree health care plan was first developed as part of the public retirement systems in 1975. It was specifically intended to encourage qualified individuals to enter into and remain in public employment. It provided extensive and valuable health care benefits and coverage for qualified public employees. The retiree health care plan, like other retirement benefits, created a type of “savings” plan for public employees – one they could rely upon to provide the promised coverage once they retired.

In the case of *Duncan v. RPEA*, the Supreme Court ruled that health care benefits, just like other retirement benefits, are protected from diminishment or impairment by the Alaska Constitution. However, that does not mean that retirement benefits cannot be changed. Benefits can be modified so long as the modifications are reasonable, and one condition of reasonableness is that disadvantageous changes must be offset by comparable new beneficial changes.

The Court in *Duncan* recognized that health care benefits must be allowed to change as health care evolves. Recognizing the economic realities of administering health care coverage, the Court reluctantly concluded that an equivalency analysis of any changes must be done from a group standpoint rather than on an individualized basis.

However, the Court reiterated that equivalent value must be proven by **reliable evidence**.

Under any group approach, just as with an individual comparative analysis, offsetting advantages and disadvantages should be established by solid, statistical data drawn from actual experience rather than by unsupported hypothetical projections.

Such statistical data can include accepted actuarial sources, but the Court did not say an actuarial analysis was the only, or even the best, data.

The Court reiterated that equivalent value must be proven by a comparison of the benefits **actually provided** – a mere comparison of old and new premium costs does not establish equivalency.

The Court warned that Duncan did not allow or approve any **major deletions** in the **types of coverage** offered during an employee's term. Coverage of a particular disease or condition should not be deleted, even though other coverage might be improved, if the deletion would result in **serious hardship** to those who suffer from the disease or condition in question.

Where an individual can show that substantial detriments were not offset by comparable advantages and that this resulted in a **serious hardship**, the affected individual should be allowed to retain existing coverage.

Moreover, the Court stated that changes that will predictably cause hardship to a significant number of beneficiaries who cannot at the time of the change be specifically identified should be given the option of an election to retain existing coverage, unless the state can demonstrate a compelling need for the change and the impracticability of providing for an election.

Finally, the Court stated that changes that substantially reconfigure the mix of benefits to beneficiaries should be approved **only** upon a strong showing of justification; and any unusual gaps in coverage should be avoided.

A proposed **template** for the type of **equivalency analysis** might be as follows:

1. Is there an identified legitimate need to change the benefits provided?
2. What are the reasons for each proposed change?
3. What data exists that supports or bears on each proposed change?
4. Do the proposed changes substantially reconfigure the mix of current benefits?
5. Will the proposed changes result in any unusual gaps in the benefits or coverage currently provided?
6. Do the proposed changes involve the restriction, reduction or elimination of currently provided benefits?
7. If so, how many members will be impacted by each particular change?
8. Will the proposed changes predictably cause hardship to a significant number of members who cannot be specifically identified?
9. Have all members affected by the proposed changes been given adequate notice of the proposed changes?
10. Have the affected members been given adequate opportunity to question or obtain additional information about the proposed changes?
11. Have the affected members been given adequate opportunity to show any proposed changes may result in substantial hardship?
12. Is any substantial hardship offset by comparable advantages?
13. Do the proposed changes result in the diminishment or impairment of any current benefits?
14. Has there been an adequate and timely comparative analysis performed to determine if there is equivalent value between the offsetting advantages and disadvantages under the proposed changes?
15. What specific solid statistical data, drawn from actual experience, has been used in this comparative analysis?
16. Has the comparative analysis and the data upon which it is based been made available to all affected members sufficiently before the implementation of the proposed changes to allow their response and input?

-----Original Message-----

From: Tom Wardell [REDACTED]

Sent: Saturday, June 02, 2018 10:06 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Proposed Change in Retiree Pharmacy Plan

While I am not a member of the RPEA, I am a retired State Employee and I adopt the position they have taken in reference to the proposed change.

Thomas M. Wardell
[REDACTED]

From: Pete Heddell [REDACTED]

Sent: Saturday, June 02, 2018 10:50 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: The proposed changes to the prescription are unacceptable as the changes proposed violate the constitutional guarantees that tier 1 retirees are afforded under the state constitution.

Gordon P Heddell 1963 to 1987

From: Gary Williams [REDACTED]
Sent: Friday, June 01, 2018 3:51 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Medicare Plan D

Dear Board Members, I am a retired Teacher, age 68 yrs, and am very upset about the possible change to our medication benefits. If our benefits are currently protected by the Alaska constitution, how is it that we will lose that protection under the new federal pharmacy plan? Is this a done deal or just proposed? Do we retirees have any recourse to fight these changes? I worked for 10 yrs as a teacher with lower salaries because of the promise of guaranteed medical and pharmacy benefits at retirement. How can the DOA possibly change this guaranteed benefit? Please explain! Gary Williams

From: Jim Owens [REDACTED]

Sent: Sunday, June 03, 2018 4:04 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Prescription Benefits

I am writing regarding the changes to my/our prescription benefits in my retirement plan. I am aware that the plan can be changed. But I believe that it should not be changed until all of the studies have been completed. If that is not finished first I feel like I am being told 'Here it is. Take it or leave it.' Please consider following the proper channels.

Thank you.

Mavis Owens

From: Glenda Lindley [REDACTED]
Sent: Sunday, June 03, 2018 12:33 PM
To: Sharon Hoffbeck [REDACTED] Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Retirement Plan fails to meet needs of Retirees

In regard to the New Pharmacy benefit talks:

Wow, Should I feel humble? grateful ? I'm feeling like the American Pie we all worked our career around, you know, "stay in school, go to College, get a good job, pay into retirement for our future (union or otherwise), retire and live...." was all for a pipe dream, a big fat promise (prediction); joke on me, I believed. Now, I'm worried and feel less confident with every expense.

This just adds another step to the otherwise cumbersome process called "The American Health Care System" . With every layer of infrastructure that already has too many layers, in my opinion, there is the possibility that the insurance won't get or be filed in the every changing length "timely manner" and then we get to pay for Rx ourselves, Pretty good deal for who?

In regard to general benefits:

I've never had so many medical bills! Denials and challenges aplenty. AETNA, BLUE CROSS, among other insurance companies over the years, are bigger, cost more and deliver less and less. Health Care Reform is multi-layered, multifaceted and with endless variables, Maybe I can't have grandfather rights but it sure would be nice to go to my doctor, be treated or /and get a Rx with out all the extra administration. Do You remember that slogan from years gone by that the school district used? "Do more with less and do it better"; admin and infrastructure less, insurance costs less. We are all aging and need to be considerate of using benefits to pay for new programs and more infrastructure, retirees are real people, with real people needs.

Thanks for your service,

Glenda

-----Original Message-----

From: Harky and Jackie Tew [REDACTED]

Sent: Sunday, June 03, 2018 1:24 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Cc: [REDACTED]

Subject: EGWP/WRAP Medicare Part D Pharmacy

Your pending consideration of a change in the AK retirees pharmacy coverage is totally uncalled for! Shows age discrimination for those over 65? Additional fee based on annual income. Believe me if we have that much annual income didn't get it from the State of AK. Starting monthly salary was \$545 a month.

Nothing hourly and no overtime in those days.

Appears to be a violation of the States Constitution related to retiree benefits.

I am a retired Captain with the Alaska State Troopers. Born and raised in Ketchikan Alaska.

Also, served as Security for former Governor Jay Hammond.

Prior to my retirement from the Troopers I served In Anchorage, Bethel, Ketchikan, Petersburg, Sitka (twice) Glenallen (during the pipeline construction), Palmer and retired from Juneau as Captain.

Was stationed in Anchorage during the big Earthquake.

During my second assignment in Sitka was the onsite supervisor following the Alaska Airlines accident near Juneau that took over 100 lives.

Now after all my years and at the age of 81 this June you want to change the RX benefit for retirees over 65?

After all these years and a number of surgeries you want to change something that is working just fine. Is this like the Aetna medical administration of the Sate Med program that went forever without being signed?

Might I ask how long you have lived in the great state of Alaska?

How many times were you out in the night with temps of minus 60 or lower? How many nights were you away from your family due to your commitment to your job and the people of Alaska?

If nothing else grandfather us in.

Your reply will be when I see what you have decided.

Lastly, are there not more important and pressing issues needing your attention?

Many of us retirees need meds every month. Without the present program we may not be able to afford our meds. Fixed/limited income does not allow for increases. SS has not gone up in years.

State retirement increases harding will pay my phone bill.

Impatiently await your decision and getting on to more important issues.

Thank you

Harcourt A. Tew
[REDACTED]

From: Mary Kay and Peter [REDACTED]
Sent: Monday, June 04, 2018 7:18 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Re: proposed changes to AlaskaCare pharmacy plan

I would like to comment on the proposed changes to the AlaskaCare retiree pharmacy plan.

I understand that the option of the Employer Group Waiver Plan with wraparound may be a savings for the retiree pharmacy plan. However, this proposed change to implement the EGWP/wrap may result in diminshment or impairment of current retiree benefits which are protected under the Alaska Constitution. Has an equivalency analysis to determine if the proposed changes may result in a disadvantage to retirees been done? Making a change this large that would affect retirees over the age of 65 must be based on solid statistical evidence.

We are living in tumultuous times where benefits for so many Americans seem to be getting whittled away. Life as a senior citizen on a fixed income is a reality for my husband and myself. I have always felt peace with the assurance that AlaskaCare was protected by the Alaska Constitution. Now I am concerned about diminution of benefits, not only for myself but for all retirees that may be affected by this potential change.

I understand that DRB states that nothing will change with the possible implementation of an EGWP/wrap. However, EGWP is a federal program and would not be protected by the Alaska Constitution as the current pharmacy plan is. The fact that EGWP would require step therapy, may make it difficult for retirees to obtain certain medications they are currently using, impose a premium surcharge on those in a high income category and require a five-step federal appeal process are definitely obvious changes from our current plan.

I have always been very appreciative of our AlaskaCare program, and also of the fact that it is protected by the Alaska Constitution. This is a very serious proposed change. Please take the steps necessary to ensure that the retiree pharmacy plan is preserved intact in its current state.

Thank you,
Mary Kay Whelan

From: Joe Mason [REDACTED]
Sent: Monday, June 04, 2018 8:54 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Change in Retiree Pharmacy Plan

I just learned of the proposed Change in the Retiree Pharmacy Plan that the state is proposing. I am concerned that it will reduce the benefits I currently receive from my retirement plan.

I am currently retired from both PERS and TRS. As a result, I have double medical coverage, with the PERS acting as secondary to Social Security and the TRS acting as tertiary. Thus, my medication copays are normally covered. Also, if I have a medical emergency outside the country requiring medications, PERS would become the primary insurance and TRS the secondary since Social Security benefits aren't available out of the country.

I didn't see this issue addressed in the State's proposed changes to the Retiree Pharmacy Plan. Thank you for looking into this.

Gordon J Mason

Anchorage, Alaska

From: Rosie & Pat [REDACTED]
Sent: Monday, June 04, 2018 9:40 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: 'Sharon Hoffbeck' [REDACTED]
Subject: Changes in Retiree Pharmacy Benefit Plan

June 3, 2018

To: Retiree Health Plan Advisory Board
Re: Changes in Retiree Pharmacy Benefit Plan
Cc: Sharon Hoffbeck

I am writing in strong opposition to the change in the Pharmacy Benefit Plan. As a Tier One retiree, I find it first of all highly discriminatory against those 65 years of age and older. In reading through your lengthy presentation of reasoning, what strikes me the most is the total non-concern for the impact your plan will have to the elderly (65 and over) who have been using and depending on the current plan and one which has helped to maintain our optimum health without the trauma of worrying about government bureaucracy. You speak of minimizing member impact and yet list all of the ways that we will be impacted negatively. We were promised and backed by law, the benefits we are receiving. You need to honor your commitment to us.

Here are some of the concerns but not all that I will share with you:

- 1) Under your plan you are not preserving overall benefit value for the group you are targeting and you certainly are not minimizing member impact. You state the majority of members will experience no change. To what members are you referring? Those under 65 years of age? So in essence you are penalizing those of us 65 and older to bail you out of what you see as a financial burden? Bailing you out by forcing us into an inferior medication drug plan other than the one we were lawfully promised?
- 2) According to the union, DRB had NOT done the required *Duncan* analysis to be sure benefits are not diminished. This must be done prior to changes and presented to all involved retirees before any action for change is initiated.
- 3) Under our present program, quality health care is insured by the physician/patient relationship and agreement to treatment options including medications. Most physicians and retirees use generic drugs thus saving cost as do the rest of our members under 65. Under the proposed plan, someone somewhere looks at a chart and makes a decision regarding our health and welfare. If a drug is denied, the 5 step process will be a real hardship to most retirees. This is bureaucracy at the highest level and one that is often found as inefficient. And again tell us how this will not diminish our care?
- 4) Most retirees have gone through the steps of finding the right drug to treat their particular illness. Most are stable on those medications. To have to go back and try drugs that may or may not have been tried before just because they are on the list of "approved drugs" is inhumane. This is particularly true when retirees and others are not 65 and can still work with their physicians for appropriate drug therapy. More importantly; it will have the potential to destabilize medical conditions that are being well managed. In this case, your cost of further medical care will increase thus negating what you are trying to achieve. Again we ask "is this not diminished care"?

- 5) At present, we have a dedicated team through Aetna. They are phenomenal. They help the recipients with refills, notifying the physician when there are no refills and are courteous and helpful. We can order on line, on the phone or with a real person. We will NEVER get this service from what you plan to offer. Instead we will get impersonal and inefficient service. Again we ask “is this not diminished care”?
- 6) Financial cost to retirees on fixed incomes will increase. This will be a hardship because as you well know the cost of living in Alaska is high. We, the retirees 65 and above, as well as those who will be in this category, have worked many years to provide quality service in many fields to the state and to its citizens. We were promised this care.

While I understand that Governor Walker On September 27, 2017, (less than one year ago) signed [Administrative Order 288](#) establishing a Retiree Health Plan Advisory Board, it appears he also made the appointments to this board. In his administrative order, he states that public meetings be held and feedback be given. I do not recall anyone being notified of these meetings. This appears to be greatly dictatorial rather than abiding by what we were promised under Article XII, Section 7 of the Alaska constitution regarding diminishment or impairment.

Governor Walker has already taken half of the permanent dividend fund from all of Alaska citizens and as I understand it—taken more from the primary source of the fund. I suggest that he look at many other areas of inefficiencies that occurs in this state.

The bottom line is that you are discriminating against this group and separating us from others recipients only to provide diminished services and increased trauma to an aging population.

We will support our representatives that are seeking fair and equal treatment under the law.

Rose M. shearer
Alaska Senior Citizen Retiree

-----Original Message-----

From: RICHARD FRANCISCO [REDACTED]

Sent: Monday, June 04, 2018 10:43 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Cc: [REDACTED]

Subject: Adding Medicare Part D to retirement drug plan

Dear Alaska RHPAB,

I think the proposal to switch us to the Medicare Part D plan is unacceptable. This is not the drug plan that was promised in the retirement plan that was offered when I retired. Please do not make this change. Thank you.

Richard Kim Francisco

From: Cathy Anderegg [REDACTED]
Sent: Tuesday, June 05, 2018 2:23 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Proposed changes to retirement pharmacy plan

As a retiree, I am greatly concerned by the proposed changes to the retirement pharmacy plan by the Department of Administration (DOA). The changes unequivocally disadvantage retirees; there is no offset of additional advantages reported by DOA.

Before the Department of Administration can impose any changes to the retirement pharmacy plan, it must follow the process specified by the Alaska Supreme Court in the case of RPEA v. Duncan by performing an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value.

Has the Department of Administration performed an equivalency analysis to establish whether the changes which disadvantage retirees as a group are offset by additional advantages of comparable value? If so, how can we access that report to determine the offset of the disadvantages. If not, they are acting illegally and the proposed imposition of changes must be stopped.

I ask that you hold DOA responsible for following the processes set forth and that they be required to perform their due diligence prior to imposing these changes.

Sincerely,
Cathy Anderegg

From: [REDACTED]
Sent: Tuesday, June 05, 2018 1:36 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Proposal to move to Medicare Part D/EGWP for retirees over 65

These comments concerning and against the proposed change in pharmacy benefits in 2019 are submitted by Kimberly K. Geariety (PERS Tier I retiree) and Gerald P. Geariety (TRS Tier I retiree)

UNACCEPTABLE PROPOSAL TO MOVE RETIREES 65 OR OLDER TO THE EMPLOYEE GROUP WAIVER PROGRAM FROM EXISTING PRESCRIPTION HEALTH BENEFIT

Please do not move the 65-over retiree pharmacy benefit to Medicare Part D/EGWP and the federal government. To begin with, on a practical level, this change is very significant. I am a retired attorney (Tier I) and I have assisted a number of older clients, friends, and family (all over 65) with a variety of elder care matters, including filling out forms and filing appeals to the federal government regarding different federal programs. I have seen firsthand the difficulty most of these older individuals have reading the forms or directions, understanding what the federal program requires, and completing and filing a federal government form or appeal. Changing the information source, forms, and appeal process for a majority of retirees over 65 to the now proposed Medicare Part D/EGWP from the state of Alaska really will cause hardship and anguish that, in my opinion and experience, will implicitly constitute a diminishment and impairment of existing benefits.

The fact that they would be protected from such hardship and anguish was what motivated many of the retirees to stay with the state until retirement. Clearly the proposal changes are nothing like what the retirees thought they were guaranteed under the state Constitution when they retired from the state. DOA's repeated assurances that they will comply with the state constitutional requirement and not "diminish or impair" benefits are disingenuous given the assurances have one-by-one disappeared these past 3-4 years. The proposed change in pharmacy benefits for retirees over 65 in 2019 is yet another slap in the face by DOA and the employees who by the way are much younger and unaffected by this proposal.

On a legal level, the State of Alaska, Department of Administration, Division of Retirement and Benefits, decision to move all retirees 65 or older onto a Medicare Part D/EGWP pharmacy plan violates Article XII, Section 7 of the Alaska's constitution. DOA's primary motivation to move retirees over 65 to this plan is to improve financial "efficiency of retiree program" as stated in their presentation on May 8, 2018 (slide deck page 26). The presentation also goes on to focus on the cost savings of "\$16-24 million" over the current system (slide deck page 29).

Nothing in the presentation assures me or my fellow retirees that my pharmacy benefits will not be diminished or impaired by this proposed change. The DOA materials do not demonstrate by reliable evidence that this proposed change is of an equivalent value to what retirees over 65 were promised and now enjoy as required under *Duncan v. RPEA*.

DOA claims and wants retirees to believe that this proposed change will “preserve the overall benefit value” while “minimizing member impact.” However, DOA cannot assure any retiree that their benefits will be preserved and the individual impacts will be minimal. Relinquishing control and oversight of the retiree pharmacy benefit for those over 65 to the sole discretion of the Centers for Medicare and Medicaid Services (“CMS”) is a major impact and does not, by DOA’s own admission, preserve the overall benefit value, in at least the following ways.

1. The pre-authorization requirement constitutes a major change as none is required right now. What if they are not authorized? Then what? A retiree who now takes a drug that is not authorized by CMS has lost a benefit and, although there is an appeal process, there is no guarantee that CMS will authorize a drug that is currently allowable under the pharmacy program after the appeal process. What happens if that drug is critical to the retiree’s care and the retiree does not take it while on appeal because they now have to pay for it but they cannot afford it? It seems obvious to me, if not DOA, that this is a direct diminishment and impairment of benefits.
2. According to DOA, there may be co-pays increases under the CMS regulation. There is no indication in any of the material provided by DOA that the co-pay increases will be reimbursed by the state. This is a direct monetary loss to the retiree.
3. The CMS mandatory appeal process is unduly onerous (5-step federal appeal process). Most retirees will be confused, unsure of what to do, may need to hire an attorney, and might just give up and go without their drugs. This is a clear diminishment or impairment of benefits and an unacceptable, potential outcome of this proposed pharmacy change.

4. The Step Therapy aspect of the Medicare Part D/EGWP plan changes dramatically who gets to decide what drug is taken by the retiree – the federal government or their doctor. When I retired from the state I never expected that the federal government would be telling me what drugs I could take or set my course of care. Sure, I knew the State of Alaska would have a say, but never the federal government. Anything having to do with the federal government and Medicare or Medicaid is constantly in flux and unknown and at any time can change without recourse. Regulations are created by federal bureaucrats in Washington DC without any regard to the Alaska State Constitution and the promises made by the state to its retirees.

Finally, given that DOA will have no responsibility regarding these pharmacy benefits, the proposal unlawfully relieves the DOA of its fiduciary duties for all retirees over 65 given that DOA will have absolutely no control over the Medicare Part D/EGWP programs or the CMS regulation. Likewise, an appeal of any pharmacy-related matter ends with CMS. There will be no State of Alaska oversight or opportunity to ensure that the retiree's pharmacy benefits are not diminished or impaired by the federal government.

Please do not implement this change as proposed in 2019. And please quit trying to save money on the backs of retirees. As retired state employees who had opted out of social security, many retirees already suffer substantial reductions in their social security due to the Windfall Elimination provision. I understand that costs are going up and that the plan needs to be efficient, but please do not make us subjected or beholden to the CMS system and federal government more than we already are when we turn 65.

From: Judith Andereggs <[REDACTED]>
Sent: Tuesday, June 05, 2018 12:38 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Rep. Andy Josephson <[REDACTED]>; Sen. Berta Gardner <[REDACTED]>; RPEA <[REDACTED]>; Sharon Hoffbeck <[REDACTED]>
Subject: Proposed Changes to Pharmaceutical Benefits in Alaska Retiree Health Plan

I have just received an email from RPEA (Retired Public Employees of Alaska) letting us know of changes proposed to happen in November to our pharmaceutical coverage as retirees. I am concerned about the possible diminishment of our pharmaceutical coverage. I am not satisfied by the materials I have read from RPEA or from the presentation made by DRB to the Retiree Health Plan Advisory Board, that DRB is taking care to ensure that our constitutionally protected benefits are going to be intact when (IF) the EGWP, the federal plan, goes into place.

It looks to me like the EGWP will save the state money, but it does not look like our benefits are intact.

Examples of unresolved issues:

1. if a retiree needs a particular medication, the EGWP requires a generic be tried first. If the generic does not work, it looks like a retiree could get mired down in a 5 step appeal process.
2. The step plan with its multi-step process looks like it could impact the timeliness of care.
3. The co-pays are going up.
4. "Higher income" folks will definitely be impacted by new processes.
5. The EGWP, as a federal program, is not constitutionally protected as our current plan is. The EGWP could be modified, suspended, or cancelled. I didn't see any statements addressing what would happen to state retirees then.
6. Several of the "frequently asked" questions with answers in the DRB presentation seemed to indicate diminishment in retiree benefits.
7. There has been no notification to the retirees by DRB on these changes. The only reason I know about the proposal is because of an email from RPEA .
8. It does not appear a thorough analysis has been done by the state to ensure there will be NO diminishment of benefits. There is no question that we have an incredibly good pharmaceutical plan. DRB is supposed to have done a thorough analysis to answer all questions about diminishment of benefits before making a decision to change to what definitely appears to be a plan with less benefits than we currently have.
9. As I went through the questions in the DRB presentation, a number of answers were phrased using the word"should" not shall or will. In other words, it does not sound like there is a guarantee this proposed plan is as good as our current plan.

How can you approve a plan that is not DEFINITELY the same as what we are guaranteed under the Alaska Constitution? How can you put in place a plan that is not guaranteed in any form under the Alaska Constitution?

Our health benefits as retirees are protected under Article XII, Section 7 of the Alaska Constitution from diminishment or impairment. If DRB make changes, they and you are supposed to analyze thoroughly any proposed plan changes to ensure the benefits are similar or if not, have a plan for how the State will make up the diminished benefits. I will be the first to admit I do not understand everything I have read,

but it looks like there are serious questions about whether the pharmaceutical benefits which we currently enjoy will be intact if and when the new EGWP plan is in place.

I am a retired state employee. I worked in the Governor's Office. I served as an aide in the State Senate. I am a retired teacher. I worked long hard hours, many over my contracted wages. I never received large wage increases. I did my job. I was gratified to work for my fellow Alaskans - first adults and later children as a public servant. And I knew that when I retired, I was guaranteed, under the Alaska State Constitution, a pension and health benefits. How can you be considering such a drastic change to guaranteed health benefits?

Thank you for this opportunity to comment. I hope my concerns have an impact on your decision making process.

Judith Anderegg



From: Randy Hambright [REDACTED]
Sent: Monday, June 04, 2018 11:05 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]; Randy Hambright [REDACTED]
Subject: Changes to Pharmacy Benefits for Retirees

Please forward to Judy Salo, and the Retiree Health Plan Advisory Board

Dear Ms. Salo and Retiree Health Plan Advisory Board Members:

I am extremely concerned about changes proposed to the Teachers Retirement and Public Employees health plan pharmacy benefits. I am a caretaker for [REDACTED] who is a retired teacher in Fairbanks. He became [REDACTED]
[REDACTED]

[REDACTED]

I am not a nurse. This has all been very difficult, exhausting, and scary for me [REDACTED] but I have been relieved that he had good medical care, and hopeful that most of his expenses would be covered by Alaska Care (and Medicare once he turned 65 in March). There have been endless confusing invoices from the many doctors, radiologists, therapists, clinics, the hospital, and Denali Center. I have called to follow up with some providers on bills that are in process, and told not to pay because they are waiting on insurance, and the next month I get a letter threatening to send me to collections. I am telling you this so you know how difficult the life of a patient and caregiver is already, and so you can take that into consideration when you decide to make changes to the system that is in place.

Our doctors have prescribed the medications that, in their judgement, will be best for helping [REDACTED] to recover, or at least be comfortable as he tries to live with the aftermath of his devastating illness. The pharmacy benefit that is in place now has covered most of the cost of all of his medications, and this has been the least difficult part of this whole illness. The pharmacists know [REDACTED] and know that the medications that are prescribed for [REDACTED]
[REDACTED]

Changing this plan, and giving control to a "Pharmacy Benefits Manager" who does not know [REDACTED] history and current challenges, and who may or may not have the years of training and experience that our doctor has can not possibly be in his best interest. Adding a 5 step appeals process for him to get the medications that are going to be most effective for him is cruel, and time consuming for me and for his doctor, who will no doubt be called upon to justify the reasons for the medication that has been prescribed. This is a terrible thing to do to sick, vulnerable, and elderly retired people who were promised health care for life.

I hope you will think very hard about the decision to make life so much harder for people who gave their best years to the children of Alaska. These people should be treated with respect and kindness during their final years.

Sincerely,

Tamara Hambright

[REDACTED]

From: nancy long [REDACTED]
Sent: Monday, June 04, 2018 12:58 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Comments on Proposed Changes to Retiree Health Care

Dear Board Chair, Judy Salo, and Members of the Retiree Health Plan Advisory Board,

I am greatly concerned about the proposed changes for the Retiree Health Care Plan.

Specifically, for the prescribed drug denial process that is being proposed; the adoption of a five-step federal appeal process will be overly burdensome. Elders would especially be affected due to the difficulty in tracking and managing such an arduous process. We should be making administrative issues for appealing claims easier not harder for everyone, especially the elderly. Clearly, DOA, insurance companies and the health industry will be the beneficiaries of this proposed change rather than retirees. Most retirees will not persevere with such a difficult process. This is *clearly* a plan that will undermine the patients ability to appeal. I am adamantly apposed to the proposed prescribed drug appeal program requiring a five-step appeal process. Please retain the current retiree pharmacy plan that allows DRB to directly intervene with the Third Party Administrator.

Additionally, the "Step Therapy" that is apparently part of the Medicare Part D/EGWP plan would result in a significantly diminished retiree pharmacy plan. When a patient and a doctor consult and decide on appropriate medication, this *should not* be undermined through a Step Therapy plan chosen by the PBM. The PBM will choose what is best for them financially not what is best for the health of the patient. The Step Therapy plan could result in grave impacts for the patient. The course of appropriate care and medication should be determined by a health care provider who takes the Hippocratic Oath or Nightingale Pledge to uphold ethical standards and practices on behalf of the patient. Again, what is the least expensive for the DOA, insurance company and health industry should not be the determining factor for prescribing medication and care. Please retain the current retiree pharmacy plan.

Finally, I concur with the "REPA Statement to the Advisory Board" provided on May 5, 2018 by Brad Owens, Executive Vice President of the Retired Public Employees of Alaska. His assertion that DOA cannot impose proposed changes without an equivalency analysis is supported in the Alaska Supreme Court case of *RPEA v. Duncan*, and must be upheld.

Sincerely,
Nancy Long
State of Alaska Retiree

From: [REDACTED]
Sent: Tuesday, June 05, 2018 8:56 AM
To: AlaskaRHPAB@alaska.gov.
Subject: pharrmacy changes

Sirs,

I worked for the State of Alaska for almost 30 years and when I retired I was promised a certain level of health coverage which is now gradually being eroded.

[REDACTED] which you now tell me I have to take medicine which is only covered because it is cheaper and may not help my condition and is not what my doctor wants me to take.

On top of that if I make too much money I may have to pay a monthly fee which may or may not be reimbursed by the state at a later date if they don't change their minds. When a person tries to take care of themselves they are punished for it.

Health care is very important to people and obviously you don't care to provide it.

Retiree,

Robert Banks

From: Joan Bohmann [REDACTED]
Sent: Tuesday, June 05, 2018 4:23 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Proposal to move to Medicare Part D/EGWP for retirees over 65

These comments concerning and against the proposed change in pharmacy benefits in 2019 are submitted by Joan C. Bohmann, Tier 1 Retiree

UNACCEPTABLE PROPOSAL TO MOVE RETIREES 65 OR OLDER TO THE EMPLOYEE GROUP WAIVER PROGRAM FROM EXISTING PRESCRIPTION HEALTH BENEFIT

As an employee of the Anchorage School District I spent years going above and beyond the requirements of my contract with the District. In fact, I was recognized by numerous awards for my service to my profession. I upheld my obligations to my employer.

When I retired from the district it was with the expectation that the State of Alaska would uphold its contract obligations to me as well.

Retirees plan for their future knowing they will be living on a fixed income and with the awareness that aging involves medical care. I placed my trust in the State of Alaska's Retirement Benefits knowing that as a public employee I not only could not pay into Social Security but would also be penalized by the Windfall Provisions should I be eligible for such benefits.

Given I turned 65 I am required to sign up for Medicare. The billing process has been a nightmare and I have spent hours and months trying to get this straightened out. I cannot imagine successfully navigating the morass that awaits when my cognitive capacity and physical stamina declines.

The new requirements and limitations do not appear to be consistent with Alaska's Constitutional obligations to Alaska's retirees.

I go on record opposed to these changes and plead with you not to implement such drastic changes.

Sincerely,

Joan Bohmann

From: [REDACTED]
Sent: Tuesday, June 05, 2018 9:10 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Re: retiree prescription drug plan

It is beyond my comprehension why you would place the Retirees over age 65 on the Medicare Part D plan when it doesn't appear that you have studied the cost savings. To me this is a diminishment of benefits for the people on Medicare which I feel is grossly unfair when we didn't have input into the decision. I would encourage you to study and do much more research before this plan is implemented. I can't understand how you can choose this plan arbitrarily without retiree input. To me, this is discrimination towards the people age 65 and over. The appeals process alone is much too complicated compared to the current drug plan appeals process. Tell me why you would even think of implementing this plan? Also, this is not fair to the people having to pay dollars if you make an income over \$85,000. Please, I would encourage you to stop this process immediately toward Medicare D for retiree people over 65. Sincerely, Carolyn Graham/Retiree over 65.

From: Fred Lau [REDACTED]
Sent: Wednesday, June 06, 2018 12:19 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: FW: Changes to the Employee Retiree Prescription Plan

Retiree Health Plan Advisory Board

I have just read the presentation made to the Board by the Department of Administration (DOA) regarding the possible implementation of a Medicare Part D/EGWP Plan and I want to say I am opposed to a change in the present plan for the following reason:

1. It does not appear that DOA has not done the required equivalency analysis and this needs to be done before it imposes any proposed changes. It appears the DOA is not following the law and has already put out an RFP for a Pharmacy Benefit Manager to manage this new program even though it has not done the required study. The analysis must be based on reliable evidence, such as solid, statistical data drawn from actual experience—including accepted actuarial sources—rather than by unsupported hypothetical projections.
2. The new plan requires a lengthy appeal process if a drug is not approved, which would be very cumbersome for retirees and in some cases could be life threatening if the process takes an extended period of time.
3. The new plan would require an addition payment for those retirees who are in higher income tax brackets and while these funds would be reimbursed, the process of paying and then getting reimbursement again is cumbersome for retirees. If the surcharge is not paid, you will be dropped from the Medicare Part D/EGWP plan and enrolled in an alternate pharmacy plan designed by the state that will not have the same benefits as the current pharmacy plan and may be less than the current plan .
4. Step Therapy appears be a part of the Medicare Part D/EGWP plan. This would be a significant change and diminishment from the current retiree pharmacy plan.
5. EGWP is a federal program, it is not a Constitutionally protected benefit like the prescription drug program under our current health

care plan, and could be modified, suspended or cancelled at any time by Medicare.

6. The copay for some prescription drugs may increase.

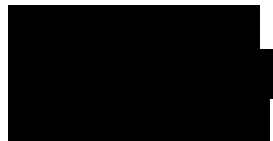
7. Not all pharmacies are on the approved provider listing and could cause a potential problem for some retirees.

While DOA indicates this new plan would save money for the State, it appears that over the long run it will increase costs to retirees. I worked for school districts in the State for 31 years and 14 years as the Director for Homer Seniors and I believe this new system will pose undue problems for retirees. As we get older, we hope that we will have less and less stress in our life. Even if this new plan is found to be equivalent to the present in terms of benefits, it will not be equivalent in that it will increase stress and paperwork for retirees. At present we have a system that seems to be working efficiently for retirees. Why put one in place on that appears to be cumbersome and inefficient?

I hope you as a Board will recommended that the present system not be changed.

Sincerely,

Fred Lau

A black rectangular redaction box covering the signature area.

-----Original Message-----

From: George Beck [REDACTED]

Sent: Wednesday, June 06, 2018 10:00 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Pharmacy plan change

Hello,

Thanks for giving us a heads up on this proposed change. I don't think it may be a good idea for us, what could we do to make sure we are not hurt by this change?

Thanks,

George Beck

-----Original Message-----

From: David Pelto [REDACTED]

Sent: Wednesday, June 06, 2018 10:07 AM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Cc: [REDACTED]

Subject: Changes to Retiree health benefits

Members of the Board,

As an Alaskan and member of TRS I am disappointed in both the process and the results of the effort to reduce the cost of pharmaceutical delivery to Alaska state retirees.

It is patently unfair to retired members of PERS and TRS that the change to Medicare Part D is being made without giving reasonable time for notification and member response to the plan. Further notification and solicitation of comments should be made before any decision or agreement is made.

As I read the powerpoint material presented to the board, I could see numerous concerns with cost to the members (rise in copay), awkward reimbursement issues for those forced to pay the federal "high wage earner" penalty, and serious concerns over access to drugs when a member must go through a multi-step process to obtain non generic medications. Finally, the powerpoint made no mention of any other alternative considered. If this is the only choice and the federal government decides to make changes or eliminate the program, what will DROB do then for its members? I see no assurance that this new program will guarantee benefits that a guaranteed under our state constitution.

I hope the board will take due notice of these concerns and reconsider the adoption of the plan as currently presented.

Sincerely,

David Pelto, TRS member

[REDACTED]

From: [REDACTED]
Sent: Wednesday, June 06, 2018 10:21 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: 'jer' [REDACTED]
Subject: RE: Proposal to move to Medicare Part D/EGWP for retirees over 65

I was told that this information will not be provided to the Advisory Board until just before their meeting. It is important that they get this information in hand now, as well as any other comments by retirees, so that they understand and DOA understands that retirees in the know are against – strongly against – this proposed change.

Given the news this morning in the Seattle paper that Medicare funding is failing even more than was thought, movement to any Medicare program is irresponsible if worse at this time given the state of Alaska's Constitutional mandate that benefits not be diminished or impaired.

Please forward these comments and our earlier submission to the Board immediately.

Thank you. Kimberly and Jerry Geariety

From: Alaska Retiree Health Plan Advisory Board (DOA sponsored) [<mailto:alaskarhpab@alaska.gov>]
Sent: Tuesday, June 5, 2018 5:14 PM
To: [REDACTED] Alaska Retiree Health Plan Advisory Board (DOA sponsored)
Subject: RE: Proposal to move to Medicare Part D/EGWP for retirees over 65

Thank you very much for sending this public comment to the RHPAB. Public comment will be provided to the board prior to their next meeting on August 29, 2018 meeting. Please send us any further thoughts and check <http://doa.alaska.gov/dr/alaskacare/retiree/advisory.html> or <https://aws.state.ak.us/OnlinePublicNotices/Notices/Search.aspx> for updates on meetings, agendas and materials for upcoming meetings.

Thank you,

Natasha Pineda, MPH
Deputy Health Official
Alaska Department of Administration
550 W 7th Avenue
Anchorage, AK 99501
(907) 754-3511

This email, including attachments, is intended for the exclusive use of the person or entity to which it is addressed and may contain confidential or privileged information. If the reader of this email is not the intended recipient or his or her agent, the reader is notified that any dissemination, distribution or copying of this email is prohibited. If you think you have received this email in error, please advise the sender by reply email and delete this email immediately. Thank you.

From: [REDACTED]
Sent: Tuesday, June 05, 2018 1:36 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Cc: [REDACTED]

Subject: Proposal to move to Medicare Part D/EGWP for retirees over 65

These comments concerning and against the proposed change in pharmacy benefits in 2019 are submitted by Kimberly K. Geariety (PERS Tier I retiree) and Gerald P. Geariety (TRS Tier I retiree)

UNACCEPTABLE PROPOSAL TO MOVE RETIREES 65 OR OLDER TO THE EMPLOYEE GROUP WAIVER PROGRAM FROM EXISTING PRESCRIPTION HEALTH BENEFIT

Please do not move the 65-over retiree pharmacy benefit to Medicare Part D/EGWP and the federal government. To begin with, on a practical level, this change is very significant. I am a retired attorney (Tier I) and I have assisted a number of older clients, friends, and family (all over 65) with a variety of elder care matters, including filling out forms and filing appeals to the federal government regarding different federal programs. I have seen firsthand the difficulty most of these older individuals have reading the forms or directions, understanding what the federal program requires, and completing and filing a federal government form or appeal. Changing the information source, forms, and appeal process for a majority of retirees over 65 to the now proposed Medicare Part D/EGWP from the state of Alaska really will cause hardship and anguish that, in my opinion and experience, will implicitly constitute a diminishment and impairment of existing benefits.

The fact that they would be protected from such hardship and anguish was what motivated many of the retirees to stay with the state until retirement. Clearly the proposal changes are nothing like what the retirees thought they were guaranteed under the state Constitution when they retired from the state. DOA's repeated assurances that they will comply with the state constitutional requirement and not "diminish or impair" benefits are disingenuous given the assurances have one-by-one disappeared these past 3-4 years. The proposed change in pharmacy benefits for retirees over 65 in 2019 is yet another slap in the face by DOA and the employees who by the way are much younger and unaffected by this proposal.

On a legal level, the State of Alaska, Department of Administration, Division of Retirement and Benefits, decision to move all retirees 65 or older onto a Medicare Part D/EGWP pharmacy plan violates Article XII, Section 7 of the Alaska's constitution. DOA's primary motivation to move retirees over 65 to this plan is to improve financial "efficiency of retiree program" as stated in their presentation on May 8, 2018 (slide deck page 26). The presentation also goes on to focus on the cost savings of "\$16-24 million" over the current system (slide deck page 29).

Nothing in the presentation assures me or my fellow retirees that my pharmacy benefits will not be diminished or impaired by this proposed change. The DOA materials do not demonstrate by reliable

evidence that this proposed change is of an equivalent value to what retirees over 65 were promised and now enjoy as required under *Duncan v. RPEA*.

DOA claims and wants retirees to believe that this proposed change will “preserve the overall benefit value” while “minimizing member impact.” However, DOA cannot assure any retiree that their benefits will be preserved and the individual impacts will be minimal. Relinquishing control and oversight of the retiree pharmacy benefit for those over 65 to the sole discretion of the Centers for Medicare and Medicaid Services (“CMS”) is a major impact and does not, by DOA’s own admission, preserve the overall benefit value, in at least the following ways.

1. The pre-authorization requirement constitutes a major change as none is required right now. What if they are not authorized? Then what? A retiree who now takes a drug that is not authorized by CMS has lost a benefit and, although there is an appeal process, there is no guarantee that CMS will authorize a drug that is currently allowable under the pharmacy program after the appeal process. What happens if that drug is critical to the retiree’s care and the retiree does not take it while on appeal because they now have to pay for it but they cannot afford it? It seems obvious to me, if not DOA, that this is a direct diminishment and impairment of benefits.
2. According to DOA, there may be co-pays increases under the CMS regulation. There is no indication in any of the material provided by DOA that the co-pay increases will be reimbursed by the state. This is a direct monetary loss to the retiree.
3. The CMS mandatory appeal process is unduly onerous (5-step federal appeal process). Most retirees will be confused, unsure of what to do, may need to hire an attorney, and might just give up and go without their drugs. This is a clear diminishment or impairment of benefits and an unacceptable, potential outcome of this proposed pharmacy change.
4. The Step Therapy aspect of the Medicare Part D/EGWP plan changes dramatically who gets to decide what drug is taken by the retiree – the federal government or their doctor. When I retired from the state I never expected that the federal government would be telling me what

drugs I could take or set my course of care. Sure, I knew the State of Alaska would have a say, but never the federal government. Anything having to do with the federal government and Medicare or Medicaid is constantly in flux and unknown and at any time can change without recourse. Regulations are created by federal bureaucrats in Washington DC without any regard to the Alaska State Constitution and the promises made by the state to its retirees.

Finally, given that DOA will have no responsibility regarding these pharmacy benefits, the proposal unlawfully relieves the DOA of its fiduciary duties for all retirees over 65 given that DOA will have absolutely no control over the Medicare Part D/EGWP programs or the CMS regulation. Likewise, an appeal of any pharmacy-related matter ends with CMS. There will be no State of Alaska oversight or opportunity to ensure that the retiree's pharmacy benefits are not diminished or impaired by the federal government.

Please do not implement this change as proposed in 2019. And please quit trying to save money on the backs of retirees. As retired state employees who had opted out of social security, many retirees already suffer substantial reductions in their social security due to the Windfall Elimination provision. I understand that costs are going up and that the plan needs to be efficient, but please do not make us subjected or beholden to the CMS system and federal government more than we already are when we turn 65.

From: [REDACTED]
Sent: Wednesday, June 06, 2018 2:32 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>; Sharon Hoffbeck [REDACTED]
Subject: Change in Retiree Pharmacy Plan

Please see attached comments.

Thank you,

John Middaugh

RPEA member

John Middaugh
[REDACTED]

Sharon Hoffbeck
President
[REDACTED]

Dear President Hoffbeck,

I am writing in response to your email of May 31 re: Change in Retiree Pharmacy Plan. Thank you for providing this important update and information. I totally support your vigorous efforts to challenge the actions of the Department of Administration to make these proposed changes. It is difficult to see how the Department of Administration can argue that the proposed changes are not a significant reduction in the current retiree benefits or that the proposed changes provide comparable new advantages.

Please let me know if there are any actions I can take to support the RPEA in this effort.

Yours truly,

John Middaugh
[REDACTED]

From: Sharon Hoffbeck [REDACTED]
Sent: Wednesday, June 06, 2018 4:52 PM
To: Pineda, Natasha M (DOA) <natasha.pineda@alaska.gov>
Cc: Brad Owens-Executive Vice President--RPEA [REDACTED]
Subject: Advisory Board Email Address

Natasha—

I have had several retirees tell me that when they use the Advisory Board address the email is returned as undeliverable. I had the same problem yesterday, had to retry several times and finally it went through.

I just tried to forward the below email as requested by Mrs. Louk and it was returned twice.

Please forward Mrs. Louk's email to the Board upon receipt.

Thank you

Sharon Hoffbeck
President
Retired Public Employees of Alaska
[REDACTED]

From: Bunnie Louk [REDACTED]
Sent: Wednesday, June 6, 2018 2:36 PM
To: Sharon Hoffbeck [REDACTED]
Subject:

Dear Sharon, I cannot get this to go to the advisory board address Will you please forward it to them for us.
Thank you.

Please do not force us into the Federal Medicare Part D. Our current plan is working very Well. We do not like these proposed changes for the following reasons:to:

1} Drug denial- we would have to use a five step federal appeal process. More complicated?

2} We want our Doctors to prescribe our medications, not a second party who is not familiar with our medical history, changes which may not work .

3} The procedure for "high income" surcharge is very complicated and will be an additional and unnecessary obligation for elderly patients.

4} It does not appear that changes to our pharmacy plan is in accordance with article XII, section 7 of the Alaska Constitution. Is this legal?

5} This federal plan is not constitutionally protected. The United States Congress can change the programs any time they want and we would be left out in the cold.

Please do not do this. My wife and I are both Alaska State retirees. We are [REDACTED] years of age now, we do not need more complication in our lives, we need more simplification.

Sincerely,
Dale & Bernice Louk

cc; Judy Salo & Sharon [REDACTED]

From: Sharon Hoffbeck [REDACTED]
Sent: Thursday, June 07, 2018 8:22 AM
To: Pineda, Natasha M (DOA) <natasha.pineda@alaska.gov>
Cc: Brad Owens-Executive Vice President--RPEA [REDACTED]
Subject: Advisory Board Email
Importance: High

Natasha—I sent the below email two days ago with a ‘read’ request, and did not receive notice that it was read so am not sure what the status is. Please forward this email to Judy Salo, and notify me when that has taken place. Thank you

From: Sharon Hoffbeck [REDACTED]
Sent: Tuesday, June 5, 2018 4:35 PM
To: 'AlaskaRHPAB@alaska.gov' <AlaskaRHPAB@alaska.gov>
Cc: Brad Owens-Executive Vice President--RPEA [REDACTED]
Subject: RPEA Equivalency Analysis--EGWP/Wrap
Importance: High

Natasha—please forward this email to Judy Salo upon receipt.

Judy—
Brad Owens recently sent you a *Duncan* template that he wrote for the Board’s consideration. Attached is that template applied to the EGWP pharmacy plan change that DOA intends to implement.

RPEA has also recently received copies of email that retirees have sent to the Board in the past few days concerning the EGWP plan change, which I hope you have received in a timely manner.

Please let me know if we can be of further assistance.

Respectfully,

Sharon Hoffbeck
President
Retired Public Employees of Alaska
[REDACTED]


Equivalency
Analysis--EGWP.pdf

-----Original Message-----

From: DCL [REDACTED]
Sent: Thursday, June 07, 2018 9:22 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: RE: Healthcare Modernization

We are actually pleased to see many of the updated items in the presentation that we have read on this version of the Healthcare Modernization Plan. Our biggest concern is the increase in the maximum out of pocket cost. As we age, more things will be eating away at our retirement money, and while we may be able to overcome the increased deductible, the out of pocket increase to \$1600.00 will more than likely be more than we could overcome, especially for two of us.

This is an area we think requires further review and discussion, due to the fact that our retirement income will not increase to overcome the additional amount. The justification used, as we read it, is that retirees overuse the benefits and this will make them realize the value of the benefit package, which we think is more like a punishment for using the benefits we worked for when we need them in our older age, with no hope of working more to recoup the monetary loss.

Sincerely,

Dale & Carole Long

State of Alaska Retiree

From: carol downs [REDACTED]

Sent: Thursday, June 07, 2018 9:40 PM

To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>

Subject: Re: Change in Retiree Pharmacy Plan

My husband and I would be greatly affected by the new plan. I am a group 1 Alaska State retiree, and my husband is a group 3 retiree. My health plan covers both myself and pays co-pay for my husband, and his health plan covers himself and co-pays for me. Therefore, after deductibles are met [REDACTED]

[REDACTED] In 2014 changes to our dental plan greatly affected us and we are still in hopes it will be reversed. We were out a lot dental expenses because of the changes made that year.

Thank you for your help in these matters. Carol Downs

To: Retiree Health Plan Advisory Board Members
Copy: Sharon Hoffbeck, President, Retired Public Employees of Alaska

Please consider these comments as you review proposals for changing our Alaska Retiree Health Plan.

My spouse and I are both Tier I defined benefit beneficiaries of the Plan. My spouse was an Administrative Assistant for the Alaska State Troopers; I was a city manager for Petersburg and Soldotna. Our AlaskaCare coverage has been secondary to Medicare for medical benefits for many years now. We are both most sincerely grateful for the retirement benefit - especially when we note how our medical coverage has been so much better than persons who've worked for other employers in and out of Alaska.

The dental coverage, however, is another story.

[REDACTED]

[REDACTED]

Please contemplate these suggestions for changes to the dental plan . . .

1. To mitigate confusion about coverage for implants under the medical or dental plan, assign all implant claims to just one TPA, including implants required because of accident or nondental disease.
2. Cover implant services at 80% of reasonable and customary charges [including sinus lift biological materials to aid in tissue regeneration (CDT code D4265); guided tissue regeneration (CDT code D4266); and radiographic/surgical services (CDT code D6190).
3. Cover implant related crown and bridge services at 50% of reasonable and customary charges subject to the annual deductible.
4. Increase the patient maximum dental benefit from \$2,000 to \$3,000 per year.

Attached find recent EOB's from AETNA and MODA/DELTA DENTAL for illustration to accompany this comment. Thanks for your consideration.

Richard Underkofler

[REDACTED]

ATTACHMENT HEAVILY REDACTED DU TO INCLUSION OF PHI.

[REDACTED]

[REDACTED]

[REDACTED]

Complaint and Appeal:

If you have a dental claim for a service that was covered prior to 2014, but has been denied by MODA, we urge you to file an appeal if you still can.¹ Appeal instructions can be found on the RPEA website: rpea.apea-aft.org. Either way, please send RPEA information about the denied claim [mail: RPEA@Alaska.Net] with a copy to Sharon Hoffbeck, President, Retired Public Employees of Alaska [mail: sharonhoffbeck@gmail.com].

Prior to 2014, [REDACTED]

[REDACTED]

Chronological Log Regarding these Claims

[REDACTED]

[REDACTED]

¹ RPEA Reporter, June 2017

[REDACTED]

[REDACTED]

(2) Your plan provides benefits for covered expenses at the prevailing charge level made for the service in the geographical area where it is provided. In determining the amount of a charge that is covered we may consider other factors including the prevailing charge in other areas. If there is additional information that should be brought to our attention, please contact us. [374]

[REDACTED]

² State of Alaska, AlaskaCare Employee Health Plan, January 1, 2014, Page 19 -26

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

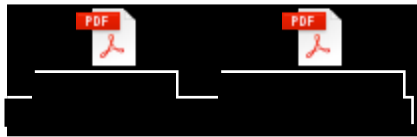
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



From: Jim Morrison [REDACTED]
Sent: Friday, June 08, 2018 3:06 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: Change in Retiree's medical plan

Dear Board Members;

My Name is James Morrison and I retired as the General Manager of Anchorage Telephone Utility in 1995. I first went to Alaska in the 80's, and stayed because of the promise of a paid retirement and medical plan. I have worked in Ketchikan, Fairbanks and Anchorage. In each of those communities, the Telephone Company delivered Millions of Dollars of profits to help all the residents of each city. There were almost a thousand employees that worked for the respective Telephone Companies, and each stayed in Alaska because of the promise by the city, state or union to provide undiminished retirement benefits.

With the Trump Administration refusal to enforce the provisions of the Affordable Care Act, there is no way to gauge what changes the White House may try to eliminate or modify Medicare and the drug program. I ask you to consider this scenario. My ex wife of 28 years, [REDACTED] is vested in the PERS system. She is [REDACTED]. If you force me into the Medicare program, and I die, [REDACTED] gets PERS medical coverage but cannot qualify for Medicare. What then. With Billions in the Permanent Fund, Tell the Legislature to man up and start funding the Retirees Pension Plan for the people who made Alaska what it is

From: Eric M [REDACTED]
Sent: Friday, June 08, 2018 6:01 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Eric(Desktop) [REDACTED] Saddler, Dan (LEG)
[REDACTED] MacKinnon, Anna (LEG)
Subject: Proposed DB Retiree Health Plan Modernization

June 8, 2018

Eric & Mary Marchegiani

Subject: Proposed DB Retiree Health Plan Modernization

Dear Sir/ Madame:

First off, whenever I hear that someone is ready to make modification to our Health Plan a red flag goes up because usually it means that our benefits are going to be reduced or made more complicated to obtain; -- to the detriment of the Retiree and to the benefit of the State of AK. That has been the case with the previous change in the health care provider Aetna and the modifications to our dental plan by going to Moda.

I would ask that any future change to our Health Plan consider two over riding concepts:

1. Any change needs to make the process and submittal process as simple as possible. As we retirees age, it becomes more and more difficult for us to handle our insurance benefits which means that complicated processes and submittal processes results in our inability to deal with them and as a result many of us will end up paying more out of a fixed income. That means our quality of life will diminish.
2. All of our benefits should be handled under one company / provider. The separation of the Medical Benefits from the Dental and Vision makes it more complicated to deal with. As I have indicated above in #1; the process needs to be straight forward and simple. As a result of this – I am recommending that the State of AK re-advertise for its benefits (medical, dental, vision etc) all under one provider. It has been over 4 years since the last advertisement and it is time for a change., Aetna has been terrible to deal with... in my opinion their first review is to deny benefits if there is anything that seems different vs actually looking at the claim... then it is incumbent upon the Retiree to fight it. We should not be put in that position. Our benefits were much easier to deal with prior to Aetna.

Unfortunately, I will not be able to attend the teleconferenced meeting and provide testimony at the meeting time. In lieu of that I am listing below my comments on the PP Presentation that was made available ahead of time. Obviously, there may be things that come up in the meeting which I will not be able to comment upon but that said, my comments below will hopefully provide some perspective on my and my wife's views.

Comments:

1. It seems a bit unusual for the modernization program in its discussion of the pharmacy benefits to have totally left out the most recent proposal to modify the Retiree pharmacy benefits as they become 65 and qualify for Medicare. It may be an entirely separate discussion but all of us will be 65 at some point and being a retiree.... Well that would seem like an obvious topic to include within the modernization of the health plan. I have recently sent comments on that recent proposal but it should be included within this overall package. Similar to any changes here... there needs to be an analysis that demonstrates that the benefits will not be diminished.
2. Under the Areas of Focus: positive improvements
 - a. I have wondered for a long time as to why the State of AK did not provide for preventative services... i.e. fix the issue before it becomes a bigger problem would seem to be a no brainer. I concur that adding preventative services would be a logical way to save costs.
 - b. Increasing or eliminating the Lifetime Limit obviously is a benefit to all retirees and I concur with any improvement in that area.
3. Item #3 Low Cost Share: -- I totally disagree with the concept that the Retiree's and not sensitive to the cost of services. Being on a fixed income raises one's awareness level on any expenses that are incurred. Increasing the deductible and out of pocket limits will severely impact Retiree's income as they age and I am adamantly against it.
4. Item #4 Increasing Cost of Pharmacy Benefits: --
 - a. I disagree that Retirees use a higher percentage of brand medication when there are less expensive alternatives available. [REDACTED] At the same time, there are some medications that the Doctor's prescribe as brand because the generic is not as reliable or as efficient [REDACTED] the Doctor's recommendation on those items.
 - b. Also the service provider at times interprets that there is an alternative medication that will do the same thing but in reality it is a completely different medication... and when that happens it is a burden on the Retiree to appeal the Service Provider's decision. Again, it becomes a contest of back and forth with the service provider trying to force something down the retiree's throat.

- c. If the State of AK wishes to decrease the pharmacy costs, then it should not look to the Retiree but rather to the pharmacy companies. Work with the Federal Government to rein in the overall cost of medications. Putting the burden on the Retiree is backwards. **Fix the cause not the recipient.**
5. Item #5 Outdate Pharmacy Design: -- I am unsure about this item and how it is handled. I don't have an issue with a 90 day fill. What I do have an issue with is the ability to have two or three refills in any prescription. If that is what is being attempted here then I am opposed to it. Retirees should be able to have a number of refills of 90 days with any prescription that the Doctor issues.
6. Item #8 Confusion Over Rehabilitative Services: -- Your slide is confusing in itself... you have 20 visit limit per benefit year and then you have a 45 visit limit for all chiropractic, PT/ OT/SPT. This is the kind of stuff that gives Retirees headaches and also provides avenues for the Service Provider (i.e. Aetna) to deny benefits after 20 visits vs 45?? Thee item needs to be clear. I like the elimination of the requirement for continued significant improvement. As we age again... there likely is not going to be significant improvement. It really is a maintenance item to avoid surgery in many cases. [REDACTED]
[REDACTED] The limit on Chiropractic adjustments has been an issue with [REDACTED]. The State of AK as the Secondary provider has helped to date assuming the Chiropractor files for it. Providing benefits for continuing chronic conditions makes sense.
7. Item #9 Dental coverage: -- As I indicated in my opening statement... having a separate insurance company to process Dental claims is another complication and problem for all Retirees irrespective of whether or not it is Dental Implants or just routine cleaning, and cavity repairs. It needs to be all under one company.
8. Item # 10 High Use of Hi-Tech Imaging & Testing: -- I doubt seriously that there is any major safety concern to the Retirees... I believe the State is only concerned with the costs. Adopting an enhanced imaging review program means more complications for the Retiree before they get the analysis that is needed. As I stated previously; -- the State of AK needs to make things less complicated, not more complicated. If the Doctor recommends a particular analysis then it should be done without further complication.
9. Item 12 Confusing Plan Booklet: -- The Plan Book should be easy to read and understand and not drawn up by a lawyer. As I have stated multiple times in this and other submission, as the Retiree gets older it becomes harder and harder to understand what is covered given the complicated nature of the plan. It is time that the plan be written in lay language that the Retiree can understand and know what their benefits are. I am unsure as to why there is this continuing desire to implement amendments... the plan should be fairly static after the State's Modernization Plan... assuming that you do a good job of it. It should be good for 5-10 years or more. so no amendments .. no changes to confuse the Retiree.. In addition, one could post a full copy of the plan (in layman's terms) on line for the Retiree to be able to access... Most retirees (although not all) have

some technology skills to access a web link and an electronic version of the plan (especially if it has not been modified 15 times).

Finally, as previously discussed any change to the legacy plan will require a substantive detailed analysis of the benefits and losses to the Retiree Legacy Plan before it is implemented. At no time shall the legacy plan be diminished in any manner.

Respectfully,

Eric & Mary Marchegiani

From: Marilyn Underkofler <[REDACTED]>
Sent: Friday, June 08, 2018 6:15 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: DRGB Retiree Health Plan Modernization

[REDACTED] sent you an email earlier and I would like to add my comments to his email.

Since we pay a premium for Audio, Vision, and Dental, I feel we should have the option of selecting the provider and plan. The way it is now, we are informed of what the State of Alaska has determined what plan we are enrolled and the price we are expected to pay. NOT ACCEPTABLE! If we desire to select another provider or plan, even if it means an increase in the premium, we should have the right to make that decision.

We have recently had an increase in our premium without the right to be involved in the selection of the provider or plan.

Thank you for your attention to this matter.

Sincerely,

Marilyn L. Underkofler

[REDACTED]

[REDACTED]

[REDACTED]

From: Timothy Shine [REDACTED]
Sent: Friday, June 08, 2018 9:19 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: FW: Pharmacy plan changes

Sent from [Mail](#) for Windows 10

From: Timothy Shine
Sent: Friday, June 8, 2018 9:10:04 AM
To: AlaskaRHPAB@laska.gov
Subject: Pharmacy plan changes

Please register my objection to the proposed pharmacy plan changes for retirees 65 and older. The motive for the change is obviously to reduce costs. The 5 step Federal appeal process for denial sounds like an abomination, hovering over the heads of retirees like the sword of Damocles. Please push for thorough evaluation of the proposed reduction of benefits prior to implementation. Legal action seems more than warranted.

Respectfully,
Timothy Shine

From: Kalmsea Johnson [REDACTED]
Sent: Friday, June 08, 2018 10:05 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Changes in Retiree Pharmacy Plan

Dear Sirs: [REDACTED]
[REDACTED]

Retiree health plan, future coverage for prescribed medicines for those who also are eligible for medicare prescription service.

I am [REDACTED] years old, going on [REDACTED]. My wife is [REDACTED] years old and my youngest child is [REDACTED] years old. I do not think that medicare wants to pay for the [REDACTED]

Am I and my family going to be allowed to continue to use the old State of Alaska, prescription plan or will be caught, out in the cold, with no prescription drug coverage?

David A. Johnson, [REDACTED]

From: Judy Jantz [REDACTED]
Sent: Friday, June 08, 2018 10:10 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: [REDACTED]
Subject: Proposed Changes in Pharmacy Benefit Plan

To: Retiree Health Plan Advisory Board
Date: June 8, 2018
Re: Changes in Retiree Pharmacy Benefit Plan
Cc: Sharon Hoffbeck

I am sending some of my concerns about the proposed changes in the Pharmacy Benefit Plan. I think you are not considering retirees as the most important factor.

According to the union, you have not conducted the required *Duncan* analysis to be sure benefits are not diminished. Please don't think you can pull the wool over our eyes just because we are over 65 years of age.

Maybe you are suggesting the most cost-effective way to maintain retirement drug benefits, but why are you thinking of cost instead of retirees. Retirees should be number one, not number two.

If a drug is denied and we have to go through the long, long, long process to file a claim, will you provide pre-paid envelopes to us? If you are suggesting that we file on-line, what happens to those people who do not have computers?

Why are you choosing people 65 and over. That is age discrimination to the fullest.

So why "mandatory mailings related to EGWP, **most of which will not apply to you.**" Dollars could be saved without those mailings.

Will everyone be subject to this plan (even the people orchestrating this procedure or will they be exempt)?

How can you think that the 5 step process to appeal a drug denial is something that all senior citizens can do?

Health care should be between the patient and their doctor. Someone who has no idea the health of a patient, should not make the decision as to which drug would best keep the cost down for the State of Alaska and, oh yes, just maybe help the patient.

I somehow cannot believe that there are no other areas in the State of Alaska Government to cut. Again, I ask why are you picking on Alaska Retirees. We have given many years of service (I have given 30 and many others have given more) to the State of Alaska and this is how you are thanking us? We were promised decent health care until death. You need to keep that promise.

Judilee Jantz
Alaska Senior Citizen Retiree

From: Barbara Smith [REDACTED]
Sent: Friday, June 08, 2018 10:46 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Hoffbeck Sharon [REDACTED]
Subject: Retiree Health Plan

Dear Advisory Board,

I just reviewed the slides for the up coming teleconference and I would like you to addresses the following issues:

Slide 15 concerning OTC.

1. When you have been on a drug covered by your health plan at \$4 - 8 dollars and then it becomes OTC it is rare that the cost is lower. I am thinking specifically of some of the anti ulcer drugs. This proposed solution will affect thousands who rely on these OTC to treat their symptoms successfully, thus not costing the Plan more in medical dollars.
2. What happens if you are on a drug that changes to OTC but you need it in at a mg. higher than you can get OTC?
3. What happens in the case of "pharmacist" dispensed medications i.e. Plan B? Those not needing a physician's prescription.

Slide 20 concerning use of diagnostic and testing services

1. Improvement in non invasive methods to diagnose and treat medical conditions is a natural progress of technology and should be embraced not limited and scrutinized, because the harm to the person is much less than invasive forms. If there is a need to minimize the frivolous use of the technology then address the conditions in which you find that and list those conditions.
2. There should be a tiered approach to in and out of network providers as you provide in other areas. The Retiree should never be left without coverage in an area as vital and growing as diagnostic testing and imaging. This area is the cord of a lot of treatment courses and to abandon the Retiree because goes to a expert that might be "out of network" is a counter to what the Health Advisory Board should be doing..protecting the health and promoting a healthy retiree population.
3. **This point is a non-starter.** It is basically removing all retirees age 65 and older from the pool of "covered", since the Retiree's State Health Insurance is secondary to Medicare and Retirees are required to have Medicare parts A & B in order for the State Health Benefit to be a secondary payor.

I would also like to see the Health Advisory Board address adult immunizations. This is such a simple and cost effective PREVENTIVE measure which it has not addressed for the retiree and which could save millions of dollars. The only time a retiree can get a free flu or, pneumonia vaccine is at the few Health Fairs staged at large population centers, They are not available throughout the state at Public Health Centers which would be easier for many to go to.

I hope you take these items under serious consideration. Thank-you for the work you are doing on our behalf. Please always put a person's life and health before dollars.

Barbara Smith
[REDACTED]

From: Meg Hayes [REDACTED]
Sent: Friday, June 08, 2018 1:51 PM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Subject: changes to Alaska Public Employee Retirement System Benefits

Dear Sirs or Mesdames,

My family relies on PERS retirement promises made in 1975 at the time my state employment began. Changes may only be made when hard data indicates that the proposal materially benefits the enrollees and the strengthens the system itself. These data must be available to its beneficiaries to evaluate for themselves and to comply with the Alaska public access to information acts. Our rights as beneficiaries include the expectation that disputes would be resolved quickly and equitably by people familiar with Alaska and the people who live in this great state.

Thank you for taking these issues into consideration when contemplating changes to PERS.

Meg Hayes

From: Paulette [REDACTED]
Sent: Friday, June 08, 2018 6:50 AM
To: Alaska Retiree Health Plan Advisory Board (DOA sponsored) <alaskarhpab@alaska.gov>
Cc: Sharon Hoffbeck [REDACTED]
Subject: Medical Plan Modernization

Re: Section 9 Confusion Over Dental Implants

If this will be covered, can those who elected another dental plan be allowed to enroll now that confusion about implants will be clarified?

Thank you,
Paulette Shannon
[REDACTED]