



November 22, 2019

Dear RPEA Members,

On November 21, 2019, the Superior Court granted RPEA's Motion to Enforce Court Order and for Related Relief in the DVA case, and entered the following Order:

1. The State is prohibited from continuing to offer only the unconstitutional 2014 plan throughout 2019; the State must offer members some short-term relief from the unconstitutional diminishment of benefits.
2. As long as the State is offering only the 2014 plan, the State shall inform members whose claims are denied if that claim would have been covered under the 2013 plan. If the State claims it cannot immediately begin making that determination for every claim denied, the State must instead inform all members whose claims are denied that "This claim might have been covered under the previous plan. The denial will be reviewed by the Division and further information will be provided as soon as feasible." The State must then complete that review as soon as possible and advise members when the State has determined that a claim that was denied would have been covered under the 2013 plan.
3. The State is prohibited from establishing the unconstitutional 2014 plan as the default plan under the two-plan system it is designing for 2020. Any member who does not affirmatively select participation in the 2014 plan shall be treated as having chosen to participate in the 2013 plan.
4. The State is directed to begin promptly to conduct a complete retrospective review of claims denied under the

2014 plan that would have been granted had the 2013 plan remained in effect. The State shall notify the court and RPEA when the review begins, how long it should take, and when it is concluded. The State also shall provide RPEA with a complete copy of correspondence between the State and Moda or Segal (or whoever is engaged to conduct the review), so that RPEA is informed about the scope and nature of the review, and the data that are used. When the review is complete, the State shall provide a copy of the report that identifies the claims that were denied.

5. The State shall provide RPEA with its complete premium rate analysis and all data used in the analysis to determine the new rates. This information shall be provided as soon as it is available.
6. The State shall disclose to RPEA and the court all costs it incurs to develop and implement the two-plan system, and shall specify which funds, if any, are taken from the members' premiums. The initial disclosure shall be made within 10 days of this order, with follow-ups at regular intervals of not less than 30 days as additional funds are expended.

The Court Order will be posted on the RPEA website as soon as possible at:

<https://rpea-ak.org/lawsuits/DVA-Declaratory-Relief/2016-DVA-declatory-lawsuit.html>

We expect the Division of Retirement & Benefits to attempt to block all or part of this order and will keep you posted.

Sharon Hoffbeck

President

Retired Public Employees of Alaska

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