



Retired Public Employees of Alaska, APEA/AFT

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Sent via Email to:

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Betsy Wood
Acting Chief Health Administrator
Division of Retirement and Benefits
P. O. Box 110203
Juneau, AK 99811-0203

Judy Salo, Chair
Retiree Health Plan Advisory Board
P. O. Box 110203
Juneau, AK 99811-0203

Dear Ms. Wood and Ms. Salo:

The Executive Board of the Retired Public Employees of Alaska (RPEA) met for three days of strategic planning last week (February 20 – 22). During that meeting we discussed in detail the draft regulations proposed by the Division of Retirement and Benefits (DRB or “Division”) to establish the process by which the Division would propose and eventually adopt changes to the retiree health plans (medical and dental/vision/audio (DVA)).

The Division, under separate cover from the RPEA representative on the Retiree Health Plan Advisory Board (RHPAB) Regulations Subcommittee member Wendy Woolf, will have received the RPEA’s substantive comments on the DRB’s draft of its proposed process regulations. Besides Ms. Woolf’s enumerated comments on the proposed regulations, she includes two documents that present a suggested rewrite / reorganization of the DRB’s proposed draft regulations that the RPEA Board fully supports, as we believe her alternative proposed language would greatly simplify the regulations for retirees, as well as for the Division itself.

I am writing to focus attention on those aspects of the draft regulations that present the most significant concern to the RPEA.

First, it is the RPEA’s position, as a part of the settlement agreement reached between the State and the RPEA, that there was a clear understanding that the draft process regulations would establish the full, current process that the DRB deploys for evaluating proposed changes to retiree health plans. That process would capture of all of the essential aspects of current Division practice, including the fact that the DRB utilizes the RHPAB as a stakeholder group through which the Division develops, evaluates, and prioritizes retiree health plan changes.

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It was understood that this regulation project would contain formal recognition of a stakeholder group, similar to what presently exists in Administrative Order 336, either through recognition of the RHPAB in these regulations (for however long it exists via an AO), or through the adoption of specific language establishing a similar group of representatives to function as a stakeholder group, or both.

Bottom line: formal recognition in the Division's process regulations of a permanent stakeholder group similar in makeup to the RHPAB is required by the settlement agreement and must be included in a final version of this regulations project.

The next the issue of concern to the Executive Board is the breadth and scope of the language in the proposed process regulations that allow for the adoption of emergency amendments to the retiree health plan. As outlined in Ms. Woolf's cover memorandum, the language proposed for the emergency adoption of changes to the health plan is simply too vague, undefined, and rather nonsensical in part. We believe this section of the regulations should be redrafted as reflected in Ms. Woolf's proposed alternative.

Finally, we feel very strongly, although not actually contained in the currently proposed draft of process regulations, that the DRB's existing regulations on the appeal process must be added to this current regulations project, in order that the Division can repeal those severely outdated regulations in their entirety. As the Division well knows and admits, the appeal regulations currently on the books are obsolete and have no statutory authority, and presently, as far as we can tell, exist only to confuse retirees unlucky enough to independently research the appeal process. There can be no reason not to take action to repeal these unfortunate regulations at this time, as a part of this project. The RPEA would not only not object to this addition to the current project under consideration, but we consider it essential.

Ms. Woolf's commentary covers other important aspects of our views on the entire package of proposed regulations, but I have been tasked in this letter with highlighting for you and the members of your staff and board those matters deemed of most importance from the Executive Board's perspective.

Thank you for the opportunity to comment on the proposed regulations package and please do not hesitate to contact me should you have any questions regarding the Executive Board's focus on these particular issues.

Sincerely yours,



Randall P. Burns
RPEA President

cc: RPEA Executive Board Members
RPEA Membership