HCCMCA
HEALTHCARE COST MANAGEMENT
C O R P O R A T I O N

April 13, 2012

Senate Finance Committee
Honorable Bert Stedman, Chair
120 4th Street State Capitol, Rm. 516
Juneau, AK 99801-1182

Dear Senator Stedman,

HCCMCA is a coalition of over 35 Alaska and Northwest based self-funded and employer-sponsored health benefit plans. These funds represent over 65,000 covered lives in Alaska.

I was prepared to testify this morning via teleconference regarding SB 217, with concerns this bill does not do enough to protect the legal and fiduciary integrity of trustees and administrators of our Taft-Hartley and other trust funds. Many of our concerns are similar to those Director Jim Puckett described in his testimony.

Unfortunately, a copy of the most recent CS being considered by the committee was not available here at the Fairbanks LIO. Nevertheless, based on the testimony and description given, HCCMCA's position is that the proposed CS changes do not go far enough. For example, we think the provision limiting the number of scripts that can be audited to 75 during a single audit is overly restrictive and burdensome for auditors contracted by our health plans.

Regarding overall policy questions, in Section 2, we submit Alaska boroughs, municipalities and school districts should be included in the definition of governmental agencies (entities?) which are exempted from coverage by the bill. We also believe the committee should evaluate whether ERISA preempts application of this statute to Taft-Hartley trust funds.

In sum, we prefer SB 217 be held in committee and a work group formed allowing interested parties to better evaluate and understand the issues during the interim.

Feel free to contact me if you have any questions.

Sincerely,

Fred G. Brown
Executive Director

Cc: Senator Dennis Egan