

MEMORANDUM

TO: Senator Anna Fairclough

FROM: Hay Group

DATE: Friday, February 28, 2014

SUBJECT: Questions regarding Hay Group's Report (State Managed Group Health Insurance Program for Alaska Public School Employees)

Below please find the questions presented to Hay Group on February 25, 2014 and our responses, with respect to Hay Group's Report on school district health plan consolidation in the State of Alaska.

- 1. Can you tell us specifically which districts and how many employees per districts there are for each expiring CBA? For example: There are eight districts with CBAs expiring on 6/30/14. What is the name of each district and how many employees are in each district?*

District Name	Expiration date of the current CBA if any?	Number of Employees
Dillingham	6/30/2013	80
Hydaburg City	6/30/2013	12
Unalaska City	6/30/2013	63
Subtotal	6/30/2013	155
Annette	6/30/2014	32
Galena City	6/30/2014	150
Hoonah City	6/30/2014	38
Kuspuk	6/30/2014	79
Lake and Peninsula Borough	6/30/2014	94
Lower Kuskokwim	6/30/2014	645
Northwest Arctic	6/30/2014	364
Yakutat City	6/30/2014	21
Subtotal	6/30/2014	1,423
Valdez City	6/1/2015	116
Bering Strait	6/30/2015	292
Chatham	6/30/2015	15
Kashunamiut	6/30/2015	96
Kenai Peninsula Borough	6/30/2015	1,242
Subtotal	6/30/2015	1,645
Iditarad Area	6/1/2016	38
Southwest Region	6/1/2016	76
Subtotal	6/1/2016	114

District Name	Expiration date of the current CBA if any?	Number of Employees
Alaska Gateway	6/30/2016	54
Aleutians East Borough	6/30/2016	48
Anchorage	6/30/2016	5,571
Bristol Bay Borough	6/30/2016	24
Copper River	6/30/2016	64
Cordova City	6/30/2016	44
Craig City	6/30/2016	47
Delta-Greely	6/30/2016	92
Denali	6/30/2016	53
Fairbanks North Star Borough	6/30/2016	1,728
Haines Borough	6/30/2016	51
Juneau Borough - APEA	6/30/2016	592
Kake City	6/30/2016	15
Ketchikan Gateway Borough	6/30/2016	220
Klawock	6/30/2016	25
Kodiak Island Borough	6/30/2016	262
Lower Yukon	6/30/2016	391
Mat-Su	6/30/2016	1,688
Nenana City	6/30/2016	51
North Slope Borough	6/30/2016	426
Petersburg Borough	6/30/2016	67
Sitka	6/30/2016	236
Southeast Island	6/30/2016	28
Tanana	6/30/2016	6
Wrangell City	6/30/2016	40
Yukon-Koyukuk	6/30/2016	96
Subtotal	6/30/2016	11,919
Chugach	7/1/2016	39
Subtotal	7/1/2016	39
Aleutian	6/30/2017	6
Subtotal	6/30/2017	6

2. Can you tell us who the 5 districts are that did not provide CBA expiration dates?

District Name	Number of Employees
Nome	137
Pelican City	2
Pribilof	28
Saint Mary's	16
Skagway	13
Yukon Flats	44
Yupiit	111

We previously indicated that five districts did not provide CBA expiration dates. Additionally, Nome and Saint Mary's indicated they provide health plan coverage to collectively bargained groups, which suggests that these school districts have CBAs, but we did not receive CBA expiration date for these districts.

3. Can you tell us if we still see savings if one of the big five school districts joins the AlaskaCare cost sharing structure?

Based on one of the largest five school districts enrolling in AlaskaCare with the smaller 48 districts, the aggregate potential cost savings will increase. In general, the additional per-capita savings from adding a larger district is not as great as adding a smaller district because smaller districts usually have more administrative overhead (stop loss fees, brokerage revenue, fully insured overhead, etc.). However, the procurement of health care vendors benefits from having a larger group to negotiate the best possible deal for a state managed program for district employees.

a. What about if all five join? Does that hurt the Alaska Care cost sharing structure?

We would like to gather more information about this question in order to provide the best answer.