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April 5, 2013

RE: Senate Bill 90

Senator Dyson:

Public Employees Local 71 Trust Fund provides health coverage to approximately 2,000 public employees throughout Alaska, including 350 employees of the Anchorage School District and their families.

Through the Trust, we are able to:

- Offer 3 coverage options to employees, so each employee can pick the health plan that meets their needs and their pocketbook
- Control costs for both the employer and the employees.

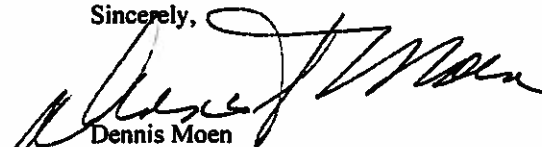
For the current benefit year, July 2012 – June 2013, the Anchorage School District has paid \$1,235 per employee per month to the Trust to provide health coverage. Employees who selected coverage under the Trust's full family health plan option, which is similar to the State's Select Benefits Standard Plan and includes dental and vision coverage, School District employees pay \$125 per employee per month.

In comparison, this year the State of Alaska paid \$1,330 per employee per month for its employees. In order to obtain family medical, dental, and vision coverage similar to the PE71 plans, employees paid \$214 per month. If the Public Employees Local 71 bargaining unit of Anchorage School District were covered under the State of Alaska plan this benefit year at the State of Alaska rates, the School District would have paid an additional \$400,000, and each employee who needed the full family plan would have paid an additional \$1,068 for the year.

While cost is a meaningful consideration, we believe that customer service is important, as well. We are able to craft our health plan to address the issues which are meaningful to our employees. For example, we were among the Alaska health plans to offer health fairs to our covered members, and provide them with free and low cost inoculations and preventive blood testing. We maintain a Trust office in Anchorage, and Anchorage School District employees are able to meet with our Trust staff in person to discuss enrollment or benefit issues. This has proven invaluable, especially when working with employees and families for whom English is a second language. It also relieves their employer, Anchorage School District, from this administrative burden.

We oppose House Bill 196 / Senate Bill 90, and its mandate to purchase coverage through the State of Alaska. We believe it would cost more for both Anchorage School District and for our members. In addition, our members would lose the benefit options and high level of customer service they have enjoyed for many years.

Sincerely,



Dennis Moen  
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Secretary-Treasurer  
DM/tls