

## Doniece Gott

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**From:** Sen. Pete Kelly  
**Sent:** Thursday, April 11, 2013 1:53 PM  
**To:** Doniece Gott  
**Subject:** FW: Written Testimony HB196/SB90

-----Original Message-----

From: Marc Grober [mailto:marc@interak.com]  
Sent: Thursday, April 11, 2013 1:50 PM  
To: Sen. Donny Olson; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Lyman Hoffman; Sen. Click Bishop; Sen. Mike Dunleavy; Sen. Pete Kelly  
Subject: Written Testimony HB196/SB90

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Thank you for your cooperation.  
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Dear Senators,

As someone who has been a registered Republican longer than some members of the Legislature have been alive, and an Alaskan since 1975, I am very concerned by the efforts to push HB196/SB90 (the "Bill") through the Legislature in the time remaining in this session. There is certainly no rush to address this matter, and as has become clear, the sponsors have

simply failed to do their homework. But I will get to that in a moment; first let me discuss the political implications of the Bill, as this is a political forum.

The Bill stands in direct contravention to core GOP values, and offers nothing to override those values. As already noted, by AASB, this legislation results seizure of local control from school boards, and it does so apparently without the endorsement of specific school boards.

Proponents claim the current stampede is based on uncontrollable health insurance costs, but as I note below, the claims as to the precipitous rise in rates and complexity are in no small part a bit of fabrication, both as to availability of remedies, and as to their own responsibility in creating increasing complexity.

The Bill also attempts to deprive Alaskans of the opportunity to privately address their own insurance needs. While many of you have applauded the Governor's rejection of the Patient Protection and Affordable Care Act, the proposal before you does more or less the same thing as the PPACA. The Administration has acknowledged (in addition to the fact

that they are not supporting the Bill themselves) that they did not fully explore the market responses to the insurance crisis, and so have ignored the viability and cost-effectiveness of Health Trusts. The current Bill would kill the single most effective health insurance program in the entire State, depriving the subscribers to that program their individual rights without any savings at all to the State. Are we now to the point that a Republican controlled legislature has become so ideologically entrenched that it is killing individual rights and running up costs because a program based on personal responsibility is successful?

As suggested above, if Republicans are going to argue that markets have solutions, then it is certainly a mystery as to why the Administration (and the Bill sponsors and supporters) have intentionally avoided any and all contact with market solution that, as one superintendent noted saved his District 40% over other insurance options. I was shocked to hear the Administration argue, in response to Senator Wielechowski's questioning, that such solutions were not the Administration's concern.

Really? Can you sit here and even consider this Bill when the Administration has admitted that it had intentionally NOT done its homework as far as presenting to you a complete picture of how markets have responded to the alleged insurance crisis? How Republican is it to terminate a successful private insurance program that was market generated to meet the rising costs of insurance without examining it? As I note in the attachment, educational institutions across the country are looking to health trusts as a truly effective means to address rising costs, and with one of the most successful already serving thousands of educators in Alaska already, it is jarringly unacceptable that no one has spoken to that health trust.

If Alaska Republicans are, as the Sponsors suggest, alarmed by the health needs of Alaskans and desirous of an insurance pool to save Alaskans insurance premiums while ensuring Alaskan health (that sure sounds like the PPACA) then it would seem that the Administration would have examined solutions available and would have promoted a statewide Health Trust, a Plan for All Alaskans. I understand why this Legislature and the Administration has not gone in that direction, though such a Plan would clearly, under the analysis pressed by the Administration, save All Alaskans money, including State Employees, who would be covered under such a Plan, at a fraction of the cost now estimated. What I don't understand is why, having eschewed such a policy direction where it might make sense, Alaska Republicans are pursuing a policy that kills an effective private sector response and deprives local government of authority, all without demonstrably reducing premiums.

So what about the nuts and bolts of the Bill. As noted the Bill would increase State administrative costs by hundreds of thousands of dollars per year, at a rate higher than the market. Yes, while Republicans have argued that the private sector is always more efficient, you have now before you a Plan in which this is amply demonstrated, as Health Trusts in-state actually manage as many persons under policy as the State with fewer personnel and at lower cost. Go figure! You'd think that would be a winner for a GOP controlled Legislature, and yet you are turning your back on that option without even having been presented that information.

The Bill would also be funded in the short term through State funds.

Yes, once again you are going to be asked to fund a social program through State funds where a private program already exists and is fully funded. You are being asked to spend State money where there is really no need to spend public money because the claims base is already funded with private money. Some of you may be surprised and I have to ask you, is surprise the emotion that one should see from legislators acting on legislation that will materially and deleteriously impact the health of tens of thousands of Alaskans? I think not.

Let's talk about the vaunted purpose of the Bill (at least its stated purpose): saving money by forcing school districts to pay funds to the Department of Administration so that the Department can purportedly purchase health insurance at a lower rate. Unfortunately, the first thing that must come to mind for anyone concerning about personal privacy is the fact that the State has not been responsible about beneficiary data. As you all know, the State had to assume a huge cost because data it was responsible for was LOST. Yet instead of privatizing management of such programs, this Legislature is being asked to trust the Administration with the health of tens of thousands who frankly do not want and do not need such "help."

But the underlying claim is that by doubling the premium base, the Administration can cut premium costs. But the Administration has offered no factual basis for the claims (no binding quotes are available) and its historical provider has a rate history that is not even comparable to the entity now ensuring so many of the educators in the state. In other words, the Administration really can't guarantee any savings, while the testimony already provided to this Legislature by the Superintendent of Petersburg Schools makes it very clear that he save his District 40% on costs through a health trust last year (and though he was not questioned on the point, would save his District over any for-profit insurer for the coming year, even with an economy of scale proposed by the Administration.) Why? This is simple Math, folks. For-profit insurers make a profit. If they raise rates more than they need, they keep the increment as a windfall. The PPACA, was the first large scale effort to put an end to that practice, but a for-profit insurer is still going to make a profit. On the other hand, a non-profit insurer does not make a profit. As a result, no matter how tight the for-profit insurer cuts his profit margin, he still has to compete in the market for investment based on return, and the non-profit insurer does NOT have that obligation. In sum, there is no way that the State's scheme could effectively reduce health care costs before that offered by Heath trusts. Period. And it would appear that the Administration knows that, or why else would they have refused to present such an option to you?

What then is this Bill really about? I suppose that is what Alaskan's are waiting to hear, because it is apparent on the face of the presentations to date that it is not about saving anyone money; you don't have to be one of the fifty thousand Alaskans who are going to be forced out of their existing inexpensive, self-managed health care programs to realize that this Bill has a hidden agenda.

I respectfully request that the Legislature slow this process down so that the true basis for the proposal, as well as the grounds for rushing the Bill through the Legislature, can be exposed for the Alaskan public.

I respectfully request that the Legislature do its homework and ask itself if government agencies across the country are moving to Health Trusts to contain insurance costs, why are the sponsors arguing, without having done its homework, that Alaska move to pay more for premiums than necessary.

I respectfully request that the Legislature inquire as to why virtually everyone testifying in support of this Bill has carefully avoid any mention of the organization that is presently providing for the health insurance care of tens of thousands of Alaskan educators with less overhead than the State requests at less cost than the State expects even with saving if the State can find same, and with the support of the insured.

I respectfully request that the Legislature STOP, take a deep breath, and then explore, deliberately and rationally, the nature of health trusts, the health trusts in Alaska, and the benefits potentially accruing to Alaskans through such trusts, BEFORE pursuing legislation that is going to terminate local control, bypass market solutions, deny individual rights, and actually increase premium and overall management costs.

Thank you for your consideration.

Marc

Marc Grober, Esq.  
5610 Radcliff Dr.  
Anchorage Alaska 99504  
email: marc@interak.com  
cell: (907)2272417

Attachment:

<https://docs.google.com/document/d/1OKLrAZ3-ltxlx5YRTRKY6fNJXSzt5IDEnsExCui54mw/edit?usp=sharing>

CC: Max Gruenberg and Senator Wielechoski (my local legislators)

## Doniece Gott

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**From:** TONJA MCCONNELL <julianmcc95@hotmail.com>  
**Sent:** Thursday, April 11, 2013 4:09 PM  
**To:** Sen. Kevin Meyer  
**Subject:** Opposition to SB90/HB196

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

I am writing to express my strong opposition to SB 90/HB196. Please hold this bill so an actuarial study can be done to ensure that its intent to save money would be actually realized.

SB90/HB196 is an enormous policy change that not only impacts school district employees, but also multiple private companies, boroughs and municipalities.

Please slow down this bill. This legislation needs to be properly vetted to ensure that there are no short and long-term negative consequences.

Sincerely,

Tonja RJ McConnell

TONJA MCCONNELL  
3825 E 67TH AVE  
ANCHORAGE, AK 99507

**Doniece Gott**

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**From:** JOHN STUHLER <jopast@gci.net>  
**Sent:** Thursday, April 11, 2013 3:56 PM  
**To:** Sen. Kevin Meyer  
**Subject:** Opposition to SB90/HB196

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

I am writing to express my strong opposition to SB 90/HB196. Please hold this bill so an actuarial study can be done to ensure that its intent to save money would be actually realized.

SB90/HB196 is an enormous policy change that not only impacts school district employees, but also multiple private companies, boroughs and municipalities.

Please slow down this bill. This legislation needs to be properly vetted to ensure that there are no short and long-term negative consequences.

From what I understand it will cost me more for insurance and thus leave less discretionary income to fuel Alaska's economy.

Sincerely,  
John Stuhler

JOHN STUHLER  
8020 EVANS CIR  
ANCHORAGE, AK 99507

## Doniece Gott

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**From:** Meredith Gant <gant\_meredith@asdk12.org>  
**Sent:** Thursday, April 11, 2013 3:55 PM  
**To:** Sen. Kevin Meyer  
**Subject:** Opposition to SB90/HB196

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Senator Meyer and Representative Lynn,

I am writing to express my strong opposition to SB 90/HB196. Please hold this bill so an actuarial study can be done to ensure that its intent to save money would be actually realized.

SB90/HB196 is an enormous policy change that not only impacts school district employees, but also multiple private companies, boroughs and municipalities.

Please slow down this bill. This legislation needs to be properly vetted to ensure that there are no short and long-term negative consequences.

My husband and I moved back to Alaska due to the great benefits that teachers here have. If this bill were to pass, we would most likely move out of state within a few years. Please do not take this as a jest or an overreaction. Costs in Alaska are already astronomical. If our health costs skyrocket - especially when we are hoping to start a family soon - there there is no way we can afford to live here no matter how much we love it. If you value your teachers, you won't punish us with this bill. Due to the cuts in funding and other changes in Educational legislation the Alaska government is showing it's complete disregard for the well being of it's children. Please change things! Not just this bill, but the funding of our schools. Stop passing bills to give every teacher an iPad (and I hear, every student one soon) and make sure our students have food to eat so they can be ready to learn. Increase funding for after-school programs and yes, I'm even in favor of lengthening the school year.

Sincerely,

Meredith Gant  
Special Education Teacher  
Anchorage School District

Meredith Gant  
10065 William Jones Circle #7  
Anchorage, AK 99515

## Doniece Gott

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**From:** KIMBERLY WEIMANN <kasuun@yahoo.com>  
**Sent:** Thursday, April 11, 2013 3:51 PM  
**To:** Sen. Kevin Meyer  
**Subject:** Opposition to SB90/HB196

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Senator Meyer,

Kim and I are personally asking you not to change our health care benefits. In a sometimes thankless job, good benefits matter. I know SB 90/HB 196 will erode our current plan in many areas.

I am writing to express my strong opposition to SB 90/HB196. Please hold this bill so an actuarial study can be done to ensure that its intent to save money would be actually realized.

SB90/HB196 is an enormous policy change that not only impacts school district employees, but also multiple private companies, boroughs and municipalities.

Please slow down this bill. This legislation needs to be properly vetted to ensure that there are no short and long-term negative consequences.

Sincerely,

Doug and Kim Weimann  
907-441-7738

KIMBERLY WEIMANN  
9135 SAHALEE DR  
ANCHORAGE, AK 99507

## Doniece Gott

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**From:** RENEE HELIE <momhelie@gmail.com>  
**Sent:** Thursday, April 11, 2013 3:37 PM  
**To:** Sen. Kevin Meyer  
**Subject:** Opposition to SB90/HB196

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

I know I expressed my concern previous and that you have acknowledged my thoughts but, I am writing again to express my strong opposition to SB 90/HB196. Please hold this bill so an actuarial study can be done to ensure that its intent to save money would be actually realized.

SB90/HB196 is an enormous policy change that not only impacts school district employees, but also multiple private companies, boroughs and municipalities. I am concerned about the changes for my family and friends.

Please slow down this bill. This legislation needs to be properly vetted to ensure that there are no short and long-term negative consequences.

Sincerely,

Renee Helie  
ASD Educator

RENEE HELIE  
8511 ATKINS PL  
ANCHORAGE, AK 99507

## Doniece Gott

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**From:** Shelby Beck <sbeck@craigschools.com>  
**Sent:** Thursday, April 11, 2013 3:37 PM  
**To:** Sen. Kevin Meyer  
**Subject:** SB 90

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Senator Meyer,

I am writing to express my opposition to SB 90. I am a life-long Alaska resident, a teacher in a rural school. SB 90 makes a proposal that has not been carefully examined.

I am familiar with both the savings our administration (the Craig City School District) has seen through our participation in the NEA-Alaska Health Trust plan. This non-profit program prioritizes maintaining the lowest premiums possible in order to maximize benefits for participating districts. It has lived up to its mission of the "best possible service at the lowest price."

How can it be guaranteed districts will save money through the elimination of the NEA-Alaska Health Trust? Where is the detailed actuarial analysis and the evidence of savings?

This bill will actually increase costs to some districts by up to 40%. (Rob Thomason, superintendent from Petersburg, claimed a \$400,000 savings as the basis for opting out a state sponsored plan and into the NEA-Alaska Health Trust.)

The rushing of this plan without appropriate planning, analysis, and communication with stakeholders is misguided. This leaves no options for employees and removes their ability to collaboratively and productively negotiate with districts for the best healthcare at the best price.

This is a mandate that does not ensure cost savings, but does impinge upon educators' ability to collectively bargain their working conditions and benefits. It will force a large portion of your constituencies into a system of healthcare insurance, possibly at a higher cost to taxpayers. Lawmakers have an obligation to make sure public funds are used in the most responsible way.

Please vote no on SB 90.

Sincerely,  
Shelby Beck