



Retired Public Employees of Alaska, APEA/AFT

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March 12, 2012

Rep. Bob Lynn

Rep. Kurt Olson

Alaska State Legislature

120 4th Street, State Capitol, Room 3

Juneau, AK 99801-1182

Dear Representatives Lynn and Olson,

The Retired Public Employees of Alaska (RPEA) is gratified to offer its support for your draft bill, HB 275, to require that retiree medical insurance coverage include colorectal screening and colonoscopies. In fact, providing this coverage has been a major objective of RPEA for several years. We hope that the Alaska legislature will seize this opportunity to offer coverage that makes sense for both retirees and the State. The bill will also encourage the use of generic prescription drugs, a goal that RPEA has pursued among its members for many years in our continuing efforts to reduce the cost of retiree health care.

Some of our members are concerned with the mechanism to trade-off the cost of colonoscopies against the savings from increased use of generic drugs. While we applaud the effort to increase both health concepts, the dollar values resulting will have an uncertain impact on our members. Accordingly, we hope that the final version of HB 275 will incorporate a sunset provision of five years in order to ensure a future review of the results it has produced.

Buck Consultants in their letter of November 29, 2007, reported on their effort to estimate return-on-investment (ROI) for adding colonoscopy coverage to the retiree plan. That letter concluded, in part, "...we believe an explicit colon screening diagnostic provision in the retiree plan will prove financially positive over time (p.4)."

As long ago as August 29, 2005, the American Cancer Society, Alaska Office, wrote to then Commissioner of Administration Ray Matiashowski reporting the results of a study by the Lewin Group, a nationally recognized health policy consulting firm located in Washington, D.C. Based on the results of that study the Society reported "Our final conclusion is that there is no economic reason for insurance plans not to offer the full range of colorectal cancer screenings and there are tremendous life-saving benefits for doing so."

The Congress has included in the Affordable Care Act of 2010 coverage for colorectal cancer screenings. For State retirees covered by Medicare, such screenings are a major step forward in the effort to combat this disease. Retirees under 65 years of age, covered only by the State medical plan, are left to combat this threat at their own expense, an inconsistency that we find difficult to understand.



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While the Buck analysis is useful in supporting the goals of HB 275, it is merely a statistical and financial document. It does not include any consideration for the number of our fellow retirees (among whom will eventually be included all current members of the Alaska State Legislature) who will contract colorectal cancer and whose prospects for survival will be vastly enhanced if that cancer can be detected early. While the financial rationale for HB 275 should be enough to draw the support for the bill, I hope that the legislature will not overlook the important humanitarian dimension of a condition which all of us may face at some time.

RPEA is proud to have the opportunity to endorse HB 275.

Sincerely,

R.J. Doll

President

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