

Opposition to SB 93

The Public Employees Local 71 Trust Fund (the Trust) is cognizant of the many challenges health plans in the State of Alaska face in ensuring that their limited resources are spent providing quality health benefits for their participants. Self-insured plans which are the subject of labor negotiations have a pre-determined revenue stream for the term of the labor agreement. Budgeting additional administrative costs which were not anticipated in the bargained contribution rate can only result in either deficit spending, a reduction in benefits payable to participants in the plan, or an increase in out-of-pocket expenses to plan participants. As such, the Trust cannot support voluntary participation in the claims data gathering process as anticipated by SB 93.

Voluntary participation of plans such as the Trust is the only mechanism by which the State can meet the 68% of claims data capture goal to make the program viable; however, the State has failed to demonstrate any clear cost containment or return on investment to plans that voluntarily provide claims data for inclusion in the APCD. Put bluntly, there is no demonstration of any bang for the buck if a plan voluntarily participates.

The State already has a significant volume of claims data with their own non-bargained plan, retiree plan, and Medicaid data that hasn't helped them to inform or prescribe effective health care public policy. Although there is Federal money available to begin the APCD, we believe the State has provided inadequate estimates of how it would fund the implementation and continued operation of the APCD over and above the federal funds it will receive to set up such a program. Data security is also a huge concern, as evidenced by the recent breach of the State's voter information. As such, a plan could divert funds away from providing benefits to administer the provision of the claims data, only to have the program fail for lack of voluntary participation or continued State funding.

For these reasons, the Public Employees Local 71 Trust Fund opposes SB 93.

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Jordan A. Adams, Trust Chairman