

# NEA-Alaska/Retired

Spring 2014 • Volume XXVIII No. 2

## Delegate Assembly 2014

NEA President Dennis Van Roekel was the keynote speaker on Friday, January 31. He said that people who are espousing vouchers and privatization are going back to the days when only the rich and privileged were entitled to an education. There is no other organization that can direct the groundswell that has come from the end of No Child Left Behind better than the NEA. Hopefully, we will be able to refine the Common Core standards – if it is worth doing, it is worth doing right. The purpose of assessments is to learn how our students are doing. You cannot assess the new standards with a bubble test. How do we use the results?



*Two of Our Fabulous Delegates*

Mark Begich also spoke to our delegation and reaffirmed his commitment to education. As you know, educators and education are under attack in the nation, as well as our own state. We must remain vigilant and do all that we can to gain support for our positions. This would entail reaching out to parents and community members whenever and wherever we can.

We are still hoping that GPO/WEP can be repealed so that our retirement will be more secure. I am sure that will still be an important issue at RA this coming summer. We also must determine how this legislation affects those folks in Tier II and Tier III. Another big concern is the unfunded liability in our retirement systems, PERS and TRS. We need to insure that the state's retirement obligations are met as described in Alaska's constitution.

We had a great group at DA this year. I served on the Editing Committee again so was unable to be there for all the floor action. However, because of that position, I was able to read (and often reread) all the NBIs as they came through.

Keep up the good fight and let us know if there are any issues we can help you resolve or if you need additional information.

— *Barbara Stek*

We want to take good ideas and get them to everyone who will listen. Dennis's three favorite words: audacity – go for it, there are no limits; courage – the ability to act in spite of your fears or misgivings; and power – the ability to act, to influence, to make a difference.

“Those who can, teach; those who cannot find a less significant line of work.”



*Dennis Van Roekel*

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# President's Message

## aka Bob's Blurp



First, I want to thank everyone who is engaged in protecting our pension and medical benefits and working to improve our line of communication with members, and those recruiting new members so we can strengthen our organization for the future. We need a strong, actively engaged membership to tackle the challenges thrown our way during our "Golden Years."

These challenges come from outside and inside Alaska through organizations and politicians attempting

to privatize education through vouchers (HJR 1/SJR 9 – Constitutional Amendment), advocating the use of tax credits to direct public school funding to private and/or religious schools or private businesses (SB 89/92/100), and considering allowing for privately run charter schools (HB 93).

Other bills in the Legislature are being heard that attack unions and public education and would lengthen the time to acquire tenure another two years (HB 162) and force all school employees into the state employee health plan (SB 90/HB 196).

We are also seeing an attempt to rollback pension benefits for current and future retirees **through administrative directives**.

In former Commissioner of Administration Becky Hultberg's November resignation letter to Governor Parnell, she stated in three of her five points:

***"Working in the public sector is both uniquely challenging and deeply rewarding, because decisions made now have a significant impact on the lives of Alaskans today and on the future of Alaskans tomorrow..."***

During my tenure, I have had the opportunity to lead a talented, professional team. Together, we have made progress on:

- Reducing the rate of growth of state government operating costs through implementation of space standards and the negotiation of more fiscally sustainable collective bargaining agreements;
- Actively participating in the stakeholder conversations about managing the state's pension and health liabilities; and
- Putting our state active employee and retiree health plans on a path to sustainability..."

Former Commissioner Hultberg followed her directives regarding unions and our pension benefit's health plans. Now we are experiencing the fallout as a result of administrative action.

Considering all of the emails I have received since AlaskaCare contracted Aetna, I cannot imagine any education employee wanting to participate in a state employee health plan, a.k.a. AlaskaCare. Members are very concerned about the changes to the medical, dental, and vision benefits they have experienced since January 1. Emails I receive from members express concerns

Editor: Barbara Stek

*This newsletter is the official publication of NEA-Alaska/Retired, printed four times a year: September, December, February, and May. Retired members are encouraged to submit articles, as well as voice comments and concerns. Articles should be sent in Word via email to bwstekak@yahoo.com no later than the 1st of the publication month.*

*"President's Message" Cont.*

about getting accurate information from Aetna representatives when they call, problems with prescription refills, increased pre-certification requirements when using an out-of-network provider and increased penalties, and changes to the dental plan, as well as the reduced reimbursement amount in all areas of our plan.

Our Health Committee, chaired by Rod McCoy, has been working diligently with the Retired Public Employee Association's Medical Committee on these issues. We have had conversations with the State's administration representatives regarding these concerns and have forwarded emails we receive to their office. Michele Michaud is the Vendor Manager for the Division of Retirement and Benefits. One of Michele's duties is to investigate any issues that arise with the transition to Aetna.

Please let Michele know if you have concerns with your plan benefits. She can be contacted at her email address: [michele.michaud@alaska.gov](mailto:michele.michaud@alaska.gov). Her phone numbers are (907) 465-3225 or 1-800-821-2251.

If you are willing to share any concerns with us, we invite you to include us in the email at [nea.alaska.retired@gmail.com](mailto:nea.alaska.retired@gmail.com). We need all information available as we tackle issues related to our health plan.

We all need to work together and be engaged as we protect our retirement. Our NEA-Alaska leadership has many current issues with which to deal so our resources are stretched. **We need you** to contact legislators regarding the attacks on public education and on the administrative attack on our pension benefits.

## NEA-Alaska Board Meeting

### January 29-30, 2014

The NEA-Alaska Board of Directors met January 29-30, 2014, at the Hotel Captain Cook prior to the NEA-Alaska 58th Delegate Assembly.

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#### Motions and recommendations made by the board:

- Accepted and filed the audit ending the fiscal year August 31, 2013.
- Moved to continue participation in the Educators Employment Liability Insurance program: Early Enrollment Membership Incentive Plan.
- Received report from the CFO of the Public Education Health Trust concerning the status of the health trust and an update on SB 90.
- Approved board policy changes related to Delegate Assembly printing and publishing.
- Approved an award for the NEA-Alaska Retired local for diligent monitoring of retired health insurance changes.
- Approved a donation of \$1000 to *Alaskans for a Fair Minimum Wage* campaign.
- Approved the adoption of the NEA-Alaska Nomination Form for folks who would like to attend varied conferences throughout the year which would be paid by NEA or NEA-Alaska..
- These names were put forward for ARM board nomination: Gayle Harbo, Bob Williams, Rod McCoy, and Ron Fuhrer.

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**Legislative Review Committee appointments from the retired caucus for DA 2014 were:** Dave Schwantes, Rod McCoy, and Karen Eddy.

#### New NEA-Alaska employees were introduced:

Communications Manager – Nance Larsen,  
Government Relations/Community Outreach Director – Charles Boyle,  
and Uniserv Program Director – Zachary Mannix.

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The next NEA-Alaska Board meeting will be March 24-25, 2014, in Juneau. On March 22, 2014, there will be an NEA-Alaska PACE meeting at the Anchorage office.

Respectfully submitted by NEA-Alaska Region R Directors.

Susan Stitham

Gayle Harbo

Nancy Allen



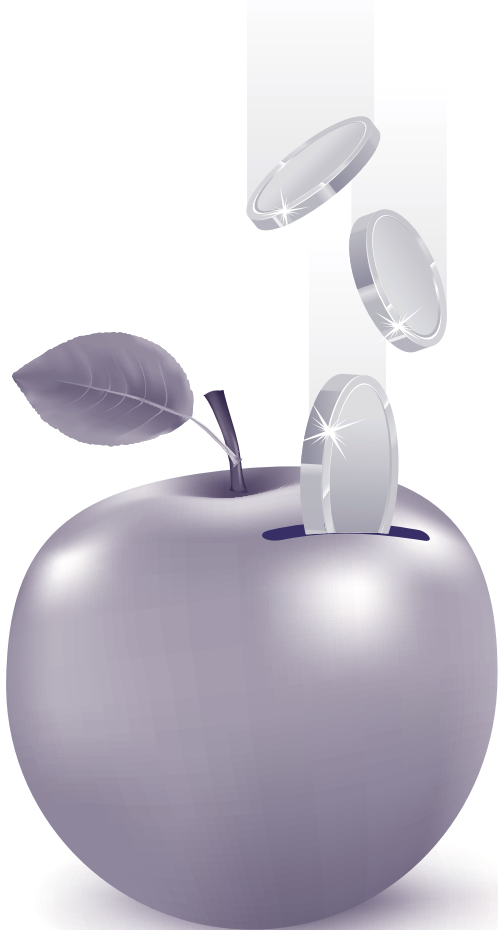
## Alaska Retirement Management Board Report



The Alaska Retirement Management Board met in Juneau, February 6 and 7, following meetings of the Audit and Legislative Committees on February 5th. Two new trustees, Commissioner Angela Rodell, Revenue, and Commissioner Curt Thayer, Administration, joined the Board at this

meeting, replacing Commissioners Butcher and Hultberg who resigned late last year.

The total dollars in all funds is almost 25 billion, twenty billion of this is in the PERS and TRS Direct Benefit pension and health trusts. The funds had interest earnings of just over 11% for the first 6 months of FY'14. The asset allocation of the ARM Board directs less money, only 16%, to fixed income than to other public funds. Since the DB funds are closed and benefit payments need to be paid long after the last DB employee has retired, the Board is constantly aware of the need for liquidity and to monitor risk. Private Equity and Real Assets are two of the best performing asset classes and also the least liquid.



Member statistics for the Direct Contribution pension funds are disconcerting. *In the first two quarters of the fiscal year, 1044 PERS and TRS employees terminated and took all their money out of the funds, a total of almost 16 million dollars in 6 months.* This is alarming since for all of FY'13 the total amount withdrawn was 23 million. When this was pointed out, Deputy Commissioner Barnhill said the Division of Retirement and Benefits intends to provide better financial counseling to DC employees.

In light of Governor Parnell's proposal to take 3 billion dollars from the Constitutional Budget Reserve (CBR), deposit it in the funds, and then cap the annual state assistance to 500 million a year until 2035, the presentation by Commissioner Angela Rodell on the CBR and the Statutory Budget Reserve (SBR) was timely. The CBR, established in 1990, has a total of 12 billion dollars and requires a  $\frac{3}{4}$  affirmative vote of members of each house of the legislature to access the money. The SBR, less than 5 billion, needs only a simple majority to access funds. If the money is put in the pension and health trust funds, it would earn interest at a much higher rate than the CBR because more money would be invested in equities.

The second day of meetings focused on the Governor's proposal with a presentation by the actuary, Buck, comparing the current funding status and how it would change with the infusion of 3 billion dollars in FY'15. The proposal would save the state between \$266 - \$706 million between 2016 and 2036 and would immediately increase the funding ratio of each system by 10 points, PERS to 73% and TRS to 63%. Contributing \$500 million each year would also give more certainty to the planning of future budgets.

In other action the Board modified the CIO's discretionary investment authority for Real Asset and Private Equity funds, approved the investment of up to 100 million dollars with Everest Capital, a Frontier Market firm, approved the issuance of an RFP for the general investment consultant, and will advertise for applicants for the Investment Advisory Committee position for the academic seat held currently by Dr. Bill Jennings (since 2003), a professor at the Air Force Academy.

The next meeting of the ARM Board is April 24 and 25 in Anchorage. Minutes for previous meetings, agendas, and meeting dates may be found on the Department of Revenue web site at [Alaska.gov](http://Alaska.gov).

— Gayle Harbo

## Only at Delegate Assembly

Don Oberg and I were at the table the last hour. Some unknown young teacher walks by looking at us and says, “Nice to get a good look at you guys. Who knows if you will be back here next year!” Oh my gosh. The things these children say sometimes!!

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***“My mom does not want a picture of me; she wants one of Hank!”***

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On another note, US Senator Mark Begich walks up while I am talking with Hank Harrison in the hall. Mark greets Hank and then says, “I want your picture to send to my mom.” Suzanne Fleek suggests Mark get in the picture. Mark smiles and says, “My mom does not want a picture of me; she wants one of Hank!” Anchorage was much the smaller town years ago it seems, I noted. This is our Mark Begich, wanting a picture of an old teacher friend for his mom, with no emphasis on himself.

— Rod McCoy



## Election Time

The following retired members were running for positions on our NEA-Alaska/Retired Board:

- President: Rich Kronberg
- Vice President: Bob Deitrick
- Secretary: Barbara Stek
- At-large Board: Karla Gallagher, Mary Bohanan, Kristina Tornqvist

Marilyn Pillifant's name was submitted as our new representative on the PACE committee.

The following people were running for one of two positions at the Annual NEA Retired Meeting and Representative Assembly this summer:

- Steve Click
- Susan Stitham
- Cindy Aillaud
- Barbara Stek

I certainly hope you had the opportunity to cast your ballot. Results should be certified toward the end of March and will be posted on our website.

## Many Thanks!

Once again we have to give a special shout-out to David Schwantes for offering \$50 in a drawing for every five (5) new NEA-Alaska pre-retired members. Poor David! We had 23 educators sign up at Delegate Assembly! There was also a \$50 gift card (donated by Mary Bohanan) drawing for a previously pre-retired member who brought someone to our table to join. Lisa Johnson from Anchorage won that. Thanks, too, to Mary Bohanan and Steve Click for organizing our fabulous retired table which was staffed by our retired delegates throughout DA.



*David with the four winners holding their loot – Jill Frankford, Jenn Haugh, Tamara Jones, and Karen Sherman-Newsome*

## Our New AlaskaCare Administrators: Aetna and Moda Health

**Aetna call-in number: 855-784-8646 • Moda (Delta) Dental: 855-718-1768**

We have received numerous calls and email messages from retired members expressing concerns regarding the AlaskaCare plan. Based on their information, here are some worrisome areas with our new third-party administrator.

**When you call in:** Sometimes they have representatives who are not well informed about AlaskaCare, or the company is not fully updated with retiree information. You can ask to check the facts with a supervisor. Write down the name of the person with whom you are talking and the time of day in the event there is a need for follow-up from Retirement and Benefits. Everyone's goal is to help Aetna improve its service. Members have reported good conversations when connected with a knowledgeable representative.

**Precertification:** Many more medical procedures require precertification and there is a **\$400 penalty** if one fails to get a precertification. If you are having non-emergency surgery, it is a good idea to call and check to be sure the procedure was precertified. Physicians may not know how to guide you as these rules are new. According to the Transition Guide newsletter we received, **if you receive services from an out-of-network provider, then you become responsible for obtaining the precertification.**

**Clinical Policy Bulletins (CPB):** These are treatment policies created by Aetna that define procedures they will fund and those they will not. If something is not regarded as best practice or can be accomplished by less expensive means, the policies will direct your doctor. We are unsure just how this CPB implementation will affect us. It could be positive by avoiding unnecessary or even harmful medical procedures. It does at least seem like Aetna will be sitting with you and your doctor as decisions about care are being discussed. Please let us know about your experiences with CPBs.

**Appeals Process:** In the past, appeals would eventually be heard by the Retirement and Benefits state office. Now Retirement and Benefits will no longer be part of the appeals process. All the appeals go through different levels at Aetna with only a final review with the Office



of Administrative Hearings. We believe: The state...as the entity that is legally in charge of AlaskaCare...cannot absolve themselves of oversight for the implementation of the health plan by turning appeals over to Aetna. We will be monitoring this appeals process. In the past, 40% of appeals were ruled in our members' favor.

**Generic Drugs:** There will be more emphasis upon the use of generic drugs, using the least costly before using the more costly drug.

**Mail Order Prescriptions:** WalMart will process our mail order prescriptions. Prescriptions that have additional refills may be transferred over, but if you need new prescriptions they will not be transferred. When you need new prescriptions, have your doctor fax those in or call Aetna and tell them your doctor and your needs.

**Recognized Charge Definition:** In Section 3.2.6 of the Draft Retiree AlaskaCare Health Plan booklet, the Recognized Charge is defined as the charge contained in an agreement Aetna has with a **network provider**. If you use an **out-of-network provider, the covered expense** is the part of the charge which is the **recognized charge**. If you use an **out-of-network provider** and the charge exceeds the **recognized charge**, the amount above the **recognized charge** is not covered by the **medical plan**, and is your responsibility to pay. You are not responsible for charges exceeding the **recognized charge** when you use a **network provider**.

**Get In-Network Rates:** If there are no in-network providers, such as cardiologists in your area, call Aetna and ask for in-network rates. You can, in some circumstances, significantly lower your costs. Providers, for some reason, cannot guide you to call for the greater coverage. If you are on Medicare, you should be already getting the best rate.

*The following information is for those who have purchased the Audio, Dental, and Visual optional plans.*

**Dental Insurance:** This has changed significantly. For example, the number of cleanings allowed per year went



*“Our New AlaskaCare...” Cont.*

from unrestricted to 2 times per year with three exceptions: for those with diabetes or periodontal disease or those who are pregnant in their third trimester. AlaskaCare may allow more times per year for those with proven periodontal need, but this is not yet clearly established. Everyone else will be limited to 2 cleanings per year regardless of need. We have heard that the full six months period will be enforced, not one day earlier. Many more limitations are placed upon the number of dental x-rays and most procedures. Call Moda and check ahead of time so you will know what to expect in coverage.

The insurance plan no longer uses Usual and Customary Rates (UCR) but the rates that Moda Health uses for preferred providers, known as the Recognized Charge. These rates may be similar and we will know more as we gather information from members. A dentist that is not a preferred Moda provider may receive payments that are 5% less than those allowable for preferred providers. Members will be required to make up the difference between your dentist's rate and the amount Moda provides. We do not understand these big diminishments; the Dental/Vision/Audio plan was solvent and working well prior to these changes.

This information is deemed correct, but we are just beginning to understand these new third-party administrators and their plan adoptions as directed by Alaska's Department of Administration/AlaskaCare.

NEA-Alaska/Retired Health Committee

— Rod McCoy, Chair  
rodmc coy123@gmail.com

## Spotlight On...

### Karen Eddy



Karen Ivers Eddy was born in Albany, Oregon. She was raised on a small farm, the oldest of 5 siblings. Her elementary school had two rooms. For three years in high school, Karen was home schooled.

Karen attended the University of Oregon and the University of Alaska, majoring in education with a minor in history. She moved to Fairbanks in January 1970. She met her husband to be, Jim, while he was visiting her roomie at U of O and married him in June 1970.

Karen worked in an elementary school office as a clerk and in the library. She was one of the first presidents of CPO - Classified Personnel Organization - the precursor to Education Support Staff Association (ESSA).

Karen and Jim have two children – a girl and a boy. She decided to be a stay-at-home mom for about 10 years. She was active in the organization, Alaska Homemakers, where she taught classes and was chosen Homemaker of the Year.

Eventually returning to work at the public library, Karen drove the bookmobile to remote sites. She was active in APEA, serving on committees such as health and bargaining. Another honor was bestowed on Karen as she was named Employee of the Month. During these same years her daughter fought and beat leukemia, which gave a very different perspective on the value of time and life.

In 1991, Karen transferred back to the Fairbanks (FNSB) school district and was immediately active in ESSA. Over the years, she was chair of the Rights Committee, served on the bargaining team, participated in DA and RA, held various offices, served on the District Health Committee, and was a member of the NEA-Alaska Board of Directors. Karen was runner-up for ESP of the Year.

Karen retired in 2004 and has become active in NEA-Alaska/Retired. She has taken up knitting once again and is even selling her extra warm mittens along with patterns. Reading is another hobby. Karen enjoys the “Stephanie Plum” books, as well as mysteries and histories.

Karen and Jim own a mobile home in Tucson where they reside part-time. As he has done to homes in the past, Jim is remodeling this one too. (Karen says that she pretty much lived in sawdust her whole married life). Karen has started a craft group in Tucson and participates in different bazaars selling her knitted and other craft items. She has also been active in her church, serving on a national board.

She travels often to see her kids and 5 grandchildren who are living in Arizona and Texas. Karen is definitely enjoying her retirement!

— Barbara Stek

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**Keep checking your emails, the retired website,  
or our Facebook page for health care updates!**

## This & That

### Long Term Care Ombudsman

The State of Alaska has a web site for a Long Term Care Ombudsman. The Ombudsman protects the rights of seniors. The public can submit complaints to the web site: [www.akoltco.org](http://www.akoltco.org).

### More or Less?

The web site [www.huntersalley.com](http://www.huntersalley.com) offers great vintage and pre-owned finds at more than 50% off, while [www.reuseitnetwork.org](http://www.reuseitnetwork.org) matches up people who need some things with people who are happy to part with them. What could be better!

### Calorie Counting

If you are concerned about losing weight, some advise to count only those calories from sugar, remembering that carbohydrates break down in our bodies just like sugar. Using the total number of carbs on the nutritional label, multiply by four (4) and you will have the calorie count (1 sugar carb gram = 4 calories.)



## Calendar of Events

### March

- 7 NEA-Alaska/Retired Voting Closes
- 23 PACE Meeting
- 24-25 NEA-Alaska Board Meeting, Juneau
- 25-27 NEA-Retired Leaders Conference, Houston, TX

### April

- 11-13. NEA-AK Leadership Academy
- We will need a membership table.

### May

- District retiree contacts follow-up
- Newsletter submissions due

### June

- NEA-Alaska/Retired Board Meeting
- Date TBD
- 28-30 NEA-Retired Annual Meeting, Denver

### July

- 1-6 NEA Representative Assembly, Denver
- 15 NEA-Retired Grant Evaluations due