

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: HB 21
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB021-DOA-DRB-3-10-23
Title: SCHOOL/UNIVERSITY EMPLOYEE HEALTH
INSUR
Sponsor: VANCE
Requester: (H) EDC

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Health Plans Administration
OMB Component Number: 2152

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2024 Appropriation Requested | Included in Governor's FY2024 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|
| OPERATING EXPENDITURES | FY 2024 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Personal Services | 155.9 | | 311.7 | 311.7 | 311.7 | 311.7 | 311.7 |
| Travel | | | | | | | |
| Services | 63.9 | | 39.4 | 14.4 | 14.4 | 14.4 | 14.4 |
| Commodities | 22.5 | | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 242.3 | 0.0 | 352.6 | 327.6 | 327.6 | 327.6 | 327.6 |

Fund Source (Operating Only)

| | | | | | | | |
|------------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1017 Group Ben (Other) | 242.3 | | 352.6 | 327.6 | 327.6 | 327.6 | 327.6 |
| Total | 242.3 | 0.0 | 352.6 | 327.6 | 327.6 | 327.6 | 327.6 |

Positions

| | | | | | | | |
|-----------|-----|--|--|--|--|--|--|
| Full-time | 3.0 | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/24

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Approved By: Leslie Isaacs, Administrative Services Director
Agency: Department of Administration
Phone: (907)465-3143
Date: 03/10/2023
Date: 03/10/2023

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. HB 21

Analysis

This fiscal note details the anticipated Division of Retirement & Benefits (Division) operational fiscal impacts associated with this bill. The Division also anticipates a fiscal impact to claim and program costs for the AlaskaCare employee plan, however that impact requires an actuarial analysis and will be discussed in a separate fiscal note.

This bill would enable governmental units (school districts, municipalities, the University of Alaska, other political subdivisions, and the North Pacific Fishery Management Council) to join in self-insured group health insurance plans administered by the Department of Administration for State employees. This type of health coverage is currently provided to State employees through the AlaskaCare health plans.

The Division will require three permanent employees, two Retirement and Benefits Technician 2 positions and one Retirement and Benefits Specialist 2 (personal services) plus computer, phone, cubicle, supplies (commodities) to provide billing and accounts-receivable support services to manage enrollment, eligibility, and employee premium and employer contribution payments from participating governmental units. These positions should begin in mid FY2024.

The Division will incur costs related to required system coding changes (both internal Division systems and third-party contracted partners), contracted actuarial consultants, and support from the Department of Law for legal and regulatory review (services). These costs are anticipated to largely accrue during the first two fiscal years, however some consulting services will be ongoing.

The Department would need to promulgate regulations as a result of the passage of this bill. These regulations should be in place by the effective date of the bill (July 1, 2024), as they will articulate the process and protocol for governmental units seeking to join the AlaskaCare employee health plan.