

Alaska State Legislature

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Sponsor Statement

HB 39

HB 39 requires the Commissioner of the Department of Administration to implement procedures for decreasing the incidence of disease in Alaska in order to hold the inflation of healthcare costs of active and retired Alaska state employees to 2% per year.

According to the Institute of Social and Economic Research, total health care spending in Alaska topped \$7.5 billion in Alaska in 2010, with state government employers paying over \$1.6 billion. A major component of our \$12 billion unfunded pension liability is retiree healthcare costs. HB 39 requires the Commissioner of Administration to put in place programs that will decrease the incidence of disease in State of Alaska employees, both current and retired, in order to hold the inflation of costs to 2% per year.

This bill focuses on preventing the incidence of disease as opposed to merely treating disease. Prevention of disease is the policy approach unanimously requested of the Governor by the legislature through HCR 5 in 2011. This is an area of healthcare where the most economic impact can be achieved. For instance, recent studies show that an action as simple as taking a daily supplement of 5,000 IU of vitamin D can dramatically reduce the risk of heart disease, diabetes, cancer, autism, gingivitis, and many other conditions.

HB 39 creates an Advisory Committee on Wellness which is charged with making recommendations to the Commissioner of Administration on ways to decrease the incidence of disease in Alaska. HB 39 will enforce a paradigm shift for the Department of Administration and the Department of Health and Social Services. It will require the agencies to implement policies to keep Alaska state employees healthy by preventing disease, rather than the common, reactive policy of waiting until people get sick and then treating them.