



Sectional Analysis

HB 21 School/University Employee Health Insurance

“An act relating to group insurance coverage and self-insurance coverage for school district employees, employees of the University of Alaska, and employees of other governmental units in the state; and providing for an effective date.”

Section 1. Adds to powers of regional school boards the power to establish and maintain school district participation in a policy of group insurance, selected by the State of Alaska, that provides medical insurance.

Section 2. Adds to the duties of a regional school board the duty, when the board’s school district participates in a policy of group insurance elected by the State of Alaska that provides medical insurance, to determine and disperse to district employees and administrative officers the amounts necessary to cover the district's portion of the cost of that participation.

Section 3. Allows the Commissioner of Administration to expend from the public education fund (AS 14.17.300) to the group health and life benefits fund (AS 39.30.095) a total of \$100,000,000 or less as needed to pay claims submitted by school district employees who are covered by a policy of self-insurance provided by the state; and, requires the Commissioner of Administration to repay the public education fund, over a period of 10 years, the full amount of the commissioner’s expenditures from the public education fund.

Section 4. (a) Allows school districts to participate in a policy of insurance that provides medical insurance coverage to state employees and to school district employees. (b) Requires participating school districts to contribute to the group health and life benefits fund (AS 39.30.095) based on rates set by the commissioner of administration. (c) Requires participating school districts to reimburse the state for procuring excess loss insurance if the state provides insurance benefits to school district employees under a policy of self-insurance. (d) Requires participating school districts to reimburse, over a period not to exceed 10 years, the department of administration's cost of paying insurance claims by school district employees for the first four months school district employees are covered by a policy of self-insurance provided by the state of Alaska. (e) Allows a participating school district to require its employees to pay some or all of the money that this bill section would require the school district to pay to the state. (f) Defines “school employee” and “school employer” for purposes of the bill section.

Section 5. Allows the Board of Regents of the University of Alaska to establish and maintain university participation in a policy of group insurance, selected by the State of Alaska, that provides medical insurance for university employees.

Section 6. Clarifies that when an employee of a participating governmental unit is covered by a group insurance policy obtained by the Department of Administration the employee spouse and dependent children are also covered.

Section 7. Adds to the University of Alaska to the definition of governmental unit applicable to section 6 of the bill.

Section 8. Add the definition of school district to AS 39.30.090, which is amended by section 6 and 7 of the bill.

Section 9. Authorizes the Department of Administration to provide group medical care insurance coverage to school district employees and employees of other governmental unit by means of self-insurance.

Section 10. Requires the Department of Administration to procure excess loss insurance in connection with providing group medical insurance coverage to employees of governmental units other than the state, and allows the department to allocate the cost with the excess loss insurance across all of those governmental units.

Section 11. Make sections 1- 8 and section 10 of the bill applicable to collective bargaining agreements and other contracts that become legally binding on or after the effective date of those bill sections.

Section 12. Require certain self-insured school districts to transfer the closing balance of their self-funded insurance reserve account soon after they enroll in a health care plan administered by the state, and requires that when transferred by a school district these amounts will be applied to offset reimbursements owed by that school district under AS 14.20.127(d), a provision proposed in section 4 the bill.

Section 13. Authorizes the commissioner of administration to adopt regulations necessary to implement the changes made by the bill, to take effect on or after the effective date of the changes made by the bill.

Section 14. Make sections 12 and 13 of the bill effective immediately, subject to the restrictions set forth in those bill sections.

Section 15. Makes the bill's provisions effective date July 1, 2024, except as provided in bill section 14.