

SENATE BILL NO. 167

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATORS DUNCAN, Ellis

Introduced: 4/10/97

Referred: HESS, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Group Health Care Purchasing Task Force; and providing
2 for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1. FINDINGS.** The legislature finds that

5 (1) many residents of the state are not covered by a group health insurance
6 plan, do not qualify for public assistance programs, and cannot afford to pay individual health
7 insurance premiums; a vast majority of the uninsured are either employed or are dependents
8 of employed state residents;

9 (2) many state residents do not receive necessary health care services due to
10 exclusions and limitations in their health insurance policies;

11 (3) the health insurance coverage for many state residents does not cover costly
12 illnesses or injuries causing catastrophic financial consequences to them and their families;

13 (4) it would enhance the ability of Alaska businesses to remain competitive if
14 they had better access to affordable group health care coverage for their employees;

1 (5) expansion of the existing state group health plan pool may result in
2 substantial cost savings to the state;

3 (6) securing joint direct health care purchasing agreements with health care
4 providers could result in health care cost savings that could be passed on to pool participants.

5 * **Sec. 2. PURPOSE.** It is the purpose of this Act to study the possibility of

6 (1) providing comprehensive group health coverage to as many residents of the
7 state as possible and to do so in a cost-effective manner by pooling such groups under a state
8 group health insurance plan or plans;

9 (2) expanding the existing state group health plan pool in a manner that does
10 not affect the existing collective bargaining process between the state and employee unions
11 and only after the state has determined that pooling groups will result in cost savings to the
12 state.

13 * **Sec. 3. GROUP HEALTH CARE PURCHASING TASK FORCE.** (a) The Group
14 Health Care Purchasing Task Force is created in the Department of Administration. The task
15 force is composed of three individuals consisting of the commissioner of administration, the
16 commissioner of health and social services, and the commissioner of commerce and economic
17 development. As a nonvoting technical advisory committee to assist the task force, the
18 governor shall also assign one representative each from the division of insurance, the division
19 of retirement and benefits, and the Office of the Governor; and the presiding officer of each
20 house of the legislature shall assign a member from that house.

21 (b) The task force shall select a chair from among the members of the task force.

22 * **Sec. 4. DUTIES OF THE TASK FORCE.** The task force shall

23 (1) determine ways to establish group health plan pools, to provide coordinated
24 group health care purchasing to residents of the state, and to administer the pooled group
25 health coverage;

26 (2) consider adding certain groups to the state group health plan pool on an
27 orderly and gradual basis; groups that shall be considered include

28 (A) municipalities;

29 (B) school districts;

30 (C) employers;

31 (D) the University of Alaska;

- 1 (E) persons who are committed to the custody of the state;
2 (F) Medicaid enrollees; and
3 (G) residents who are uninsured;

4 (3) discover any processes where the state can pass along the economies of
5 scale it realizes as a large purchaser of health care services to the other participants of the
6 proposed pool.

7 * **Sec. 5.** REPORT. The task force shall, before January 31, 1998, provide a final report
8 to the legislature and the governor that recommends a program for providing pooled state
9 group health plan purchasing to residents of the state, including recommendations for
10 implementing the program in an expeditious, orderly manner.

11 * **Sec. 6.** This Act is repealed January 31, 1998.

12 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).