

HOUSE BILL NO. 483

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES WILSON, Cissna, Dyson

Introduced: 2/19/02

Referred: State Affairs, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing state procurement of group insurance for employees of child care**
2 **facilities, entities licensed as residential child care facilities, child placement agencies,**
3 **foster homes, and maternity houses, and certain adult residential and day services**
4 **providers, and for employees of certain nonprofit entities; repealing a provision of the**
5 **state group insurance procurement law relating to payment of dividends and clarifying**
6 **a provision of that law relating to part-time employees; authorizing the commissioner of**
7 **administration to adopt regulations regarding state procurement of group insurance;**
8 **and providing for an effective date."**

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

10 *** Section 1.** AS 39.30.090(a) is amended to read:

11 (a) The Department of Administration may obtain a policy or policies of group
12 insurance covering state employees, persons entitled to coverage under AS 14.25.168,

1 AS 22.25.090, AS 39.35.535 or former AS 39.37.145, employees of other
 2 participating governmental units, [OR] persons entitled to coverage under
 3 AS 23.15.136, **or employees of special services organizations**, subject to the
 4 following conditions:

5 (1) A group insurance policy **must** [SHALL] provide one or more of
 6 the following benefits: life insurance, accidental death and dismemberment insurance,
 7 weekly indemnity insurance, hospital expense insurance, surgical expense insurance,
 8 dental expense insurance, audiovisual insurance, or other medical care insurance.

9 (2) Each eligible employee of the state, the spouse and the unmarried
 10 children chiefly dependent on the eligible employee for support, and each eligible
 11 employee of another participating governmental unit **or of a special services**
 12 **organization** shall be covered by the group policy, unless exempt under regulations
 13 adopted by the commissioner of administration.

14 (3) A governmental unit **or a special services organization** may
 15 participate under a group policy if

16 (A) **for a governmental unit**, its governing body adopts a
 17 resolution authorizing participation, and payment of required premiums;

18 (B) **for a special services organization**

19 **(i) that is not a sole proprietorship or solely owned**
 20 **corporation, its governing body adopts a resolution authorizing**
 21 **participation and accepting responsibility for payment of**
 22 **premiums;**

23 **(ii) that is a sole proprietorship or solely owned**
 24 **corporation, the sole proprietor or sole shareholder signs a**
 25 **statement requesting participation and accepting responsibility for**
 26 **payment of premiums;**

27 (C) a certified copy of the resolution, **or the original of the**
 28 **statement, as appropriate**, is filed with the Department of Administration;
 29 and

30 (D) [(C)] the commissioner of administration approves the
 31 participation in writing.

1 (4) In procuring a policy of group health or group life insurance as
2 provided under this section or excess loss insurance as provided in AS 39.30.091, the
3 Department of Administration shall comply with the dual choice requirements of
4 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
5 transact business in the state under AS 21.09, a hospital or medical service corporation
6 authorized to transact business in this state under AS 21.87, or a health maintenance
7 organization authorized to operate in this state under AS 21.86. An excess loss
8 insurance policy may be obtained from a life or health insurer authorized to transact
9 business in this state under AS 21.09 or from a hospital or medical service corporation
10 authorized to transact business in this state under AS 21.87.

11 (5) The Department of Administration shall make available bid
12 specifications for desired insurance benefits or for administration of benefit claims and
13 payments to (A) all insurance carriers authorized to transact business in this state
14 under AS 21.09 and all hospital or medical service corporations authorized to transact
15 business under AS 21.87 who are qualified to provide the desired benefits; and (B) to
16 insurance carriers authorized to transact business in this state under AS 21.09, hospital
17 or medical service corporations authorized to transact business under AS 21.87, and
18 third-party administrators licensed to transact business in this state and qualified to
19 provide administrative services. The specifications shall be made available at least
20 once every five years. The lowest responsible bid submitted by an insurance carrier,
21 hospital or medical service corporation, or third-party administrator with adequate
22 servicing facilities shall govern selection of a carrier, hospital or medical service
23 corporation, or third-party administrator under this section or the selection of an
24 insurance carrier or a hospital or medical service corporation to provide excess loss
25 insurance as provided in AS 39.30.091.

26 (6) [IF THE AGGREGATE OF DIVIDENDS PAYABLE UNDER
27 THE GROUP INSURANCE POLICY EXCEEDS THE GOVERNMENTAL UNIT'S
28 SHARE OF THE PREMIUM, THE EXCESS SHALL BE APPLIED BY THE
29 GOVERNMENTAL UNIT FOR THE SOLE BENEFIT OF THE EMPLOYEES.

30 (7)] A person receiving benefits under AS 14.25.110, AS 22.25,
31 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in

1 effect under this section at the time of termination of employment with the state or
2 participating governmental unit.

3 **(7)** [(8)] A person electing to have insurance under **(6)** [(7)] of this
4 subsection shall pay the cost of this insurance.

5 **(8)** [(9)] For each permanent part-time **state** employee electing
6 coverage under this section, the state shall contribute one-half the state contribution
7 rate for permanent full-time state employees, and the permanent part-time employee
8 shall contribute the other one-half.

9 **(9)** [(10)] A person receiving benefits under AS 14.25, AS 22.25,
10 AS 39.35, or former AS 39.37 may obtain auditory, visual, and dental insurance for
11 that person and eligible dependents under this section. The level of coverage for
12 persons over 65 shall be the same as that available before reaching age 65 except that
13 the benefits payable shall be supplemental to any benefits provided under the federal
14 old age, survivors, and disability insurance program. A person electing to have
15 insurance under this paragraph shall pay the cost of the insurance. The commissioner
16 of administration shall adopt regulations implementing this paragraph.

17 **(10)** [(11)] A person receiving benefits under AS 14.25, AS 22.25,
18 AS 39.35, or former AS 39.37 may obtain long-term care insurance for that person
19 and eligible dependents under this section. A person who elects insurance under this
20 paragraph shall pay the cost of the insurance premium. The commissioner of
21 administration shall adopt regulations to implement this paragraph.

22 **(11)** [(12)] Each licensee holding a current operating agreement for a
23 vending facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy
24 that applies to governmental units other than the state.

25 * **Sec. 2.** AS 39.30.090(b)(1) is amended to read:

26 (1) "eligible employee" means

27 (A) an employee who has served in permanent full-time or
28 part-time employment with the same governmental unit **or special services**
29 **organization** for 30 days or more, **including the sole proprietor or the sole**
30 **shareholder of a proprietorship or corporation described in (4)(A) of this**
31 **subsection; "eligible employee" does not include** [EXCEPT] an emergency

1 or temporary employee;

2 (B) an elected or appointed official of a governmental unit,
3 effective upon taking the oath of office; and

4 (C) a contractual employee of the legislative branch of state
5 government under AS 24.10.060(f) if the employee's personal services contract
6 provides that the employee is entitled to coverage;

7 * **Sec. 3.** AS 39.30.090(b) is amended by adding a new paragraph to read:

8 (4) "special services organization" means

9 (A) an entity, including a sole proprietorship and a corporation
10 solely owned by one person,

11 (i) operating a child care facility that is licensed under
12 AS 14.37;

13 (ii) operating a residential child care facility, child
14 placement agency, foster home, or maternity home that is licensed
15 under AS 47.35;

16 (iii) operating an assisted living home that is licensed
17 under AS 47.33;

18 (iv) operating a community-based center for adult day
19 care as that term is defined in AS 47.65.290; or

20 (v) providing home care services as defined in
21 AS 47.65.290;

22 (B) a corporation incorporated under AS 10.20 that

23 (i) receives state grants to provide services; or

24 (ii) makes grants to other corporations incorporated
25 under AS 10.20 that receive state grants to provide services; or

26 (C) a nonprofit organization, regardless of whether
27 incorporated, whose primary purpose is to provide assistance to disadvantaged
28 classes or groups.

29 * **Sec. 4.** AS 39.30 is amended by adding a new section to read:

30 **Sec. 39.30.098. Regulations.** The commissioner of administration may adopt
31 regulations under AS 44.62 (Administrative Procedure Act) to implement

1 AS 39.30.090 - 39.30.098.

2 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).