

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 449**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES CROFT, Guttenberg, Kerttula, Crawford

Introduced: 2/24/06

Referred: Labor and Commerce, Judiciary, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to requiring certain employers to provide health insurance or  
2 contribute to the fair share health care account for the purpose of supporting state  
3 medical assistance programs; and providing for an effective date."

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

5 \* **Section 1.** AS 23.10 is amended by adding new sections to read:

6 **Article 9. Fair Share Health Care.**

7 **Sec. 23.10.700. Employer payments.** (a) An employer that is organized as a  
8 nonprofit organization that spends less than eight percent of the amount of total wages  
9 paid to employees of the nonprofit organization in the state for health insurance for its  
10 employees shall pay to the department an amount equal to the difference between what  
11 the employer spends for health insurance costs and eight percent of the total wages  
12 paid to employees of the nonprofit organization in the state.

13 (b) An employer that is not organized as a nonprofit organization and spends  
14 less than 10 percent of the amount of total wages paid to its employees in the state for

1 health insurance for those employees shall pay to the department an amount equal to  
2 the difference between what the employer spends for health insurance costs and an  
3 amount equal to 10 percent of the total wages paid to its employees in the state.

4 (c) The provisions of AS 23.10.700 - 23.10.749 apply only to employers with  
5 more than 2,000 employees in the state.

6 (d) An employer shall make the payment required under this section to the  
7 department on a periodic basis as determined by the department.

8 (e) An employer may not deduct a payment made under (a) or (b) of this  
9 section from the wages of an employee.

10 (f) The payments received under (a) and (b) of this section shall be deposited  
11 in the fair share health care account established by AS 23.10.705. Under  
12 AS 37.05.146(c), these payments shall be accounted for separately, and appropriations  
13 from that account are not made from the unrestricted general fund.

14 **Sec. 23.10.705. Fair share health care account created.** (a) The fair share  
15 health care account is created in the general fund. The account consists of payments  
16 received by the department under AS 23.10.700 - 23.10.749 and money received from  
17 any other source.

18 (b) The legislature may appropriate from the fair share health care account to  
19 help finance medical care for uninsured persons by supporting the state Medicaid  
20 program or through other state programs helping uninsured persons and their  
21 dependents obtain health care or health care coverage, or for other purposes.

22 **Sec. 23.10.710. Records and calculations.** (a) On January 1 of each year, an  
23 employer with more than 2,000 employees in the state shall submit, on a form and in  
24 the manner approved by the department,

25 (1) the employer's definitions of full-time employee and part-time  
26 employee;

27 (2) the number of full-time and part-time employees of the employer in  
28 the state on January 1 of the previous year;

29 (3) the number of full-time and part-time employees eligible to receive  
30 health insurance benefits and the number of full-time and part-time employees  
31 receiving health insurance benefits during the year immediately preceding the

1 previous calendar year;

2 (4) the amount spent by the employer in the previous calendar year on  
3 health insurance costs during the year immediately preceding the previous calendar  
4 year; and

5 (5) the percentage of payroll for employees in the state that was spent  
6 by the employer on health insurance costs during the year immediately preceding the  
7 previous calendar year.

8 (b) The information provided by the employer shall be

9 (1) provided by the employer's principal executive officer or an  
10 individual performing a similar function; and

11 (2) be sworn to, by affidavit, under penalty of perjury asserting that the  
12 information was reviewed by the signer and is true and complete to the best of the  
13 signer's knowledge.

14 (c) When calculating the percentage of total wages paid to employees in this  
15 state under (a) and (b) of this section, an employer may exempt wages paid to an  
16 employee

17 (1) whose wages from that employer exceed the median household  
18 income by family size in the state as published by the United States Bureau of the  
19 Census; or

20 (2) who is enrolled in or eligible for Medicare.

21 **Sec. 23.10.715. Penalties.** If an employer fails

22 (1) to report as required by AS 23.10.710, the department shall impose  
23 a civil penalty of \$250 for each day that the report is not timely and completely filed;

24 (2) to make the payment required under AS 23.10.700, the department  
25 shall impose a civil penalty of \$250,000.

26 **Sec. 23.10.720. Department report to legislature and regulatory authority.**

27 (a) On or before January 30 of each year, the department shall report to the governor  
28 and to the legislature

29 (1) the name of each employer with 2,000 or more employees in the  
30 state;

31 (2) the employer's definitions of full-time and part-time employee;

- 1 (3) the number of full-time and part-time employees;
- 2 (4) the number of full-time and part-time employees eligible to receive
- 3 health insurance benefits;
- 4 (5) the number of full-time and part-time employees receiving health
- 5 insurance benefits from the employer; and
- 6 (6) the source of health insurance benefits for those eligible employees
- 7 not receiving health insurance benefits through an employer subject to reporting under
- 8 AS 23.10.710.

9 (b) The department may adopt regulations to implement AS 23.10.700 -

10 23.10.749.

11 **Sec. 23.10.749. Definitions.** In AS 23.10.700 - 23.10.749,

- 12 (1) "employee" has the meaning given in AS 23.10.699;
- 13 (2) "employer" has the meaning given in AS 23.10.699, but does not
- 14 include the federal government, the state, another state, or a political subdivision of
- 15 the state or another state;
- 16 (3) "health insurance costs" means the amount paid by an employer to
- 17 provide health care or health insurance for its employees in the state to the extent the
- 18 costs may be deducted by an employer under federal tax law; in this paragraph,
- 19 "amount paid" includes payments for medical care, dental care, vision care,
- 20 prescription drugs, medical savings accounts, and any other costs to provide health
- 21 care benefits.

22 \* **Sec. 2.** AS 37.05.146(c) is amended by adding a new paragraph to read:

- 23 (81) receipts received for the fair share health care account
- 24 (AS 23.10.705).

25 \* **Sec. 3.** This Act takes effect December 31, 2009.