

SENATE BILL NO. 271

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

BY SENATORS DYSON, Davis

Introduced: 2/15/08

Referred: Health, Education and Social Services, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to state employee health plans that give employees the option to select a**
2 **federally qualified high deductible health plan and requiring employees who select that**
3 **plan to establish a health savings account."**

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 STATEMENT OF PURPOSE OR INTENT. It is the intent of this Act to enable public
8 employees to purchase the health plan that fits their individual needs. The federal government
9 made a significant change to the health care financing system on January 1, 2004, by allowing
10 individuals to participate in consumer-directed health plans. When the state offers its
11 employees a health plan, one of the options shall be a high deductible health plan. Employees
12 who choose this option will be required to set up a qualified Health Savings Account. To
13 ensure that those who choose the high deductible health plan get the full-dollar benefit that
14 other employees receive, the state will seed the employee's Health Savings Account with the

1 money that is saved by that choice. Health Savings Accounts grant the consumer ownership
2 over their health care and empower the consumer to make the best decisions to get the health
3 care the consumer needs at the best possible value. The accounts are owned by the individual
4 whether or not the individual is employed, roll over from year to year, and are portable across
5 jobs and other states. Health Savings Accounts also enable the worker to set aside funds for
6 health care that are free from federal tax. These pre-tax dollars can be used to cover qualified
7 medical costs, including preventative care.

8 * **Sec. 2.** AS 39.30.090(a)(1) is amended to read:

9 (1) A group insurance policy shall provide one or more of the
10 following benefits: life insurance, accidental death and dismemberment insurance,
11 weekly indemnity insurance, hospital expense insurance, surgical expense insurance,
12 dental expense insurance, audiovisual insurance, or other medical care insurance. **If a**
13 **health plan is provided, eligible employees of the state shall have the option of**
14 **selecting a plan that is a high deductible health plan under 26 U.S.C. 223**
15 **(Internal Revenue Code). An employee who selects the high deductible health**
16 **plan option shall establish a health savings account that is administered by a**
17 **person who satisfies the requirements of 26 U.S.C. 223(d)(1)(B) (Internal**
18 **Revenue Code) and that is selected according to the collective bargaining**
19 **agreement for the employee's bargaining unit or, if the employee does not belong**
20 **to a bargaining unit, that is selected by the Department of Administration. The**
21 **state shall pay to the employee's health savings account an amount of money that**
22 **is equal to the state contribution rate under this subsection less the cost of the**
23 **high deductible health plan's premium.**