

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

March 11, 2009

1:32 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Paskvan, Vice Chair
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 11

"An Act relating to health care insurance coverage of a dependent child who is less than 26 years of age and making a conforming age amendment in the statute describing health insurance policies that may be delivered or issued in this state."

HEARD AND HELD

SENATE BILL NO. 27

"An Act relating to tuition waivers for a child who was in foster care; relating to eligibility for foster care and subsidy payments for a hard-to-place child; and amending the definition of 'child' in certain statutes."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 11

SHORT TITLE: DEPENDENT HEALTH INSURANCE; AGE LIMIT

SPONSOR(s): SENATOR(s) DAVIS

01/21/09	(S)	PREFILE RELEASED 1/9/09
01/21/09	(S)	READ THE FIRST TIME - REFERRALS
01/21/09	(S)	HSS, L&C, FIN
03/11/09	(S)	HSS AT 1:30 PM BUTROVICH 205

BILL: SB 27

SHORT TITLE: FOSTER CARE AGE LIMIT/TUITION WAIVER

SPONSOR(s): SENATOR(s) DAVIS

01/21/09	(S)	PREFILE RELEASED 1/9/09
01/21/09	(S)	READ THE FIRST TIME - REFERRALS
01/21/09	(S)	HSS, L&C, FIN
03/11/09	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

TOM OBERMEYER
Staff to Senator Davis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Read the sponsor statements for SB 11 and SB 27 and presented a sectional analysis of CSSB 27.

ACTION NARRATIVE

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CHAIR BETTYE DAVIS called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Dyson, Ellis and Davis. Senator Paskvan joined the meeting shortly after it started.

SB 11-DEPENDENT HEALTH INSURANCE; AGE LIMIT

CHAIR DAVIS announced consideration of SB 11.

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TOM OBERMEYER, staff to Senator Davis, read the sponsor statement for SB 11 as follows:

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SB 11 requires an insurer to enroll, and prohibits taking off the rolls or eliminating health care insurance coverage without the consent of the insured, for a person less than 26 years old who is related to the insured, unmarried, financially dependent on the insured, does not have dependents, enrolled in an institution of higher education, and not insured under another policy. SB 11 changes the age that a person is considered a child from 23 years of age to 26 for purposes of determining who may be insured under the same policy of health insurance.

Young adults, ages 19-29, are one of the largest growing segments of the U.S. population without health

insurance. In 2004 almost 14 million young adults lacked coverage, an increase of 2.5 million since 2000. This rapid change is due in part to their losing coverage under their parents' policies at 19, or Medicaid, or State Children's Health Insurance Program, or graduation from high school or college. Almost half of college graduates and high school graduates will be uninsured for a substantial time after graduation.

Age 19 is a crucial year in health insurance coverage. Both public and private insurance plans treat this age as a turning point for insurance coverage. Even if youth go on to college, parents' insurance plans often stop before graduation. Almost all private universities and about one fourth of public universities require health insurance as a condition of enrollment. Forty percent of part-time students and non-students, and 20 percent of full-time students ages 19-23 are uninsured.

Insurance coverage is important for this generally healthy group of young adults who should be encouraged to start taking responsibility for their own health care. It has been found that 14 percent of adults 18-29 are obese, an increase of 70 percent in the 1990s, the fastest rate of increase among all adults. There are 3.5 million pregnancies each year among the 21 million women ages 19-29. One-third of all diagnoses of HIV are made among young adults. Emergency room visits are far more common among young adults than children or older adults. Most young adults have no regular doctor, no link to the health care system, and more than one-third of those who do require medical attention are often saddled with debt and collection agencies.

States are taking action to mandate coverage for young adults, often allowing for targeted policy options. For example, in 2006 New Jersey required most group health plans to cover single adult dependents up to age 30. Massachusetts as part of its expanded health insurance law in 2006 considered dependents for insurance purposes up to age 25 or for two years after they are no longer claimed on their parents' tax returns. Since 1994 Utah has required coverage through age 26, and New Mexico provides coverage for unmarried

dependents up to age 25, regardless of school enrollment. Texas in 2003 allowed full-time students up to be covered by their parents' insurance plans to age 25. It is not uncommon, or unreasonable, therefore, that Senate Bill 11 requires offering family health insurance coverage to dependent children up to age 26.

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SENATOR DYSON said he had hoped someone from the insurance industry would testify and said he is glad that it is not Chair Davis's intention to move the bill today.

CHAIR DAVIS said this bill has been heard before and thinks it would be quite helpful to the young people of this state; she intended to hold it to give people more opportunity to speak for or against it.

SENATOR DYSON asked if the term "enrolled" in higher education has been defined for the purposes of this bill.

CHAIR DAVIS replied that she believes a student has to be enrolled full time, which would mean at least 12 credits, but she will verify that.

MR. OBERMEYER said that language on page 2, AS 21.42.345(e)(5) says the person must be enrolled "as a full-time student at an institution of higher education accredited by the regional or national accrediting agencies recognized by the Council for Higher Education Accreditation or the U. S. Department of Education." The fiscal note indicates that the University of Alaska currently has 200 non-active dependents between the ages of 24 and 26 who would become re-eligible for health care insurance if this bill were to pass; the expected annual increase in cost to UA would be approximately \$1.2 million.

SENATOR DYSON admitted that he had not read that portion of the bill carefully. He wondered whether, if a kid enrolls and gets coverage and then quits school or flunks out, if a process is in place to let the insurer know the student is no longer eligible.

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SENATOR THOMAS joined the meeting.

CHAIR DAVIS responded that it depends on who your coverage is with; but in her experience the insurer will carry the student

to the end of that school year, but will not renew coverage if the student does not enroll for the following school year.

SENATOR DYSON said that he probably knows far more scoundrels than Senator Davis does, who are looking for a way to scam the system.

MR. OBERMEYER remarked that the increased cost to continuing coverage for these children has not been very high. It was anticipated that if the parents want to keep their children on a health care plan, they could do so until age 26; this is a relatively healthy population group, so it hasn't greatly increased the cost to private insurers. He said he would try to get some figures from other states.

SENATOR PASKVAN observed that this would help a person who is 18, joins the military for a few years, gets out and then wants to go back to school full time.

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SENATOR DYSON added that will be true only if the person meets the criteria of being a dependent child.

MR. OBERMEYER pointed to the second page of the National Conference of State Legislatures (NCSL) Legislative Brief in the members' packets. Under State Action, it says:

Expanded coverage for young adults may be structured as an insurance policy rider with supplements et cetera... More commonly, coverage is extended to all policies and the young adult is simply covered by the family premium. Some experts predict that the latter strategy may increase employer premiums by about 5 percent to 9 percent.

That may not be significant, he said, but it depends upon what population sample one is looking at, and other options are available like keeping students on the plan but perhaps requiring a small rider. He mentioned this because those students who are forced to accept college plans sometimes find they are paying \$1800 or more per year for coverage; if they can stay on their parents' plan, it's far cheaper than anything else.

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CHAIR DAVIS closed public testimony and said she would hold SB 11 for another hearing.

SB 27-FOSTER CARE AGE LIMIT/TUITION WAIVER

CHAIR DAVIS announced consideration of SB 27.

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SENATOR PASKVAN moved to adopt CS for SB 27, labeled 26-LS0205\E, as the working document. There being no objection, version E was before the committee.

TOM OBERMEYER, staff to Senator Davis, sponsor of SB 27, explained that version E changes the definition of "foster care" to "out-of-home care" because so many relatives who are not licensed foster parents take care of children who are in out-of-home care. It extends eligibility for tuition waivers for a person in foster care from 19 to 21, if the person was in foster care at age 16 for not less than 6 consecutive months and is in out-of-home care at the time of application. The bill subjects waivers of tuition to availability of funds by appropriation.

He noted that the sectional analysis is very complete and went through it quickly for the members as follows:

Section 1: Adds a new section, AS 14.43.086, entitling a person who was in the state in out-of-home care to a waiver of undergraduate tuition and fees in a state-supported school.

Section 2: Adds a cross reference to a definition for out-of-home care for purposes of the tuition waiver.

Section 3: Changes "foster care" to "out-of-home care" for purposes of the procurement code.

Section 4: Adds a cross reference to a definition for out-of-home care form medical assistance provision.

Section 5: Extends court orders to age 21 for a child committed to the custody of the department if they are placed in out-of-home care.

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Section 6: Changes the definition of "child" under AS 47.10.990(3) (child in need of aid) to include a person under 21 years of age living in out-of-home care.

Section 7: Changes "foster care" to "out-of-home care" for purposes of the child in need of aid statutes.

Section 8: Changes "foster care" to "out-of-home care" for purposes of the transition program to independent living.

Section 9: Changes "foster care" to "out-of-home care" for purposes of the transition program for children who are not less than age 18 living in out-of-home care, as defined.

Section 10: Adds children who were placed in out-of-home care to provide transition program services for the purpose of achieving self-sufficiency.

Section 11: Changes "foster care" to "out-of-home care" for the purposes of the transition program definition.

Section 12: Adds a monetary stipend for children in the transition program for a specified period of time.

Section 13: Adds a cross reference to a definition for out-of-home care for purposes of the transition program.

MR. OBERMEYER said that Jean Michelle, Legislative Legal Division, was online if the members had any questions about this draft or its intent.

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CHAIR DAVIS closed public testimony and held SB 27 in committee.

There being no further business to come before the committee, Chair Davis adjourned the meeting at 1:52 p.m.