

by

AMENDMENT # 1

French
Coghill

OFFERED IN THE SENATE
TO: CSHB 218(L&C)

1 Page 1, line 2, following "circumstances;":

2 Insert "relating to a reinsurance program reinsuring residents who are high
3 risks;"

4

5 Page 1, line 6, following "FINDINGS":

6 Insert "FOR SECTION 3"

7

8 Page 2, line 14:

9 Delete "This"

10 Insert "Section 3 of this"

11

12 Page 2, following line 29:

13 Insert new bill sections to read:

14 **** Sec. 4. AS 21.55.220(c) is amended to read:**

15 (c) Each member of the association shall share the losses due to claims
16 expenses of the state plans issued or approved for issuance by the association; each
17 member of the association shall share the losses of a reinsurance program
18 established by regulations adopted under AS 21.55.400 reinsuring residents who
19 are high risks; [,] and each member of the association shall share in the operating
20 and administrative expenses incurred or estimated to be incurred by the association
21 incident to the conduct of its affairs. Claims expenses of the state plan that exceed the
22 premium payments allocated to the payment of benefits shall be the liability of the
23 members. Each member shall share in the claims expense of the state plans, the

1 [AND] operating and administrative expenses of the association, **and the losses of a**
2 **reinsurance program established by regulations adopted under AS 21.55.400**
3 **reinsuring residents who are high risks,** in an amount equal to the ratio of the
4 member's total major medical premiums, received from or on behalf of state residents,
5 as divided by the total major medical premiums received by all members from or on
6 behalf of state residents, as determined by the director.

7 * Sec. 5. AS 21.55.400 is amended to read:

8 **Sec. 21.55.400. Duties of director.** The director may

9 (1) approve the selection of the plan administrator by the association
10 and approve the association's contract with the plan administrator, including the
11 coverages and premiums to be charged;

12 (2) contract with the federal government or another unit of government
13 to ensure coordination of the state plans with other governmental assistance programs;

14 (3) undertake, directly or through contracts with other persons, studies
15 or demonstration programs to develop awareness of the benefits of this chapter; and

16 (4) formulate general policy and adopt regulations, **including**
17 **regulations establishing a reinsurance program reinsuring residents who are high**
18 **risks,** that are reasonably necessary to administer this chapter."
19

20 Renumber the following bill sections accordingly.