



AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSHB 23(FIN)

BY REPRESENTATIVE WILSON

1 Page 1, line 2: *(title amendment)*

2 Following "of certain":

3 Insert "state employees,"

4 Following "officers":

5 Insert ","

6

7 Page 1, following line 4:

8 Insert new bill sections to read:

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

10 (a) The Department of Administration may obtain a policy or policies of group
11 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
12 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,
13 employees of other participating governmental units, or persons entitled to coverage
14 under AS 23.15.136, subject to the following conditions:

15 (1) a group insurance policy shall provide one or more of the following
16 benefits: life insurance, accidental death and dismemberment insurance, weekly
17 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
18 expense insurance, audiovisual insurance, or other medical care insurance;

19 (2) each eligible employee of the state, the spouse and the unmarried
20 children chiefly dependent on the eligible employee for support, [AND] each eligible
21 employee of another participating governmental unit, **and each person who is eligible**
22 **for coverage under (13) of this subsection** shall be covered by the group policy,
23 unless exempt under regulations adopted by the commissioner of administration;

1 (3) a governmental unit may participate under a group policy if

2 (A) its governing body adopts a resolution authorizing
3 participation and payment of required premiums;

4 (B) a certified copy of the resolution is filed with the
5 Department of Administration; and

6 (C) the commissioner of administration approves the
7 participation in writing;

8 (4) in procuring a policy of group health or group life insurance as
9 provided under this section or excess loss insurance as provided in AS 39.30.091, the
10 Department of Administration shall comply with the dual choice requirements of
11 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
12 transact business in the state under AS 21.09, a hospital or medical service corporation
13 authorized to transact business in this state under AS 21.87, or a health maintenance
14 organization authorized to operate in this state under AS 21.86; an excess loss
15 insurance policy may be obtained from a life or health insurer authorized to transact
16 business in this state under AS 21.09 or from a hospital or medical service corporation
17 authorized to transact business in this state under AS 21.87;

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

1 AS 39.30.091;

2 (6) if the aggregate of dividends payable under the group insurance
3 policy exceeds the governmental unit's share of the premium, the excess shall be
4 applied by the governmental unit for the sole benefit of the employees;

5 (7) a person receiving benefits under AS 14.25.110, AS 22.25,
6 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
7 effect under this section at the time of termination of employment with the state or
8 participating governmental unit;

9 (8) a person electing to have insurance under (7) of this subsection
10 shall pay the cost of this insurance;

11 (9) for each permanent part-time employee electing coverage under
12 this section, the state shall contribute one-half the state contribution rate for permanent
13 full-time state employees, and the permanent part-time employee shall contribute the
14 other one-half;

15 (10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
16 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
17 and eligible dependents under this section; the level of coverage for persons over 65
18 shall be the same as that available before reaching age 65 except that the benefits
19 payable shall be supplemental to any benefits provided under the federal old age,
20 survivors, and disability insurance program; a person electing to have insurance under
21 this paragraph shall pay the cost of the insurance; the commissioner of administration
22 shall adopt regulations implementing this paragraph;

23 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
24 or former AS 39.37 may obtain long-term care insurance for that person and eligible
25 dependents under this section; a person who elects insurance under this paragraph
26 shall pay the cost of the insurance premium; the commissioner of administration shall
27 adopt regulations to implement this paragraph;

28 (12) each licensee holding a current operating agreement for a vending
29 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
30 applies to governmental units other than the state;

31 **(13) each person who is eligible to receive a benefit under**

1 AS 39.35.430 or 39.35.892 as the surviving spouse or dependent child of an
2 employee is eligible for employee coverage under the policy of group insurance
3 under this subsection, AS 39.30.091, or 39.30.095 that covered the employee not
4 withstanding a provision of those sections to the contrary; this paragraph does
5 not apply to a surviving spouse who is eligible for Medicare.

6 * **Sec. 2.** AS 39.30.095 is amended by adding a new subsection to read:

7 (g) Notwithstanding (b) and (e) of this section, for the cost of providing
8 benefits under AS 39.30.090(a)(13), the commissioner of administration shall set the
9 rate of employer contribution at 100 percent."

10

11 Page 1, line 5:

12 Delete "**Section 1**"

13 Insert "**Sec. 3**"

14

15 Renumber the following bill sections accordingly.

16

17 Page 1, line 6, following "**of**":

18 Insert "**Municipal**"

19

20 Page 1, line 13, following "firefighter":

21 Insert "who was employed by a municipality"

22

23 Page 2, line 12:

24 Delete "The"

25 Insert "Subject to AS 39.60.050 - 39.60.070, the"

26

27 Page 2, lines 13 - 14:

28 Delete "medical insurance premiums for a surviving dependent of a state employee
29 who is eligible under AS 39.60.040,"

30

31 Page 2, lines 25 - 26:

1 Delete all material and insert:

2 "(1) at the time of death, the employee was not covered by a policy
3 obtained under AS 39.30.090 or 39.30.095 that provided major medical coverage, and
4 was a full-time employee of a municipality that has elected to participate under
5 AS 39.60.050;"

6

7 Page 3, line 16, following "made":

8 Insert ", for an employee of a municipality that has elected to participate under
9 AS 39.60.050 and complies with AS 39.60.050 - 39.60.070,"

10

11 Page 3, lines 18 - 22:

12 Delete all material and insert:

13 "(1) the commissioner shall pay 50 percent for an eligible surviving
14 dependent of a deceased employee of a small municipality;"

15

16 Page 3, following line 26:

17 Insert new sections to read:

18 "**Sec. 39.60.050. Municipal election to participate in peace officer and
19 firefighter survivors' fund.** (a) A municipality may elect to participate in the fund by
20 entering into an agreement with the commissioner that is consistent with
21 AS 39.60.070. If a municipality elects to participate in the fund, the commissioner
22 shall determine the amount and frequency of the municipality's required contributions
23 to the fund based on the anticipated cost of the municipality's participation, including
24 the department's cost of administering the agreement under this subsection.

25 (b) The commissioner shall administer agreements entered into under (a) of
26 this section.

27 (c) A surviving dependent of a peace officer or firefighter who died while
28 employed by a municipality is not eligible for payments from the fund unless the
29 municipality elects to participate in the fund and is in compliance with an agreement
30 entered into under (a) of this section.

31 **Sec. 39.60.060. Eligibility of municipal peace officers and firefighters.** (a)

1 Notwithstanding AS 39.60.050(c), the commissioner may determine that a surviving
 2 dependent of a peace officer or firefighter who was employed by a municipality is
 3 eligible for premium payments under AS 39.60.040(b), if the municipality elects to
 4 participate in the fund after the employee's death and is in compliance with the terms
 5 of an agreement entered into under AS 39.60.050(a).

6 (b) If a municipality enters into an agreement under AS 39.60.050(a) and fails
 7 to meet a requirement of that agreement, including a requirement under AS 39.60.070,
 8 the commissioner may determine that a surviving dependent of a peace officer or
 9 firefighter employed by a municipality who would otherwise be eligible for payments
 10 from the fund under AS 39.60.040(b) is ineligible and deny payment from the fund
 11 until the commissioner determines all requirements of the agreement are satisfied.

12 **Sec. 39.60.070. Terms of agreement by municipality to participate in fund.**

13 An agreement under AS 39.60.050(a) for a municipality to participate in the fund must
 14 require that the municipality

15 (1) contribute to the fund as determined by the commissioner under
 16 AS 39.60.050(a);

17 (2) is current with contributions required under this section; and

18 (3) complies with applicable regulations adopted by the
 19 commissioner."
 20

21 Page 4, line 27:

22 Delete "secs. 1 and 2"

23 Insert "secs. 3 and 4"

25 Page 4, line 28:

26 Delete "secs. 1 and 2"

27 Insert "secs. 3 and 4"

29 Page 4, line 30:

30 Delete "Section 3"

31 Insert "Section 5"

1

2 Page 4, line 31:

3 Delete "sec. 4"

4 Insert "sec. 6"