

BY REP. FINKELSTEIN

1 IN THE HOUSE

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HOUSE BILL NO. 533

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to the use of permanent fund dividends for the purchase of group health insurance; and providing for an effective date."

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

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* Section 1. AS 44.21 is amended by adding a new section to read:

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Sec. 44.21.035. GROUP HEALTH INSURANCE FUND; TRANSFER OF DIVI-

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DENDS. (a) There is established the group health insurance fund.

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The commissioner of revenue shall prepare the permanent dividend

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application to allow an individual to elect to take the permanent fund

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dividend in the form of a group health insurance policy. The commis-

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sioner of revenue shall annually transfer from the dividend fund

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established under AS 43.23.045 to the group health insurance fund an

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amount equal to the value of the permanent fund dividend for the

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current year times the number of individuals who elect in the current

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year to take the dividend in the form of group health insurance. An

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individual may not elect to take the dividend in the form of group

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health insurance if the dividend has been reduced for the collection

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of debt.

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(b) Subject to the transfer of sufficient funds under (a) of

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this section, the commissioner shall use the group health insurance

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fund to purchase a group health insurance policy for individuals who

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elect to take the permanent fund dividend in this form. An individual

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who is eligible to participate in the group health insurance program

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under this section may not be denied coverage on the basis of a

1 preexisting medical condition. The costs of administering the group
2 health insurance program shall be paid out of the group health insur-
3 ance fund.

4 (c) The commissioner shall make available bid specifications for
5 desired group health insurance to all insurance carriers licensed in
6 the state and qualified to provide the desired benefits. The speci-
7 fications shall be made available on or before July 1, 1990, and at
8 least once every succeeding five years. The lowest responsible bid
9 submitted by an insurance carrier with adequate servicing facilities
10 shall govern selection of a carrier under this section.

11 (d) If the commissioner determines that the annual amount trans-
12 ferred from the dividend fund to the group health insurance fund is
13 insufficient to provide the desired group health insurance and to pay
14 the costs of administering the group health insurance program, the
15 commissioner shall refund to each individual who elected to partici-
16 pate in the program in that year the value of the permanent fund
17 dividend in that year.

18 (e) In this section, "commissioner" means the commissioner of
19 administration.

20 * Sec. 2. AS 43.23.015 is amended by adding a new subsection to read:

21 (i) If an individual elects to take a permanent fund dividend in
22 the form of a group health insurance policy, the commissioner shall
23 transfer the dividend to the group health insurance fund under AS 44.-
24 21.035.

25 * Sec. 3. This Act applies to permanent fund dividends for 1990 and
26 subsequent years.

27 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).