

BY THE HESS COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 581

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a universal health care task force;
7 and providing for an effective date."

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

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that
10 (1) over 50,000 residents of the state cannot afford to pay
11 their medical bills, are not covered by a group health insurance plan, do
12 not qualify for public assistance programs, and cannot afford to pay indi-
13 vidual health insurance premiums; a vast majority of the uninsured are
14 either employed or are dependents of employed state residents;
15 (2) many state residents with high risk, preexisting health
16 conditions are unable to obtain health insurance and must deplete their
17 personal resources in order to obtain care;
18 (3) many state residents do not receive certain kinds of crit-
19 ical care due to exclusions in their health insurance policies;
20 (4) the health insurance coverage for many state residents does
21 not cover costly illnesses or injuries causing catastrophic financial
22 consequences to them and their families;
23 (5) due to the lack of health insurance coverage, many state
24 residents do not obtain necessary preventive care, and this leads to dra-
25 matically higher remedial care and an additional incidence of disease and
26 illness in the state;
27 (6) the cost of providing health care to those who are unable to
28 pay is shifted to those who are taxpayers or participants in a health
29 insurance plan;

1 (7) the Governor's Interim Commission on Health Care recommended
2 that "a state working group should explore and develop health insurance
3 plans for medically uninsured Alaskans";

4 (8) every state resident should be guaranteed a basic level of
5 health care regardless of income and should not become financially desti-
6 tute before obtaining health care; access to health care should be univer-
7 sal, including those state residents with preexisting health conditions;

8 (9) the issues of medical indigency and universal health care
9 are complicated, complex issues requiring review by an authoritative group
10 for a certain period of time.

11 (b) The purpose of the Universal Health Care Task Force created by
12 this Act, is to

13 (1) design a cost-efficient program allowing access to health
14 care, through insurance or other means, to all state residents, that is not
15 dependent on the individual's ability to pay and that provides a basic
16 level of health care services to all participating state residents;

17 (2) define the best strategy for implementing a universal health
18 care program, including consideration of the redistribution of existing
19 funds spent on health care in the state in order to provide for a rational
20 and equitable health care system that affords all state residents preven-
21 tive and remedial health care services.

22 * Sec. 2. (a) The Universal Health Care Task Force is created in the
23 Department of Health and Social Services. The task force is composed of
24 five individuals appointed by the governor with a significant and demon-
25 strated expertise or interest in health care. As an advisory committee to
26 the task force, the governor shall also appoint one representative from
27 each of the following:

28 (1) Department of Health and Social Services;

29 (2) division of insurance;

- 1 (3) division of retirement and benefits;
- 2 (4) state house of representatives;
- 3 (5) state senate; and
- 4 (6) Office of the Governor.

5 (b) The members of the task force shall serve without compensation
6 but are entitled to receive per diem and travel expenses authorized for
7 boards and commissions under AS 39.20.180.

8 (c) The task force shall

9 (1) solicit advice and information from health care consumer
10 groups, the insurance industry, health care providers including the State
11 Medical Association and the State Health Association, public employee
12 unions, representatives of the medically indigent, large and small busi-
13 nesses, the Medical Care Advisory Committee, the Alaska Native Health
14 Service, actuaries, public relations experts, the public, and the advisory
15 committee created in (a) of this section;

16 (2) analyze all the relevant information necessary to recommend
17 a program of universal health coverage, including 1990 census data;

18 (3) update the information in the "Alaska Comprehensive Health
19 Care Financing Study" done by the Battelle Human Affairs Research Center in
20 1982;

21 (4) make an accurate estimate of the number of people who are
22 unable to receive necessary health care services in the state, which pa-
23 tients are generating unpaid medical bills, which state residents are
24 uninsured or lack adequate insurance, which health care providers are
25 providing uncompensated care, who is paying for the cost of uncompensated
26 care, and the total cost of uncompensated care in the state;

27 (5) identify those health care services necessary to achieve an
28 acceptable minimum level of health care for all state residents and to
29 examine those health care services that provide the most care for the most

1 people at the least cost, including prevention services; the health care
2 rationing system in Oregon shall be examined by the task force;

3 (6) recommend ways to coordinate services between nonprofit
4 health care providers, profit making health care providers, the state
5 division of public health, and the Alaska Native Health Service in order to
6 achieve a more efficient and effective health care delivery system;

7 (7) consider possible delivery systems for a universal health
8 care program, including using a single, comprehensive statewide system or
9 changing existing health care services to yield an integrated system of
10 health care coverage; options that shall be considered include:

11 (A) expanding the use of private health insurance to pro-
12 vide coverage to the uninsured and underinsured;

13 (B) establishing health insurance coverage mechanisms
14 described in Senate Bill 6, Senate Bill 254, and Senate Bill 304 of
15 the Sixteenth Alaska State Legislature;

16 (C) using the state employees' health plan as the founda-
17 tion for an insurance pool that would include the uninsured who are
18 not covered in the workplace, with the possibility of expanding the
19 pool to eventually cover all state residents;

20 (D) continuing or reinstating government programs, includ-
21 ing the Medicaid medically needy option or the catastrophic illness
22 program, if private insurance is not the best way to provide coverage;

23 (E) sponsoring the pooling of small employers into a single
24 organized health care purchasing group;

25 (F) mandating coverage in the workplace for employers with
26 a certain threshold number of employees;

27 (G) mandating a minimum basic level of health services to
28 be included in a health insurance plan, with a special emphasis on
29 important preventive services and children's health services;

1 (H) requiring that health care programs include residents
2 who are unable to obtain insurance due to a high risk or a preexisting
3 medical condition;

4 (I) requiring that health care programs include coverage
5 for costly medical services that have a catastrophic financial impact
6 on patients and their families, including making the state the payor
7 of last resort before a family becomes destitute;

8 (J) requiring that the University of Alaska provide health
9 coverage for all students;

10 (K) combining the workern' compensation system with a
11 universal health care program;

12 (L) establishing or lengthening the time for continuation
13 or conversion of health insurance coverage after a state resident
14 leaves employment;

15 (M) using the unemployment insurance program to also cover
16 health care services for the unemployed;

17 (N) examining the ability of the state to self-insure under
18 a universal health care program;

19 (O) making charity care a requirement as part of the li-
20 censing or certificate of need process;

21 (P) having special programs designed to ensure that chil-
22 dren have adequate health coverage, such as the child health care
23 programs established in Minnesota;

24 (8) consider a means of financing a universal health care pro-
25 gram including the following:

26 (A) including all residents in the program regardless of
27 their ability to pay, although those able to pay would be expected to
28 contribute based on a sliding scale;

29 (B) direct purchase of premiums by the state for

1 individuals who are uninsured;

2 (C) the use of a payroll tax for full or partial financing
3 of a small employer insurance pool;

4 (D) a Medicaid waiver requesting a block grant from the
5 federal government to subsidize a universal state program;

6 (E) using the permanent fund dividend program to finance
7 coverage for some residents;

8 (F) using reasonable deductibles and co-payments to dis-
9 courage frivolous use of health programs;

10 (G) using the unemployment tax to cover the costs of insur-
11 ance for the unemployed or uninsured;

12 (H) a Medicaid buy-in for the medically uninsured;

13 (I) streamlining coverage so that families are not covered
14 under two separate insurance programs;

15 (9) pursue financial support from other sources, including
16 private foundations like the Robert Wood Johnson Foundation, for the work
17 of the task force and for implementation of a universal health care pro-
18 gram.

19 (d) The task force shall, by January 31, 1992, report to the legisla-
20 ture and the governor a recommended program for universal health care,
21 including recommendations for implementing the program in phases in an
22 expeditious, yet orderly manner.

23 * Sec. 3. This Act is repealed June 30, 1992.

24 * Sec. 4. This Act takes effect February 1, 1991.