

Original sponsor(s): The HESS Committee

1 IN THE HOUSE BY THE HESS COMMITTEE
2 CS FOR HOUSE BILL NO. 581 (HESS)
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 the Universal Health Care Task
7 Force; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. FINDINGS. 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) it would enhance the ability of Alaska businesses to remain
2 competitive if they had better access to affordable health care coverage
3 for their employees;

4 (8) the Governor's Interim Commission on Health Care recommended
5 that "a state working group should explore and develop health insurance
6 plans for medically uninsured Alaskans";

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

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

14 * Sec. 2. PURPOSE. The purpose of the Universal Health Care Task Force
15 created by this Act, is to

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

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

25 * Sec. 3. UNIVERSAL HEALTH CARE TASK FORCE. (a) The Universal Health
26 Care Task Force is created in the Department of Health and Social Services.
27 The task force is composed of five individuals appointed by the governor
28 with a significant and demonstrated expertise or interest in health care.
29 As a nonvoting technical advisory committee to assist the task force, the

1 governor shall also assign one representative each from the Department of
2 Health and Social Services, the division of insurance, the division of
3 retirement and benefits, the state house of representatives, the state
4 senate, and the Office of the Governor.

5 (b) The members of the task force are entitled to receive \$150 for
6 each day spent on task force business and per diem and travel expenses
7 authorized for boards and commissions under AS 39.20.180.

8 (c) The governor shall select a chair and a vice-chair from among the
9 members of the task force.

10 * Sec. 4. DUTIES OF THE TASK FORCE. The task force shall

11 (1) solicit advice and information from health care consumer
12 groups, the insurance industry, health care providers including the State
13 Medical Association, the Alaska Psychiatric Association, the Alaska Psycho-
14 logical Association, the Alaska Mental Health Board, the State Health
15 Association, the Alaska Pharmaceutical Association, the Alaska Public
16 Health Association, the Alaska Dental Association, the Alaska Academy of
17 Physicians Assistants, the Alaska Nurses Association, the United States
18 Department of Veterans Affairs, the United States Department of Defense,
19 the Civilian Health and Medical Program of the Uniformed Services, public
20 employee unions, representatives of the medically indigent, emergency
21 services personnel, large and small businesses, the Medical Care Advisory
22 Committee, the Alaska Native Health Service, actuaries, public relations
23 experts, the public, and the technical advisory committee created in sec. 3
24 of this Act;

25 (2) analyze all the relevant information necessary to recommend
26 a program of universal health coverage, including 1990 census data and the
27 study done in 1954 for the United States Department of the Interior by
28 Thomas Parran, titled "Alaska Health: A Survey Report";

29 (3) update the information in the "Alaska Comprehensive Health

1 Care Financing Study" done by the Battelle Human Affairs Research Center in
2 1982;

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

9 (5) identify those health care services necessary to achieve an
10 acceptable minimum level of health care for all state residents and to
11 examine those health care services that provide the most care for the most
12 people at the least cost, including prevention services; the Oregon Basic
13 Health Services Act shall be examined by the task force;

14 (6) recommend ways to coordinate services between nonprofit
15 health care providers, profit making health care providers, the state
16 division of public health, the United States Department of Veterans Af-
17 fairs, the United States Department of Defense, and the Alaska Native
18 Health Service in order to achieve a more efficient and effective health
19 care delivery system;

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

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

26 (B) establishing health insurance coverage mechanisms
27 described in Senate Bill 6, Senate Bill 254, Senate Bill 304, and
28 House Bill 47, of the Sixteenth Alaska State Legislature;

29 (C) using the state employees' health plan as the

1 foundation for an insurance pool that would include the uninsured who
2 are not covered in the workplace, with the possibility of expanding
3 the pool to eventually cover all state residents;

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

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

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

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

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

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

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

23 (K) combining the workers' compensation system with a
24 universal health care program;

25 (L) establishing or lengthening the time for continuation
26 or conversion of health insurance coverage after a state resident
27 leaves employment;

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

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

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

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

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

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

13 (B) direct purchase of premiums by the state for individu-
14 als who are uninsured;

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

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

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

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

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

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

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

28 (9) pursue financial support from other sources, including
29 private foundations like the Robert Wood Johnson Foundation, for the work

1 of the task force and for implementation of a universal health care pro-
2 gram;

3 (10) coordinate with the community health planning efforts des-
4 cribed in Senate Bill 326 of the Sixteenth Alaska State Legislature;

5 (11) solicit actuarial data and other technical information and
6 assistance from the health care insurer providing coverage to the state;

7 (12) utilize information provided by the Health Care Cost Con-
8 tainment Task Force established by the Sixteenth Alaska State Legislature.

9 * Sec. 5. REPORT. The task force shall, by March 1, 1992, provide a
10 preliminary report, and by June 30, 1992, provide a final report to the
11 legislature and the governor that recommends a program for providing uni-
12 versal health care, including recommendations for implementing the program
13 in phases in an expeditious, yet orderly manner.

14 * Sec. 6. This Act is repealed June 30, 1992.

15 * Sec. 7. This Act takes effect February 1, 1991.