

Original sponsor(s): HESS Committee

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 581 (Finance)
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 that allows access to health
17 care, through insurance or other means, to all state residents, and that
18 provides a basic level of health care services;

19 (2) define the best strategy for implementing a universal health
20 care program, including consideration of the redistribution of existing
21 funds spent on health care in the state in order to provide for a more
22 rational and equitable health care system.

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

1 retirement and benefits, and the Office of the Governor, and the presiding
2 officer of each house of the legislature shall assign a member from that
3 house.

4 (b) The members of the task force are entitled to receive per diem
5 and travel expenses authorized for boards and commissions under AS 39.20.-
6 180.

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

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

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

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

28 (3) update the information in the "Alaska Comprehensive Health
29 Care Financing Study" done by the Battelle Human Affairs Research Center in

1 1982;

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

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

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

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

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

25 (B) continuing or reinstating government programs, includ-
26 ing the Medicaid medically needy option or the catastrophic illness
27 program, if private insurance is not the best way to provide coverage;

28 (C) sponsoring the pooling of small employers into a single
29 organized health care purchasing group;

1 (D) mandating coverage in the workplace for employers with
2 a certain threshold number of employees;

3 (E) mandating a minimum basic level of health services to
4 be included in a health insurance plan, with a special emphasis on
5 important preventive services and children's health services;

6 (F) requiring that health care programs include residents
7 who are unable to obtain insurance due to a high risk or a preexisting
8 medical condition;

9 (G) requiring that health care programs include coverage
10 for costly medical services that have a catastrophic financial impact
11 on patients and their families, including making the state the payor
12 of last resort before a family becomes destitute;

13 (H) requiring that the University of Alaska provide health
14 coverage for all students;

15 (I) combining the workers' compensation system with a
16 universal health care program;

17 (J) establishing or lengthening the time for continuation
18 or conversion of health insurance coverage after a state resident
19 leaves employment;

20 (K) using the unemployment insurance program to also cover
21 health care services for the unemployed;

22 (L) examining the ability of the state to self-insure under
23 a universal health care program;

24 (M) making charity care a requirement as part of the li-
25 censing or certificate of need process;

26 (N) having special programs designed to ensure that chil-
27 dren have adequate health coverage, such as the child health care
28 programs established in Minnesota;

29 (8) consider a means of financing a universal health care

1 program including the following:

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

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

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

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

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

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

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

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

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

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

- 1 * Sec. 6. This Act is repealed June 30, 1992.
- 2 * Sec. 7. This Act takes effect February 1, 1991.