

CS FOR SENATE BILL NO. 290 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/21/92
Referred: HES, Finance
Sponsor(s): SENATOR COLLINS

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to access for children to preventive health services; and providing for
2 an effective date."

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

4 * Section 1. LEGISLATIVE INTENT. The legislature finds that increased access to health care
5 services could improve children's health and reduce the incidence and costs of childhood illness and
6 disabilities among children in the state. Many children do not have preventive services available or
7 funded and, for those who do, lack of access is a restriction to getting service. It is the intent of the
8 legislature that a nonprofit corporation be organized to facilitate a program to bring preventive health
9 care services to children, if necessary, through the use of school facilities when more appropriate sites
10 are unavailable, and to provide comprehensive health insurance coverage to children. A goal for the
11 corporation is to cooperate with existing preventive service programs funded by the public or the private
12 sector.

13 * Sec. 2. AS 18 is amended by adding a new chapter to read:

14 CHAPTER 27. ALASKA HEALTHY KIDS CORPORATION.

1 Sec. 18.27.010. CREATION OF CORPORATION. There is created the Alaska Healthy
2 Kids Corporation, a nonprofit public corporation and government instrumentality in the
3 Department of Health and Social Services, but having a legal existence independent and separate
4 from the state.

5 Sec. 18.27.020. BOARD OF DIRECTORS. (a) The corporation shall operate subject
6 to the supervision and approval of a board of directors chaired by the commissioner of health and
7 social services or a designee of the commissioner, and composed of 10 other members selected
8 by the governor for three-year terms of office as follows:

9 (1) one member from among three persons nominated by the Alaska Council of
10 School Administrators;

11 (2) one member from among three persons nominated by the Association of
12 Alaska School Boards;

13 (3) one member who is an employee of the Department of Education;

14 (4) two members from among five members nominated by the Alaska chapter of
15 the American Medical Association;

16 (5) one member representing hospitals in the state;

17 (6) two members who are representatives of authorized health care insurers or
18 subscribers' groups who do business in the state;

19 (7) two members who are employees of the Department of Health and Social
20 Services.

21 (b) The director of the division of insurance in the Department of Commerce and
22 Economic Development shall serve as a consultant to the board when requested by the board.

23 (c) Members of the board of directors serve at the pleasure of the governor. The board
24 shall appoint an executive director who is responsible for other staff authorized by the board.

25 (d) Board members who are not state employees do not receive compensation but are
26 entitled to per diem and travel expenses as provided for members of boards and commissions
27 under AS 39.20.180.

28 (e) There is no liability on the part of, and a cause of action may not arise against, a
29 member of the board of directors, or its employees, consultants, or agents, for an action they take
30 in the good faith performance of their powers and duties under this chapter.

31 Sec. 18.27.030. POWERS AND DUTIES. (a) The corporation shall phase in a program

1 to

2 (1) organize school children groups to facilitate the provision of preventive health
3 care services to children and to provide comprehensive health insurance coverage to children and
4 their family members;

5 (2) arrange for the collection of family or employer payments or premiums, in
6 an amount to be determined by the board of directors, from all participant families or employers
7 to provide for payment for preventive health care services or premiums for comprehensive
8 insurance coverage and for the actual or estimated administrative expenses incurred during the
9 period for which family or employer payments are made;

10 (3) establish the administrative and accounting procedures for the operation of the
11 corporation;

12 (4) establish, with consultation from appropriate professional organizations,
13 standards for preventive health services and providers and comprehensive insurance benefits
14 appropriate to children and their family members;

15 (5) establish eligibility criteria that children and their family members must meet
16 in order to participate in the program;

17 (6) establish procedures under which applicants to and participants in the program
18 may have grievances reviewed by an impartial body and reported to the board of directors of the
19 corporation;

20 (7) establish participation criteria and, if appropriate, contract with an authorized
21 insurer to provide administrative services to the corporation;

22 (8) contract with authorized insurers, or any provider of health care services
23 meeting standards established by the corporation, for the provision of comprehensive insurance
24 coverage and preventive health care services to participants; and

25 (9) develop and implement a plan to publicize the corporation, the eligibility
26 requirements of the program, and the procedures for enrollment in the program and to maintain
27 public awareness of the corporation and the program.

28 (b) The corporation may

29 (1) employ staff necessary to properly administer the corporation;

30 (2) as appropriate, enter into contracts with school districts or other agencies to
31 provide on site information, enrollment, and other services necessary to the operation of the

1 corporation;

2 (3) accept grants, loans, or advances of money or property from a public or
3 private source for the purposes of this chapter;

4 (4) take other actions necessary to implement the purposes of the corporation.

5 Sec. 18.27.040. COVERAGE IS SECONDARY. Coverage under the corporation's
6 program is secondary to any other available private coverage held by the participant child or
7 family member. The corporation may establish procedures for coordinating benefits under this
8 program with benefits under other public and private coverage.

9 Sec. 18.27.050. LICENSING NOT REQUIRED; FISCAL OPERATION. (a) The
10 corporation is not considered an insurer. The officers, directors, and employees of the
11 corporation are not considered to be agents of an insurer. Neither the corporation nor an officer,
12 director, or employee of the corporation is subject to the licensing requirements of AS 21 or the
13 regulations of the Department of Commerce and Economic Development adopted under AS 21.
14 However, the division of insurance may require that a marketing representative used and
15 compensated by the corporation be appointed as a representative of the insurers or health services
16 providers with which the corporation contracts.

17 (b) The board is responsible for all corporate operations.

18 Sec. 18.27.060. THE ALASKA HEALTHY KIDS TRUST FUND. There is created the
19 Alaska healthy kids trust fund in the Department of Health and Social Services. It consists of
20 appropriations made to it. Money in the fund may be used only by the corporation.

21 Sec. 18.27.070. ACCESS TO RECORDS; CONFIDENTIALITY; PENALTIES. (a)
22 Notwithstanding any other laws to the contrary, the corporation shall have access to the medical
23 records of a student upon receipt of permission from a parent or guardian of the student. The
24 medical records may be maintained by state and local agencies. Confidential information
25 obtained by the corporation under this subsection shall remain confidential and is exempt from
26 public inspection and copying under AS 09.25.110 - 09.25.120. The corporation or the staff or
27 agents of the corporation may not release to a state or federal agency, to a private business or
28 person, or to another entity confidential information received under this subsection.

29 (b) A violation of this section is a class B misdemeanor.

30 Sec. 18.27.080. DEFINITIONS. In this chapter,

31 (1) "board" means the board of directors of the corporation;

- 1 (2) "corporation" means the Alaska Healthy Kids Corporation.
- 2 * **Sec. 3.** Notwithstanding AS 18.27, as enacted by sec. 2 of this Act, the Alaska Healthy Kids
- 3 Corporation may not select more than four sites at which to implement its program without prior
- 4 approval of the legislature by law.
- 5 * **Sec. 4.** This Act takes effect July 1, 1992.