

HB 257

alaska
state
hospital
association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Central Peninsula Hospital
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Physician Member of
the Board
Keith Brownsberger, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

April 1, 1983

The Honorable Jerry Ward
House of Representatives
Pouch V
Juneau, Alaska 99811

Subject: HJR 35.


Dear Representative Ward:

The Alaska State Hospital Association wishes to indicate our support for House Joint Resolution 35.

We believe that the use of health insurance by those who are entitled to services provided by the Alaska Native Health Service would be in the public's best interest. That additional influx of funds would allow the Alaska Native Health Service to continue to provide needed services in the face of federal budget reductions.

The Alaska State Hospital Association believes that the concepts in HJR 35 are necessary if an adequate health care delivery system is to continue in Alaska. We believe it merits legislative support.

Sincerely,


Dennis L. DeWitt
President

DLD:hb

cc: House HESS Committee
John Dumbolton
Frank Sutton
Richard E. Zitzow

Offered: 4/15/83
Referred: Labor & Commerce

Original sponsor: Ward

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 257 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to certain limitations and exclu-

7

sions in health insurance policies; and providing for

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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 21.42 is amended by adding a new section to read:

11

Sec. 21.42.347. COVERAGE WHEN ALASKA AREA NATIVE HEALTH SERVICE

12

BENEFITS AVAILABLE. An ~~individual~~^A or group health insurance policy

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that provides coverage on an expense incurred basis or ~~an individual~~

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or ^{OF A} group service or indemnity type contract issued by a nonprofit

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corporation may not exclude or limit coverage for the reason that the

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covered person is eligible to receive health care benefits provided by

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the Alaska Area Native Health Service.

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* Sec. 2. This Act applies only to policies and contracts issued or

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renewed after December 31, 1983.

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* Sec. 3. This Act takes effect January 1, 1984.

M E M O R A N D U M

DATE: May 2, 1983

TO: Jeff Barry, Professional Assistant
House Labor & Commerce Committee

FROM: M. E. Tirador, *ME* Manager
Alaska Provider & Government Relations
Blue Cross of Washington & Alaska

SUBJECT: Committee Substitute for HB 257

This memo is for information purposes only. There is no intent on behalf of Blue Cross of Washington and Alaska to either endorse or oppose this legislation. In the very near future, the Federal Government will probably initiate changes in the Indian Health Service delivery system that will render this legislation moot.

Blue Cross of Washington and Alaska doesn't believe there is an obligation for Indian Health Service beneficiaries to pay for services received in Indian Health Service hospitals or clinics. Therefore, if there is no obligation to pay, no third-party payor has an obligation to a policyholder or subscriber. In my experience, the Indian Health Service apparently is not in a position to render billings for services. The accounting mechanism is not presently able to provide itemization necessary to properly adjudicate a claim.

As I understand this bill, the Indian Health Service hospitals and clinics would benefit from third-party payment for services provided policyholders who are also Indian Health Service beneficiaries. This may be a fallacy because in instances where only contract hospitals might be directly reimbursed, the patient would receive payment and not the hospital. This could encourage over-utilization of health care services and make medical necessity take second place.

This bill might be considered to be a subsidy to the Federal Government in providing health care services to Alaska Natives and American Indians. A double taxation measure, if you will. This is also a bill requiring the first dollar come from third-party payors rather than an effort to coordinate benefits using the Indian Health Service as any other third-party payor. The result of such legislation could well be an increase in the premiums paid by other subscribers, but would directly benefit the Federal Government.

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CS for HB 257
 Title: An Act relating to Health Insurance.
 Sponsor: Ward
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: All State Agencies
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		-0-	327.1	353.3	381.5	412.1
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		-0-	327.1	353.3	381.5	412.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND			295.7	319.4	344.9	372.5
FEDERAL FUNDS			15.0	16.2	17.5	19.0
*OTHER (Specify Source)			16.4	17.7	19.1	20.6

*4% Veterans; 12% Fish & Game; 26% Highways; 58% Airport

POSITIONS: None

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: J.K. Humphreys, Director Phone: 465-4460
 Division: Retirement & Benefits Date: 4/25/83

Approved by Commissioner: Lisa Rudd, Commissioner Date: 4/26/83
 Department: Administration

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

State of Alaska

Fiscal Note

HB 257

IV Analysis: Premiums are assumed to increase by 8% per year.

The impact of this bill is estimated to be a 1% increase in premiums. These cost figures are based on the assumption that the state's plan will be primary when benefits are available through the Alaska Area Native Health Service.

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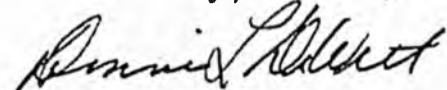
Dear Representative Ward:

The Alaska State Hospital Association wishes to offer our support to the concepts found in House Bill 257.

We believe that it is imperative that the Alaska Native Hospitals be able to collect third party payments for services they provide. With the impending reductions in federal funds, all potential sources of revenue must be pursued by the ANS facilities if they are to remain viable and up to the standard of quality Alaskans have the right to demand. While some may scoff at HB 257, we suggest that is how most forward looking proposals are treated. Without this gradual movement away from depending on federal funding, health services to Alaskan Natives will soon only be a memory.

The Alaska State Hospital Association commends your willingness to address this critical issue in such a meaningful fashion.

Sincerely,



Dennis L. DeWitt
President

DLD:hb

cc: House HESS Comm.
John Dumbolton
Richard E. Zitzow
Frank Sutton