HB

470

STATE OF ALASKA
THE LEGISLATURE

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May, 1988

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Mary Van Nimwegen

H HESS 4-8-88 10:00a.m.

Special Report

More states move toward universal health insurance

Although Sen. Edward M. Kennedy's bill to require employers to provide employees with a minimum level of health-insurance benefits appears to be stalled in the Senate, a small — but growing — number of states seems to be picking up the slack.

In Kennedy's home state, for example, the fate of universal health-insurance coverage for Massachusetts residents could be determined later this month after the state Legislature completes its debate on a proposal offered this past summer by Gov. Michael Dukakis.

Dukakis

The Dukakis plan would call for employers to provide basic health-insurance coverage for all employees who work at least 17 hours per week. Such workers and their dependents make up about two-thirds of the 600,000 uninsured people in the state.

The remaining third would be covered by a state-funded insurance plan.

Initially, support for the Dukakis plan was strong. A non-binding statewide referendum in 1986 found that two-thirds of the voters favored the universal health-insurance concept.

However, the plan faces competition from a legislative proposal that would impose an employer-payroll tax to fund health-insurance coverage for *all* uninsured people in the state.

Nonetheless, small-business groups are opposed to both proposals, calling them unaffordable for businesses with fewer than 25 employees.

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A handful of states mandate coverage

(continued from page 1)

And although it is in favor of the universal health-insurance concept, the Massachusetts Hospital Association, Burlington, MA, opposes the Dukakis proposal because it includes caps on hospital charges.

The universal health-insurance coverage issue has been debated during the past several weeks in the Massachusetts Senate, with proponents hoping to negotiate a compromise package this month.

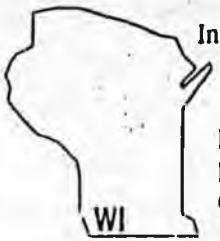
But although the Massachusetts proposals have received the most national attention in recent weeks, at least five other states have proposed, considered or passed some form of legislation this year to expand coverage to uninsured people. Here's an update:

Next year in Michigan, the state will institute a health-insurance plan to cover workers who leave state welfare rolls for jobs that do not offer health care coverage. The plan, sponsored as a demonstration project by the Princeton, NJ-based Robert Wood Johnson (RWJ) Foundation, will require the state, the employer and the employee to share equally in the cost of the coverage.

Michigan's Legislature also created a task force this year to study issues related to access to care for the state's one million uninsured residents. According to John Griffin, a lobbyist for the Michigan Hospital Association, Lansing, MI, the task force "has a wide-open charge to study the issue and to make recommendations on how the state can enact policies to increase access to care."

out of this," he said.

The task force is expected to give its final report in September of 1989.

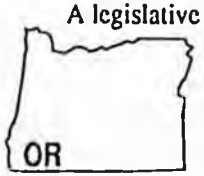


In Wisconsin, the legislature this past spring passed a $6 million appropriation to fund five pilot projects designed to expand health-insurance coverage for state residents, but the measure was vetoed by Gov. Tommy Thompson.

The projects were designed to provide health-insurance coverage for the working poor and for the recently unemployed, and to expand coverage for the elderly, according to Stephen E. Brenton, senior vice president for government affairs for the Wisconsin Hospital Association, Madison, WI.

He said the association supported the legislation that created the projects but was unsuccessful in persuading enough lawmakers to vote to override the governor's veto.

"Given that we already have what some consider a 'Cadillac' Medicaid program and that we now have a very conservative governor, I don't think an expansion of health care coverage will be a high priority with this administration," Brenton said.



A legislative proposal in Oregon that began as mandatory employer-provided health-insurance coverage for all employees became a voluntary program as a result of legislative compromise, according to P.T. Fleissner, president of the Oregon Hospital Association, Lake Oswego, OR.

The final version of the plan, which passed the legislature this past summer, offers small businesses — those with 25 or fewer employees — a tax credit equal to 50 percent of their contributions to

goes into effect early next year, has not attracted the participation of many small businesses to date.

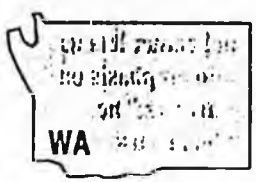
"We don't look for it to be particularly helpful in its present state," he said. "But it could be helpful as an opener for a more comprehensive mandatory package in the next session."

A plan adopted in Arizona this year and begun with seed money from the Robert Wood Johnson Foundation also provides low-cost health-insurance coverage to members of the working poor through the state's Medicaid program.

Although the Medicaid program performs the actuarial work, develops the plan design and markets the insurance package to small businesses, the costs of the insurance plan are paid entirely by employer contributions, according to John Rivers, president of the Arizona Hospital Association, Tempe, AZ.

"The program is designed to make insurance affordable for employees of companies that currently offer no coverage," he said.

Right now, the plan is offered in only two counties and won't be operational statewide until next month, Rivers said.



In Washington State, proponents of better health-insurance coverage for uninsured people also were forced to scale down their proposed plan.

This past January, a task force of health care providers, insurers, business leaders and advocates for the poor recommended a plan under which the state would act as an insurance broker for many of the state's 500,000 uninsured, according to Jeff Mero, director of (WSHA).

Under the plan, basic health-insurance benefits would be available on a sliding-scale fee basis to residents whose earnings were less than 200 percent of the poverty level but who did not qualify for Medicaid. The subsidy for the plan would come in part from a tax on employers that chose not to offer health-insurance coverage to their employees, thus offering businesses an incentive to insure their workers.

But Mero said the state Legislature approved only pilot projects to insure 30,000 low-income residents in five areas of the state, and he added that the program will be funded by $19 million in general revenues — not by a tax on employers.

However, Mero also said the WSHA will continue to push for a broader program.

Although a handful of states have had varying amounts of success with initiating and implementing universal health-insurance coverage programs, at least one state — Hawaii — has required employers to provide health insurance to all employees for more than a decade.

The state's 1974 Prepaid Health Care Act requires employers to provide basic health insurance to all employees who work at least 20 hours per week, according to Carol T. Komura, vice president of fiscal service at the Healthcare Association of Hawaii, Honolulu, HI.

Under the law, coverage is required for inpatient acute care, outpatient services and substance-abuse treatment. An advisory committee and a review board also were created under the legislation to enforce the law.

Komura said that to her knowledge, no studies have been done to date on the impact of the law on health care costs or on access to care.

But she added that business groups

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 470
PUBLISH DATE: 2/15/88

FISCAL NOTE

REQUEST:

Revision Date: 2/17/88
Title: An Act relating to advisory vote on state catastrophic illness insurance.
Sponsor: SUND
Requestor: House HESS

Agency Affected: Office of the Governor
BRU: Division of Elections

Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2*	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (cont.)

Prepared by: Linda Edgeworth
Phone: 465-4611
Division: Elections
Date: 2/17/88

Approved by Commissioner: for S. McAlpine
Date:
Agency: Office of the Governor, Division of Elections

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counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be $51.2.

Under these circumstances the fiscal note would be: