

H B

581

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files. .

Mary Van Nimwegen

✓ NESS	3/24/90
11 NESS	3/30/90
4 NESS	4/1/90
11. NESS	4/5/90

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 13, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 4/5/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 581

HOUSE BILL NO. 581

UNIVERSAL HEALTH CARE TASK FORCE

"An Act creating a universal health care task force; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 581 (HESS) the same title
 a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact DHS
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS

SIGNING:
(Check approp. column)

Do Not Pass No Rec Amend

J. Ellis

Peter Lee

D. Hensley

Mark Baker

<i>W. ...</i>	<input checked="" type="checkbox"/>		

J. Ellis

Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affecte DHSS
 Title: "An Act creating a universal health care task BRU: Administrative Services
for and providing for an effective date."
 Sponsor: _____ Components: Planning and Development
 Requestor: by the HESS Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY92	FY93	FY94	FY 95	FY 96
PERSONAL SERVICES	93.0	102.5				
TRAVEL	26.3	40.8				
CONTRACTUAL	28.6	23.2				
SUPPLIES	0.9	0.5				
EQUIPMENT	0.0	0.0				
LAND & STRUCTURES	0.0	0.0				
GRANTS, CLAIMS	0.0	0.0				
MISCELLANEOUS	0.0	0.0				
TOTAL OPERATING	208.8	167.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0				
REVENUE	0.0	0.0				

FUNDING: (Thousands of Dollars)

GENERAL FUND	208.8	167.0				
FEDERAL FUNDS	0.0	0.0				
OTHER	0.0	0.0				
TOTAL	208.8	167.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	3	3				

ANALYSIS: (Attach a separate page if necessary)

See attached assumptions and calculation analysis.

NO fiscal impact in FY 90.

Prepared by: D. Williams *DW*
 Division: Div. of Admin. Svcs., DHSS
 Approved by Commissioner: *Kevin O'Quinn*
 Agency: Dept. of Health & Soc. Svcs

Phone: 465-3015
 Date: April 3, 1990
 Date: 4/4/90

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

PERSONNEL	FY 91	FY 92
RAIII 22 months = \$ 93,214	\$ 42,370	\$ 50,844
RA II 17 months = 58,327	30,879	27,448
CTIII 20 months = 43,960	19,782	24,178
Total personnel \$195,501	\$93,031	\$102,470

TRAVEL	FY 91	FY 92
Task Force travel:		
8 meetings, 5 members, 3 days per diem	\$ 17,250	28,750
Evenings will be public meeting & discussion		
Next day is education/work session		
3 days stipend @ \$150; avg. fare \$400; misc.		
\$30 total per meeting, per member \$850		
Staff travel for research and meetings:	9,000	12,000
Total travel	\$26,250	\$40,750

CONTRACTUAL	FY 91	FY 92
Printing		1,000
4 X \$5,000 for expert testimony & task force education	10,000	10,000
Advertizing (display ads)	1,500	2,500
Telephone long distance calls	350	650
Office space (500 sq. ft. lease @ 1.50 per sq ft)	6,750	9,000
Employer survey (phone)	20,000	
Characteristics survey (phone, interview and observation)	50,000	
Total contractual	\$88,600	\$23,150

SUPPLIES	FY 91	FY 92
Paper goods, office supplies	\$ 600	450
Reference books	300	
Total supplies	\$ 900	\$ 450

EQUIPMENT		
Personal Computer = \$4,500 value donated	-0-	-0-

TOTAL FOR PROJECT	\$208,781	\$166,820

Assumptions:

1. Written work of the task force in providing program description and supportive documentation will be provided by legislative research agency.
2. Teleconferencing of public meetings will be provided at no cost through the legislative network or other comparable arrangement.
3. Reimbursement for services of those appointed by the Governor will be limited to \$150 per day plus travel and per diem.
4. Advisory committee members will provide funding for travel and other costs for their participation from their respective budgets.
5. Computer used for staff research work will be donated.



HEALTH CARE COALITION OF ALASKA

HOUSE BILL NO. 581

Sec. 2 - Page 3 - beginning line 5 - after (6) Office of the Governor
add:

- (7) Hospital Administrator
- (8) Physician
- (9) Health Care Provider
- (10) Consumer

Sec. 2 - Page 3 - beginning line 14 - after the word "public" add:

Alaska Pharmaceutical Association, Alaska Public Health Association,
Alaska Dental Society, Alaska Academy of Physician Assistants, Alaska
Nurses Association, Department of Veterans Affairs, CHAMPUS, Department of
Defense,

Sec. 2 - Page 3 - beginning line 20 - after the number "1982;" add:

and the study done by Thomas Parran, University of Pittsburgh Graduate
School of Public Health, for the Department of Interior, 1954, called
"Alaska Health: A survey Report";

Sec. 2 - Page 4 - beginning line 4 - after the word "providers" add:

Department of Veterans Affairs, Department of Defense (CHAMPUS),

FISCAL NOTE CALCULATIONS

	sal/w-perq	12 months	6 months	3 months
Research Analyst III	3336/4237 mo	50,844	25,422	12,711
Research Analyst II	2702/3431 mo	41,172	20,586	10,293
Clerk Typist III	1731/2198 mo	26,376	13,188	6,594

PERSONNEL		1st year	2nd year
RAIII 18 months	= \$ 76,266	\$ 25,422	\$ 50,844
RA II 15 months	= 51,465	10,293	41,172
C T 15 months	= 32,970	6,594	26,376
total personnel	\$160,701	\$42,309	\$118,392

TRAVEL (18 MONTHS)
 5 meetings, plus 3 exec. meetings with chair \$ 6,750
 Evenings will be public meeting & discussion
 Next day is education/work session
 3 days per diem; avg. fare \$400

Staff & advisory commission (6 plus 3) 12,150
 9 @ \$90 X 3 X 5 =

4 out-of-state trips by staff 4,000
 total travel \$22,900

CONTRACTUAL	1ST YEAR	18 MO
Printing	\$ 1,000	
4 X \$5,000 for expert testimony & task force education	20,000	
Advertizing (display ads)	3,000	
Telephone long distance calls	1,000	
office space (500 sq. ft. lease @ 1.50 per sq ft)	9,000	
total contractual	\$31,000	46,500

SUPPLIES	1ST YEAR	18 MO
paper goods, office supplies	\$ 600	
reference books	300	
total supplies	\$ 900	1,350

EQUIPMENT	
Word processor	\$ 4,200

GRAND TOTAL FOR PROJECT \$235,651

6-2306E

Ford
4/3/90

Original sponsor(s): 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) the Governor's Interim Commission on Health Care recommended
2 that "a state working group should explore and develop health insurance
3 plans for medically uninsured Alaskans";

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

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

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

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

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

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

1 senate, and the Office of the Governor.

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

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

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

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

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

24 (3) update the information in the "Alaska Comprehensive Health
25 Care Financing Study" done by the Battelle Human Affairs Research Center in
26 1982;

27 (4) make an accurate estimate of the number of people who are
28 unable to receive necessary health care services in the state, which pa-
29 tients are generating unpaid medical bills, which state residents are

1 uninsured or lack adequate insurance, which health care providers are
2 providing uncompensated care, who is paying for the cost of uncompensated
3 care, and the total cost of uncompensated care in the state;

4 (5) identify those health care services necessary to achieve an
5 acceptable minimum level of health care for all state residents and to
6 examine those health care services that provide the most care for the most
7 people at the least cost, including prevention services; the health care
8 rationing system in Oregon shall be examined by the task force;

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

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

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

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

24 (C) using the state employees' health plan as the founda-
25 tion for an insurance pool that would include the uninsured who are
26 not covered in the workplace, with the possibility of expanding the
27 pool to eventually cover all state residents;

28 (D) continuing or reinstating government programs, includ-
29 ing the Medicaid medically needy option or the catastrophic illness

1 program, if private insurance is not the best way to provide coverage;

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

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

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

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

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

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

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

20 (L) establishing or lengthening the time for continuation
21 or conversion of health insurance coverage after a state resident
22 leaves employment;

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

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

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

29 (P) having special programs designed to ensure that

1 children have adequate health coverage, such as the child health care
2 programs established in Minnesota;

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

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

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

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

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

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

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

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

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

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

23 (9) pursue financial support from other sources, including
24 private foundations like the Robert Wood Johnson Foundation, for the work
25 of the task force and for implementation of a universal health care pro-
26 gram;

27 (10) coordinate with the community health planning efforts
28 described in Senate Bill 326 of the Sixteenth Alaska State Legisla-
29 ture;

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

4 (12) utilize information provided by the Health Care Cost
 5 Containment Task Force established by the Sixteenth Alaska State
 6 Legislature.

7 * Sec. 5. REPORT. The task force shall, by March ~~31~~¹, 1992, provide a
 8 preliminary report, and by June 30, 1992, provide a final report to the
 9 legislature and the governor that recommends a program for providing uni-
 10 versal health care, including recommendations for implementing the program
 11 in phases in an expeditious, yet orderly manner.

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

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