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SENATE FINANCE COMMITTEE REPORT

DATE: 4/17/90

FURTHER:

DATE TURNED INTO OFFICE: 4/23/90

The Finance Committee considered

S.S.S.B. 394

"An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs."

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____
Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____
DOE Voc Rehab 1/31/90
(5.2)

zero fiscal note(s) _____ Dept/Date: _____
VofA 2/15/90
DOA 1/29/90

SIGNING **DO PASS:**

Jim Duncan
Paul Grube
Paul J. Schmitt
Rich Wiley (NO PASS)

OTHER RECOMMENDATIONS:

1.

2.

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to State Group Insurance
Sponsor: Sen. Fahrenkamp
Requestor: _____

Agency Affected: University of Alaska
BRU: ATI
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	None	None	None	None	None	None
CAPITAL						
REVENUE	None	None	None	None	None	None

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SB 394 is not expected to impact the University.

Prepared by: Jim Lynch
Division: University of Alaska

Phone: 907-578-7711
Date: February 15, 1990

Approved by Commissioner: Brian Rogers
Agency: University of Alaska

Date: 2/15/90

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An act relating to eligibility to BRU: Retirement and Benefits
participate in state group insurance.
 Sponsor: Fahrenkamp Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill expands the eligibility in the State sponsored health plan for governmental units to allow individuals in certain vocational rehabilitation programs to participate in this coverage.

Prepared by: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: Jan. 25, 1990
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 1/29/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency/ _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Education
 Title: Eligibility to participate in the state group insurance BRU: Vocational Rehabilitation
 Sponsor: Senator Fahrenkamp Components: Specialized Facilities
 Requestor: Senator Fahrenkamp

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
MISCELLANEOUS						
TOTAL OPERATING	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER P.R.	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attachment A.

Prepared by: F. Pat Young Phone: 465-2814
 Division: Vocational Rehabilitation Date: 1/31/90

Approved by Commissioner: William G. Demmert Date: 1/31/90
 Agency: Education

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Business
- (Impacted Agencies)

ATTACHMENT A

ANALYSIS:

The Division of Vocational Rehabilitation has the statutory and regulatory authority to receive net proceeds from vending machines operated by private persons in state or federal buildings throughout the state of Alaska.¹ These proceeds are deposited quarterly in the Small Business Enterprise Program's revolving fund which is administered by the division. The income from these machines can only be used by the division to enhance, expand and provide fringe benefits to vendors licensed under the Small Business Enterprise Program.

One of the services provided to the licensees is health insurance. The Division has provided this health insurance in the past, but the cost has been higher with less coverage than that provided under the state health insurance program. For calendar year 1991, the division is paying \$14,772.00 to cover five vendors out of this revolving fund. The division would only have to pay \$9,611.40 to cover these same five individuals if they were eligible to participate in the state health insurance program. This would create a net savings of \$5,161.00 for the division in program receipts which could then be used for other services needed to operate the vending program.

¹AS 23.15.010-210
4 AAC 54.430

BY SEN. FAHRENKAMP

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 394

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligibility to participate in the
7 state group insurance for certain licensees in voca-
8 tional rehabilitation programs."

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

10 * Section 1. AS 23.15 is amended by adding a new section to read:

11 Sec. 23.15.136. GROUP INSURANCE FOR CERTAIN LICENSEES. The
12 agency shall purchase group insurance coverage under AS 39.30.090 for
13 licensees holding current operating agreements. The employer share of
14 the insurance premium shall be paid from the vocational rehabilitation
15 small business enterprise revolving fund.

16 * Sec. 2. AS 39.30.090(a) is amended to read:

17 (a) The Department of Administration may obtain a policy or
18 policies of group insurance covering state employees, persons entitled
19 to coverage under AS 14.25.168, AS 22.25.090, AS 39.35.535 or former
20 AS 39.37.145, [OR] employees of other participating governmental
21 units, or persons entitled to coverage under AS 23.15.136, subject to
22 the following conditions:

23 (1) A group insurance policy shall provide one or more of
24 the following benefits: life insurance, accidental death and dismem-
25 berment insurance, weekly indemnity insurance, hospital expense insur-
26 ance, surgical expense insurance, dental expense insurance, audio-
27 visual insurance, or other medical care insurance.

28 (2) Each eligible employee of the state, the spouse and the
29 unmarried children chiefly dependent on the eligible employee for

1 support, and each eligible employee of another participating govern-
2 mental unit shall be covered by the group policy, unless exempt under
3 regulations adopted by the commissioner of administration.

4 (3) A governmental unit may participate under a group
5 policy if

6 (A) its governing body adopts a resolution authorizing
7 participation, and payment of required premiums;

8 (B) a certified copy of the resolution is filed with
9 the Department of Administration; and

10 (C) the commissioner of administration approves the
11 participation in writing.

12 (4) The Department of Administration shall obtain the
13 insurance policy from any insurer authorized to transact business in
14 the state under AS 21.09 and AS 21.90.

15 (5) The Department of Administration shall make available
16 bid specifications for desired insurance benefits to all insurance
17 carriers licensed in the state and qualified to provide the desired
18 benefits. The specifications shall be made available on or before
19 July 1, 1965, and at least once every succeeding five years. The
20 lowest responsible bid submitted by an insurance carrier with adequate
21 servicing facilities shall govern selection of a carrier under this
22 section.

23 (6) If the aggregate of dividends payable under the group
24 insurance policy exceeds the governmental unit's share of the premium,
25 the excess shall be applied by the governmental unit for the sole
26 benefit of the employees.

27 (7) A person receiving benefits under AS 14.25.110,
28 AS 22.25, AS 39.35, or former AS 39.37 may continue the life insurance
29 coverage that was in effect under this section at the time of

1 termination of employment with the state or participating governmental
2 unit.

3 (8) A person electing to have insurance under (7) of this
4 subsection shall pay the cost of this insurance.

5 (9) For each permanent part-time employee electing coverage
6 under this section, the state shall contribute one-half the state
7 contribution rate for permanent full-time state employees, and the
8 permanent part-time employee shall contribute the other one-half.

9 (10) A person receiving benefits under AS 14.25, AS 22.25,
10 AS 39.35, or former AS 39.37 may obtain auditory, visual, and mental
11 insurance for that person and eligible dependents under this section.
12 The level of coverage for persons over 65 shall be the same as that
13 available before reaching age 65 except that the benefits payable
14 shall be supplemental to any benefits provided under the federal old
15 age, survivors, and disability insurance program. A person electing
16 to have insurance under this paragraph shall pay the cost of the
17 insurance. The commissioner of administration shall adopt regulations
18 implementing this paragraph.

19 (11) A person receiving benefits under AS 14.25, AS 22.25,
20 AS 39.35, or former AS 39.37 may obtain long-term care insurance for
21 that person and eligible dependents under this section. A person who
22 elects insurance under this paragraph shall pay the cost of the insur-
23 ance premium. The commissioner of administration shall adopt regula-
24 tions to implement this paragraph.

25 (12) Each licensee holding a current operating agreement for
26 a vending facility under AS 23.15.010 - 23.15.210 shall be covered by
27 the group policy that applies to governmental units other than the
28 state.