

55 CLR

416

SENATE FINANCE COMMITTEE REPORT

DATE: 1/31/90

FURTHER:

Date of 5-Day Notice: 2/22/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/27/90

Finance Committee considered SCR 46

Relating to the Health Care Cost Containment Task Force.

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: _____

fiscal note(s) Dept/Date: _____

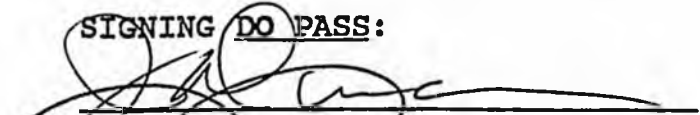
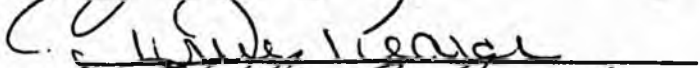
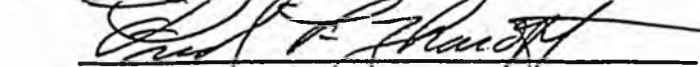
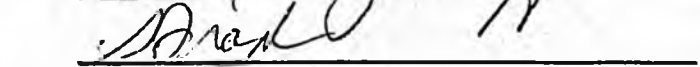

zero fiscal note(s) LAA# 2/26/90
(132.2 in FY91 Legislative Council budget)

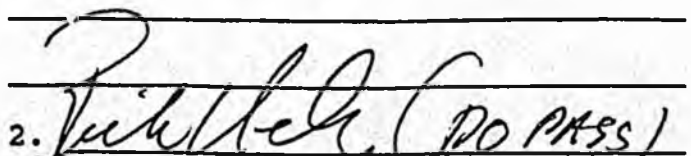
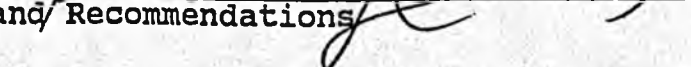
zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. John B. ... DO PASS

2. ... (DO PASS)

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the Health
Care Cost Containment Task Force.
Sponsor: Senate Rules
Requestor: Senate Finance

Affected Agency: Legislative Affairs Agency
BRU: Legislative Council
Components: Council & Subcommittees

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
Personal Services	*52.2	0	0	0	0	0
Travel	*20.0	0	0	0	0	0
Contractual	*60.0	0	0	0	0	0
Supplies	0.0	0	0	0	0	0
Equipment	0.0	0	0	0	0	0
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	*132.2	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	*132.2	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	*132.2	0	0	0	0	0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	1	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

*FY 91 funding for the Health Care Cost Containment Task Force is being requested in the Legislative Affairs Agency budget under the Council & Subcommittees component.

Funding will support the Task Force from July 1, 1990 to February 15, 1991. A part time staff position is required to support the Task Force comprised of Legislators, Executive Branch members and Public Employee Union representatives.

Travel and contractual funds are requested to support the Task Force.

Prepared By: Pamela Stoops, Director
Division: Administrative Services

Pamela Stoops

Phone: 465-3850
Date: 2/26/90

Approved By: Warren Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren Endicott

Date: 2/26/90

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY (IES)

BY THE RULES COMMITTEE BY REQUEST (For The Health Care Cost Containment Task Force)

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the Health Care Cost Con-
6 tainment Task Force.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the First Session of the Sixteenth Alaska State Legislature
9 resolved to determine ways to contain or reduce the increasing cost of
10 group health insurance to the state and its political subdivisions; and

11 WHEREAS the task force established for this purpose in 1989 by Legis-
12 lative Resolve No. 8 has made substantial progress in achieving savings and
13 health care cost reductions; and

14 WHEREAS these efforts have resulted in

15 (1) \$4,000,000 of refunds to the state for fiscal year 1989;

16 (2) implementation of cost containment measures in the state's
17 health plans that will reduce cost increases by \$4,500,000 in fiscal year
18 1990 and \$7,000,000 in the years ahead;

19 (3) reduction in the amount of the health insurance premium for
20 the state's active employees from \$431.72 to \$385.00 per month per employee
21 that is guaranteed until February 1, 1991; and

22 (4) a \$9 reduction in the amount of the health insurance premium
23 for the state's retirees, to \$244 per retiree, that is also guaranteed
24 until February 1, 1991, and resulting in a saving to the state's pension
25 funds of \$1,200,000; and

26 WHEREAS the task force is investigating other measures that have
27 potential for long-term control of medical and health care cost inflation,
28 principally through insurance pooling, self-insurance options, health care
29 purchasing groups, and provider payment schedules; and

1 WHEREAS pending federal and state legislation could substantially
2 shift additional health costs to the state; and

3 WHEREAS the task force is scheduled to terminate January 31, 1990;

4 BE IT RESOLVED by the Alaska State Legislature that the Health Care
5 Cost Containment Task Force established in 1989 by Legislative Resolve
6 No. 8 shall continue the work described in its January 31, 1990, report to
7 the legislature; and be it

8 FURTHER RESOLVED that the task force terminates on February 15, 1991;
9 and be it

10 FURTHER RESOLVED that the task force shall submit a final report of
11 its findings, recommendations, and proposed legislation to the governor and
12 the legislature by February 15, 1991.

OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

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February 23, 1990

MEMORANDUM

To: Senator Uehling, Co-chair
Senate Finance Committee

From: Senator Kelly, Chair *TDK*
Health Care Cost Containment
Task Force

Re: SCR 46, Extending the work of the Health Care Cost Containment Task Force

Last session, Legislative Resolve 8 established the Health Care Cost Containment Task Force to seek ways and means of reducing the spiralling costs of state employee health insurance. Membership on the Task Force is a blend of legislative, administrative, and public employee interests committed to finding solutions. SCR 46 lists many of the cost reducing successes that were either directly identified or stimulated by the Task Force.

While this list is substantial, medical inflation in the long term will soon overcome these gains and again continue the yearly increases without further efforts by the state to control them. The Task Force has determined several options that have potential for addressing this problem. These options are insurance pooling, self-insurance, health care purchasing groups, and provider payment schedules among others. In each case, substantial work must be done to assess the reality of potential cost control, the reasonableness of implementation, and the impact on the health care industry.

These kind of solutions are not likely to be accomplished in a single session or budget cycle. It will take a longer term commitment. The Task Force will seek a consensus of all parties involved with health care cost and present a plan for the next legislature and new administration.