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HOSPITAL & NURSING HOME

ASSOCIATION

March 30, 1992

Representative Johnny Ellis
House of Representatives
Capitol Building
Juneau, AK 99811

Re: Support HB 457, Healthy
Start Program

Dear Representative Ellis:

Please list our organization as one that strongly supports the "concepts" and "intent" of HB 457, creating the Alaska Children's Health Corporation and providing health insurance protection for children and pregnant women.

I regret a conflict with the Senate HESS Committee prevents me from testifying this morning, but we believe improving access to care for pregnant women and children to be a top priority for this Legislative session.

Thank you for the leadership on this issue.

Sincerely,



Harlan R. Knudson
President/CEO

3111 C STREET, SUITE 455
ANCHORAGE, ALASKA 99503
(907) 561-7628

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE



CHAIR
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

Sponsor Statement

HOUSE BILL 457

House Bill 457 establishes the Healthy Start Program and the Alaska Children's Health Corporation as the administrative entity for the Program. The purpose of the Corporation and Program is to provide access to health insurance coverage for uninsured Alaskan children and pregnant women from families of limited income.

The Corporation is governed by a Board of Directors composed of individuals with experience in health care, insurance, fund management and child welfare. The Board is responsible for developing a health insurance plan to cover eligible participants. The bill gives broad authority to the Board to design the plan, but does require that preventive, outpatient, emergency and maternal services are included.

To be eligible, the child (19 or under) or woman must be an Alaskan resident, under 300% of the federal poverty level, not covered by another public or private plan, and not eligible for Medicaid.

The bill allows eligible participants to apply for coverage through the permanent fund dividend application and to voluntarily deduct their premium from their permanent fund dividend check.

Plan participants are required to pay part of their premium based on a sliding scale of family income. Funding from private sources is also encouraged. The remainder of the necessary funds would come from the general fund.

The effective date for the creation of the Corporation, the Board and the Alaska Children's Health Fund is immediate. The plan becomes effective in July of 1993. During the intervening year, the Board is responsible for developing the plan, and estimating the overall impact of the Healthy Start Program on the general fund.

Please refer to the bill and the sectional analysis for a more comprehensive explanation.

Sponsor Statement

HOUSE BILL 457
FREQUENTLY ASKED QUESTIONS

QUESTION: What does HB 457 do?

ANSWER: This bill provides health insurance for children and pregnant women from families of limited income who have no other form of health coverage. This bill fits into a systematic, phase-in approach, endorsed by the Health Resources and Access Task Force, to control costs and ensure that all Alaskans have access to health care.

QUESTION: Why is HB 457 necessary?

ANSWER: Children do not have the ability to provide for their own health coverage. In most cases parents of limited income do not have a workplace plan that will cover their children and can not afford the private plans that are available.

QUESTION: Will this bill save money in the long run?

ANSWER: Yes. Most of the time uncovered kids and pregnant women receive only the medical care they absolutely need. These costs are passed onto everyone else in the form of higher insurance premiums. Under the program of preventative care in this bill, health problems can be prevented or detected early saving money for everyone while helping many Alaskans avoid the misery of illness.

QUESTION: How many children would be covered under the bill?

ANSWER: There are an estimated 14,600 Alaskan children from families with incomes three times the federal poverty level or lower without health insurance or any other form of health coverage.

QUESTION: What medical services are covered?

ANSWER: The plan includes preventative services, emergency services, outpatient services, dental services and prescription drugs for children, and maternal care for women.

QUESTION: Who pays for the coverage?

ANSWER: The families of eligible women and children will pay an affordable portion of the premium based on their ability to pay. The remainder would come from private contributions and state funds.

QUESTION: How much would it cost to cover one child?

ANSWER: Based on the services listed in HB 457, and given the advantages of pooling, a preliminary actuarial analysis shows the yearly premium for a child to be about \$750. Children are the cheapest group of uninsured to cover.

Frequent Q. & A.

SECTIONAL ANALYSIS
for
CSHB 457()

SECTION 1.

Establishes the HEALTHY START PROGRAM as a new Chapter 55 under Title 21 (Insurance). The Healthy Start Program is administered by the Alaska Children's Health Corporation.

Article 1. of Chapter 55 establishes the ALASKA CHILDREN'S HEALTH CORPORATION. The Corporation's purpose is to:

- 1) administer the Alaska Children's Health Care Plan
- 2) purchase health insurance for eligible participants
- 3) manage the Alaska Children's Health Fund.

Board of Directors for the Corporation is made up of seven members including: the Commissioners of Administration and Health and Social Services and five other individuals with experience in providing health care, managing large funds, providing health insurance, and promoting child welfare. The Board is allowed to hire staff.

Article 2. creates the ALASKA CHILDREN'S HEALTH CARE PLAN.

Medical services for children which must be provided under the plan are: routine examinations; diagnostic and screening services; immunizations and preventive services; laboratory and x-ray services; outpatient physician services; outpatient surgery; emergency room services; dental services, except orthodontics; and prescription drugs.

Maternity care is also included for women during pregnancy and for a period immediately following childbirth.

The Board is authorized to adopt regulations to determine the scope of these services and to add additional services. They are also authorized to set deductibles, limits and other such mechanisms to control the utilization and cost of the plan. (Decisions on level and scope of services would be driven by the funds available.)

Eligible participants in the plan include:

- 1) Alaskan residents of at least one year,
- 2) under the age 19 or pregnant women,
- 3) who are not covered under another public or private health insurance plan or by medicaid, and
- 4) who have a household income of less than 3 times the federal poverty level (approx. \$52,000 for family of four).

Application for coverage under the plan can be made directly to the Corporation or by filling out a relevant section of the child's or woman's permanent fund dividend application.

Administration of the plan by the Board includes:

- 1) solicitation of private funds to cover premiums,
- 2) purchasing of insurance to cover eligible participants
- 3) marketing the plan to encourage participation,
- 4) evaluating eligibility under the plan, and
- 5) determining copayment requirements of participants.

Co-payments of premiums are required of all participants. The Board will set a sliding scale based on household income to determine the required co-payment. The co-payments may be deducted from the child's permanent fund dividend check if requested by the child's parent or guardian.

Article 3. establishes the ALASKA CHILDREN'S HEALTH FUND as part of the Corporation. Sources for the Fund are:

- 1) the required co-payments by the insured,
- 2) money donated from private sources, and
- 3) appropriations by the legislature.

Fund income is used to pay the insurance premiums for women and children covered under the plan and for expenses incurred by the Corporation.

SECTION 2.

Places any staff employed by the Corporation into exempt (from provisions of the State Personnel Act) service.

SECTION 3.

Requires any insurer bidding for the provision of coverage under the Alaska Employee Group Insurance Plan to also bid on the Alaska Children's Health Care Plan (the Healthy Start Program).

SECTION 4.

Requires the Department of Revenue to include on the permanent fund dividend application questions whether the applicant wishes to:

- 1) apply for coverage under the Healthy Start Program,
- 2) have premium payments withheld from their PFD.

This section also requires Revenue to adopt regulations to determine how PFD deductions will be made and premium co-payments paid on behalf of the child.

SECTION 5.

Sets up staggered terms for the members of the Board of Directors of the Corporation.

SECTION 6.

Requires the Board to design the Plan, determine the costs and submit an estimate to the governor and legislature by March 1, 1993.

SECTION 7.

Establishes an immediate effective date for provisions in the bill which: establish the Corporation and Board (Article 1); provide for solicitation of private funds by the Board; and create the Fund.

SECTION 8.

Delays the effective date for the creation and administration of the Plan until July 1, 1993. (This allows the Board under Section 8 to design and determine the cost of the Plan.)

FISCAL NOTE

BILL NO. CSHB 457 ()
Lauterbach 3/25/92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: March 31, 1992
Title: An Act establishing the Alaska Children's Health Corporation and the Alaska Healthy Start Program

Department Affected: Administration

BRU: Children's Health Corporation

Component: _____

Sponsor: Ellis
Requestor: House Hess Committee

COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 204.9 | 215.2 | 225.9 | 237.3 | 249.1 | 261.6 |
| TRAVEL | 14.0 | 8.4 | 8.4 | 8.4 | 8.4 | 8.4 |
| CONTRACTUAL | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 |
| SUPPLIES | 4.4 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| EQUIPMENT | 39.5 | 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 | 346.8 | 309.6 | 320.3 | 331.7 | 343.5 | 356.0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|----------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

FUNDING: (Thousands of dollars)

| | | | | | | |
|-------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | 346.8 | 309.6 | 320.3 | 331.7 | 343.5 | 356.0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUND SOURCE | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 346.8 | 309.6 | 320.3 | 331.7 | 343.5 | 356.0 |

POSITIONS

| | | | | | | |
|------------|---|---|---|---|---|---|
| FULL-TIME: | 4 | 4 | 4 | 4 | 4 | 4 |
| PART-TIME: | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY: | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year impact:

ANALYSIS: (attach a separate page if necessary.) This analysis only examines the operating expenses of the corporation. We have insufficient data at this time to make assumptions on enrollments, resulting copayments and eventual State subsidy.

Prepared By: Gary Bader
Division: Retirement and Benefits

Phone: 465-4470
Date: March 31, 1992

Approved by Commissioner: Nancy Bear Usery
Agency: Department of Administration

Date: 4/1/92

CSHB 457 ()
Work Draft by Lauterbach 3/25/92
Analysis of Financial Impact
Prepared by the Division of Retirement and Benefits
Department of Administration
March 31, 1991
Page 2 of 4

Analysis: This bill creates the Alaska Children's Health Corporation and the Alaska Healthy Start Program in the Department of Administration. This independent agency, governed by a 7 member board of directors, would purchase and administer a specific health plan for certain children and pregnant women. The corporation would also manage a health fund that would consist of donations and appropriations.

Employing an Executive Director and additional staff as necessary, the corporation would:

- accept applications for health care
- adopt regulations outlining additional coverage
- establish copayment levels for applicants
- solicit private donations
- procure insurance coverage

The Alaska Children's Health Fund is also created in this bill and placed within the corporation. The fund would consist of money from donations and appropriations. The fund would also be used to pay premiums and board expenses. Copayments would be deposited in the general fund and accounted for separately by the department of administration.

Personal Services

| | |
|---|------|
| Executive Director (Range 26A, 12 mos.) | 94.5 |
| Administrative Assistant II (14A, 9 mos.) | 45.7 |
| Clerk Typist III (8B, 9 mos.) | 28.9 |
| Retirement/Benefit Technician (12A, 12 mos) | 35.8 |

Total Personal Services 204.9

Travel

Assume 4 Board Meetings for FY 93
and 3 each year thereafter at an average
cost of \$400 per member per trip:

\$400 X 7 members X 4 trips = 11.2

Administrative travel for Director:

Board Meetings \$400 X 4 = 1.6

Organizational Meetings \$600 X 2 = 1.2

Total Travel 14.0

Contractual

Office space--500 sq. ft. @ \$2.00 X 12 mos.= 12.0

Telephone--\$300 X 12 mos.= 3.6

Courier Services--\$220 X 12 mos.= 2.4

Postage--\$500 X 12 mos.= 6.0

Printing, binding, and mailing services= 10.0

Professional Services Contract (s) which could
include services such as:

marketing representative 50.0

Total Contractual 84.0

Supplies

\$500 per employee 2.0

Software 2.4

Total Supplies 4.4

Equipment

4 PCs and printer 18.0

Phone system 2.6

Photocopier 1.3

| | | |
|------------------------|-----|----------|
| Fax machine | | 1.8 |
| Office furniture: | | |
| 1 management unit | 4.0 | |
| 3 support workstations | 7.5 | |
| 4 chairs | 1.6 | |
| 4 side chairs | 1.1 | |
| 2 file cabinets | .9 | |
| bookcase | .1 | |
| storage cabinet | .6 | |
| Total Equipment | | 39.5 |

7-LS1486J
Lauterbach
3/25/92

CS FOR HOUSE BILL NO. 457 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES ELLIS, Donley, Koponen, B.Davis, Boyer, Lincoln

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Children's Health Corporation and the Alaska Healthy
2 Start Program; relating to insurance; and providing for an effective date."

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

4 * Section 1. AS 21 is amended by adding a new chapter to read:

5 CHAPTER 55. HEALTHY START PROGRAM.

6 ARTICLE 1. ALASKA CHILDREN'S HEALTH CORPORATION.

7 Sec. 21.55.010. CREATION OF CORPORATION. The Alaska Children's Health
8 Corporation is created as a public corporation. The corporation is an instrumentality of the state
9 within the Department of Administration, but it has a legal existence independent of and separate
10 from the state.

11 Sec. 21.55.020. PURPOSE OF THE CORPORATION. (a) The corporation's purpose
12 is to

- 13 (1) administer the Alaska children's health care plan as described in this chapter;
- 14 (2) purchase health insurance coverage for children and pregnant women who are

1 eligible for the plan under AS 21.55.110; and

2 (3) manage the Alaska children's health fund created under AS 21.55.200.

3 (b) The corporation is not considered an insurer. The directors and employees of the
4 corporation are not considered to be agents of an insurer. Neither the corporation nor a director
5 or employee of the corporation is subject to the licensing requirements of this title. However,
6 the division of insurance may require that a marketing representative used and compensated by
7 the corporation be appointed as a representative of the insurers with which the corporation
8 contracts.

9 Sec. 21.55.030. BOARD OF DIRECTORS. (a) The corporation is governed by a board
10 of directors consisting of the commissioner of administration, the commissioner of health and
11 social services, and five other members appointed by the governor. The five appointed members
12 must include persons who are experienced in providing health care, managing large funds,
13 providing health insurance, and promoting child welfare.

14 (b) Board members shall serve staggered terms of four years.

15 (c) The board members shall select from among themselves a chair and a vice-chair.

16 (d) Members of the board receive no compensation for their services but are entitled to
17 per diem and travel allowances authorized by law for other boards and commissions under
18 AS 39.20.180.

19 (e) The board shall meet at least twice a year at times and locations determined by the
20 chair. Four members of the board constitute a quorum.

21 (f) The board may hire an executive director to assist it in carrying out its duties. The
22 executive director may hire other necessary staff. The executive director and other employees
23 of the board serve at the pleasure of the board and are in the exempt service under AS 39.25.110.

24 ARTICLE 2. ALASKA CHILDREN'S HEALTH CARE PLAN.

25 Sec. 21.55.100. CONTENTS OF PLAN. (a) The Alaska children's health care plan
26 consists of the following medical services for children who are eligible under AS 21.55.110:

- 27 (1) routine examinations;
- 28 (2) diagnostic and screening services;
- 29 (3) immunizations and preventive services;
- 30 (4) laboratory and x-ray services;
- 31 (5) outpatient physician services;

- 1 (6) outpatient surgery;
- 2 (7) emergency room services;
- 3 (8) dental services, except orthodontics;
- 4 (9) prescription drugs; and
- 5 (10) other services, as approved by the board under (b) of this section.

6 (b) The board may, by regulations adopted under AS 44.62 (Administrative Procedure
7 Act), determine the scope of the services listed in (a) of this section and add other categories of
8 services for children that will be covered under the plan. A new category of service is not
9 covered under the plan until an insurer agrees to cover it.

10 (c) The plan also includes prenatal services, delivery services, and at least three months
11 of postnatal services for pregnant women. The board may, by regulations adopted under
12 AS 44.62 (Administrative Procedure Act), determine the scope of services covered under this
13 subsection, including the duration of postnatal services beyond the minimum set under this
14 subsection.

15 (d) In addition to the premium copayment required under AS 21.55.140, the board may
16 require a copayment for a service, establish deductibles, set duration and usage limits, develop
17 and implement procedures related to utilization review, and establish other reasonable conditions
18 relating to the provision of services under (a) - (c) of this section to limit the cost of the plan's
19 operation and to ensure the efficiency and efficacy of the services provided under the plan.

20 Sec. 21.55.110. ELIGIBILITY FOR THE PLAN. (a) A child is eligible for coverage
21 under AS 21.55.100(a) and (b) if

22 (1) the child is under the age of 19 and has been a resident of the state for the
23 12 months immediately preceding application for plan coverage or, if the child is less than one
24 year old, at least one of the child's parents has been a resident of the state for the 12 months
25 immediately preceding application for plan coverage;

26 (2) the child does not have health care coverage under another public or private
27 health insurance plan;

28 (3) the child's household income is below 300 percent of the income level
29 established under AS 47.25.310 - 47.25.420 for eligibility for aid to families with dependent
30 children;

31 (4) the child is not eligible for medical coverage under AS 47.07 (Medicaid); and

1 (5) a portion of the premium for plan coverage is paid on behalf of the child, as
2 determined by the board under AS 21.55.140.

3 (b) A pregnant woman is eligible for coverage under AS 21.55.100(c) if

4 (1) the woman has been a resident of the state for the 12 months immediately
5 preceding the woman's application for plan coverage;

6 (2) the woman does not have coverage for prenatal, delivery, or postnatal services
7 under another public or private health insurance plan;

8 (3) the woman's income is below 300 percent of the income level established
9 under AS 47.25.310 - 47.25.420 for eligibility for aid to families with dependent children;

10 (4) the woman is not eligible for medical coverage under AS 47.07 (Medicaid);
11 and

12 (5) a portion of the premium for plan coverage is paid on behalf of the woman,
13 as determined by the board under AS 21.55.140.

14 Sec. 21.55.120. APPLICATION PROCESS. (a) A pregnant woman or the parent or
15 guardian of a child may request an application packet for plan coverage by notifying the board
16 directly or by completing the relevant section of the woman's or child's permanent fund dividend
17 application form as provided under AS 43.23.017.

18 (b) Upon direct notification by an interested person or upon notification from the
19 Department of Revenue of the name and mailing address of a person who has requested an
20 application packet for the plan under (a) of this section, the board shall send an application
21 packet to the person requesting it.

22 (c) An application packet sent under (b) of this section must include

23 (1) a description of the health care coverage available under the plan;

24 (2) a copy of the sliding fee schedule used by the board to determine the premium
25 copayment responsibility and a description of deductibles and copayment requirements the board
26 has established under AS 21.55.100(d);

27 (3) an explanation of the eligibility requirements for the plan; and

28 (4) an application form to be returned to the board if the person wants to apply
29 for coverage personally or on behalf of an eligible child.

30 (d) Within 30 days after receiving a completed application for plan coverage, the board
31 shall either notify the applicant about whether the plan coverage is approved or request additional

1 information necessary to determine the eligibility. If the board determines that a pregnant woman
2 or a child is eligible for the plan, the notification of eligibility sent under this subsection must
3 include a determination of amount of the premium copayment required under AS 21.55.140.

4 (e) The board's denial or withdrawal of plan coverage may be appealed to the superior
5 court.

6 Sec. 21.55.130. ADMINISTRATION OF PLAN. (a) The board shall administer the
7 Alaska children's health care plan by

8 (1) soliciting and accepting funds from private sources for deposit into the
9 children's health fund created under AS 21.55.200; the board may also accept donations of
10 services, supplies, personnel, and other in-kind donations;

11 (2) evaluating bids and purchasing insurance from one or more insurers to provide
12 plan coverage;

13 (3) marketing the plan in a manner designed to make its existence known to
14 pregnant women and the parents and guardians of children who may be eligible for the plan;

15 (4) evaluating applications for plan coverage and determining eligibility for plan
16 coverage;

17 (5) determining the premium copayment that is required under AS 21.55.140.

18 (b) The board shall adopt regulations under AS 44.62 (Administrative Procedure Act) to
19 implement this chapter.

20 Sec. 21.55.140. COPAYMENTS OF PREMIUMS. (a) Coverage under the plan is
21 contingent upon copayment of part of the insurance premium, as determined by the board. The
22 board shall adopt a sliding scale for copayments that takes into account the income and resources
23 of the eligible person's household. The board shall determine whether two copayments are
24 required when eligible children are in a household that includes a woman who is eligible because
25 of pregnancy.

26 (b) The board, in cooperation with the Department of Revenue, shall adopt regulations
27 under which a pregnant woman or a parent or guardian may request that a permanent fund
28 dividend to which the woman or child is entitled be reduced by the Department of Revenue to
29 provide the premium copayment for the women's or child's plan coverage.

30 (c) The board shall deposit copayments received under this section into the general fund.
31 The department of administration shall separately account for premium copayments deposited into

1 the general account by the board. The estimated annual balance in the account may be used by
2 the legislature to make appropriations to the fund established under AS 21.55.200.

3 Sec. 21.55.150. CONFIDENTIALITY OF RECORDS. (a) Information received by the
4 board in an application for plan coverage is confidential and is not subject to public inspection
5 and copying under AS 09.25.110 - 09.25.120.

6 (b) A board member or employee of the corporation who divulges information in
7 violation of (a) of this section is guilty of a class B misdemeanor.

8 ARTICLE 3. ALASKA CHILDREN'S HEALTH FUND.

9 Sec. 21.55.200. CREATION OF FUND. The Alaska children's health fund is created
10 in the corporation. It consists of money donated to the corporation from private sources and
11 appropriations made to the fund.

12 Sec. 21.55.210. USE OF THE FUND. The board may use money in the fund

13 (1) to pay insurance premiums for the Alaska children's health care plan; and

14 (2) for the board's expenses incurred in administration of the plan and the fund.

15 ARTICLE 4. GENERAL PROVISIONS.

16 Sec. 21.55.290. DEFINITIONS. In this chapter,

17 (1) "board" means the board of directors of the Alaska Children's Health
18 Corporation established under AS 21.55.010;

19 (2) "corporation" means the Alaska Children's Health Corporation established
20 under AS 21.55.010;

21 (3) "fund" means the Alaska children's health fund established under
22 AS 21.55.200;

23 (4) "plan" means the Alaska children's health care plan described under
24 AS 21.55.100.

25 Sec. 21.55.299. SHORT TITLE. This chapter may be cited as the Healthy Start Program.

26 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

27 (30) the executive director and other employees of the Alaska Children's Health
28 Corporation (AS 21.55).

29 * Sec. 3. AS 39.30 is amended by adding a new section to read:

30 Sec. 39.30.092. BIDDER REQUIREMENT. An insurer may not submit a bid under
31 AS 39.30.090 for a type of medical care coverage that is included in the Alaska children's health

1 care plan under AS 21.55 unless the insurer also submits a bid to the Alaska Children's Health
2 Corporation to cover that type of medical care under AS 21.55.

3 * Sec. 4. AS 43.23 is amended by adding a new section to read:

4 Sec. 43.23.017. ALASKA CHILDREN'S HEALTH PLAN. (a) The department shall
5 include on the permanent fund dividend application form a question requesting whether the
6 applicant wishes to

7 (1) apply for coverage of a child or pregnant woman under the Alaska children's
8 health care plan established under AS 21.55;

9 (2) pay for the coverage under AS 21.55 by deduction from the permanent fund
10 dividend.

11 (b) Within 30 days after receiving an application form that indicates interest in the
12 Alaska children's health plan, the department shall notify the Alaska Children's Health
13 Corporation of the names and mailing addresses of persons who have indicated on a permanent
14 fund dividend form that they would like to apply for coverage under the Alaska children's health
15 care plan.

16 (c) The department, in cooperation with the Alaska Children's Health Corporation, shall
17 adopt regulations governing how it will honor a request that a permanent fund dividend be
18 reduced by the department to provide the premium copayment for coverage under the Alaska
19 children's health care plan.

20 * Sec. 5. TRANSITIONAL PROVISION. Notwithstanding AS 21.55.030(b), enacted by sec. 1 of this
21 Act, the governor shall set the terms of the first five appointed members of the board of directors of the
22 Alaska Children's Health Corporation so that one of the appointed members serves a two-year term, two
23 members serve three-year terms, and two members serve four-year terms.

24 * Sec. 6. EVALUATION OF COST OPTIONS. The board of directors of the Alaska Children's
25 Health Corporation established under this Act shall, after appropriate consultation with interested persons,
26 prepare an estimate of the fiscal costs to the state and to eligible persons of purchasing insurance to
27 cover the services described in AS 21.55.100, enacted by sec. 1 of this Act. The estimate must present
28 at least two alternative funding levels and include an explanation of the scope of services proposed by
29 the board for each funding level. The board shall submit the estimate and explanation to the governor
30 and the legislature by March 1, 1993.

31 * Sec. 7. AS 21.55.010 - 21.55.030, 21.55.130(a)(1), and 21.55.200 - 21.55.299, enacted by sec. 1

1 of this Act, and secs. 2, 5, and 6 of this Act take effect immediately under AS 01.10.070(c).

2 * Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect July 1, 1993.

**ANALYSIS OF SELECTED APPROACHES
TO REDUCE THE NUMBER OF
UNINSURED ALASKANS**

Prepared for:

Health Resources and Access Task Force
State of Alaska

Prepared by:

Health Systems Research, Inc.
Washington, D.C.

February 29, 1992

Analysis: Reduce Uninsured

OPTION 1: Establish a Subsidized Program to Provide Ambulatory Care Coverage to Certain Low-Income Alaskan Children

Program Design Features/Assumptions:

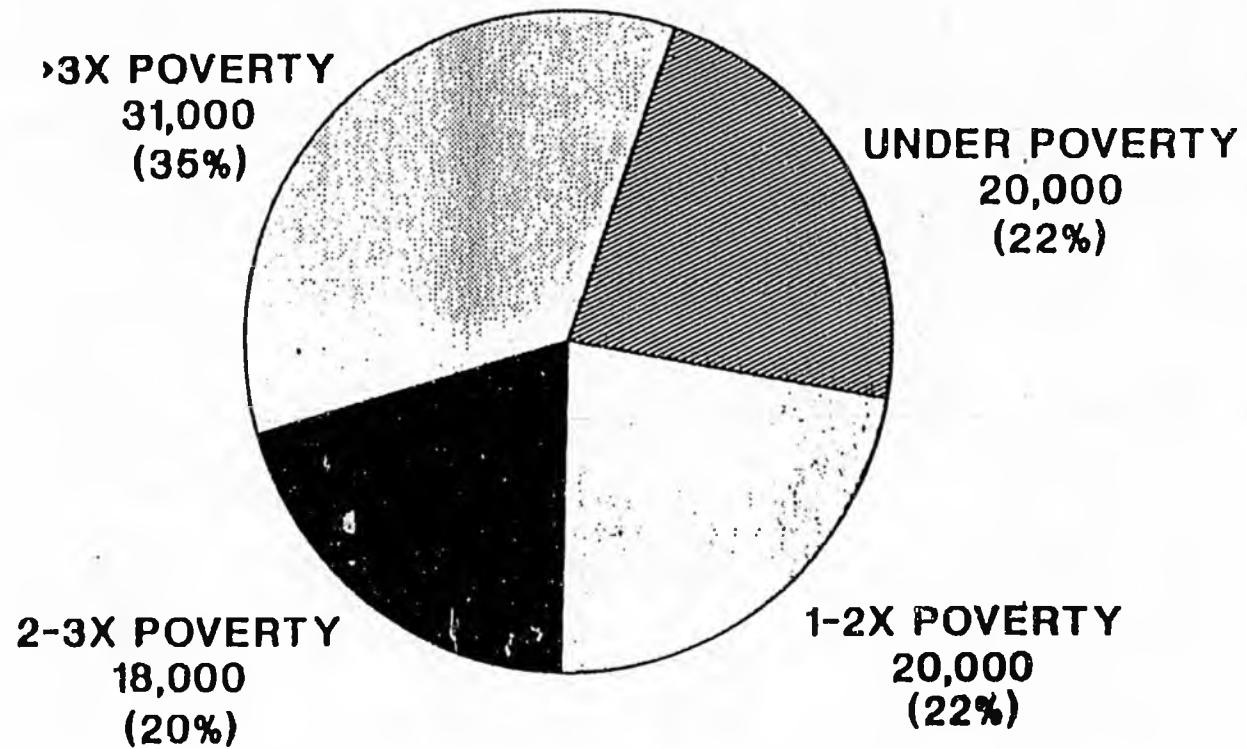
1. Program eligibility targeted to lower income uninsured children under 18 not eligible for Medicaid or IHS Coverage.
2. Program provides coverage of primary and preventive ambulatory care services, but not inpatient care.
3. Cost of coverage is \$750 per child per year.
4. Subsidies available on an income-related sliding scale basis. Average per child premium paid by the family:
 - If at or below poverty: \$50
 - If between 100% and 200% of poverty: \$125
 - If between 200% and 300% of poverty: \$300
5. Assumed Participation Rates:
 - 70% of previously uninsured children not eligible for Medicaid or IHS enroll;
 - 15% of otherwise eligible children with non-group coverage enroll; and
 - 5% of otherwise eligible children with group coverage enroll.

**ESTIMATES OF ENROLLEES AND COSTS UNDER
SUBSIDIZED AMBULATORY CARE PROGRAM FOR LOWER INCOME
ALASKAN CHILDREN NOT ELIGIBLE FOR MEDICAID OR IHS COVERAGE**

| <u>Income</u> | Number of Uninsured Children | <u>Enrollees, by Previous Coverage</u> | | | | <u>Costs (in millions of \$)</u> | | |
|------------------|------------------------------------|--|------------------|--------------|--------------|----------------------------------|---------------|--------------|
| | | <u>Uninsured</u> | <u>Non-Group</u> | <u>Group</u> | <u>TOTAL</u> | <u>State</u> | <u>Family</u> | <u>TOTAL</u> |
| Under Poverty | 3,900 | 300 | 0 | 0 | 300 | \$ 0.2 | \$.02 | \$ 0.2 |
| 100-200% Poverty | 4,500 | 2,500 | 200 | 200 | 2,900 | 1.8 | 0.4 | 2.2 |
| 200-300% Poverty | 6,200 | 4,400 | 100 | 500 | 5,000 | 2.2 | 1.5 | 3.7 |
| TOTAL | 14,600 | 7,200 | 300 | 700 | 8,200 | \$ 4.2 | \$ 1.9 | \$ 6.1 |

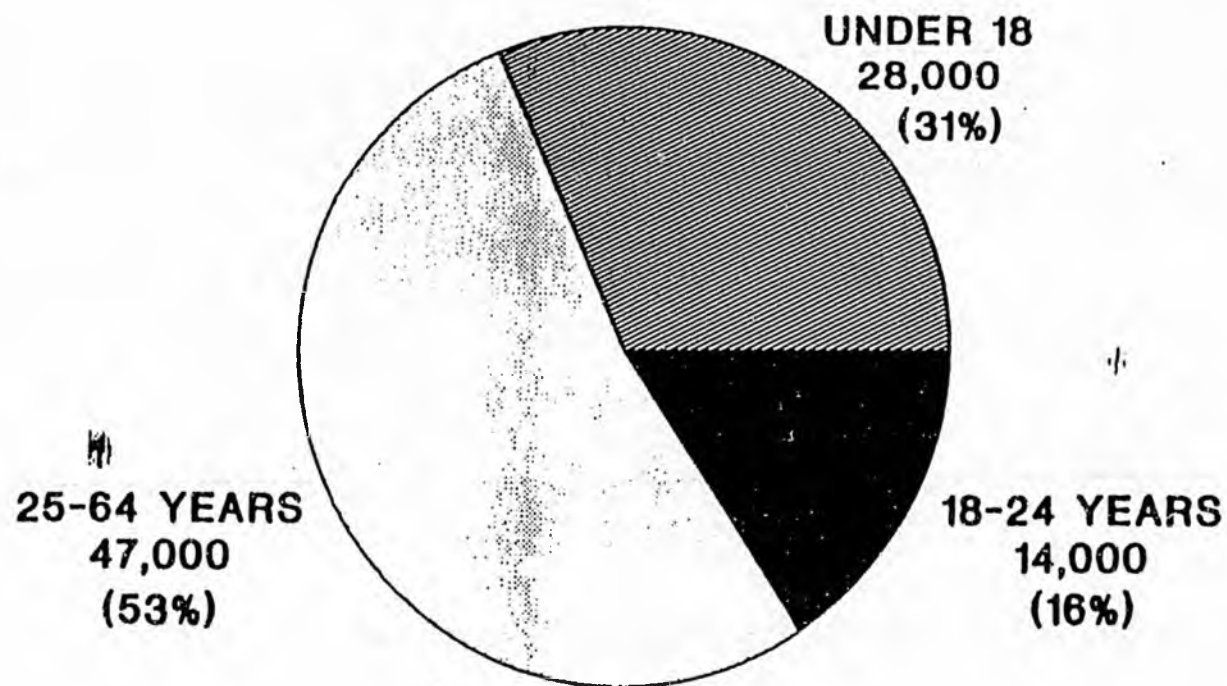
SOURCE: Health Systems Research, Inc.

UNINSURED ALASKANS By Poverty Status



Source: Health Systems Research, Inc.
Analysis of March 1988 and 1989 CPS

UNINSURED ALASKANS By Age



Source: Health Systems Research, Inc.
Analysis of March 1988 and 1989 CPS

(301) 763-8578.

1992 Poverty Guidelines for All States
(Except Alaska and Hawaii) and the
District of Columbia

| Size of family unit | Poverty guideline |
|------------------------------|----------------------|
| 1 | \$6,810 |
| 2 | 9,190 |
| 3 | 11,570 |
| 4 | 13,950 |
| 5 | 16,330 |
| 6 | 18,710 |
| 7 | 21,090 |
| 8 | 23,470 |

For family units with more than 8 members, add \$2,380 for each additional member. (The same increment applies to smaller family sizes also, as can be seen in the figures above.)

1992 Poverty Guidelines for Alaska

| Size of family unit | Poverty guideline |
|------------------------------|----------------------|
| 1 | \$8,500 |
| 2 | 11,480 |
| 3 | 14,460 |
| 4 | 17,440 |
| 5 | 20,420 |
| 6 | 23,400 |
| 7 | 26,380 |
| 8 | 29,360 |

For family units with more than 8 members, add \$2,980 for each additional member. (The same increment applies to smaller family sizes also, as can be seen in the figures above.)

1992 Poverty Guidelines for Hawaii

| Size of family unit | Poverty guideline |
|------------------------------|----------------------|
| 1 | \$7,830 |
| 2 | 10,570 |
| 3 | 13,310 |
| 4 | 16,050 |
| 5 | 18,790 |

poverty guidelines