

HCR

5

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

MEMORANDUM

TO: Members of the House HESS Committee
FROM: Rep. Johnny Ellis *JE*
RE: HCR 5
DATE: March 5, 1991

HCR 5 establishes the Health Resources and Access Task Force. This new task force combines the work of two other task forces into one. The Health Care Cost Containment Task Force has been working for the past two years on ways to contain the rapidly expanding costs of the state employee health plan. The Universal Health Care Task Force was established last year to recommend a plan to insure that all Alaskans have access to a basic level of health care.

We have obtained agreement from the leadership of both the Senate and the House, the Governor's office, Commissioner Mala as well as from Senator Duncan, chair of the Cost Containment Task Force and me, author of the Universal Task Force, that a combined task force with a joint mission is the most efficient and cost effective way to proceed.

Since the work of both task forces is currently underway, it would be most expedient for this resolution to pass the legislature as soon as possible.

Thank you for your consideration of this resolution.



FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: HCR 5

Revision Date: _____
Title: Establishing a Health Resources
and Access Task Force.
Sponsor: Representative Ellis
Requestor: Representative Ellis

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Component: Council & Subcommittees
Session Expenses, Legis. Oper Budget

COMPONENT SERIAL NO: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	165.4	60.0	0	0	0	0
TRAVEL	48.1	30.0	0	0	0	0
CONTRACTUAL	92.0	61.0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	305.5	151.0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	305.5	151.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	305.5	151.0	0	0	0	0

POSITIONS:

FULL-TIME	3	0	0	0	0	0
PART-TIME	0	3	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

HCR 5 establishes a Health Resources and Access Task Force within the Legislative Branch. The following is requested to adequately support the task force:

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Phone: 465-3850
Date: 3/4/91

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

Date: 3/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Page 1 of 2

FXJ 305.5 LAA

PERSONAL SERVICES

Staff is requested as follows to assist the Health Resources & Access Task Force.

Legislative Assistant - Range 21A

\$4,155 x 12 months = \$49,860

\$49,860 x 37% benefits = \$68,427

Administrative Assistant - Range 19A

\$3,638 x 12 months = 43,656

\$43,655 x 37% Benefits = 59,809

Secretary - Range 12A

\$2,259 x 12 months = 27,108

\$27,108 x 37% Benefits = \$37,138

165.4

Funding for FY 93 is for seven months. The task force is terminated February 1, 1993.

TRAVEL

It is anticipated there will be 8 meetings of the 14 member Health Resources & Access Task Force.

TASK FORCE MEMBER TRAVEL

8 meetings x (7 members requiring airfare each meeting) = 56 airfares

56 airfares x \$436 = \$24,416

2 days per diem x 56 = 112

112 x \$95 = 10,640

8 meetings x (7 members not requiring airfare) = 56

2 days long term per diem x 56 = 112

112 x \$65 = 7,280

42.4

STAFF TRAVEL

8 meetings x (1 staff member requiring airfare each meeting) = 8 airfares

8 airfares x 436 = \$3,488

3 days per diem x 8 = 24

24 x \$95 = 2,280

5.7

48.1

It is anticipated there will be 5 meetings in FY 93.

CONTRACTUAL

Professional services funding to contract with State Health Care policy expert--\$80,000.

Advertising - advertising of public notice of meetings--\$6,600.

Phones - 2,400

Printing - 3,000

92.0

SUPPLIES

Supplies for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

EQUIPMENT

Equipment for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HCR 5

Revision Date: _____
Title: Resolution establishing a Health Resource and Access Task Force.
Sponsor: Ellis
Requestor: _____

Department Affected: Administration
BRU: Labor Relations
Component: Labor Relations

COMPONENT SERIAL NO.

0	0	5	8
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

With the exception of possible participation in task force proceedings, there is no direct cost to agencies. Task force funding will be sought via sponsor fiscal note (attached).

Prepared by: Bruce Cummings *Bruce Cummings*
Division: Labor Relations

Phone: 465-4404
Date: 3/5/91

Approved by Commissioner: Millett Keller *Millett Keller*
Agency: Administration

Date: 2/5/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 13, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 3-5-91

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HCR 5

HOUSE CONCURRENT RESOLUTION NO. 5

HEALTH RESOURCES & ACCESS TASK FORCE

Establishing a Health Resources and Access Task Force.

RECOMMENDATIONS:

be replaced with CS HCRS (HES)

the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendation.

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact L.A.A. 3-4-91

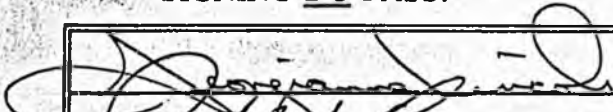
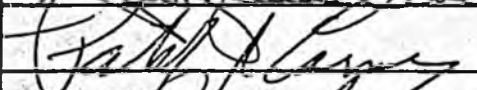
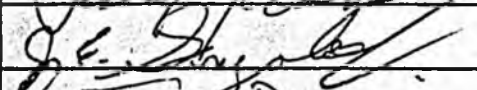

fiscal note(s) _____

zero fiscal note D.O.A. 3-5-91

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
				
				
				
Bettye Davis				
				
May Miller				
Cheri Davis				


Chairman's Signature

Essay

Barbara Ehrenreich

Our Health-Care Disgrace

National health insurance is an idea whose time has come . . . and gone . . . and come again, sounding a little more querulous with each return, like any good intention that has been put off much too long. It was once, way back in the 1930s, a brisk, young, up-and-coming idea. By the late '60s, when Richard Nixon first declared a health-care "crisis," it was already beginning to sound a little middle-aged and weary. Today, with the health-care situation moving rapidly beyond crisis to near catastrophe, the age-old and obvious solution has the tone of a desperate whine: Why can't we have national health insurance—like just about everybody else in the civilized world, *please?*

Health-care costs have nearly doubled since 1980, to become the leading cause of personal and small-business bankruptcy. Collectively we spend \$600 billion a year on medical care, or 11% of GNP—a higher percentage than any other nation devotes to health. But the U.S. health system may be one of the few instances of social pathology that truly deserve to be compared to cancer. It grows uncontrollably—in terms of dollars—but seems to become more dysfunctional with every metastatic leap.

For a thumbnail index of failure, consider the number of people left out in the cold. Despite per capita medical expenditures that dwarf those of socialized systems, 37 million Americans have no health insurance at all. For the uninsured and the underinsured—who amount to 28% of the population—a diagnostic work-up can mean a missed car payment; a child's sore throat, an empty dinner table.

Even among those fortunate enough to be insured, the leading side effect of illness is often financial doom. Consider the elderly, whose federally sponsored insurance program, Medicare, inspires so much drooling and sharpening of knives at budget time. Even with Medicare, older Americans are forced to spend more than 15% of their income for medical care annually. And since nursing-home care is virtually uncovered, the elderly are pushed to degrading extremes—like divorcing a beloved spouse—in order to qualify for help through a long-term debilitating illness. Or, as more than one public figure has suggested, they can shuffle off prematurely to their reward.

We can't go on like this. Our infant-mortality rate is higher than Singapore's; our life expectancy is lower than Cubans'. As many as 50% of inner-city infants and toddlers go unimmunized. In the face of AIDS, our first major epidemic since polio, we are nearly helpless. Our city hospitals are overflowing with victims of tuberculosis, poverty, AIDS, old age and exposure. Our rural areas don't have this problem; they have fewer and fewer hospitals or, increasingly, less medical personnel of any kind.

But everyone knows that the system is broken beyond repair. According to the *New England Journal of Medicine*, 3 out of 4 Americans favor a government-financed national health-care program. The AFL-CIO is campaigning vigorously for national health care, and Big Business, terrified by the skyrock-

eting cost of employee health benefits, seems ready to go along. Even in the medical profession—the ancient redoubt of free-enterprise traditionalists—a majority now favor national health insurance.

So what stands in the way? There's still the American Medical Association, of course, which has yet to catch up to its physician constituency. But the interest group that arguably has the most to lose is the health-insurance industry, which spends more than \$1 million a year to forestall any thoroughgoing government action. And why not? The insurance industry already enjoys a richly rewarding, gruesomely parasitic relationship to the public health domain. In broad schematic outline, it goes like this:

For decades the private insurers have fanned the crisis by blithely reimbursing the fees of greedy practitioners and expansionary hospitals. Then, as costs rise, the private insurers seek to shed the poorest and the sickest customers, who get priced out or summarily dropped. For some companies, a serious and costly illness is a good enough reason to cancel a policy. Others refuse to insure anybody who *might* be gay and hence, actuarially speaking, might get AIDS.

So over the years, government has moved in to pick up the rejects: first the elderly, then the extremely poor. Since the rejects are of course the most expensive to insure, government is soon faced with a budget nightmare. Draconian cost-control measures follow. But because government can only attempt to control the costs of its own programs, the providers of care simply shift *their* costs onto the bills of privately insured patients. Faced with ever rising costs, the private insurers become more determined to shed the poorest and the sickest . . . and so the cycle goes.

The technical term for this kind of arrangement is lemon socialism: the private sector gets the profitable share of the market, and the public sector gets what's left. The problem with this particular lemon is that it tends to sour us on

the possibility of real reform. Even those who crave a national program covering everyone are wont to throw up their hands in despair: Nothing works! It's so complex! Maybe in 100 years!

It's time to cut the life-support system leading to the hungry maw of the insurance industry. The insurance companies can't have it both ways: they can't refuse to insure the poor, the old and the sick while simultaneously campaigning to prevent a government program to cover everyone alike. The very meaning of insurance is risk sharing—the well throwing in their lot with the sick, the young with the old, the affluent with the down-and-out. If private enterprise won't do the job, then let private enterprise get out of the way.

With the largest-ever consensus behind it, national health care's time is surely here at last. Otherwise, let us bow our heads together and recite the old Episcopal prayer: "We have left undone those things which we ought to have done . . . and there is no health in us." ■



AFTER SIS FOR TIME



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: March 5, 1991

PLACE: Capitol Room 106

SUBJECT OF MEETING:

*HCR 5 HEALTH RESOURCES & ACCESS TASK FORCE

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ Bruce Cummings	Admin/ Labor Relations	Box C-0220	99811	789-2263	465-4401	<input checked="" type="radio"/> Y	N HCR5
Michelle Coughlin	ADMIN RET/BENEFITS	Box CR-0203	99811	463-3522	465-4470	<input checked="" type="radio"/> Y	N HB45
✓ Gordon Evans	HIAA	318 4th St.	99801	586-3487	586-3210	<input checked="" type="radio"/> Y	N HCR5
✓ JAY LIVEY	Dep. Comm. DHSS					<input checked="" type="radio"/> Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N