

HB 445

FISCAL NOTE

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: May 9, 1991 Department Affected: Administration
 Title: An Act relating to insurance coverage for BRU: Retirement and Benefits
mammograms
 Sponsor: Ulmer Component: Retirement and Benefits
 Requestor: _____ COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING:	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	171.0	856.4	856.4	856.4	856.4	856.4
TRAVEL	0	0	0	0	0	0
CONTRACTS	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	171.0	856.4	856.4	856.4	856.4	856.4
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of dollars)

GENERAL FUND	156.4	774.2	774.2	774.2	774.2	774.2
FEDERAL FUNDS	7.9	39.4	39.4	39.4	39.4	39.4
OTHER	8.5	42.8	42.8	42.8	42.8	42.8
TOTAL	171.0	856.4	856.4	856.4	856.4	856.4

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.)

This bill is anticipated to increase Political Subdivision personal services costs by \$778.3 in FY 93 and each year thereafter. Please see attached analysis for details.

Prepared By: Gary Bader *Gary Bader* Phone: 465-4460
 Division: Retirement and Benefits Date: 5/7/91
 Approved by Commissioner: Millett Kellor *Millett Kellor* Date: 5/10/91
 Agency: Department of Administration

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

House Bill 45
 Analysis of Financial Impact of
 Mandatory Coverage of Mammograms
 Prepared by the Division of Retirement and Benefits
 Department of Administration
 May 9, 1991
 Page 2 of 3

This fiscal note and analysis is being revised to reflect new pricing provided by the State's insurance carrier. The bill will not result in additional operations cost for the Division of Retirement and Benefits. The estimated cost to all agencies of the State shown on the attached fiscal note is the result of two components: active State employees and contributions to the retirement funds for retirees.

The bill is estimated to result in an increase of \$0.95 per month per active State employee. It is also estimated to result in a 0.10% increase in the PERS contribution rate for the State and a 0.05% increase in the TRS contribution rate for State.

The total estimated cost to the State is calculated as follows:

Active State Employees beginning in FY 92
and continuing each year

	<u>FY 92</u>	<u>FY 93</u>
The increase of \$0.95 per month per employee times the number of State employees (15,000) times 12 months equals	\$ 171,000	\$ 171,000

Retirement Fund Contributions beginning in
FY 93 and continuing each year

The change in the PERS employer contribution rate for the State (.10%) times the estimated FY 93 PERS PERS salaries (\$561,946,558) equals	0	561,947
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The change in the PERS employer contribution rate for the University of Alaska (U of A) (.10%) times the estimated FY 93 U of A PERS salaries (\$64,208,199) equals	0	64,208
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	<u>FY 92</u>	<u>FY 93</u>
The change in the TRS employer contribution rate for the State (.09%) times the estimated FY 93 TRS salaries (\$6,733,228) equals	0	6,060
The change in the TRS rate for the University of Alaska (U of A) (.09%) times the estimated FY 93 TRS salaries (\$59,090,399) equals	0	53,181
TOTAL COST TO THE STATE	<u>\$171,000</u>	<u>\$856,396</u>
There will also be a corresponding increase in cost to political subdivisions and school districts that participate in the retirement plans administered by the State.		
The change in the PERS rate for the Political Subdivisions (.10%) times the estimated FY 93 salaries (\$421,887,360) equals	0	421,887
The change in the TRS rate for the School Districts (.09%) times the estimated FY 93 salaries (\$396,010,883) equals	0	356,409
TOTAL COST TO THE POLITICAL SUBDIVISIONS		<u>\$ 778,296</u>

HOUSE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Brown, B.Davis, Parnell, Koponen

Introduced: 1/21/91

Referred: Labor and Commerce, Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance coverage for mammograms; requiring the medical assistance
2 program to cover mammograms; and reordering the priorities granted to services covered
3 under the medical assistance program."

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

5 * Section 1. AS 21.42 is amended by adding a new section to read:

6 Sec. 21.42.375. COVERAGE FOR MAMMOGRAMS. (a) An insurer authorized under
7 AS 21.09 to offer, issue for delivery, deliver, or renew an individual or group disability insurance
8 policy for medical coverage on an expense incurred basis in the state, or a hospital or medical
9 service corporation authorized under AS 21.87 to offer or renew a subscriber's contract for
10 medical coverage in the state shall provide coverage for low-dose mammography screening under
11 the schedule described in (b) of this section if the policy or contract covers mastectomies and
12 prosthetic devices and reconstructive surgery incident to mastectomies.

13 (b) The minimum coverage required under (a) of this section includes

14 (1) a baseline mammogram for a person who is at least 35 years of age but less

1 than 40 years of age;

2 (2) one mammogram every two years for a person who is at least 40 years of age
3 but less than 50 years of age;

4 (3) an annual mammogram for a person who is at least 50 years of age;

5 (4) a mammogram at any age for a person with a history of breast cancer or
6 whose parent or sibling has a history of breast cancer, upon referral by a physician.

7 (c) The coverage required by this section

8 (1) must be included in the policy or contract on a basis that is not less favorable
9 than for other radiological examinations;

10 (2) may be subject to standard policy provisions applicable to other benefits such
11 as deductible or copayment provisions.

12 (d) This section does not apply to supplemental contracts covering a specified disease
13 or other limited benefits.

14 (e) In this section, "low-dose mammography screening" and "mammogram" mean the X-
15 ray examination of the breast using equipment dedicated specifically for mammography, including
16 the X-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation
17 exposure delivery of less than one rad mid-breast, with two views for each breast.

18 * Sec. 2. AS 21.87.340 is amended to read:

19 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the provisions
20 contained or referred to previously in this chapter, the following chapters and provisions of this
21 title also apply with respect to service corporations to the extent applicable and not in conflict
22 with the express provisions of this chapter and the reasonable implications of the express
23 provisions, and for the purposes of the application the corporations shall be considered to be
24 mutual "insurers":

25 (1) AS 21.03

26 (2) AS 21.06

27 (3) AS 21.09, except AS 21.09.090

28 (4) AS 21.18.010

29 (5) AS 21.18.030

30 (6) AS 21.18.040

31 (7) AS 21.18.120

- 1 (8) AS 21.21.321
- 2 (9) AS 21.36
- 3 (10) AS 21.42.345 - 21.42.365, and 21.42.375
- 4 (11) AS 21.51.120
- 5 (12) AS 21.53
- 6 (13) AS 21.54.020
- 7 (14) AS 21.69.400
- 8 (15) AS 21.69.520
- 9 (16) AS 21.69.600, 21.69.620, and 21.69.630
- 10 (17) AS 21.78
- 11 (18) AS 21.89.040
- 12 (19) AS 21.89.060
- 13 (20) AS 21.90

14 * Sec. 3. AS 47.07.030(b) is amended to read:

15 (b) In addition to the mandatory services specified in (a) of this section, the department
16 may offer only the following optional services: case management and nutrition services for
17 pregnant women; personal care services in a recipient's home; emergency hospital services;
18 long-term care noninstitutional services; medical supplies and equipment; clinic services; inpatient
19 psychiatric facility services for individuals age 65 or older and individuals under age 21;
20 prescribed drugs; physical therapy; occupational therapy; chiropractic services; low-dose
21 mammography screening, as defined in AS 21.42.375(e); treatment of speech, hearing, and
22 language disorders; adult dental services; prosthetic devices and eyeglasses; optometrists'
23 services; intermediate care facility services, including intermediate care facility services for the
24 mentally retarded; skilled nursing facility services for individuals under age 21; and reasonable
25 transportation to and from the point of medical care.

26 * Sec. 4. AS 47.07.035 is amended to read:

27 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the department finds that
28 the cost of medical assistance for all persons eligible under this chapter will exceed the amount
29 allocated in the state budget for that assistance for the fiscal year, the department shall eliminate
30 coverage for optional medical services and optionally eligible groups of individuals in the
31 following order:

- 1 (1) chiropractic services;
- 2 (2) adult dental services;
- 3 (3) emergency hospital services;
- 4 (4) treatment of speech, hearing, and language disorders;
- 5 (5) optometrists' services and eyeglasses;
- 6 (6) occupational therapy;
- 7 (7) mammography screening;
- 8 (8) prosthetic devices;
- 9 (9) [(8)] medical supplies and equipment;
- 10 (10) [(9)] clinic services;
- 11 (11) [(10)] physical therapy;
- 12 (12) [(11)] personal care services in a recipient's home;
- 13 (13) [(12)] prescribed drugs;
- 14 (14) [(13)] long-term care noninstitutional services;
- 15 (15) [(14)] inpatient psychiatric facility services;
- 16 (16) [(15)] intermediate care facility services for the mentally retarded;
- 17 (17) [(16)] intermediate care facility services;
- 18 [(17) REPEALED.]
- 19 (18) individuals under age 21 who are not eligible for benefits under the federal aid to
20 families with dependent children program because they are not deprived of one or more of their
21 natural or adoptive parents;
- 22 (19) skilled nursing facility services for persons under age 21;
- 23 (20) aged, blind, and disabled individuals who, because they do not meet the income
24 requirements, do not receive supplemental security income under Title XVI of the Social Security
25 Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or
26 intermediate care facility, to receive an optional state supplementary payment;
- 27 (21) individuals in a hospital, skilled nursing facility, or intermediate care facility whose
28 income while in the facility does not exceed 300 percent of the supplemental security income
29 benefit rate under Title XVI of the Social Security Act, but who, because of income, are not
30 eligible for the optional state supplementary payment;
- 31 (22) individuals under age 21 under supervision of the department, for whom

1 maintenance is being paid in whole or in part from public money and who are in foster homes
2 or private child-care institutions.

3 * Sec. 5. AS 21.42.375, enacted by sec. 1 of this Act, applies to individual and group disability
4 insurance policies and to hospital or medical service subscriber contracts entered into or renewed on or
5 after the effective date of this Act.

FISCAL NOTE

No. 5

Bill Version HB 45

(H) Publish Date: 4/19/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: 4/16/91 Department Affected: Dept. of Administration

Title: Insurance coverage for mammograms BRU: Div. of Retirement & Benefits

Component: _____

Sponsor: Ulmer

Requestor: HOUSE FINANCE COMMITTEE

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	169.2*	719.9	719.9	719.9	719.9	719.9
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	169.2	719.9	719.9	719.9	719.9	719.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	135.4	576.0	576.0	576.0	576.0	576.0
FEDERAL FUNDS	22.7	96.5	96.5	96.5	96.5	96.5
OTHER	11.1	47.4	47.4	47.4	47.4	47.4
TOTAL	169.2	719.9	719.9	719.9	719.9	719.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

*FY 92 costs reflect only active employee health insurance premium increases.
Increases to retirement system costs will be reflected in rates developed for FY 93.
(See attached)

Prepared By: Representative Mike Navarre, Co-Chair Representative Eileen MacLean, Co-Chair Phone: 465-3706
465-3722

Division: HOUSE FINANCE COMMITTEE Date: 4-17-91

Approved by Commissioner: _____

Agency: _____ Date: _____

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

House Bill 45
Insurance Coverage for Mammograms

Analysis of Financial Impact
Revised, April 16, 1991

This bill will not result in additional operations costs for the Division of Retirement and Benefits. For FY 92, only active state employees will accrue costs for this benefit. The estimated cost of \$719.9 to all agencies of the state shown for FY 93 and forward is the result of two components: active state employees and contributions to the retirement funds for retirees.

The bill is estimated to result in an increase of \$.94 per month per active state employee. It is also estimated to result in a .10% in the PERS contribution rate for the state and a .08% increase in the TRS contribution rate for the state.

The total estimated cost to the state is calculated as follows:

Active state employees

The increase of \$.94 per month per employee times the number of state employees (15,000) times 12 months, equals	\$169,200
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Retirement fund contributions

The change in the PERS employer contribution rate for the state (.10%) times the estimated FY 92 PERS salaries (\$545,579,183), equals	\$545,479
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The change in the TRS employer contribution rate for the state (.08%) times the estimated FY 92 TRS salaries (\$6,537,114), equals	\$5,230
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TOTAL COST TO STATE	\$719,909
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In addition to the state costs outlined above, there will also be additional costs for the political subdivisions and school districts that participate in the state's retirement systems and health plan. The total estimated cost for these entities is calculated as follows.

Active political subdivision and school district employees

The increase of \$.94 per month per employee times the number of employees (1200) times 12 months, equals	\$12,536
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Retirement fund contributions

The change in the PERS employer contribution rate for political subdivisions (.10%) times the estimated FY 92 salaries (\$409,599,379), equals	\$409,599
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The change in the TRS employer contribution rate for school districts (.08%) times the estimated FY 92 salaries (\$384,476,586) equals	\$307,581
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TOTAL COST TO POLITICAL SUBDIVISION & SCHOOL DISTRICTS	\$729,716
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COMMITTEE COPY

SENATE COMMITTEE REPORT

DATE: 4/24/91

FURTHER: Finance

DATE TURNED INTO OFFICE: 10 May 1991

HESS Committee considered HOUSE BILL NO. 45

"An Act relating to insurance coverage for mammograms; requiring the medical assistance program to cover mammograms; and reordering the priorities granted to services covered under the medical assistance program."

and recommended:

and report it back as follows

- 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 _____

P H ~~45~~ for attach new bill

ATTACHES (NEW) FISCAL NOTE(S):

fiscal note(s) Admin Dept/Date: 01 May 1991

zero fiscal note(s)

appropriation-no fiscal note

SIGNING DO PASS:

[Signature]

APPROVES PREVIOUS:

fiscal note(s) Dept/Date:

zero fiscal note(s) LNV - House 4/15/91

Governor's bill w/fiscal note

OTHER RECOMMENDATIONS:

[Signature] Done

Curtis Stupelochi Do Pass
Chair: Signature and Recommendation