

HCR

17

HOUSE COMMITTEE REPORT

(9)

Date Referred: April 7, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/14/93

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HCR 17

HOUSE CONCURRENT RESOLUTION NO. 17

, KENAI PENINSULA INSURANCE POOL

Relating to a health insurance pool established for residents of the Kenai Peninsula Borough.

RECOMMENDATIONS:

be replaced with CS HCR 17 (HESS) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) House Ltr 4/7/93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Pat Kott</i>	<input checked="" type="checkbox"/>	<i>Harley Allberg</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>Tom Bunde</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>Betty Davis</i>	<input checked="" type="checkbox"/>				

Tom Bunde
CHAIRMAN'S SIGNATURE

8-LS0890E
Ford
4/14/93

CS FOR HOUSE CONCURRENT RESOLUTION NO. 17()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE G.DAVIS

A RESOLUTION

1 Relating to a health insurance pool established for residents of the Kenai
2 Peninsula Borough.

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** a significant number of residents of the state cannot afford to pay their
5 medical bills, are not covered by a group health insurance plan, do not qualify for public
6 assistance programs, or cannot afford to pay individual health insurance premiums; and

7 **WHEREAS** every resident should have access to a basic level of health care regardless
8 of income and should not become financially destitute before obtaining health care; and

9 **WHEREAS** the legislature recognizes a continuing need to develop and evaluate ways
10 to manage health care in the state and in recognition of that need the Seventeenth Alaska State
11 Legislature established by Legislative Resolve 45, the Health Resources and Access Task
12 Force in 1991; and

13 **WHEREAS** the federal, state, and local governments have recognized this need and
14 are attempting to address health care reform issues; and

15 **WHEREAS** the President of the United States has called for a national health care
16 reform program that would mandate certain base levels of health care be provided by states

1 using some form of regional purchasing group, managed competition, and other mechanisms;
2 and

3 **WHEREAS** the Health Resources and Access Task Force has submitted a final report
4 to the Governor and the Legislature in January 1993 and recommended

5 (1) a comprehensive strategy for improving health care for all Alaskans,
6 including cost containment efforts, health care access improvements, public health or service
7 delivery system enhancements, and medical malpractice reform;

8 (2) the establishment of regulatory reform measures in the small group health
9 insurance market;

10 (3) that insurers move toward community rating in establishing premiums in
11 the small group insurance markets;

12 (4) the establishment of state-sponsored health insurance pooling arrangements;
13 and

14 (5) that adequate resources be devoted to maintaining a strong health care
15 infrastructure in the state; and

16 **WHEREAS** the legislature recognizes the need for extensive local involvement and
17 participation in programs designed to meet their needs and that test or model programs often
18 are the mechanism to determine long-term statewide programs or agendas;

19 **WHEREAS** the Kenai Peninsula Borough Economic Development District, Inc., has
20 established a Kenai Peninsula Borough Health Care Advisory Council to develop
21 recommendations for a health care plan for the Kenai Peninsula Borough residents; and

22 **WHEREAS** the Kenai Peninsula Borough Health Care Advisory Council has
23 completed extensive surveys of the Kenai Peninsula and produced a report in October 1992
24 detailing the needs for improved health care for the residents of the Kenai Peninsula Borough;
25 and

26 **WHEREAS** the Kenai Peninsula Borough Health Care Advisory Council has made a
27 recommendation that small businesses, large group employers, and government employee units
28 on the Kenai Peninsula join together to establish a health maintenance organization as
29 authorized by Title 21 of the Alaska Statutes; and

30 **WHEREAS** the intent of forming this organization for the Kenai Peninsula Borough,
31 in addition to improving health care and access to same, is to demonstrate implementation of
32 a successful locally developed, consumer governed, community based payer model for

1 adaptation statewide; and

2 **WHEREAS** the problems and opportunities presented in improving health care and
3 access to health care of the Kenai Peninsula Borough parallel those found elsewhere
4 throughout the state and nation; and

5 **WHEREAS** the residents and leadership of the Kenai Peninsula Borough working
6 through the Kenai Peninsula Borough Economic Development District, Inc., and using the
7 Kenai Peninsula Borough Health Care Advisory Council have developed a plan of
8 implementation for this model;

9 **BE IT RESOLVED** by the Alaska State Legislature that, subject to a referendum vote
10 of the residents, the Kenai Peninsula Borough Health Care Advisory Council be recognized
11 as a model project relating to health care reform through the establishment of a borough-wide
12 modified health maintenance organization; and be it

13 **FURTHER RESOLVED** by the Alaska State legislature that the Governor is
14 respectfully requested to direct the commissioner of health and social services to offer support
15 and assistance to the Kenai Peninsula Borough Health Care Advisory Council and the Kenai
16 Peninsula Borough Economic Development District, Inc., in their pursuit of a model region
17 wide health access and basic care program.

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

April 8, 1993

Representative Cynthia Toohey, Co-Chair
HESS Committee
House of Representatives
State Capitol
Juneau, AK 99801-1182

Re: Support HCR 17 - Kenai Health Insurance Pool

Dear Representative Toohey:

ASHNHA, representing community hospitals and nursing homes across the state would like to urge your support for HCR 17 recognizing the proposed Kenai health insurance pool as a model demonstration project.

The work of the Kenai Peninsula Borough Economic Council and the Kenai Health Care Advisory Council to provide all citizens in that area basic health insurance can be a model for the country, not just Alaska.

The American Hospital Association is monitoring the plan closely so it can share what is learned there with hospitals across the country.

We urge your support of HCR 17.

Sincerely,



Harlan R. Knudson
President/CEO

Kenai takes the lead in health reform

This fall, national experts in the field of health care funding and innovation flew to Alaska. But they didn't go to Anchorage, Fairbanks or Juneau.

Instead, they stayed in Kenai. There, they met with doctors and nurses, labor representatives and municipal officials, among others.

They were in town to help the Kenai Peninsula organize its own health care plan. Their visit is the latest step in an effort that began a year ago when the Kenai Peninsula Health Care Advisory Council was organized to develop recommendations for a health plan for all Kenai residents. It expects to go to the voters in another year to seek formal approval of whatever plan it recommends.

Mike Lockwood, administrator at Central Peninsula General Hospital in Soldotna, says there are two practical reasons why a borough-wide health plan may succeed. "There is a multi-disciplinary group that wants to see it done. It's not just hospitals, or doctors," he says.

"The other reason I think we can succeed is because the Kenai Peninsula is relatively isolated geographically."

In addition to these practical reasons, however, are the people behind the Kenai proposal. They include Stan Steadman, executive director of the Kenai Economic Development District,

Jerry Near, an insurance agent and member of the state task force looking into health care reform, and Lockwood himself.

"I believe strongly that when you identify a problem, it's better to take action yourself rather than wait for someone else to do it. Then you're part of the solution," says Lockwood.

Dr. Bruce Amundson was among the speakers at the Kenai workshop. Amundson has been involved with rural hospitals and community health care reform for several years in Washington.

Amundson told those at the workshop that their work is important because it "represents an attempt to introduce widespread changes to the health care system locally, where cost containment is attainable."

Lockwood agreed, saying "We have an opportunity to increase the health status of the community and by that, lower the cost of health care. I believe that is the solution to high health care costs."

Lowering health care costs is key to the involvement by the Economic Development District, says Kathy Scott, project manager of the health care plan.

"It's humanitarian, but I don't know if that's the striving principle. The overriding principle is to provide services efficiently," says Scott.

The economic impact of having 18 percent of the Kenai Peninsula Borough uninsured is obvious, says Scott.

"Those people may be uninsured, but when they get to the point of needing health services, they're standing in the ER ... and that's one of the most expensive points of contact in our health system," she says.

The health care advisory council also wants to encourage its residents to use local health care resources.

"It makes sense for an economic development district to be involved in containment of services within its region," says Scott, noting that health care in the Kenai borough, as in many other regions of the state, is an important employer.

Lockwood says that, if the Kenai plan does work, it may encourage other areas to find their own solutions using a similar model.

"I think it can translate into the state health care reform process. I don't think a solution for the Kenai Peninsula would be the appropriate solution for Anchorage or Fairbanks," he says.

The Kenai plan:

The Kenai Peninsula Health Care Plan is patterned in part after proposals from the American Hospital Association, which calls for networks of health care providers, insurers and the community.

Now, the Kenai council is considering a "hybrid" Health Maintenance Organization (HMO), organizing the HMO as a department of the Kenai Peninsula Borough but governing it like a cooperative.

The HMO would be capitalized by local revenue bonds. It is still undecided whether tax revenues would be necessary for operation.

Those eligible for the HMO would be established Kenai Peninsula Borough residents. They would be offered a choice of deductible insurance levels, all of which would include co-pay provisions. The health care program would encourage preventative health care, including dental care.

Families would be charged no more than \$300 a month, and would be allowed to choose their own health service providers.

Home away ...

Continued from page 4

tree that could be knocked down by someone with severe cognitive problems.

These residents may also find the extra activities associated with the holidays disorienting and even frightening.

"We want to keep the people's schedule as static as possible ... but we want to help them enjoy the season too," says Sharma.

She says some of the most popular activities with residents are cooking projects.

"We've had the best stuffing in the world ... and pumpkin pies made from scratch," says Sharma.

In all these nursing homes, community efforts play a large part in ensuring a good holiday season. Carolers from schools and churches, gift donations and people taking seniors into their home for a holiday meal all help make

the time special, say these workers.

"I must say our community has a lot to give at this time of the year," says Stalnaker.

But it is also clear that nursing home workers are the ones that really make holidays a special time for residents. And it's not without a certain cost.

"We end up celebrating most of Christmas here at work. By the time we get home, we're too tired to put up our Christmas tree," says Sharma with a laugh.

She adds, though, that the residents' joy in the season makes it worthwhile.

"It's just heartwarming when you see a resident get a special gift from someone they don't know, or a card from a long-lost friend ... or listen to a story about celebrating Christmas back in the 1930s in Alaska. Those are priceless moments for me with these residents.

"That's a real precious gift that I'm getting from them."

**KEY CONCEPTS UNDERLYING
AHA'S NATIONAL HEALTH CARE REFORM STRATEGY**

Approved by AHA Board of Trustees
January 25, 1992

1. Universal access to a package of basic health care benefits should be guaranteed for everyone residing in the United States.
2. Health care should be financed by a pluralistic system that relies on both government and private sources of payment.
3. Cost control should be accomplished primarily through a restructuring of the health care delivery and health care financing systems so that underlying incentives are consistent for all parties involved, while supporting the efficient use of resources to promote good health. Development and dissemination of practice parameters, medical liability tort reforms, and antitrust reforms should be pursued simultaneously.
4. Health care delivery should be restructured by establishing community care networks, formed via regulated competition and held accountable for:
 - improving the health status of the community served,
 - providing a comprehensive range of high quality health care services,
 - managing the continuity of care across providers and over time,
 - simplifying patient interactions with care deliverers, and
 - efficiently producing and using services.
5. Payments by purchasers should be based predominantly on capitated fees to community care networks in order to align the incentives among providers to conserve resources through collaboration and to focus on keeping people well. Provider payment within networks should be based on negotiations among each network's participants, governed by broad regulatory parameters designed to avoid the undesirable effects of unfettered competition.
6. Cost shifting should be avoided, in favor of a balancing of needs for cost containment and fair payment, by establishing an independent body to set the capitated rates paid to networks by purchasers, including establishment of a structure to appropriately adjust those rates to reflect the underlying risk of the population covered and the geographic conditions under which services are delivered.
7. Maximum flexibility should be employed throughout the approach used to achieve these concepts in order to:
 - recognize appropriate community variations,
 - preserve latitude for local decision making,
 - preserve a measure of consumer choice,
 - allow innovation and demonstration of new delivery and financing models, and
 - provide for appropriate involvement of state and local governments.
8. Formation of networks should be promoted in the public sector by encouraging the Medicare and Medicaid programs to use networks and by providing financial incentives for beneficiaries to choose networks. In the private sector, network use should be encouraged by offering tax or other incentives aimed at employers, employees, insurers, and providers.

For More Information: Harlan Knudson, Alaska State Hospital & Nursing Home
Association - Juneau - 586-1790

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HCR 17

Revision Date: _____ Dept. Affected: All Agencies
 Title: "Relating to a health insurance pool established for residents of the Kenai Pen." BRU: _____
 Sponsor: REP. GARY DAVIS Component: _____
 Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Lynda Giguere, Aide
 Division: House Labor and Commerce
 Approved by Commissioner: Bill Huelsa - Chair L+C
 Agency: _____

Phone: 465-6827
 Date: 4-6-93
 Date: 4-6-93

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SPONSOR STATEMENT

HCR 17

"Relating to a health insurance pool established for residents of the Kenai Peninsula Borough".

The Legislature established a Health Resources and Access Task Force in 1991. That Task Force submitted a final report with recommendations to the Governor and the Legislature in January 1993. The recommendations can be found on page 2 of this resolution.

The Kenai Peninsula Borough Economic Development District has established a Kenai Peninsula Borough Health Care Advisory Council to develop recommendations for a health care plan for the Kenai Peninsula Borough. This plan is a step in the right direction to address health care reform issues. They would like to have the plan implemented as a model for other areas statewide. The Kenai Peninsula Borough Health Care Advisory Council would like to be recognized as a model regional area for pooling insurance requirements, for establishing community rating for insurance premiums, for developing small group insurance regulatory reform measures, and for establishing a health maintenance organization.

HCR 17 requests that the Governor direct the Commissioner of Health and Social Services assist the Kenai Peninsula Borough Health Care Advisory Council in their pursuit of a model region wide health access and basic care program.

Sponsor Statement

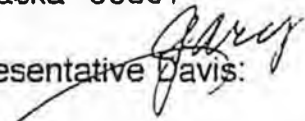
Kenai Peninsula Borough

Health Care Advisory Council

Kenai Peninsula Borough Economic Development District, Inc. 110 S. Willow St., Suite 106 Kenai, Alaska 99611 (907) 283-3535 Fax: (907) 283-3913

January 25, 1993

Representative Gary Davis
Alaska Legislature
Juneau, Alaska 99801

Dear Representative  Davis:

You have undoubtedly heard about the grassroots effort on the Kenai Peninsula to show that local people are willing to take their share of responsibility in the national health care crisis. With a little seed money from the State, local financial participation and a lot of public participation, much ground has been covered in the last year toward establishing a borough-wide health care plan. The Council's mission, as empowered by the Kenai Peninsula Borough Assembly, is to:

Submit a report to the Borough Assembly making finds and recommendations as to options for the establishment of a Borough-wide insurance program which would make affordable health insurance available to all residents and thereby increase access and utilization of the local health care system.

Soon, the Council will ask the Legislature to recognize its accomplishments and provide critical financial input. Should our mission be accomplished, we expect our plan to serve the State and Nation as a model for community based health care. Recognizing the impact of such a request, the Council and staff are preparing a formal proposal for consideration by the State as a key local initiative health care demonstration project. Council member Jerry Near has energetically represented the insurance industry on the State's Health Resources and Access Task Force and his meeting this week in Juneau provides a perfect opportunity to introduce the concept of a State demonstration project to you. We will be following up Jerry's remarks with a detailed proposal in just a few weeks.

As a Kenai Peninsula legislator, we know you share our concerns for accessible and affordable health care not only for Peninsula residents, but for all Alaskans. We look forward to working closely with you to achieve that end:

Sincerely


Kathleen F. Scott
Project Manager

Enclosures

KPB - Health Care Advisory Council - Background Info

**KENAI PENINSULA BOROUGH
HEALTH CARE ADVISORY COUNCIL**

Lottie Bogard
Sterling

Jeanne Berger, M.A., PHN
Hope

Brenda O'Brien
Seward

Margaret French
Homer

Dr. Jon Godfrey, DC
Homer

Jerry Near
Soldotna

Dr. Vickey Hodnik, DDS
Homer

Dr. John Kobylarz, DDS
Soldotna

Mike Lockwood
Soldotna

Dr. James Zirul, DO
Soldotna

Ken Hepner
Sterling

Robert Roth
Kenai

Linda Hutchings
Soldotna

Judy Charpentier
Kenai

Ray Zagorski
Soldotna

Emery Thibodeau
Kenai

Jim Heim
Soldotna

Karen Moore
Soldotna

Jon McMichael
Soldotna

Bonnie Heimbuch
Soldotna

George Carnahan
Kenai

Burt Anderson
Homer

Ross Kendall
Nikiski

James Krasnansky
Seward

Rich Underkotler
Soldotna

Marion Nelson
Nikiski

Dick Swamer
Soldotna

Lorin MacKay
Seward

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Bonnie Golden, Admin. Asst.
Mayor's Office
Kenai Peninsula Borough
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Soldotna, Alaska 99669

Kathleen (Kathy) Scott, Proj. Mgr.
K. Scott & Assoc., Inc.
Box 2488
Kenai, Alaska 99611

Bruce Amundson, M.D.
18454 -16th Ave., N.Y.
Seattle, Washington 98177

Kenai Peninsula Borough Health Plan

Operating Principles & Assurances

The Kenai Peninsula Health Care Advisory Council has generally operated under these principles and assurances while crafting the draft proposal for a borough-wide health plan. The sponsors commit to:

- * Providing health services which meet the needs and expectations of Borough resident.
- * Supporting and developing the broadest range of services possible and appropriate in each community of the borough.
- * Keeping as much health care as possible and feasible within the borough boundary.
- * Developing an organizational framework for the plan's administration that represents all parties sharing responsibility for high quality and cost-effective health services.
- * Providing innovative - creative strategies and programs to
 - reduce the cost of health care
 - support early intervention
 - emphasize preventive care
 - reduce unnecessary use of hospitals, emergency rooms and surgery
 - develop and use case management for complex patients and families
 - encourage greater responsibility for health choices
 - effect coordination among providers
- * Recognizing that the resources and innovation already exist in our borough to develop a national model health care program.

HEALTH CARE ADVISORY COUNCIL
PROPOSED HEALTH CARE REFORM PROJECT
Overview

KENAI PENINSULA, ALASKA

February 1993

Kenai Peninsula Borough Health Care Advisory Council

Sponsored by
Kenai Peninsula Borough Economic Development District, Inc.
Community Health Services Development Grant
through the University of Alaska, Fairbanks

Health Care Advisory Council Proposed Health Care Reform Project

Introduction

The Kenai Peninsula Health Care Advisory Council, operating under authority of the Kenai Peninsula Borough, is pleased to present this health care reform project proposal for consideration. The solutions offered in this regional initiative address primary health care issues facing the entire nation through

- insurance pooling
- community based, consumer managed health care
- use of a community rating system
- attractive incentives for wellness health care

If this project is modeled, health care becomes accessible to all individuals who qualify for the Alaska Permanent Fund Dividend. Small businesses, large group employers and government employee units are joined together through the establishment of a Health Maintenance Organization (HMO). Already authorized by Title 21 of the Alaska Statutes, the project proposes to demonstrate implementation of a successful consumer governed, community based payer model for adaptation statewide.

Background

The Kenai Peninsula Borough Assembly authorized the formation of the Kenai Peninsula Health Care Advisory Council to determine the feasibility of a borough-wide health insurance program. The Health Care Advisory Council (HCAC) is composed of nearly thirty peninsula residents representing labor, government, health service providers, health insurance providers, education, small and large businesses, non-profit organizations, clergy, the media and general public. Enabled and established fifteen months ago, the group first adopted the project's developmental phase mission statement.

Mission Statement

Submit a report to the Kenai Peninsula Borough Assembly making findings and recommendations as to options for the establishment of a borough-wide insurance program which would make affordable health insurance available to all residents and thereby increase access and utilization of the local health care system.

provider services by offering a community based, cooperatively managed system.

- cost accountability through the traditional third party system but with pro-active consumer participation.
- removing the vulnerability of health service providers to medical malpractice suits by establishing arbitration as the means for dispute resolution.
- small business employers who have previously been unable to supply health care benefits because small group exposure increases the underwriter's risk resulting in higher premiums.
- individuals who are self-employed and have no option for health care coverage by providing access to a large pool.
- curbing spiraling government and private enterprise labor costs with reduced premiums by applying a community rating system.
- hospital emergency rooms used to deliver clinical health care services at a disproportionate rate for the service needed by charging for inappropriate use.

Solution

To adequately address Alaska's health care crisis, action must be taken first on a local level. The Kenai Peninsula Health Care Project proposes to deliver health services to Kenai Peninsula Borough residents through a Health Maintenance Organization (HMO) as authorized under Alaska Statutes Title 21. Once health powers are adopted by the Kenai Peninsula Borough, a consumer governing board of not more than nine members will initiate the implementation phase of the project through a contracted insurance partner.

The Kenai Peninsula Health Care Plan proposes benefits parallel to those offered to large group employers like the Kenai Peninsula Borough. Through reduced co-payment percentages, use of local service providers is rewarded. Enrollee cost will vary depending on the level of risk exposure to the plan determined by the participants' selection of variable deductible level. Here are key elements proposed by the Plan:

Organizational Structure. . .

Effective health care reform occurs through this proposal because costs are controlled at a community level. Only community residents and health professionals have the ability to identify specific barriers to local health delivery system cost containment. The

The proposal uses the "gatekeeper" concept of managed care where enrollees choose their primary care physician. The physician becomes the manager for the patient's health care on a fee for service basis. Selection of local health care services is rewarded through lower patient co-payment cost. Plan participants may change their selected "gatekeeper" physician at anytime.

All state board certified health care providers on the Kenai Peninsula may participate in the HMO. Access to the system for health service providers outside the Kenai Peninsula Borough will occur through a selection process in which quality of care is stressed over cost. Non-participating provider services may still be used, however co-payment costs are increased to the patient.

The plan charges patients for non-emergency use of hospital emergency rooms.

Plan/Project Funding . . .

Payment of premiums by enrollees will fund the plan's operation. For example, an average \$350 per month premium for 4,000 enrollees will generate \$16,800,000 in plan premiums. Preliminary actuarial review comments, due in March, 1993, will provide approximate premium costs for each deductible level as well as estimated losses, administrative costs and claims levels for years one, two and three of the plan. It is our belief that the plan will generate sufficient funds to adequately meet operational costs.

These avenues are actively being pursued for capitalization of the plan:

- 1) Funding based on pre-sold contracts with large group employers like UNOCAL, Tesoro, Homer Electric Association, Kenai Peninsula Borough General Government and School District, Peninsula city governments, and VECO for example.
- 2) Application for government and foundation grants with principle interest in health care reform such as the Ford Foundation, the Robert Wood Johnson Foundation, and the U.S. Department of Health and Social Services Rural Health Outreach Grant Program.
- 3) Establishing the foundation to receive municipal revenue bonds repaid through premium receipts.

Since April 1992, the Kenai Peninsula Borough Economic Development District has sponsored the activities of the council through a small Community Health Services Development grant administered by the University of Alaska, Fairbanks. The grant is nearly exhausted, but has stretched far beyond what was originally planned because the work of the council has been done by volunteers and many expenses have been donated.

Conclusion

- Will the plan provide affordable and accessible health care to all Kenai Peninsula Borough residents?
- Have we sufficient evidence to establish that a cooperative consumer driven organization applied regionally to the delivery of health care will effect cost containment?
- Will the increased use of local health services stimulate economic growth on a regional and state level?
- Does demonstrating the project first on a smaller scale, make sense in finding practical solutions to often overwhelming health care reform issues?

The men and women of this community effort, the Kenai Peninsula Health Care Advisory Council, feel this proposal answers these questions and provides effective solutions for local, State and National health care reform.

Will we meet the need of the "gap group" (those who have no insurance and do not qualify for any state or federal program)? If accessibility is the problem, then undoubtedly this plan is immediately responsive. If affordability is the issue, we will not solve the problem without identifying a funding mechanism to subsidize health care for welfare recipients and the unemployed. This Council stands ready to continue developing effective solutions to health care issues. The reward, of course, is the satisfaction of providing access to quality health care for our residents at an affordable cost.

Kenai Peninsula Health Care Advisory Council
Kenai Peninsula Borough Economic Development District, Inc.
110 South Willow Street, Suite 106
Kenai, Alaska 99611
Phone (907) 283-3335/Fax (907)283-3913
Project Manager Kathleen Scott
Phone (907) 283-5130/Fax (907)283-5918

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 24, 1993

FURTHER REFERRALS:

HESS
Finance

Date of Committee Action: 4/06/93

The LABOR AND COMMERCE Committee considered:

HCR 17

HOUSE CONCURRENT RESOLUTION NO. 17

KENAI PENINSULA INSURANCE POOL

Relating to a health insurance pool established for residents of the Kenai Peninsula Borough.

- RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title
- [] have attached amendments(s)
- do pass
- [] do not pass
- [] no recommendations
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dep't)

APPROVES PREVIOUS: _____ (Dep't/Date)

[] fiscal impact _____

[] fiscal note(s) _____

zero fiscal note All Agencies

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian D. Porter</i>	✓				
<i>Amy Mal...</i>	✓				
<i>Edon...</i>	✓				
<i>W.S. William</i>	✓				
<i>...</i>	✓				
<i>Bill Hudson</i>	✓				

Bill Hudson
 CHAIRMAN'S SIGNATURE

House 492 Committee Report