

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8358 SENATE LABOR & COMMERCE

November 22, 1993

bcc: Pat Ryan, Chief of Staff, Office of the Governor
Paul Fuhs, Commissioner, DCED
Richard Burton, Commissioner, DPS
Frank Dillon, Executive Director, Alaska Truckers Association
Jim Jensen, Lynden Transport
Robert E. Ruby, Division Administrator, FHWA
Regional Directors



U.S. Department of Transportation
Federal Highway Administration

7420
Memorandum

Subject Vehicle Size and Weight Enforcement
Certifications for Fiscal Year (FY) 1992

Date **MB 20 1993**

From Acting Associate Administrator for Motor Carriers
Washington, D.C. 20590

Reply to HIA-20
Attn of

To Mr. Clinton O. Magby
Regional Director, Office of Motor Carriers (MNC-10)
Portland, Oregon
THRU: Michael F. Trentacosta / *Michael Trentacosta*
Director, Office of Motor Carrier
Field Operations (HFO-1)

We have reviewed the FY 1992 certification packages for each State in your Region for adequacy of enforcement and consistency of State vehicle size and weight laws with Federal laws. Based on this review, we found that all States were adequately enforcing their vehicle size and weight laws as required by 23 U.S.C. 141(b).

In reviewing State laws for consistency with 23 U.S.C. 127 and the Surface Transportation Assistance Act of 1982 (STAA), the Office of Chief Counsel found no new conflicts with either law. However, one issue noted in last year's certification comments for Oregon--State law which prevents trucks from operating on the Interstate at maximum weights allowed by the bridge formula--remains open. We understand that steps are underway to resolve this issue, however, they need to be concluded as quickly as possible. If the issue remains unresolved, the FHWA intends to initiate sanction procedures to withhold the State's FY 1995 National Highway System apportionment effective October 1, 1994.

From a National perspective, we are again very pleased with the quality of program, plan, and certification reviews conducted by the Region and division offices during the year. Many of the Division Program Managers have shown real initiative in learning the regulatory requirements, getting acquainted with State personnel and problem areas, and completing their second certification review.

Each year as you review State plans and certifications, please look for innovative enforcement strategies and activities which can be shared with other States. We in Headquarters will pass your findings on to the other OMC field offices for sharing with the States. This year we are forwarding the

OPTIONAL FORM 99 (7-83)

FAX TRANSMITTAL

of pages **5**

To HOWARD JOYCE	From MAX PIEPER
Department	Phone # 202-366-4029
Fax # 907-465-6190	Fax #



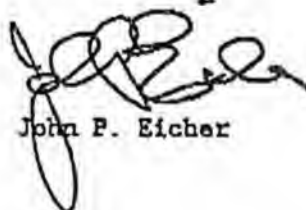
Executive Summary of a report which culminates a recent effort by Michigan to take a thorough look at its safety and weight enforcement activities. We believe many of the issues covered, including:

- improved data collection and reporting,
- cooperative multi-State enforcement efforts, and
- legislative initiatives concerning shipper responsibility for overloads and court responsibility for reporting disposition of citations

are universally important and, should be considered by all States in the continuing efforts to maintain an effective weight enforcement program. If you, the divisions, or the States would like to learn more about the information presented in the Executive Summary, we will provide on request a copy of the full report.

Attachment 1 gives our specific comments for the States in your Region. Attachment 2 is a series of charts that compares enforcement measures for the Nation over the last 5 years. Attachment 3 is the Michigan summary.

If you have any questions about these or the State-Specific Comments, please contact Mr. Max Pieper at 202-366-4029.



John P. Eicher

3 Attachments

FHWA:HIA-20:TKlimak:sjr:8/3/93:62212
cc: HMT-RF, HIA-RF, HIA-20RF, HPS-RF
H:\HIA\TKLIMEK\CERTS\92CERTS.R10

Attachment 1.

STATE-SPECIFIC COMMENTS

Alaska

The State's certification is accepted with comment. Alaska increased the number of trucks weighed by 6 percent, while the number of citations issued declined by 2 percent.

The Division office is to be complimented on its evaluation of the State's vehicle size and weight enforcement program. It shows a thorough understanding of review guidelines and a desire to have an effective enforcement program in Alaska. We encourage the Division to continue to work with the State to develop specific measurable enforcement goals in the annual plan and then to evaluate the effectiveness of the State's enforcement efforts by comparing actual operations with planned enforcement.

The State certified compliance with Federal requirements, "with the possible exception of the granting of a weighing allowance for purposes of determining compliance with State weight regulations." Alaska apparently allowed a 2,500-pound tolerance until a few months ago, when the Department of Commerce and Economic Development (DCED) reduced it to 1,000 pounds by a Policy and Procedures memorandum (No. 420, effective April 15, 1993). Memo No. 420 states that "[v]ehicles more than 1,000 pounds in excess of their legal gross weight will be issued a Uniform Traffic Citation and the driver of the vehicle shall be required to offload the excess weight Drivers of vehicles that are over gross weight, but less than 1,000 pounds over gross weight, will be given an oral warning and allowed to proceed."

"If the gross weight of the vehicle is legal and the axle weight violation is under 2,000 pounds, the driver will be given an oral warning Vehicles that are over gross weight and more than 1,000 pounds overweight on an axle group will be cited for the most restrictive violation and directed to the nearest offloading facility."

Federal law [23 U.S.C. 127(a)] prohibits tolerances on the Interstate System. Alaska has no Interstate highways, so the prohibition does not apply. However, Federal law also requires States to certify annually that they are enforcing all State laws on the Federal-aid systems [23 U.S.C. 141(b)]. Does Alaska have a "law" that allows a weight tolerance? The issue is complex.

The Department of Transportation and Public Facilities (DTPF) is authorized to "establish limitations on weight, size, and load of vehicles . . ." [Alaska Stat. § 19.10.060 (1988)]. The DCED is directed to "operate motor vehicle weighing stations, issue special written permits authorizing the operation of overweight and oversize vehicles, establish fees for the overweight and oversize vehicle special permits, [and] enforce the size, weight, and load limitations adopted" by the DTPF [§ 44.33.020(25) (1992 Supp.)]. The DCED's authority to cite anyone who violates a weight limit is codified in the chapter on weights and measures [§ 45.75.131(a) (1992 Supp.)].

The director of weights and measures is required to "adopt regulations for the enforcement of this chapter . . . These have the effect of law" [§ 45.75.050(a) (1992 Supp.) (emphasis added)].

(b) The regulations may include . . .

(5) in the implementation of AS 44.33.020(25), provisions governing the size, weight, and load limitations established under AS 19.10.060; the issuance of permits for overweight and oversize vehicles; and the operation of weigh stations.

(c) The regulations shall include specifications, tolerance, and regulations for weights and measures of the character of those specified in AS 45.75.080 designed to eliminate from use [inaccurate scales or other devices].

[Alaska Stat. § 45.75.050(b), (c) (1992 Supp.) (emphasis added)]

This suggests that any scale tolerance adopted by the Director of Weights and Measures is State law. The DCED, therefore, would not violate Section 141(b) by granting truckers that tolerance. However, the "Offenses and penalties" section of the Weights and Measures Act implies that truckers are allowed no tolerance at all. It reads in part as follows:

(a) A person commits a violation subject to the penalty specified in AS 12.55.035(b)(5) ["\$300 for a violation"] if the person does one or more of the following acts: . . .

(10) violates a provision of an overweight or oversize vehicle permit issued under AS 44.33.020(25); [or]

(11) violates a weight, load, or size limitation established under AS 19.10.060 or a regulation adopted under AS 19.05. . . . AS 44.33.020(25), or AS 45.75.050(b)(5); . . .

(b) Notwithstanding the maximum fine for a violation provided under (a) of this section, a person who violates a regulation or special permit governing the weight limit of a motor vehicle shall pay a penalty of .05 for each pound of weight over the authorized weight limit for the vehicle.

[Alaska Stat. § 45.75.380(a), (b) (1992 Supp.) (emphasis added)]

The State is asked to provide an Attorney General's opinion on the question whether a tolerance is allowed by § 45.75.050(c) or prohibited by § 45.75.380(b). If a tolerance is permissible, it appears to be limited to the amount allowed by the Director of Weights and Measures. The DCED has no obvious authority to create its own tolerances. In its program evaluation, the Division office found that enforcement personnel are allowing a 1,000-pound weighing tolerance. This practice is in accordance with DCED policy, but may violate State law. The State modified its certifying statement to indicate that this policy was contrary to Alaska statutes.

As stated earlier, this is an extremely complex issue. Obtaining the Attorney General's opinion referred to above is important to deciding what action is needed to resolve potential conflict over the State's ability to certify enforcement according to 23 U.S.C. 141(b).

As indicated by the Division, the State's next certification can be improved by indicating the type of violation for all citations issued, and by identifying all changes to vehicle size and weight laws and regulations, including those related to permit fees and overweight fines. A copy of all changes needs to be included with the certification together with a brief discussion of how these changes will affect enforcement.

Idaho

The State's certification is accepted with comment. The number of trucks weighed in Idaho declined 5 percent, and the number of citations issued increased 2 percent. Idaho closed three weigh stations for short periods during the year for repairs, thus, accounting for the slight decline in the number of trucks weighed.

Several statutory issues have been resolved during the past year. Idaho Senate Bill No. 1065 brings Idaho's weight table into conformity with Section 127(a). The Idaho Transportation Department has also eliminated its 1,000-pound non-statutory tolerance. The State has extended the allowable length of a single motor vehicle, which includes buses, to 45 feet [Idaho Code § 49-1010(3)(a) (1993 Supp.)]. The State's administrative regulations have been amended to allow 75-foot saddle-mount combinations (IDAPA 39.C.06). The first two of these actions are especially important in that they correct problems noted last year that would have led to funding sanctions if not resolved.

All States are required to allow truck tractors and 48-foot semitrailer combinations and other Surface Transportation Assistance Act of 1984 (STAA) vehicles on the National Network (NN) and reasonable access routes. Idaho imposes "an overall combination length not to exceed 65 feet" on "[s]emitrailers operating on routes determined by the board to have severe curvature, deficient width and/or heavy traffic conditions . . ." [§ 49-1010(3)(b)(1); IDAPA 39.C.07.5]. These highways are not on the NN, but may be access routes to or from the NN. Since a State may deny access to STAA vehicles on routes with unsafe curvature or deficient width [23 C.F.R. 658.19(1)(2)(ii)(A),(C)], it may also impose a lesser restriction, in this case an overall length limit of 65 feet. However, "heavy traffic conditions" do not justify denial of an access route. Drivers of automobiles often dislike sharing the road with large trucks, but Section 658.19 does not treat congestion as sufficient reason to deny an STAA vehicle reasonable access. The Division should investigate how the State is implementing the statute and regulation.

A new rule governing "extra-length vehicle combinations" prohibits the use of single tires on a single axle, except the steering axle (IDAPA 39.C.22). This appears to be an additional restriction on longer combination vehicles (LCVs) in operation on June 1, 1991. The State should be asked to provide a copy of the regulation so that it can be considered for inclusion in the FHWA's final LCV rule.



U.S. Department
of Transportation
Federal Highway
Administration

Alaska Division

P.O. Box 21648
Juneau, Alaska 99802-1648

January 18, 1994

HDA-AK
P&R 18

Rep. Eldon Mulder
State Capitol
Juneau, Alaska 99801-1182

Dear Rep. Mulder:

In accordance with our January 18 telephone conversation, I am providing you the following clarification of my August 18, 1993 letter to Commissioner Campbell concerning the Alaska Truck Size and Weight Enforcement Program.

Currently, the Alaska Program has been found adequate to avoid the loss of Federal-aid highway funds under Section 141 of 23 CFR. However, annual reviews by FHWA have identified several areas needing improvement including overweight tolerances, and the limited coverage by both the permanent weigh stations and the portable scales.

The purpose of the August 18 letter was to encourage improvement in these areas so that the program can continue to be certified as acceptable.

Sincerely yours,

Robert E. Ruby
Division Administrator

cc: Bruce Campbell, Commissioner
Alaska DOT&PF Juneau, Alaska



U.S. Department
of Transportation
Federal Highway
Administration

Alaska Division

P.O. Box 21648
Juneau, Alaska 99802-1648

January 19, 1994

HDA-AK
P&R 18

Mr. Bruce Campbell
Commissioner
Alaska DOT&PF
Juneau, Alaska

Dear Mr. Campbell:

As a follow-up to recent activities, you furnished us a copy of an August 20 letter from the Washington Office of Motor Carrier Safety to their Region X field office and you requested clarification of the status of the Alaska Truck Size and Weight Enforcement Program. As stated in the letter, the Program has been found to be adequate.

However, annual reviews by both the Division Office and the Office of Motor Carrier Safety have consistently recommended that significant improvements should be made in the areas of overweight tolerances and the limited coverage of both the permanent weigh stations and portable scales. The details supporting these findings are included in the reports annually submitted to your office.

Our August 18, 1993 letter expressed our concern that if these long standing issues are not addressed it is possible that a future review may find the Program is no longer adequate to avoid the sanction provided by Section 141 of 23 CFR.

This concern was confirmed in the August 20, 1993 letter in which the Office of Motor Carrier Safety found the State certification was adequate but expressed substantial concern on the overweight tolerance practice.

The third paragraph of their letter stated they were pleased with the program, plan and certifications reviews. This commendation is referring to the work done by the Office of Motor Carriers field offices and should not be confused with the State's administration of the Program. Direct communication with their staff confirmed that they consider the Alaska Program to be adequate rather than excellent.

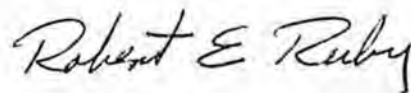
RECEIVED

JAN 19 1994

DOT&PF
COMMISSIONER'S OFFICE

In summary, the Program in Alaska is currently considered adequate with comments. Unless some progress is made in addressing the significant comments of past reviews it is possible that future reviews could conclude that the Program is no longer adequate and sanctions could be invoked.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert E. Ruby". The signature is written in dark ink and is positioned above the typed name.

Robert E. Ruby
Division Administrator

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

January 11, 1994

The Honorable Walter J. Hickel
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

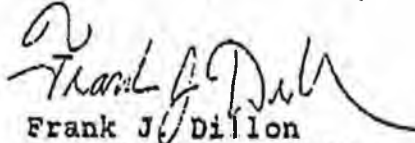
Dear Governor Hickel:

It has been brought to the attention of Alaska Trucking Association that there has been an Executive Order (#89) introduced, that would move the weigh station operation responsibilities from the Department of Commerce and Economic Development to the Department of Transportation and Public Facilities.

Several inquiries have been made regarding ATA's position on this issue. ATA's board of directors feel it should be the governor's prerogative as to how various departments and agencies are organized and their responsibilities defined.

ATA takes no position regarding the transfer of responsibilities from the Department of Commerce to the Department of Transportation.

Very truly yours,


Frank J. Dillon
Executive Director

FJD/pch

cc: Rick Halford, Senate President

Ramona Barnes, Speaker of the House

Bert Sharp, Senate Transportation Chairman

Richard Foster, House Transportation Chairman

Paul Fuhs, Commissioner
Department of Commerce & Economic DevelopmentBruce Campbell, Commissioner
Department of Transportation & Public Facilities ✓

SB

2

STATE OF ALASKA
ROUTE SLIP

TO: Mail Station	Department	Division
Attention <i>John Paul / Sen. Kelly</i>		
<input type="checkbox"/> Approval <input type="checkbox"/> Note & Return <input type="checkbox"/> Signature <input type="checkbox"/> Initial & Return <input type="checkbox"/> Comment <input type="checkbox"/> Return as Requested <input type="checkbox"/> Contact Me <input type="checkbox"/> Return for Approval <input type="checkbox"/> Prepare Reply <input type="checkbox"/> Necessary Action <input type="checkbox"/> For Your File <input type="checkbox"/> For Your Information		
Remarks: <i>copy material that the sponsor statement in the file and copy (17A) I don't need to take it down the road to the Administration, please if you have questions</i>		
FROM: Mail Station	Department	Division
<i>1/13/04</i>	<i>2-22-04</i>	<i>1-13-04</i>
By	Date	
<i>John Paul / Sen. Kelly</i>	<i>1/13/04</i>	



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

DATE: February 14, 1994
TO: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee
FROM: Senator Dave Donley
RE: CSSB 2 (CRA) - Pay Equity

I request a hearing for CSSB 2 (CRA), pay equity for certain public employees. The bill was changed drastically in the Senate Community and Regional Affairs Committee from the original version I introduced. The current CS deletes the collective bargaining requirement from SB 2. This is the Department of Administration's proposal and it omits all references to a union's right to bargain in violation of the state policy set out in AS 23.40.070-23.40.260. I oppose the CRA CS but think this issue is still an important one and deserves a hearing.

If two workers do the same or similar job, it is illegal under federal law to pay them different wages based solely on their sex. Unfortunately, there is a good reason to believe that illegal wage disparities, based on sex, exist in Alaska's state government today. We know that Alaskan women working for the state are being paid less than their male counterparts.

If you have questions regarding SB 2 please contact Alexis Miller at 465-3892. Thanks for your consideration of my request.

DD/arm

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-5571

CO-CHAIR: Anchorage Caucus • MEMBER: Senate Judiciary Committee • Senate Resources Committee

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

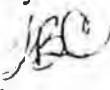
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 7, 1994

SUBJECT: Sectional Summary of CSSB 2(CRA). (Pay equity for certain public employees)

TO: Senator Dave Donley

FROM: Teresa B. Cramer, 
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1, amending the Public Employment Relations Act (PERA), prohibits, in subsection (b), the state and a bargaining organization representing state employees from entering into a term contrary to AS 39.27.013, enacted by sec. 2 of this Act. This subsection applies only to state employees

Subsection (c) permits a collective bargaining agreement entered into under PERA to freeze the salaries of incumbents whose positions are reclassified to a lower salary range, but only for a period not to exceed two years. This subsection applies to all employees covered by PERA.

Sec. 2 directs, for state employees whose compensation is not set through the collective bargaining process, that when an employee's position is reclassified to a higher salary range to implement a pay equity job evaluation system, the employee shall be placed in the lowest step in the higher salary range that does not result in a decrease in salary.

Sec. 3 establishes a pay equity policy for the state.

Sec. 39.90.200 declares that it is the policy of the state to establish pay equity between female-dominated, male-dominated and balanced classes of employees of public employers. "Female-dominated," "male-dominated," "balanced class," "pay equity," and "class" are defined in Sec. 39.90.300. "Public employer" is defined to include state agencies and school districts and regional educational attendance areas.

Senator Dave Donley
February 7, 1994
Page 2

Sec. 39.90.210 requires public employers to use a job evaluation system to determine the comparable work value of the work performed by each class of employees. Employers are required to meet and confer with collective bargaining representatives of their employees. Subsection (b) sets out minimum requirements for the job evaluation system. Subsection (c) requires employers to prepare a plan to create pay equity for positions in classes in which pay inequity has been found to exist.

Sec. 39.90.220 requires public employers to ensure that compensation for positions meets certain standards. There should be a reasonable relationship between the compensation for positions in the different employment services, between compensation for positions in the public sector and the private sector, between the compensation for management positions and compensation of employees managed by the positions, and for compensation of positions in related classes. Subsection (b) describes how to determine if a reasonable relationship has been met.

Sec. 39.90.300 defines terms used in the previous sections, including "public employer," which includes state agencies and school districts and regional educational attendance areas.

Sec. 4 provides for deadlines and sets out the content required for the first report to the legislature.

TBC:gc
94-096.glc

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB2 (CRA)

Revision Date: _____
Title: "An Act requiring pay equity...and requiring compensation...based on the value of work performed."
Sponsor: Senator Doniev
Requestor: Senate CRA Committee

Department Affected: Administration
BRU: Personnel/OEEO
Component: Personnel/OEEO
COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	298.8	149.3	0	0	0	0
TRAVEL	6.0	0	0	0	0	0
CONTRACTUAL	0.5	8.5	0	0	0	0
SUPPLIES	1.5	0.5	0	0	0	0
EQUIPMENT	10.5	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	317.3	158.3	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES	0	0	0	0	0	0
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FUNDING SOURCE:

(Thousands of Dollars)

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	317.3	158.3	0	0	0	0
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	317.3	158.3	0	0	0	0

Estimate of any current year (FY 94) cost: \$ 0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	7	7	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared by: Kevin C. Ritchie
Division: Personnel/OEEO

Phone: 465-4429
Date: _____

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

Date: 2/10/94

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB2 (CRA)

ANALYSIS: (continued)

This legislation would force the State to change its classification system from the "whole job" system currently in use. We will change it to the Alaska Quantitative Evaluation System (AQES). AQES reached a preliminary stage of development with a \$500.0 thousand appropriation in 1983. The costs shown are required to complete the development. The project would begin in FY95 and be completed by January 1, 1996.

Costs of reactivating AQES:

	FY 95	FY 96	TOTAL
100 - Personnel			
-2 Personnel Specialists R 18	113.9	57.0	170.9
-2 Personnel Specialists R 16	98.9	49.4	148.3
-2 Clerk Typists R 8	59.7	29.8	89.5
-1/2 Analyst Programmer R 17	26.3	13.1	39.4
SUBTOTAL	298.8	149.3	448.1
200 - Travel for Audits	6.0		6.0
300 - Contractual			
-Printing new specs, etc		8.0	8.0
-Telephone	.5	.5	1.0
400 - Supplies	1.5	.5	2.0
500 - Equipment			
-2 Computers (for programmer and typist); 1 printer	10.5		10.5
TOTALS	317.3	158.3	476.6

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

NO. _____
BILL VERSION: SSB 2 (LRA)
PUBLISH DATE: _____

Revision Date: _____
Title: An Act requiring pay equity for certain public employees and requiring the compensation...
Sponsor: Senator Donley
Requestor: Senate C&RA

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE						
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)

Zero fiscal impact. Legislative employees are exempt and are not covered by a collective bargaining unit. If the Legislative Affairs Agency prepares a report, it is anticipated that if technical assistance is needed we will be contacting the Department of Administration for assistance.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 2/1/94

Approved By: Pamela A. Stoops, Executive Director *Karla Schofield for:*
Agency: Legislative Affairs Agency Date: 2/9/94

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

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO : CSSB 2(CRA)

Revision Date: _____

Department Affected: Labor

Title: Pay Equity based on value of work

BRU: Office of the Commissioner

Sponsor: Senator D. Donley

Component: _____

Requestor: Senate CRA

Alaska Labor Relations Agency

COMPONENT SERIAL NO. 1200

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
FUND SOURCE:						

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jan Seay, Hearing Examiner Phone: 269-4895

Division: Alaska Labor Relations Agency Date: 2/11/94

Approved by Commissioner: Charles W. Mahlen

Agency: Department of Labor Date: 2/11/94

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SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT SENATE BILL 2

"An Act requiring pay equity for certain public employees and requiring the compensation of certain public employees based on the value of work performed."

If two workers do the same or similar job, it is illegal under federal law to pay them different wages based solely on their sex. Unfortunately, there is a good reason to believe that illegal wage disparities, based on sex, exist in Alaska state government today. We know that Alaskan women working for the state are being paid less than their male counterparts.

Paying women less than men for doing the same kind of work is just plain wrong. State employees should be paid based on the value of the work they perform, and not based on whether they are men or women. If two jobs require a high school diploma, a year of experience, and have comparable hazards and responsibilities, both jobs should be paid equally.

SB 2 provides a mechanism to bring the state into compliance with federal law and to put an end to wage-based sex discrimination in state employment. Passage of SB 2 is, in itself, the right thing to do. But for those who are concerned about saving scarce state revenues, there is another reason to support SB 2. Failure to adopt this bill makes the state vulnerable to expensive, time-consuming, and divisive litigation.

We should learn from mistakes that have been made in other states. In Washington, legislators ignored evidence that women in state government were paid less than men, and refused to enact legislation like SB 2. After years of litigation, state employees in Washington achieved pay equity through court action. The ultimate cost to the state was much higher than it would have been if the legislature had voluntarily dealt with the problem.

We can also learn from the successes that have been achieved in other states. Minnesota is one of the states that voluntarily dealt with the problem of women being paid less than men. In fact, SB 2 is modeled directly after the Minnesota legislation. The approach taken in Minnesota and SB 2 is to identify instances in which we are illegally paying women less than men, to develop a plan to eliminate the sex discrimination, and for future legislatures to phase in implementation of the plan.

SB 2 promotes fairness in the workplace, and recognizes the valuable work that is being performed by the men and women in state government. And in the long-run, SB 2 will save the state a great deal of money.

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
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CO-CHAIR: Anchorage Caucus • **MEMBER:** Senate Judiciary Committee • Senate Resources Committee

	SB 2	Department of Administration Proposal	Comments
Add "elimination of sex based wage disparities" to the means of promoting harmonious and cooperative employee relations and assuring effective and orderly governmental operations.	Section 1 of bill, amending AS 23.40.070(3). See specifically, page 2, lines 11 and 12.	Omit	Department of Administration's proposal omits all references that imply a union right to bargain over classifications.
Collective bargaining may not defeat cost reduction provision upon implementation of new classification system.	-	Proposed AS 23.40.210(b). See also proposed AS 39.27.013 below.	Source: HB676, February 17, 1986. This provision reduced implementation costs by approximately 50 percent.
Collective bargaining agreements may provide a freeze upon reclassification downward for up to two years.	-	Proposed AS 23.40.210(c).	Source: 2 AAC 07.345(e). This provision will allow offsetting savings to be realized two years after implementation.
Provide a one-time exception upon implementation of the new classification system of the pay rules that normally apply to a reclassification upward.	-	Proposed AS 39.27.013.	Source: HB676, February 17, 1986. Employees moved upward as a result of the new classification system will receive minimal immediate increases, but will be eligible for future step increases. This provision reduced implementation costs by approximately 50 percent.
Require public employers to report results of new classification system to unions and to use the report in bargaining.	Proposed AS 39.90.210(c). Page 8, lines 4 through 9.	Omit	Department of Administration's proposal omits all references that imply a union right to bargain over classification.
Method of notice to legislature of implementation costs.	Proposed AS 39.90.210(d), sentences 2b and 3.	Delete proposed AS 39.90.210(d) sentences 2b and 3; replace with requirement that implementation cost be included during budget preparation.	This approach better prepares the public employers to implement their plans.
Legislative review and amendment of plan, potential for partial funding.	Proposed AS 39.90.210(e)	Omit	Amendment of a public employer's classification plan should not be subject to collective or political bargaining. Appropriation will be through normal budget process. Implicates separation of powers.
Require public employer to notify union when reporting to the Legislature.	Proposed AS 39.90.210(f)	Omit	Department of Administration's proposal omits all references that imply a union right to bargain over classification. Any report to the Legislature will be publicly available.

Subject	SB12	Department of Administration Proposal	Comment
Protect public employers from unfair labor practice charges over specified amounts of money to be used for specific pay purposes.	Proposed AS 39 90 210(g)	Omit	Department of Administration's proposal omits all references that imply a union right to bargain over classification.
Recognize as public policy the negotiation of pay rate adjustments.	Proposed AS 39 90 210(h)	Omit	Department of Administration's proposal omits all references that imply a union right to bargain over classification.
Pay Equity article does not diminish duty to bargain in good faith.	Proposed AS 39 90 210(i)	Omit	Good faith bargaining requirements are established in PERA and need not be repeated here.
Specify compensation relationships required in preparation for bargaining.	Proposed AS 39 90 220	Change Section Title Delete portion of first sentence in paragraph (a)	Department of Administration's proposal omits all references that imply a union right to bargain over classification.
Establish pay equity policy.	Proposed AS 39 90 200	No change.	
Require classification system to determine comparable work value.	Proposed AS 39 90 210(a)	No change	
Specify factors in classification system.	Proposed AS 39 90 210(b)	No change	
Require public employers to report plan to create pay equity to the Legislature.	Proposed AS 39 90 210(d)	No change except to method of notice of cost. (See above)	
Establish reasonable compensation relationship	Proposed AS 39 90 220	No change except deletion of reference to collective bargaining (See above)	
Definitions.	Proposed AS 39 90 300	No change	
Initial Report by January 1, 1996	Proposed Section 3	No change Proposed Section 4	
Department of Administration provide technical assistance to Court, Legislature, school districts and REAAs	Proposed Section 3	No change Proposed section 4	

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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150 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

October 29, 1993

SUBJECT: Sectional Summary of SB 2. (Pay equity for public employees)

TO: Senator Dave Donley

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 amends the policy statement in the Public Employment Relations Act to include eliminating sex-based disparities in public employment in the purposes for which public employees and their employers conduct collective bargaining.

Sec. 2 enacts new sections, applicable to employees of public employers, to establish a system for reaching pay equity.

Sec. 39.90.200 declares that it is the policy of the state to establish pay equity between female-dominated, male-dominated and balanced classes of employees of public employers. "Female-dominated," "male-dominated," "balanced class," and "class" are defined in Sec. 39.90.300. "Public employer" is defined to include state agencies and school districts and regional educational attendance areas.

Sec. 39.90.210 requires public employers to use a job evaluation system to determine the comparable work value of the work performed by each class of employees. Employers are required to meet and confer with collective bargaining representatives of their employees. Subsection (b) sets out minimum requirements for the job evaluation system. Subsection(c) requires reports from the employer to the bargaining organizations.

Subsection (d) requires employers to prepare a plan to create pay equity for positions in classes in which pay inequity has been found to exist. However, under subsection

(h), setting public employee pay changes through collective bargaining remains the policy of the state.

Under subsection (e), the legislature reviews the plans and recommended appropriations of each public employer and may accept, reject, or amend the plans. The subsection sets out directions for allocation of any appropriations made to achieve pay equity. Subsection (f) directs that if a public employer finds there is pay inequity in a class that is part of a collective bargaining unit, the employer must notify the employee's union when the employer submits the plan to the legislature. Under subsection (g), an employer may set aside money to correct pay inequities without committing an unfair labor practice.

Sec. 39.90.220 requires public employers to ensure that compensation for positions meets certain standards. There should be a reasonable relationship between the compensation for positions in the different employment services, between compensation for positions in the public sector and the private sector, between the compensation for management positions and compensation of employees managed by the positions, and for compensation of positions in related classes. Subsection (b) describes how to determine if a reasonable relationship has been met.

Sec. 39.90.300 defines terms used in the previous sections, including "public employer," which includes state agencies and school districts and regional educational attendance areas.

Sec. 3 provides for deadlines and sets out the content required for the first report to the legislature.

TBC:gc
93-516.glc

Gender Gap: No Progress for Alaskan Women

by F. Terry Elder

Between 1988 and 1990, the income "gender gap" widened by 0.5% for Alaskan women. The ratio of female-to-male average wage income fell from 61.7% in 1988 to 61.2% in 1990¹. (See Table 1.) Although the sex distribution of employment and total wage income in 1990 was about the same as in 1988, the average wage income of men outpaced that of women.

Comparisons by age group

The sex distribution of employment by age group in 1990 showed the same pattern as in 1988². (See Figure 2.) Women account for a larger share of employment at younger age groups than at older age groups. This is due to the relatively rapid increase of female participation in the labor force in recent decades. Older age groups partially reflect labor force composition prior to the time women began to enter the labor market in ever-increasing numbers.

Note

¹A detailed comparison of male and female wage and salary employment and earnings using 1988 data is found in our August 1990 publication, *The Gender Gap*. The 1988 data base contained information on 244,020 people, and the 1990 data base covered 235,667 people. No conclusion should be drawn from this decline, since the data bases are constructed with data for individuals for whom the relevant information is known. As such, they are subsets of total employment, and increases or decreases do not imply commensurate increases or decreases in total employment. Given the size of the subsets, however, there is no reason to believe that the share of employment and the average annual wage income by sex are not true reflections of actual comparative performance of the sexes. Those are the key aspects dealt with in this article. For the readers' information, the U.S. Department of Commerce, Bureau of Economic Analysis reported 1990 total personal income for Alaska of \$11.96 billion, up 18.3% from 1988

Between 1988 and 1990, the average annual wage income of both men and women rose for every age group except the oldest age groups. (See Figure 2 for 1990 income.) For men aged 65-74 and for men and women aged 75+, average wage income fell. This probably reflected the larger number of workers aged 65-74 in the 1990 data set and possibly some reduction in seasonal and part-time employment. Part-time employment is especially important for the youngest and oldest age groups of both sexes.

The pattern of wage income for age groups did not change from 1988. Peak average wage income for men occurred in the 45-49 year-old age group at \$41,600. The same age group for women earned a peak average of \$23,800. As in 1988, women earned less than men in every age group (See Figure 3.) The female-to-male

Terry Elder is an economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Juneau.

Note

²Compared to the 1988 data set, the 19-24 year-old age group was the only age group in which women's share of employment declined. Their employment share of every other age group rose. The largest share increases, ranging from 1.2 percentage points to 1.5 percentage points, were in the 35-39, 45-49, and 55-59 year-old age groups.

Table • 1

Wage and Salary Employment and Earnings Alaska, 1988-1990

	1988	1990
Employment Distribution By Sex (%)		
Male	53.0	52.7
Female	47.0	47.3
Annual Wage Income Distribution By Sex (%)		
Male	64.6	64.5
Female	35.4	35.5
Average Annual Wage Income (\$)		
Male	24,232	27,655
Female	14,962	16,934
Total	19,877	22,580
Female/Male Wage Ratio (%)	61.7	61.2

Source: Alaska Department of Labor, Research and Analysis Section.

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Comparisons by Industry group

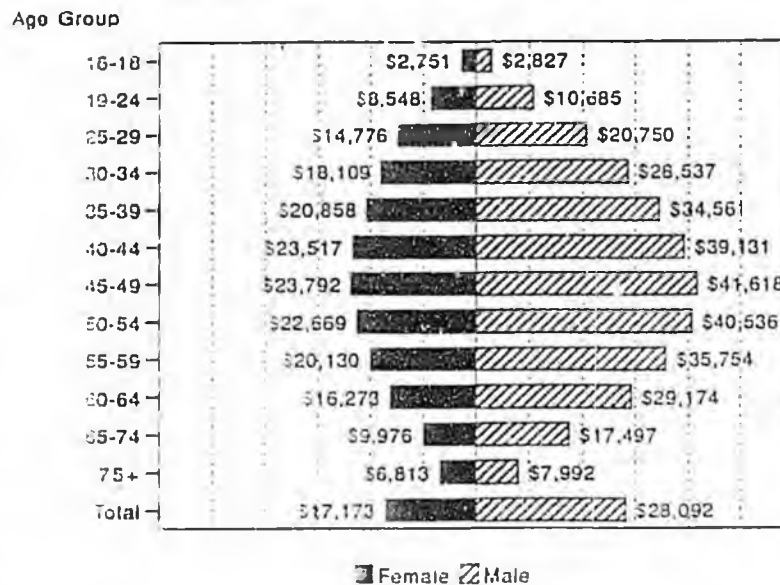
In 1990 as in 1988, women predominated in the finance/insurance/real estate, services, and local government sectors. Mining, oil and gas and construction were male-dominated industries. (See Figure 7.)

Oil and gas industry workers had the highest average wage income. (See Figure 8.) Other industry sectors with above-average income included mining, state government and transportation/communication/public utilities. Compared to 1988, the average wage income of both men and women rose in every industry sector except one⁴.

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The exception was for male workers in the Nonclassified sector, which represented less than 1 percent of male employment.

Figure • 2

Male & Female Average Annual Wage Income by Age Group — Alaska, 1990

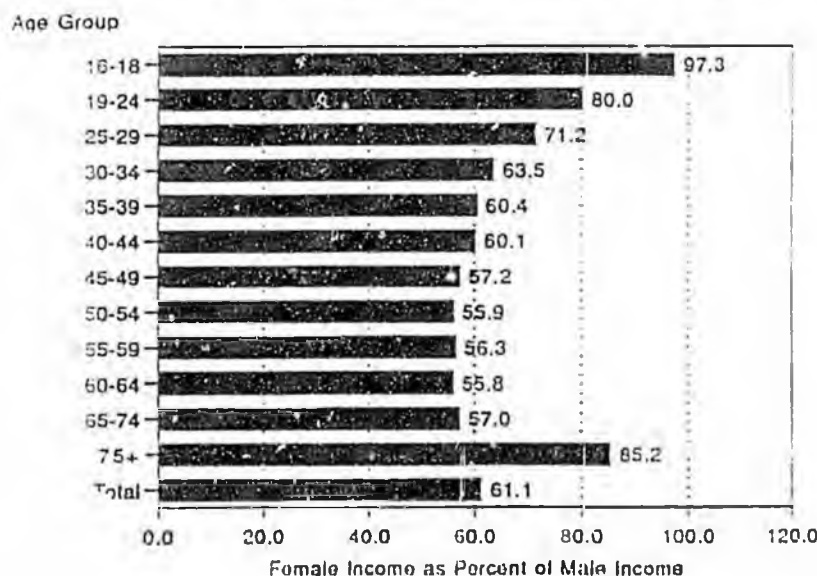


Note: Data for 122,030 males and 109,763 females for whom age data are available.

Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 3

Female/Male Ratios of Private & Public Sector Average Annual Wage Income by Age, Alaska, 1990



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Source: Alaska Department of Labor, Research and Analysis Section.

average wage income ratio declined in 8 out of 12 age groups between 1988 and 1990. Within the age groups 40-44, 45-49, 55-59 and 65-74 the gender gap narrowed.

Comparisons by occupation group

As in 1988, most occupation groups in 1990 were dominated by female or male workers (see figure 4)². The average annual wage income of men rose in eight of nine occupation groups between 1988 and 1990 (see figure 5). In contrast, average wage income for women fell in six of nine occupation groups.

Unavailable data for some men and women, however, may have influenced this result. The average income of men for whom occupation data were available was higher (\$28,400) than income for all men. The average wage income of women for whom occupation data were available was lower (\$16,700) than income for all women. Therefore, occupation data were probably not available for more high-income women than for low-income women and for more low-income men than for high-income men.

With that caveat in mind, women earned less than men in every occupation group (see figure 6). The gender gap increased for every occupation group except Service Workers.

Comparisons by occupation

Not only were occupation groups male or female dominated, but individual occupations were, too. In the 100 largest occupations ranked by female employment, women made up 60.9% of employment compared to 47.3% of overall employment. (See Table 2, page 7.) The female-to-male wage income ratio was 73.5% compared to 61.2%. In contrast, in the 100 largest occupations ranked by male employment, women accounted for only 42.5% of employment. The female-to-male wage income ratio was only 54.8%. (See Table 3, page 10.)

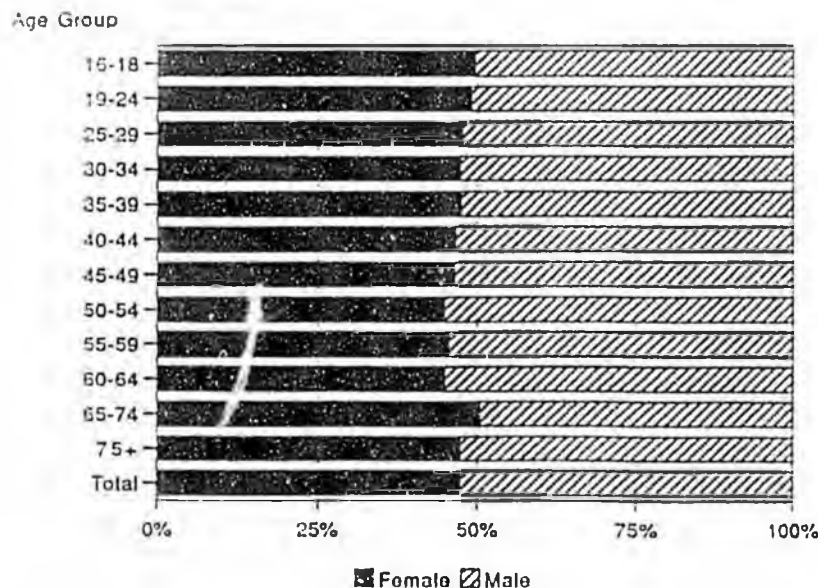
Women's average wage income exceeded men's average wage income in 12 of 100 occupations ranked by female employment, but only in 5 of 100 occupations ranked by male employment. These figures were similar to those in 1988. Little has changed during the two-year period to close the gap in employment and earnings

Figure 1

Sex Distribution of Total Employment by Age Group — Alaska, 1990

Note: Data for 122,030 males and 109,763 females for whom age data are available.

Source: Alaska Department of Labor, Research & Analysis Section.

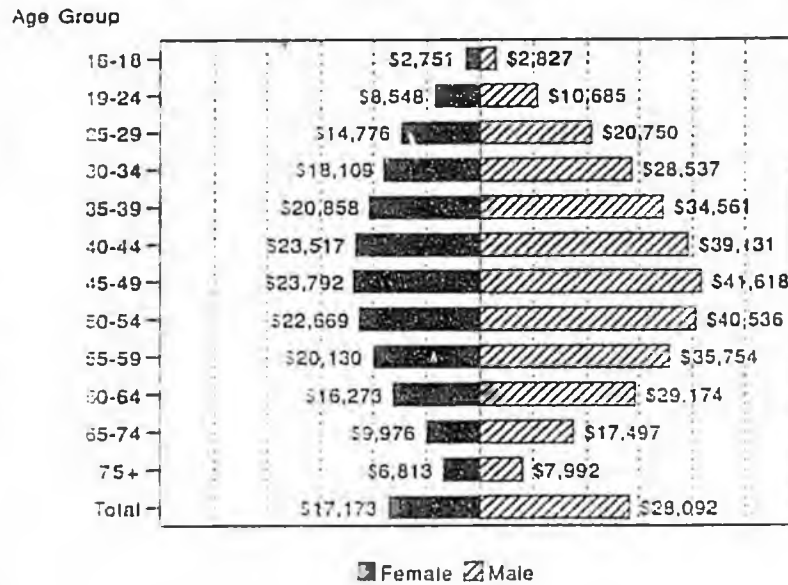


Note

²Since occupation data are not available for a large portion of female and male workers, conclusions should be tempered since they may be affected in unknown ways by the excluded data.

Figure • 2

Male & Female Average Annual Wage Income by Age Group — Alaska, 1990

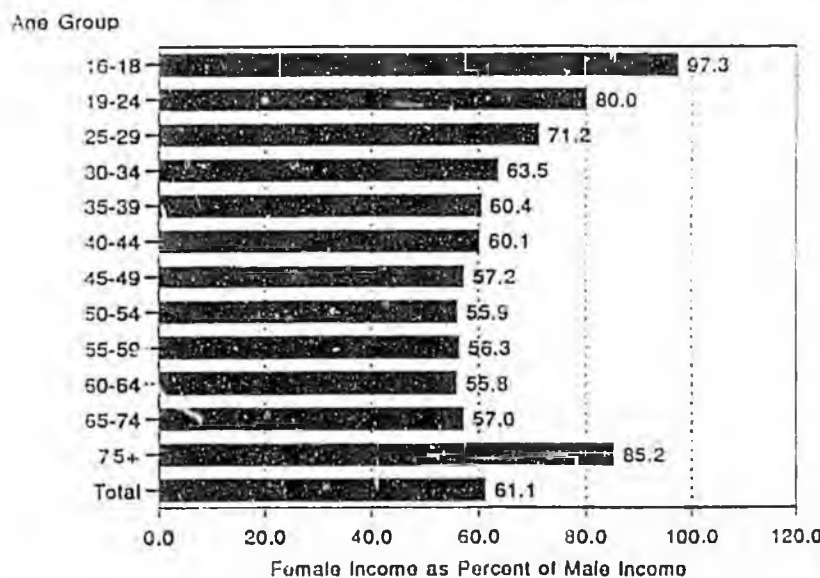


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Female/Male Ratios of Private & Public Sector Average Annual Wage Income by Age, Alaska, 1990



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In 1990 as in 1988, women predominated in the finance/insurance/real estate, services, and local government sectors. Mining, oil and gas and construction were male-dominated industries. (See Figure 7.)

Oil and gas industry workers had the highest average wage income. (See Figure 8.) Other industry sectors with above-average income included mining, state government and transportation/communication/public utilities. Compared to 1988, the average wage income of both men and women rose in every industry sector except one*.

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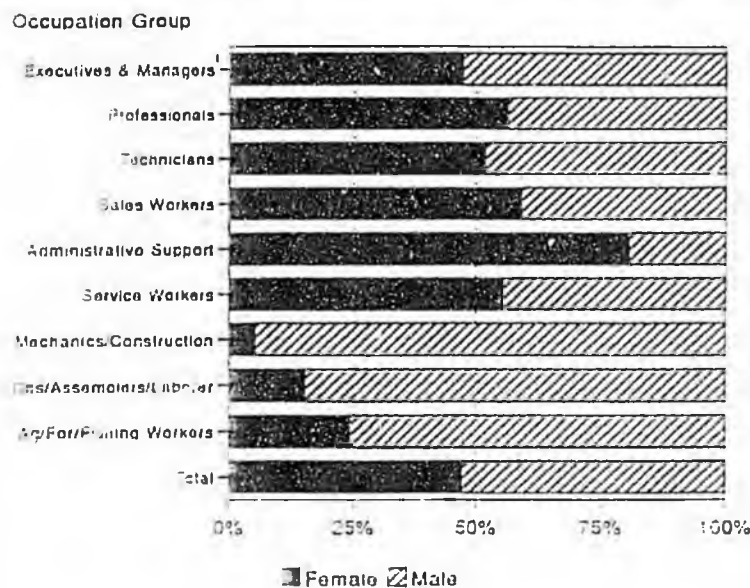
*The exception was for male workers in the Nonclassified sector, which represented less than 1 percent of male employment.

Figure 4

Sex Distribution of Total Employment by Occupation Group — Alaska, 1990

Note: Data for 82,134 males and 73,224 females for whom occupation data are available.

Source: Alaska Department of Labor, Research & Analysis Section.



In 1990, as in 1988, women earned less than men in every industry. (See Figure 9.) Overall, they earned 61.2% of male income in 1990 compared to 61.7% in 1988. Working women lost ground over the two-year period in both the private and the public sectors. In the private sector, the gap widened by 0.4% as women earned 55.7% of male income in 1990 compared to 56.1% in 1988. In the public sector, they earned 70.7% compared to 71.4%, an increased gap of 0.7%. The female-to-male wage income ratio fell in 8 of 14 industry groups. Mining, food manufacturing, wholesale trade, finance/insurance/real estate, nonclassified and local governments showed an increase.

Women really haven't come a long way

There is no doubt that women increased their share of employment dra-

Figure 5

Male & Female Average Annual Wage Income by Occupation Group — Alaska, 1990

Note: Data for 82,134 males and 73,224 females for whom occupation data are available.

Source: Alaska Department of Labor, Research & Analysis Section.

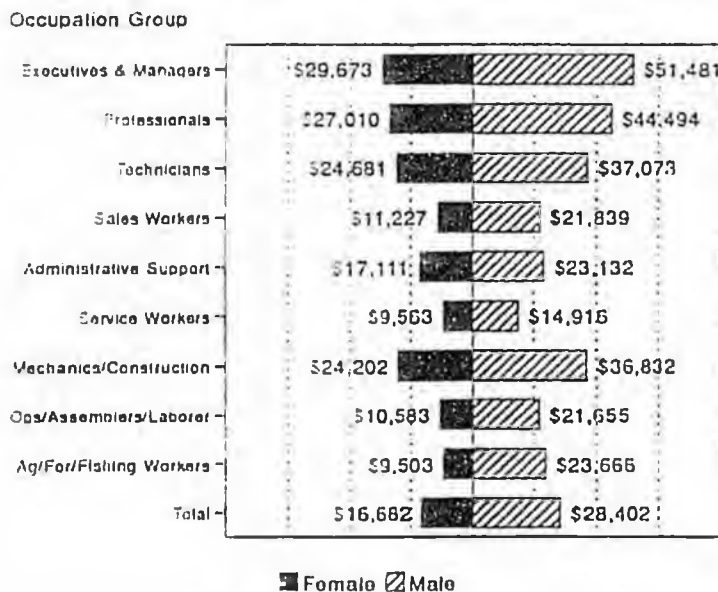
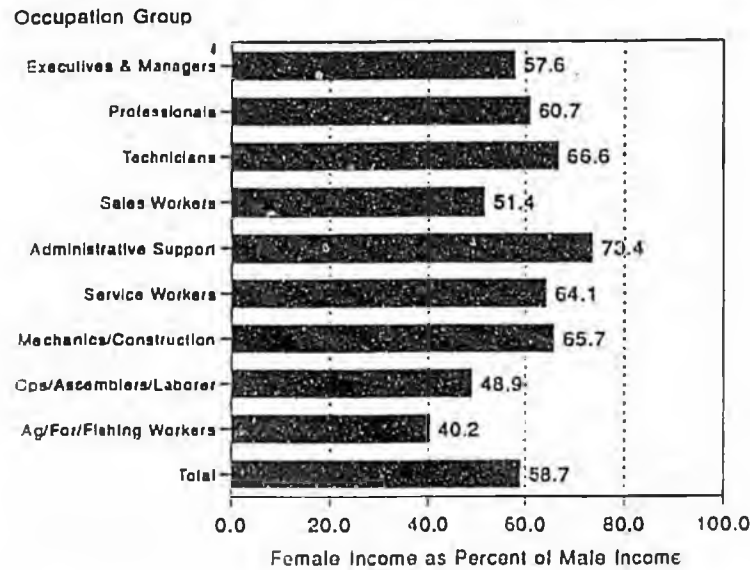


Figure • 6

Female/Male Ratios of Private & Public Sector Average Annual Wage Income by Occupation Group, Alaska, 1990



Note: Data for 82,134 males and 73,224 females for whom occupation data are available.

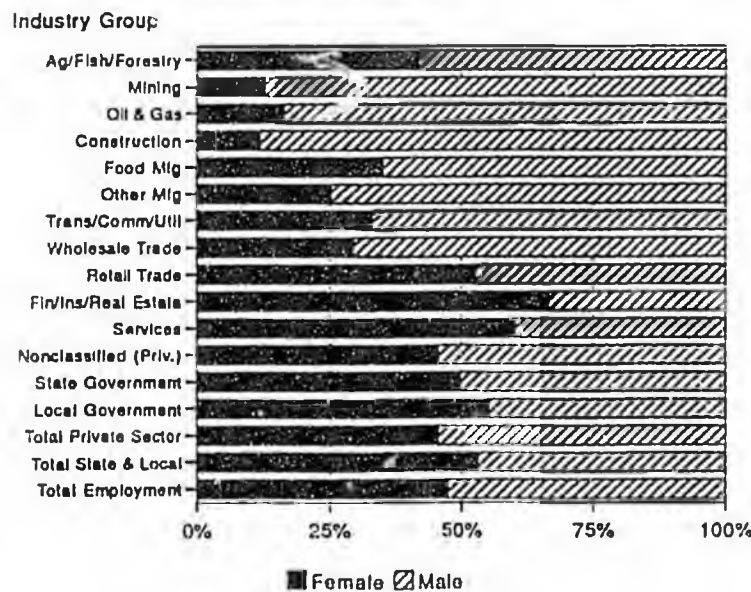
Source: Alaska Department of Labor, Research & Analysis Section.

atically in recent decades. State economic and demographic forecasters predict women will continue to increase their share of the labor market in the foreseeable future. On the other hand, the occupational and industry employment patterns of men and women differ markedly. The most dramatic difference is that women generally earn less than men.

In Alaska between 1988 and 1990, little or no progress is evident in balancing the employment and income patterns of men and women. As a result, occupations and industries continue to be male or female dominated. And the ratio of female-to-male wage income actually has declined.

Figure • 7

Sex Distribution of Total Employment by Industry Group — Alaska, 1990



Note: Data for 124,121 males and 111,546 females.

Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 8

Male & Female Average Annual Wage Income by Industry Group — Alaska, 1990

Note: Data for 124,121 males and 111,546 females.

Source: Alaska Department of Labor, Research & Analysis Section.

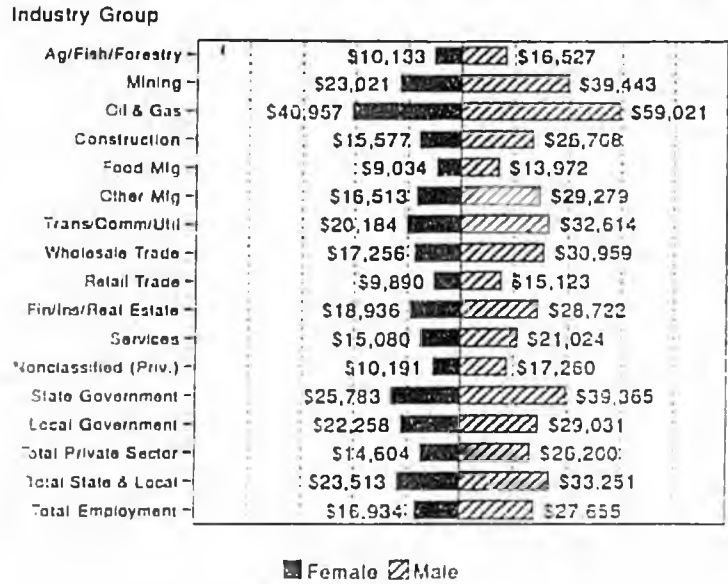


Figure • 9

Female/Male Ratios of Private & Public Sector Average Annual Wage Income by Industry Group, Alaska, 1990

Note: Data for 124,121 males and 111,546 females.

Source: Alaska Department of Labor, Research & Analysis Section.

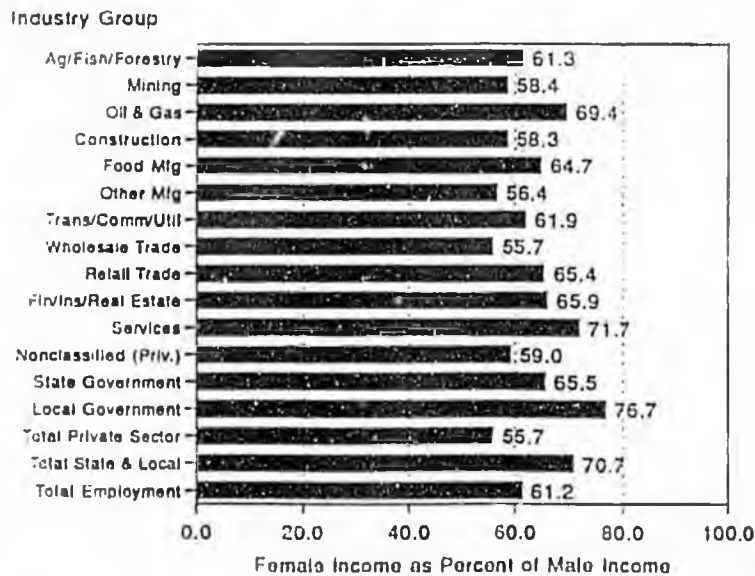


Table 2

100 Occupations With the Largest Employment Ranked by
Female Employment — Alaska, 1990

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
General Office Occupations	1,168	5,319	82.0	17,924	13,429	74.9
Sales Clerks	1,562	3,931	71.6	11,864	8,735	73.6
Secretaries	130	3,858	96.7	20,630	21,202	102.8
Bookkeeping and Accounting and Auditing Clerks	281	2,731	90.7	22,573	19,895	88.1
Waiters and Waitresses	518	2,697	83.9	8,926	7,356	82.4
Teacher Aides	469	2,041	81.3	14,050	11,262	80.2
Receptionists	93	1,725	94.9	10,873	13,096	120.4
Cashiers	504	1,586	75.9	11,329	10,578	93.4
Janitors and Cleaners	2,803	1,521	35.2	13,039	11,550	88.6
Child Care Workers, Except Private Household	196	1,475	88.3	11,739	7,448	63.4
Kitchen Workers, Food Preparation	1,088	1,347	55.3	11,304	9,992	88.4
Miscellaneous Food and Beverage Preparation Occupations	1,565	1,280	45.0	6,817	7,385	108.3
Elementary School Teachers	395	1,260	76.1	36,672	33,352	90.9
Counter Clerks	981	1,252	56.1	12,183	7,854	64.5
Registered Nurses	65	1,251	95.1	34,630	27,165	78.4
Management Related Occupations, NEC	806	1,179	59.4	45,902	26,024	56.7
Maids and Housemen	256	1,150	81.8	11,824	8,300	70.2
Food Counter, Fountain and Related Occupations	524	1,050	66.7	5,142	5,065	98.5
Bartenders	457	888	66.0	12,774	11,135	87.2
Adult Education and Other Teachers, NEC	512	865	62.8	22,120	16,200	73.2
Cooks, Except Short Order	1,223	861	41.3	15,132	10,426	68.9
Administrative Support Occupations, Including Clerical	150	814	84.4	35,688	17,944	50.3
Managers: Administrative Services	482	790	62.1	47,103	28,915	61.4
Miscellaneous Hand Working Occupations	1,043	789	43.1	9,292	6,794	73.1
Manual Occupations, NEC	3,080	753	19.6	12,250	8,458	69.0
Teachers: College, University and Other Postsecondary	992	726	42.3	36,937	24,472	66.3
General Managers and Other Top Executives	1,448	720	33.2	59,176	30,989	52.4
Reservation Agents and Transportation Ticket Clerks	158	673	81.0	22,300	16,810	75.4
Accountants and Auditors	351	617	63.7	48,451	35,407	73.1
Salespersons: Garments and Textile Products	89	602	87.1	12,481	10,292	82.5
Secondary School Teachers	549	593	51.9	41,078	31,744	77.3
Bank Tellers	335	589	94.4	11,939	12,374	103.6
Personal Service Occupations, NEC	315	576	64.6	14,884	11,626	78.1
Short-order Cooks	660	562	46.0	6,525	5,132	78.6
Social Workers	201	535	72.7	23,521	18,801	79.9
Health Aides, Except Nursing	56	526	90.4	18,585	15,987	86.0
Supervisors: General Office Occupations	147	490	76.9	45,310	28,753	63.5
Attendants, Amusement and Recreation Facilities	534	453	45.9	6,708	6,461	96.3
File Clerks	75	424	85.0	11,269	11,521	102.2

Table 2 (cont.)

**100 Occupations With the Largest Employment Ranked by
Female Employment — Alaska, 1990**

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
Salespersons: NEC	663	409	38.2	33,631	15,455	46.0
Stock and Inventory Clerks	933	408	30.4	22,023	12,636	57.4
Hairdressers and Cosmetologists	29	309	93.2	11,480	10,821	94.3
Inspectors and Compliance Officers, Except Construction	256	382	59.9	31,734	15,708	49.5
Nursing Aides, Orderlies, and Attendants	62	381	86.0	17,544	15,378	87.7
Data Entry Keyers	32	377	92.1	20,426	16,206	79.3
Dental Assistants	11	388	97.0	22,140	16,512	74.6
Health Technologists and Technicians, NEC	155	346	69.1	31,808	19,525	61.4
Telephone Operators	43	340	88.8	21,607	22,051	102.1
Supervisors: Food and Beverage Preparation and Service	232	323	58.2	23,911	15,557	65.1
Typists	20	309	93.9	13,978	15,388	110.1
Bus Drivers	40	298	88.3	17,104	10,176	59.5
Library Clerks	48	292	85.9	9,557	13,789	144.3
Billing Clerks	20	286	93.5	22,628	19,491	86.1
Prekindergarten and Kindergarten Teachers	11	284	96.3	22,901	20,148	88.0
Teachers, Ex Postsecondary	123	283	69.7	42,860	30,745	71.7
Welfare Service Aides	56	281	83.4	3,246	5,486	169.0
Dispatchers	188	280	59.8	31,709	17,927	56.5
Supervisors: Sales Occupations, Retail	377	277	42.4	36,986	21,092	57.0
Teachers: Special Education	63	271	76.6	44,906	40,856	91.0
Stock Handlers and Baggers	456	264	21.6	13,673	7,520	55.0
Recreation Workers	198	264	57.1	12,330	10,044	81.5
Payroll and Timekeeping Clerks	27	262	90.7	29,146	22,949	78.7
Construction Laborers	2,722	261	8.7	19,552	11,245	57.5
Officials and Administrators: Other, NEC	355	252	41.5	47,594	32,849	69.0
Record Clerks, NEC	37	247	87.0	24,199	21,838	90.2
Sales Occupations: Services, NEC	136	236	63.4	17,497	15,085	86.2
Librarians	27	227	89.4	33,528	29,660	88.5
Vocational and Educational Counselors	134	224	62.6	35,815	28,318	79.1
Licensed Practical Nurses	14	222	94.1	23,037	22,103	95.9
Computer Operators	153	221	59.1	29,925	24,444	81.7
Financial Managers	226	218	49.1	66,524	44,535	66.9
Bill and Account Collectors	44	212	82.8	23,113	21,454	92.8
Legal Technicians	58	206	78.0	26,545	29,247	110.2
Order Clerks	64	204	76.1	26,227	20,635	78.7
Waiters'/waitresses' Assistants	257	201	43.9	7,305	5,251	71.9
Billing, Posting, and Calculating Machine Operators	19	198	91.2	26,148	20,673	79.1
Managers: Food Serving and Lodging Establishments	200	194	49.2	25,897	17,470	67.5
Public Transportation Attendants	32	178	84.8	22,509	18,173	80.7

Table • 2 (cont.)

100 Occupations With the Largest Employment Ranked by Female Employment — Alaska, 1990

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
Dental Hygienists	8	177	95.7	NA	26,173	NA
Hand Cutting and Trimming Occupations	435	175	28.7	9,292	7,629	82.1
Business Service, Except Advertising, Sales Occupations	170	167	49.6	40,749	23,855	58.5
Personnel, Training, and Labor Relations Specialist	112	159	58.7	47,222	29,955	63.4
Truck Drivers, Light (Including Delivery and Route)	1,343	155	10.3	20,264	11,110	54.8
Supervisors: Financial Record Processing Occupations	26	153	85.5	45,796	31,229	68.2
Managers: Medicine and Health	76	151	66.5	47,807	37,958	79.4
Guards and Police, Except Public Service	934	143	13.3	24,192	16,979	70.2
Advertising and Related Sales Occupations	89	141	61.3	27,180	27,229	100.2
Insurance Adjusters, Examiners, and Investigators	76	138	64.5	49,514	32,061	64.8
Designers	65	136	67.7	37,184	16,283	43.8
Managers: Marketing, Advertising, and Public Relations	244	135	35.6	51,075	33,569	65.7
Technicians, NEC	187	134	41.7	29,447	19,089	64.8
Clinical Laboratory Technologists and Technicians	28	127	81.9	34,891	26,799	76.8
Freight, Stock, and Material Movers, NEC	1,219	125	9.3	20,171	15,367	76.2
Managers: Property and Leasing	94	125	57.1	38,737	20,499	52.9
Science Technologists and Technicians, NEC	114	122	51.7	23,690	20,896	88.2
Education Teachers	100	122	55.0	43,752	41,283	94.4
Lawyers	266	120	31.1	64,618	46,504	72.0
Traffic, Shipping, and Receiving Clerks	297	112	27.4	23,571	20,507	87.0
Officials and Administrators, Public Administration	46	112	70.9	28,318	8,694	30.7
Demonstrators, Promoters, and Models	34	111	76.6	13,059	8,897	68.1
Personnel Clerks, Except Payroll and Timekeeping	7	106	93.8	NA	24,594	NA
Total Top 100	41,462	64,520	60.9	21,609	15,872	73.5
Total	124,121	111,546	47.3	27,655	16,934	61.2

Note: Shaded areas highlight occupations in which female average wage income equals or exceeds male average wage income. These data cover 4-digit Standard Occupational Code (SOC) occupations for people who reported both income and 4-digit occupational codes. Employment is defined as the number of workers who worked in an occupation at any time during the year. Workers, who worked in more than one occupation, are assigned to the occupation in which they earned the majority of their annual wage income. Average wage income is not disclosed for occupations with male or female employment of less than eleven workers. NEC means "not elsewhere classified".

Source: Alaska Department of Labor, Research and Analysis Section.

100 Occupations With the Largest Employment, Ranked by
Male Employment — Alaska, 1990

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
Manual Occupations, NEC	1,080	753	19.6	12,250	8,458	69.0
Janitors and Cleaners	1,803	1,521	35.2	13,039	11,550	88.6
Construction Laborers	1,722	261	8.7	19,552	11,243	57.5
Carpenters	1,939	53	2.7	21,221	13,887	65.4
Miscellaneous Food and Beverage Preparation Occupations	1,565	1,280	45.0	6,817	7,385	108.3
Sales Clerks	1,562	3,931	71.6	11,864	8,735	73.6
General Managers and Other Top Executives	1,448	720	33.2	59,176	50,989	52.4
Truck Drivers, Light (Including Delivery and Route)	1,243	155	10.3	20,264	11,110	54.8
Mechanics and Repairers, NEC	1,255	76	5.0	36,373	22,958	63.1
Cooks, Except Short Order	1,223	361	41.3	15,132	10,426	68.9
Freight, Stock, and Material Movers, NEC	1,219	125	9.3	20,171	15,367	76.2
General Office Occupations	1,165	1,319	52.0	17,924	13,429	74.9
Kitchen Workers, Food Preparation	1,138	1,247	55.3	11,304	9,992	88.4
Automotive Mechanics	1,084	7	0.5	27,745	22,736	81.9
Electricians	1,069	51	2.8	39,331	24,019	61.1
Miscellaneous Hand Working Occupations	1,043	789	43.1	9,292	6,794	73.1
Truck Drivers, Heavy	1,029	15	1.3	30,043	21,021	70.0
Teachers: College, University and Other Postsecondary	992	726	42.3	36,937	24,472	66.3
Counter Clerks	981	1,252	56.1	12,183	7,854	64.5
Stock Handlers and Baggers	956	264	21.6	13,673	7,520	55.0
Guards and Police, Except Public Service	934	143	13.3	24,192	16,979	70.2
Stock and Inventory Clerks	933	408	30.4	22,023	12,636	57.4
Operating Engineers	829	53	9.0	36,507	30,512	83.6
Airplane Pilots and Navigators	812	18	2.2	40,053	29,728	74.2
Management Related Occupations, NEC	806	1,179	59.4	45,902	26,024	56.7
Heavy Equipment Mechanics	774	7	0.9	42,427	NA	NA
Plumbers, Pipefitters and Steamfitters	751	17	2.2	36,327	28,185	77.6
Lawnmowers	707	48	6.4	13,751	6,631	48.2
Garage and Service Station Related Occupations	667	62	8.5	12,354	7,211	58.4
Salespersons: NEC	663	409	38.2	33,631	15,455	46.0
Short-order Cooks	660	562	46.0	6,525	5,132	78.6
Machinery Maintenance Occupations	652	18	2.7	38,283	38,350	100.2
Supervisors: Mechanics and Repairers	612	29	4.5	52,609	49,230	93.6
Police and Detectives, Public Service	599	55	8.4	41,744	40,895	98.0
Extractive Occupations, NEC	588	23	3.8	39,144	29,068	74.3
Communications Equipment Repairers	583	67	10.3	53,070	36,711	69.2
Secondary School Teachers	549	593	51.9	41,078	31,744	77.3
Attendants, Amusement and Recreation Facilities	534	453	45.9	6,708	6,461	96.3
Food Counter, Fountain and Related Occupations	524	1,050	66.7	5,142	5,065	98.5
Waiters and Waitresses	513	2,697	83.9	6,926	7,356	82.4
Adult Education and Other Teachers, NEC	512	865	62.8	22,120	16,200	73.2

Table • 3 (cont.)

**100 Occupations With the Largest Employment Ranked by
Male Employment — Alaska, 1990**

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
Cashiers	504	1,586	75.9	11,329	10,578	93.4
Painters (Construction and Maintenance)	492	17	3.3	22,656	8,320	36.7
Welders and Cutters	492	4	0.8	34,996	NA	NA
Managers: Administrative Services	482	790	62.1	47,103	28,915	61.4
Bus Drivers	480	298	38.3	17,104	10,176	59.5
Petroleum Plant Operators	478	25	5.0	76,440	68,032	89.0
Vehicle Washers and Equipment Cleaners	471	67	12.5	12,347	10,385	84.1
Teacher Aides	469	2,041	81.3	14,050	11,262	80.2
Excavating and Loading Machine Operators	460	13	2.7	37,511	27,917	74.4
Bartenders	457	888	66.0	12,774	11,135	87.2
Hand Cutting and Trimming Occupations	435	175	28.7	9,292	7,629	82.1
Salespersons: Parts	411	70	14.6	25,189	15,409	61.2
Elementary School Teachers	395	1,260	76.1	36,672	33,352	90.9
Supervisors: Sales Occupations, Retail	377	277	42.4	36,986	21,092	57.0
Misc Material Moving Equipment Operators	375	8	2.1	31,275	NA	NA
Aircraft Engine Mechanics	368	14	3.7	31,663	27,942	88.2
Truck Drivers, Tractor-trailer	362	5	1.4	29,812	NA	NA
Officials and Administrators: Other, NEC	355	252	41.5	47,594	32,849	69.0
Accountants and Auditors	351	617	63.7	48,451	35,407	73.1
Industrial Machinery Repairers	345	44	11.3	42,873	26,294	61.3
Logging Occupations, NEC	340	29	7.9	29,331	10,460	35.7
Civil Engineers	321	28	8.0	51,224	42,102	82.2
Personal Service Occupations, NEC	315	576	64.6	14,884	11,626	78.1
Baggage Porters and Bellhops	307	53	14.7	17,347	19,405	111.9
Traffic, Shipping, and Receiving Clerks	297	112	27.4	23,571	20,507	87.0
Sailors and Deckhands	288	38	11.7	20,122	12,986	64.5
Bus and Truck Engine, and Diesel Engine Mechanics	284	5	1.7	55,626	NA	NA
Bookkeeping and Accounting and Auditing Clerks	281	2,731	90.7	22,573	19,895	88.1
Supervisors: Overall Construction	273	3	1.1	56,632	NA	NA
Supervisors: Production Occupations	271	45	14.2	57,543	25,090	43.6
Aircraft Mechanics (Except Engine Specialists)	268	6	2.2	31,702	NA	NA
Lawyers	266	120	31.1	64,618	46,504	72.0
Petroleum Engineers	261	30	10.3	94,118	73,644	78.2
Garbage Collectors	258	53	17.0	14,583	9,956	68.3
Waiters'/waitresses' Assistants	257	201	43.9	7,305	5,251	71.9
Maids and Housemen	256	1,150	81.8	11,824	8,300	70.2
Inspectors and Compliance Officers, Except Construction	256	382	59.9	31,734	15,708	49.5
Supervisors: Handlers, Equipment Cleaners, Helpers	246	61	19.9	32,221	14,631	45.4
Managers: Marketing, Advertising, and Public Relations	244	135	35.6	51,075	33,569	65.7
Helpers: Miscellaneous Mechanics and Repairers	240	8	3.2	27,874	NA	NA

Table • 3 (cont.)

**100 Occupations With the Largest Employment Ranked by
Male Employment — Alaska, 1990**

Occupational Title	Employment			Average Annual Wage Income		Female/ Male Ratio
	Male	Female	% Female	Male	Female	
Electrical Power Installers and Repairers	240	5	2.0	51,880	NA	NA
Hand Packers and Packagers	236	50	17.5	11,965	7,891	66.0
Groundskeepers and Gardeners, Except Farm	233	67	22.3	10,702	9,412	87.9
Supervisors: Food and Beverage Preparation and Service	232	323	58.2	23,911	15,557	65.1
Machine Feeders and Offbearers	231	77	25.0	14,130	6,159	43.6
Industrial Truck and Tractor Equipment Operators	231	10	4.1	33,776	NA	NA
Automotive Body and Related Repairers	230	2	0.9	29,929	NA	NA
Financial Managers	226	218	49.1	66,524	44,535	66.9
Heating, Air-conditioning, and Refrigeration Mechanics	224	5	2.2	34,752	NA	NA
Salespersons: Hardware	222	88	28.4	19,858	12,980	65.4
Construction Managers	222	17	7.1	58,761	27,283	46.4
Driver-sales Workers	220	26	10.6	17,018	15,001	88.1
Power Plant and Systems Operators, Exc. Stationary	213	7	3.2	32,841	NA	NA
Expeditors	207	30	12.5	25,233	19,769	78.3
Social Workers	201	535	72.7	23,521	18,801	79.9
Managers: Food Serving and Lodging Establishments	200	194	49.2	25,897	17,470	67.5
Grader, Dozer, and Scraper Operators	199	5	2.5	30,630	NA	NA
Recreation Workers	198	264	57.1	12,330	10,044	81.5
Child Care Workers, Except Private Household	196	1,475	88.3	11,739	7,448	63.4
Engineers, NEC	196	16	7.5	85,990	58,824	68.4
Total Top 100	62,231	45,953	42.5	26,107	14,301	54.8
Total	124,121	111,546	47.3	27,655	16,934	61.2

Note: Shaded areas highlight occupations in which female average wage income equals or exceeds male average wage income. These data cover 4-digit Standard Occupational Code (SOC) occupations for people who reported both income and 4-digit occupational codes. Employment is defined as the number of workers who worked in an occupation at any time during the year. Workers, who worked in more than one occupation, are assigned to the occupation in which they earned the majority of their annual wage income. Average wage income is not disclosed for occupations with male or female employment of less than eleven workers. NEC means "not elsewhere classified".

Source: Alaska Department of Labor, Research and Analysis Section.



ALASKA

Postnet Brand fax transmittal memo 7871 | # of pages 3

To: David Koivumemi	From: Richard Seward
Co.	Co.
Dept.	Phone #
Fax #	ifax #

MEMORANDUM

TO: David Koivumemi, Assistant Business Manager
 FROM: Richard Seward, Business Agent-Fairbanks
 RE: SB2 - Comparable Worth Pay Equity
 DATE: January 14, 1994

As you know I am assigned work with the ASEA AFSCME Local 52 Women's Issues Committee and I am the author of the 1992 and 1993 Comparable Worth Pay Equity studies. At your request, I reviewed SB2 and the Hickel Administration's substitute for SB2 regarding Comparable Worth Pay Equity. I also reviewed the November 1993 Wilkey Letter and Pat Jones' written testimony.

First the Wilkey Letter. Mr. Wilkey is mostly accurate in his description of the hiring process for the state of Alaska. His conclusions do not follow from his assumptions, however. The sex segregation of the job classes and the failure of women to break through the "pink glass ceiling" is a failure of affirmative action in Alaska. The hiring process has absolutely nothing to do with Comparable Worth Pay Equity. Pay equity begins with "classification" of the job, not the hiring of employees. The fact is that jobs traditionally done by women are paid less than jobs traditionally done by men. The failure of affirmative action keeps women out of male dominated jobs. Basic, everyday sex discrimination pays less for jobs women are able to get. Mr. Wilkey fails to understand the problem that comparable worth pay equity is attempting to accomplish.

Second, the Administration seeks to delete collective bargaining from all aspects of SB2. The Administration goes a step further and deletes the Legislature's ability to modify the Administration's pay equity plan each year. In other words, the Administration wants complete control of Comparable Worth Pay Equity without discussion or feedback from unions, affected employees, or the Legislators who fund the plan.

We must oppose the deletion of all reference to collective bargaining for several reasons:

1. Collective Bargaining will assure that action is taken. This Administration was provided with the 1992 and the 1993 reports from ASEA AFSCME #52 clearly demonstrating the sexual segregation and pay discrimination in the State's workforce. Yet, after two years this Administration has not taken any action to rectify this discrimination. In fact, the largest job class affected is the proposed Administrative Clerical job class, largely female.



ALASKA STATE EMPLOYEES ASSOCIATION

AFSCME Local 52, AFL-CIO

The Division of Personnel submitted recommendations for pay assignment to Commissioner Uesera in the fall of 1993. She has failed to act on her own Division's recommendations. Also, ASEA AFSCME #52 had to take this Administration to Court to get an order mandating that the state conduct public sector-private sector salary surveys already mandated by statute. This Administration thought it could decide not to follow this statute. The give and take of union input and bargaining will assure that the Administration takes action.

2. Collective Bargaining decreases the total cost to the State and increases resources available to conduct a study. The unions of State employees are affiliated with various international AFL-CIO unions. Many of these local and national unions are in the business of salary research and data compilation. Our union resources can be a great asset to the State. It is not good business sense to write a law deleting access to sources of information such as are available through Unions.

3. Collective Bargaining yields better decisions. PERA clearly recognizes that "two heads are better than one". When decisions are reached by labor and management jointly, there is a harmonious workforce making better decisions and providing better service to the people of Alaska.

For these reasons, ASEA AFSCME Local 52 opposes deletions of collective bargaining from SB2-Comparable Worth Pay Equity.

Third, the Administration substitution proposes implementation parameters to save money. The Administration proposals address jobs that are reclassified to both lower and higher salary ranges. ASEA AFSCME Local 52 opposes these proposals.

In the first place, the Administration moves that employees will be "frozen" in pay when the job is reclassified downward, but only for two years. In most State of Alaska union contracts, pay is frozen indefinitely. The State has not been able to negotiate a two year maximum on frozen pay, so it comes to the Legislature. This issue is best left where it now lies, at the bargaining table. In the second place, the State wants to insure that a pay equity salary increase does not result in an increase to payroll. In other words, women who have been under-paid for years will not see a pay equity raise, though their daughters will be treated fairly.



ALASKA STATE EMPLOYEES ASSOCIATION

AFSCME Local 53, AFL-CIO

Under the Administration plan for example, if pay equity results in an increase of three salary ranges, employees who have earned five merit increases and a longevity bonus after seven years of meritorious service will receive the same pay as someone hired yesterday. This negates the concept of the merit system for all employees receiving "justice" for sex based pay discrimination. The Administration's "promotion" proposal goes against collective bargaining agreements and violates the merit principle. And the Administration's proposal does not create pay equity for the current employees. The issue of implementation of pay equity is best left at the bargaining tables. The Union's are not stupid, we are aware of the price of oil and recent court decisions. We know that breaking the bank results in loss of jobs and services to the people of Alaska. No union desires to layoff half its members to achieve pay equity. But through collective bargaining, other states have implemented pay equity over the course of years in such a way as to preserve the integrity of the State's budget and also to implement progressively a solid pay equity program.

ASEA AFSCME Local 53 must oppose the Administration's substitution bill for SB2. The Administration's deletion of collective bargaining, desire to maintain total control of the process, and desire to achieve pay "equity" with no financial benefit to employees are all unacceptable to this union.

Please call me at 452-2303 or 1-800-473-2305 if more information is needed.

cc: Jennie Day Peterson, Business Manager-Anchorage

SB

16

JOHNNY ELLIS
SENATOR



STATE CAPITOL, ROOM 9
JUNEAU, ALASKA 99801-1182
(907) 465-3704

ALASKA STATE LEGISLATURE
SENATE
M E M O R A N D U M

TO: Senator Tim Kelly, Chairman
Senate Labor & Commerce Committee

FROM: Senator Johnny Ellis *JE*

DATE: March 17, 1993

RE: Scheduling Senate Bill 16

Warril - talk to Evans

I respectfully request that you schedule Senate Bill 16 for a hearing in the Senate Labor & Commerce Committee at your earliest possible convenience.

SB 16 would authorize revenue bonds to the Alaska Industrial Development and Export Authority in the amount of \$50 million for design and construction of the Alaska Seafood Center, to be located in Anchorage. This investment would leverage an additional \$115 million in private investment for a total project cost of \$165 million.

The Alaska Seafood Center would employ 450 people full time in addition to employing roughly 200 people during the construction phase of the project.

The facility would be the first of its kind in Alaska, with secondary fish processing facilities and cold storage capacities far beyond what is currently available anywhere in the state. Instead of storing product in freezer-vans in their warehouse yards and shipping them to cold storage facilities in Seattle, processors could store product for future sales locally. It's good for the processors, and good for the state's economy. Too many of our fisheries profits are diverted to other states and countries. It's time to turn that trend around by supporting local projects like the Alaska Seafood Center.

I urge your support of Senate Bill 16. Thank you for your consideration.



Alaska State Legislature
Senate

Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE: 3-19-93

TO SENATE COMMITTEE: LABOR AND COMMERCE (SENATOR KELLY)

FROM: Office of the Senate Secretary

The Chairman of the above-referenced Committee has waived the Committee referral on the following bill(s):

HB 62 - EMPLOYEE'S RIGHT TO USE LAWFUL PRODUCTS

SB 16 - AIDEA BONDS: ANCHORAGE SEAFOOD FACILITY

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you for your prompt attention to this request.

JR/s

SB

40

July 1, 1993

8-LS0286A.2
Ford
3/22/93

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 5, line 8:

Delete "and"

Page 5, after line 8:

Insert a new paragraph to read:

"(5) effectuating a methodology for applying the dollar thresholds contained in this section for insurers that pay or reimburse health care providers by capitation or salary; and"

Renumber the following paragraph accordingly.

~~Page 5, line 17:~~

~~Delete "health care"~~

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 7, lines 16 - 18:

Delete all material.

Renumber the following paragraphs accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 11, after line 17:

Insert a new subsection to read:

"(d) This chapter does not apply to a policy or certificate of insurance that covers a specified disease or to a hospital indemnity or limited benefit health insurance policy if the insurer offering the policy or certificate files with the director on or before March 1 of each year a statement that (1) certifies that the policy or certificate described in this subsection is being offered and marketed as supplemental health insurance and not as a substitute for hospital or medical expense insurance, or major medical expense insurance and (2) includes a summary description of each policy or certificate, including the average annual premium rate or range of rates, charged for the policy or certificate in this state. An insurer who offers a policy or certificate described in this subsection in this state for the first time shall provide the information described in this subsection not less than 30 days before the policy or certificate is issued or delivered in this state."

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 13, lines 11 - 13:

Delete all material and insert:

"(8) for the purposes of this subsection, a health benefit plan that contains a restricted network provision may not be considered similar coverage to a health benefit plan that does not contain a restricted network provision if the restriction of benefits to network providers results in substantial differences in claim costs;"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 16, line 24:

Delete "health benefit plan"

Insert "small employer insurer"

Page 16, line 25, after "services":

Insert "in a health benefit plan"

Page 16, line 28:

Delete "30"

Insert "90"

Page 16, line 29, after "coverage;":

Insert "the period of continuous coverage may not include a waiting period for the effective date of coverage applied by the employer or insurer,"

Page 17, lines 20 - 23:

Delete all material and insert:

"(7) except as provided in (1) and (3) of this section, a small employer insurer may not, by a rider or amendment applicable to a specific individual, restrict or exclude coverage or benefits by specific type of illness, treatment, medical condition, or service otherwise covered by the plan."

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 18, line 4:

Delete all material and insert:

"(4) if the small employer insurer is only maintaining in-force business and has ceased enrolling new employer groups on or before January 1, 1993; this paragraph does not exempt a small employer insurer from the other provisions of this chapter; or"

Renumber the following paragraph accordingly.

~~Page 18, line 11.~~

~~Delete "health insurance"~~

~~Page 18, line 16:~~

~~Delete "health insurance"~~

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 20, after line 13:

Insert a new section to read:

"Sec. 21.56.190. MANDATORY REISSUE OF COVERAGE. The director may adopt regulations to require small employer insurers, as a condition of transacting business with small employers in this state after July 1, 1993, to reissue a health benefit plan to a small employer who has had its health benefit plan terminated or not renewed by the insurer after January 1, 1993. The director may prescribe the terms for the reissue of coverage that the director determines are reasonable and necessary to provide continuity of coverage to small employers."

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PEARCE

TO: SB 40

Page 21, line 24:

Delete "expense policy"

Insert "policy or certificate, major medical expense insurance,"

Page 21, line 27:

Delete ", but"

Insert "; "health benefit plan""

Page 21, line 30, after "payment insurance":

Insert "if the insurer complies with the provisions of AS 21.56.110(d), or a Taft-Hartley trust"

Page 24, after line 6:

Insert a new paragraph to read:

"(26) "Taft-Hartley trust" means a jointly managed trust, as allowed by 29 U.S.C. 141 - 187, containing a plan of benefits for employees that is negotiated in a collective bargaining agreement governing wages, hours and working conditions of employees as allowed by 29 U.S.C. 157;"

Renumber the following paragraph accordingly.



MarketPlace Report

A MONTHLY ACTIVITY SUMMARY

The Connecticut Small Employer Health Reinsurance Pool (CSEHRP) is a reinsurance pool created by the Connecticut Legislature Public Act 90-134, which provides any plan held in a voluntary or involuntary group. This makes possible and encourages the uniting of groups totaling twenty-five full-time, eligible employees which may be self-insured.

September 1992

Activity in the MarketPlace and in the Pool

Sales Activity

4,687 PLANS SOLD TO
UNINSURED SMALL BUSINESSES

- Includes 4,323 other plans sold by carriers during the same period.
- In addition, 85 Special Plans and 279 Small Employer Plans have been sold to the previously uninsured.

1,324 SMALL EMPLOYER AND SPECIAL PLANS SOLD

The activity for the Small Employer and the Special Plans sold include sales to previously insured businesses as well as sales to businesses who have had insurance. Renewed plans will be included in later reports as in-force business.

Based on responses by all of the 47 Connecticut Small Employer Carriers and the Health Reinsurance Association of Connecticut (HRA), continued growth in sales is reported for the first sixteen months:

- 1,236 Small Employer Plans: The basic plan for businesses of 1 to 25 employees.
- 88 Special Plans (non-HRA): The plan for businesses that have not been insured for at least two years.
- 300 Special Plans (HRA): The plan with a special version for individuals or groups who meet the eligibility and income requirements of the new law.

Reinsurance Activity

3,328 PLANS REINSURED WITH THE POOL

As of the September ceding by 22 Small Employer Carriers, the type of plan that is ceded the most is the Small Employer Plan.

Whole Group reinsurance still exceeds Individual reinsurance.

- 1,606 plans reinsured as Whole Groups.
- 1,722 plans with Individual Reinsurance.

923 NEWLY SOLD PLANS REINSURED WITH THE POOL

New business that was reinsured with the Pool was 20% of the total plans sold to previously uninsured (923/4,687).

2,405 PREVIOUSLY INSURED PLANS REINSURED WITH THE POOL

Ceding from the existing book of business commenced January 1, 1992.

9,368 PERSONS REINSURED

The average size of Whole Groups ceded to the Pool is 4.6 persons, including dependents. The average group size has been in the 2-5 person range since the inception of the Pool.

- 7,365 persons reinsured as Whole Groups from 1,606 plans with Whole Group reinsurance = 4.6 average group size.
- Reinsured lives from newly sold plans total 2,514.
- Reinsured lives from previously insured plans total 6,854.

Improving Access: The Connecticut Experience Under Public Act 90-134

BACKGROUND

At the end of the 1980s, Connecticut was faced with about a quarter million uninsureds in the state (about 9 percent of the state's population). The Governor convened a Blue Ribbon Commission to study this problem and propose a solution. The solution that was recommended led to the enactment of CT Public Act 90-134. PA 90-134 was viewed from the start as an incremental step toward addressing this problem on the uninsured in CT. Toward that end, it was expected to expand Medicaid, increase support for primary care providers, reform the small group health insurance market, and subsidize insurance for pregnant women, children, the disabled and the chronically ill. In addition, a Health Access Commission was established to monitor implementation of the Act, develop a long-term plan to control rising health care costs and guarantee universal access to high quality care.

PA 90-134 consists of two parts:

- a state-funded effort to expand government health insurance programs to the poor and near-poor, with special emphasis on pregnant women and young children, and
- reform of the small group insurance market designed to help get insurance coverage to Connecticut's employed uninsured and their families.

Implemented in tandem, these two elements were expected to reach a good portion-- about one quarter, initially--of the identified uninsured in Connecticut.

In short, this legislation included both public and private insurance reforms that were expected to expand insurance coverage and increase access to health care for the most vulnerable of the uninsured. PA 90-134 was widely recognized as a first step in a longer-term process to make insurance more widely available and affordable to all residents. This legislation's private insurance reforms focused primarily on reforming certain insurer practices to make insurance more widely available. The issue of

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affordability was only addressed by increasing the stability of rates from year to year and imposing rate limits for higher risk groups. It was recognized that additional changes to the law might be needed. Additional health care initiatives, beyond the insurance reforms in PA-134, were expected to be necessary to make health care, and thus health insurance, more affordable.

To implement the private insurance reform section of 90-134, the insurance industry completed all of the product development and market changes required by the Act on schedule and has amended the law as needed in subsequent years. The state government, however, has never fully fund its part of the program and, since enactment of PA 90-134, has passed up clear opportunities to do so. Thus, today, more than two years after passage into law, the effect of this experiment is difficult to judge because the Act has never been fully funded or fully implemented.

KEY PROVISIONS OF INSURANCE REFORM SECTION OF PA 90-134

- Guaranteed issue of small employer and special health care plans to small employers (1-25 eligible employees) without regard to health status. (However, there is no mandate that employers provide coverage.)
- Guaranteed eligibility ensures that eligible employees and their families cannot be refused coverage under an employer's plan.
- Rating limits restrict the maximum rates for small employers and limit periodic rate increases.

The maximum rate for small employers is restricted to 150 percent of the lowest rate for any other employer group in the same actuarial class. Originally the maximum was 200 percent, but it was revised after enactment.

Periodic rate increases are limited to the sum of the increase in the base premium rate, plus any adjustment as a result of changes in case characteristics, plus 15 percent of the base premium rate (originally 20 percent).

- Guaranteed renewability requires carriers to renew coverage at the policyholder's option.
- Restrictions on preexisting condition limits prohibit carriers from applying more than a 12-month preexisting condition limit and requires plans to credit the time a person was continuously covered under a previous group plan toward any preexisting condition limitation. Coverage is considered continuous if there has been less than a 30-day lapse in coverage.

- Reinsurance pool provisions create a nonprofit prospective reinsurance pool to protect carriers from insuring a disproportionate share of high risk individuals or groups.

In addition to amendments to the rating limits mentioned above, additional amendments since enactment include:

- Requirements for replacement of another carrier's coverage when that carrier leaves the small group market.
- Reenrollment criteria for coverage that was not renewed for cause--such as fraud or misrepresentation.
- Variations in premium rates among employees of a particular employer may not be based upon health status, claims experience or duration of coverage. That is, an employer could not make it's high risk employees pay more for coverage.
- Preexisting condition limit credits have been liberalized to allow credit for individuals covered under plans other than as Connecticut residents.
- Changes to general and administrative requirements such as actuarial certification, fair marketing practices, documentation of rating and underwriting practices, and provisions for suspending rating restrictions.

THE EFFECT OF REFORMS

Private insurance reforms have been implemented, on schedule, without any real surprises and with some lessons for the future.

Since May of 1991, CSEHRP has been reinsuring high risk employers and participating carriers have been selling health plans to small employers.

Forty-seven carriers in CT are participating members in the reinsurance pool--although only 22 have actually reinsured any groups or individuals.

Another lesson learned was that groups that were outside of the rating bands before reforms need special regulations or procedures for bringing their rates into the rating bands.

Some of the lessons we have learned are reflected in the amendments above. In addition we have learned that different provisions of the law are sometimes in conflict, especially during initial implementation. For example, a group with a current rate that is half of the lowest rate after reforms would receive a 100 percent rate increase to conform to the new rating limits. Obviously, this

creates a conflict between the maximum annual rate increase allowed and the rating bands. A decision has to be made as to which provision takes precedence.

Lastly, we have learned that most of the 30,000 uninsured small employers in CT have 10 or fewer employees. Traditional marketing approaches by carriers and agents had to be reconsidered in order to target these smaller groups. Mass marketing techniques such as direct response mailings are being utilized instead.

Since its inception, PA 90-134 has provided coverage to between 19,000 to 25,000 previously uninsured Connecticut employees and their families.

As of the end of September 1992, carriers had sold 4,687 plans to previously uninsured employers. On average, this would imply that about 19-25 thousand uninsured have been provided coverage. However, this figure has not yet been adjusted for withdrawals, so the actual number of newly insureds is probably a little less.

As of the same date, CSEIRP had reinsured 3328 plans (9368 insureds): 1606 plans (7365 insureds) with whole group coverage, 1722 plans (2003 insureds) with individual coverage.

Public program reforms (including Medicaid expansion and subsidies) have been only marginally funded, seriously jeopardizing the ability of this legislation to provide health care to more than a handful of the 60,000 uninsureds it was intended to help.

Private insurance reforms alone have already helped many uninsureds to get health insurance and will continue to do more to expand coverage to the uninsured. However, without fully funding the public program reforms, Connecticut can only hope to make a dent in its uninsured problem.

Rating reforms and guaranteed issue have not generated large increases in the average rates that many opponents feared.

Critics who cite theoretical studies with doomsday estimates of premiums rising up to 40 percent on average should study some real results in CT. Rating reforms have caused the rates for some employers to go up and others to go down. In total, the costs for these reforms range from HIAA's estimate of less than 4 percent, on average, to some other estimates of as much as 10 percent, on average. However, it must be remembered that these estimates are averages and specific employers and insurers will see their rates increase or decrease based upon their specific mix of employees and business.

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For fiscal year 1992, the CT Reinsurance Pool has an accrued assessment of just over 1 percent of small employer carrier premiums.

For fiscal year 1992, the first full year of operation, the accrued reinsurance assessment amounts to \$6.6 million. This assessment will be spread over a small employer premium base of \$513-530 million. Thus, the 1992 assessment would be about 1.3 percent of premium.

SUMMARY

The state must find a way to fund the public programs in PA 90-134 to help the poor and near-poor who are uninsured.

Affordability of health care and health insurance is still an issue for the majority of patients and insureds in Connecticut. This problem still needs addressed.

Connecticut's market reforms and reinsurance pool are working as expected, fixing those areas in the private insurance market that needed to be fixed.

While PA 90-134 will never live up to its full potential as long as the public program reforms are not funded, the results so far have proved it to be an innovative, workable solution to the access problem, to the extent that it has been implemented.

RATING LIMIT ILLUSTRATION

NAIC	HIAA																								
<p>BAND RULES</p> <ul style="list-style-type: none"> - Within a block, the rates for similar groups may be no more than 25% above or below the block's midpoint rate. - The midpoint rate for a carrier's highest rated block may be no more than 20% above the midpoint for the carrier's lowest rated block. 	<ul style="list-style-type: none"> - A carrier's rates for similar groups may be no more than 35% above or below the carrier's midpoint rate. 																								
<p>HYPOTHETICAL EXAMPLE</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">RATES</th> <th style="width: 15%;">Block A</th> <th style="width: 15%;">Block B</th> <th style="width: 15%;">All Blocks</th> </tr> </thead> <tbody> <tr> <td>Highest</td> <td style="text-align: center;">125</td> <td style="text-align: center;">150</td> <td style="text-align: center;">150</td> </tr> <tr> <td>Midpoint</td> <td style="text-align: center;">100</td> <td style="text-align: center;">120 (20% above 100)</td> <td></td> </tr> <tr> <td>Lowest</td> <td style="text-align: center;">75</td> <td style="text-align: center;">90</td> <td style="text-align: center;">75 (overall low to high ratio of 1:2)</td> </tr> </tbody> </table>	RATES	Block A	Block B	All Blocks	Highest	125	150	150	Midpoint	100	120 (20% above 100)		Lowest	75	90	75 (overall low to high ratio of 1:2)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">RATES</th> <th style="width: 15%;">All Blocks</th> </tr> </thead> <tbody> <tr> <td>Highest</td> <td style="text-align: center;">\$ 156</td> </tr> <tr> <td>Midpoint</td> <td style="text-align: center;">\$ 116</td> </tr> <tr> <td>Lowest</td> <td style="text-align: center;">\$ 75 (overall low to high ratio of 1:2.08)</td> </tr> </tbody> </table>	RATES	All Blocks	Highest	\$ 156	Midpoint	\$ 116	Lowest	\$ 75 (overall low to high ratio of 1:2.08)
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<p>YEAR-TO-YEAR INCREASE RULE</p> <ul style="list-style-type: none"> - Carriers would have to limit a group's year-to-year premium increase to no more than 15% above the carrier's "trend" (trend is defined as the year-to-year increase in the lowest new business rate). 	<ul style="list-style-type: none"> - Carriers would have to limit a group's year-to-year premium increase to no more than 15% above the carrier's "trend" (trend is defined as the year-to-year increase in the lowest new business rate). 																								
<p>INDUSTRY RATING RULE</p> <p>None</p>	<ul style="list-style-type: none"> - <u>+15%</u> limit on how much a carrier could vary rates by industry. 																								

COMPREHENSIVE SMALL EMPLOYER PACKAGES

	CALIFORNIA	CONNECTICUT
Availability	Guaranteed issue of small employer products (group size 5-50 by 7/1/93; 4-50 by 7/1/94; 3-50 by 7/1/95) (1992 HB 1672) §10700(x), 10705(b)h	Guaranteed issue §38a-552, 5682(b)
Group Size	3-50 §10700(x)	1-25 §38a-564(4)
Individual Policies	Individual policies sold to small employers meeting certain requirements are subject to this Act §10702	Insurers may issue individual special health care plans subject to the laws applicable to individual health insurance, provided such policies shall be identical to individual special health care plans made available by the Health Reinsurance Association. §38a-552, 566
Case Characteristics	Includes age (7 categories), geography (9 regions), family composition (4 categories), and plan design which are used to determine the standard employee risk rate §10700(w)	Appears to include everything except claims experience §38a-564(27)
Rating Restrictions	Premium rates may not vary from the standard employee risk rate by more than 120% nor less than 80% until July 1, 1996; effective July 1, 1996, premium rates may not vary from the standard employee risk rate by more than 110% nor less than 90% §10700(v), 10714	Premium rates may not exceed 200% of the lowest new business rate for the same or similar case characteristics §38a-567(5)
Transitional Period	See above	5 years; after July 1, 1995, rating restrictions will be applied to plans issued prior to July 1, 1990 §38a-567(5)
Renewal Rating	10% permitted for risk adjustment factors; renewal rates are effective for at least six months §10714(b)1(2)	Trend plus 20% plus changes in case characteristics §38a-567(6)
Renewability	Guaranteed renewable except "for cause" §10705(b), 10713	Guaranteed renewable except "for cause" §38a-567(3)
Whole Groups	Carriers are required to take the whole group §10707	Cannot exclude eligible employees or dependents on the basis of an actual or expected health condition §38a-567(4)
Continuity of Coverage	Preexisting condition limitation of 6 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods; if employment is terminated or employer's contribution toward the coverage has terminated, there is a 90-day period allowed for continuity of coverage §10706, 10708(a,b), 10709(a)	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods: §38a-567(1,2)
Reinsurance type	Prospective/with opt out §10719, 10720(d)	Prospective/mandatory (effec. 5/1/91) §38a-569
Reinsurance Price	No provision	Whole Group: 150% Individual: 500% §38a-569(c)
Cost Sharing	No provision	\$5000 for all plans except those which supplement the basic hospital or hospital surgical plans, in which case the deductible is \$2000 §38a-569(b1)
Assessments	No cap §10721	(1) Apportioned among all members in proportion to their respective shares of the total premiums earned from small group plans, (2) apportioned among all members in proportion to their respective shares of total premiums earned from other plans; members' assessments cannot exceed 40% of the total assessment for the first year, 50% for the second §38a-569 e(2)
Other	Establishes a purchasing pool for small employers §10730	
Effective Date	July 1, 1993, but see phase-in effective dates above	July 1, 1990

	DELAWARE	FLORIDA
Availability	Guaranteed issue (groups of 2-25) §7207(a)3	Guaranteed issue with cap (group size 3-25) (1992 SB 2390) §627.6699(3)c, (5)a
Group Size	1-25 §7202(cc)	1-25 §627.4106(2)a
Individual Policies	Does not apply to individual health policies §7203	With regard to rating and renewability provisions, does not apply to individual policies if the insurer certifies to the department that the policy was issued in good faith with no knowledge or intent that the policy is paid by or the premiums are reimbursed by a small employer §627.4106(4)
Case Characteristics	Demographic or other objective characteristics of small employer are considered by carrier in determination of premiums; Claims experience, health status, and duration of coverage are not case characteristics; small employer carrier shall not use characteristics other than age, gender, industry, geographic area, family composition, unhealthy lifestyle choices, and group size without prior approval of Commissioner §7202(g), 7204, 7205(4)	Demographic or other objective characteristics of small employer are considered by carrier in determination of premiums; Claims experience, health status, and duration of coverage are not case characteristics §627.4106(2)a
Rating Restrictions	Index rate for one class of business may not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar benefit plans shall not vary from the index rate by more than 35%, with an additional combined variation of no more than 10% for gender and geography, and the actuarially justified adjustment for age and family composition, provided that the carrier file age and family composition tables with the Commissioner §7205(1,2)	Index rate for one class of business may not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §627.4106(5)1,3
Transitional Period	For plans delivered or issued for delivery prior to the effective date of this chapter, a premium rate may have a one-year transition period §7205(7)	5 years §627.4106(9)
Renewal Rating	Trend plus 15% plus changes in case characteristics §7205(3)6	Trend plus 15% plus changes in case characteristics §627.4106(5)b
Renewability	Guaranteed renewable except "for cause" §7206	Guaranteed renewable except "for cause" §627.4106(6)
Whole Groups	Carriers must offer coverage to all eligible employees and dependents §7207(a)	Carriers must offer coverage to all eligible employees and dependents §627.6699(5)e(7)
Continuity of Coverage	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 60 days prior to the new coverage, exclusive of applicable waiting periods §7207(c)	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §627.6699(5)e(1)(2)
Reinsurance type	Prospective/with an opt-out §7210	Prospective/with an opt-out §627.6699(8)
Reinsurance Price	Whole Group: 150% Individual: 500% §7210(n)4	Whole Group: 150% Individual: 500% §627.6699(8)h(1)a,b
Cost Sharing	\$5,000 plus 10% of the next \$50,000 §7210(L)2b, (L)3e	\$5000 per year plus 10% of incurred claims during a calendar year §627.6699(8)9(4)
Assessments	Formula to be set by Board but must be 50% - 150% of carrier's proportional share of all reinsuring carriers' small employer premiums; maximum amount shall be 5% of total premiums earned in previous year from small employer plans §7210(L)2(b), L(3)c	1st tier: an amount not to exceed 5% of small employer premiums; 2nd tier, if necessary: an amount not to exceed .5% of premiums collected on all health benefit plans issued by small and large group carriers §627.6699(8)I(2)
Other	Allows reinsurance of existing business §7210(n)3	Carriers paying 2nd tier assessments will receive a credit for assessments paid to the Florida Risk Pool §627.6699(8)I(2)b
Effective Date	January 4, 1993	October 1, 1992 (rating & renewability provisions 10/1/91)

	HAWAII	IOWA
Availability	State run, employment based program; all residents are eligible	Guaranteed issue §513B
Group Size	No provision	1-25; however, must have at least 2 participating employees at the date of issue of health benefit plan §513B.2(12)
Individual Policies	No provision	Does not apply to individual policies which are subject to policy form and premium rate approval §513B.3
Case Characteristics	No provision	Case characteristics include age, industry classification, geographic area, family composition, and group size; gender may be used provided the insurance division has conducted an independent, actuarial study that determined use of gender to be actuarially justified; other case characteristics shall not be used without prior approval of commissioner §513B.2(4)
Rating Restrictions	No provision	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §513B.4
Transitional Period	No provision	3 years §513B.4
Renewal Rating	No provision	Trend plus 15% plus changes in case characteristics §513B.4
Renewability	No provision	Guaranteed renewable except "for cause" §513B.5
Whole Groups	No provision	Must offer to whole group, except as permitted with regard to late enrollees §513B.7A(3)e
Continuity of Coverage	No provision	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §513B.7A(3)3
Reinsurance Type	No provision	Prospective/with an opt-out §513b.7(D)
Reinsurance Price	No provision	Whole Group: 150% Individual: 500% §513B.7(D)9(b)
Cost Sharing	No provision	\$5,000 and 10% of the next \$50,000 of incurred claims during a calendar year; liability maximum of \$10,00 in any one calendar year with respect to any reinsured individual §513B.7(D)8(D)
Assessments	No provision	Formula to be set by Board but must be 50% - 150% of carrier's proportional share of all reinsuring carriers' small employer premiums; amount shall be 5% of total premiums earned in previous year from small employer plans §513B.7(D)11(2)
Other	Employees required to pay 1.5% of wages, or half the premium whichever is less; employers provide the balance for each employee working more than 20 hours per week; dependent coverage is optional; unemployed residents above poverty level pay a small fee for doctor visits and a portion of the premium with the remainder being funded by the State; poor are covered by Medicaid	
Effective Date		July 1, 1992

	KANSAS	MAINE
Availability	Guaranteed issue (group size: 3-25) (1992 SB 561) §4(b), 12(a)	Guaranteed issue (1992 HP 507) §2808-B 4(A)
Group Size	1-25 §3(2)	1-24 §2808-B 1(D)
Individual Policies	Individual policies issued to individuals and dependents totally independent of any group, association, or trust arrangement shall not be subject to this Act. §4(a), 4(a)3(e)	No provision §2808-B(7)
Case Characteristics	Case characteristics include the geographic area, age and sex, industry classification, number of employees and dependents, family composition, and other objective criteria as may be approved by the Commissioner; claims experience, health status, and duration of coverage are not case characteristics §3(g)	A carrier may not vary the premium rate due to the health status, claims experience or policy duration of the eligible group; age, gender, industry, and geography within the bands; family status, smoking status, participation in wellness programs, and group size may be used outside rate bands §2808-B 2(B)
Rating Restrictions	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §7(1)(3)	Premium rates for age, gender, industry, and geographic area may not vary by +/- 50% of the community rate until 7/14/94, +/- 33% of the community rate until 7/14/95, +/- 20% of the community rate until 7/14/96, +/- 10% of the community rate until 7/14/97, and 0% of the community rate by 7/14/97; restrictions are repealed 7/14/94 unless continued or modified §2808-B 2(D)
Transitional Period	3 years §7(6)	None
Renewal Rating	Trend plus 15% plus changes in case characteristics §7(3)(b)	No provision
Renewability	Guaranteed renewable except "for cause" §5(c)	Guaranteed renewable except "for cause" §2808-B (4)B
Whole Groups	Prohibits carrier from excluding any employee or dependent on the basis of an actual or expected health condition §5(c)6(e)	(1990 - applies to <u>all</u> groups) Prohibits carriers from excluding any person from group; all new eligible employees must be added; may reject group until guaranteed issue is effective §2829-B
Continuity of Coverage	Preexisting condition limitations of 12 months and waiting periods not to exceed one year; waiting periods may be waived if individual was covered by a group policy prior to the effective date of coverage with no gap in coverage §5(a)(b)	(1990 - applies to <u>all</u> groups) Requires continuity for any person eligible for coverage in prior 3 months in a group replacement situation or for person moving from individual to group or group-to-group coverage; limit on 10% on premium rate increases for preexisting conditions during first 12 months of employment; preexisting condition limitations of 6 months for individual policies, except up to 24 months for any condition that as of the effective date of coverage requires ongoing medical treatment (H 1641) §2849-2(B)B,6 §2850(2)
Reinsurance Type	Prospective/with an opt-out §11(a)	Requires the Bureau of Insurance to report to the Banking and Insurance Committee on or before January 1, 1993, on reinsurance models with opt-out §5
Reinsurance Price	To be established by the reinsurance board §13(g)6	No provision
Cost Sharing	\$10,000 plus 10% of the next \$50,000; maximum in one calendar year shall not exceed 20% of total premiums §11(h)6(f)	No provision
Assessments	Not to exceed 5% of small employer plan premiums; second tier not to exceed 1% of total premium upon which assessment is based §11(k)2(c)	No provision
Other	Must reinsure the entire group; all carriers, whether reinsuring or not, subject to second tier assessment §11(k)2(b)	Marketing standards; superintendent will develop standardized plans §2808-B (6)
Effective Date	July 1, 1992	July 15, 1993 (for rating and guaranteed issue)

	MASSACHUSETTS	MINNESOTA
Availability	Guaranteed issue; however, until December 31, 1994, a carrier can limit the guaranteed issue requirement to 90 consecutive days a year; certain association groups are exempted from all but the reinsurance portion of the bill (1991 HB 6307) §2(b), 4(a)1	Guaranteed issue of all products sold in small employer market (1992 HB 2800, SB 2603) §3 subd. 1, 4 subd. 1
Group Size	1-25 §1	7-29 §subd. 26
Individual Policies	Does not apply to individual policies §2(a)	All provisions except guaranteed issue apply to individual policies §12 subd. 1,2,6 subd. 27(i)(ii)
Case Characteristics	Age, sex, rate basis type, industry, number of eligible persons, and participation rate of a group §1	Relevant characteristics of small employer as determined by carrier in determination of premiums; claims experience, health status, industry, duration of coverage, and gender are not case characteristics §2 subd. 6, 3 subd. 4
Rating Restrictions	Premium rates are limited to a 2-1 rate band; however, the following adjustments are permitted outside that band: benefit level, geography +/- 20%, group size +/- 5%, wellness discount -5%, phase out adjustment for experience and duration rating on existing business to reach +/- 15% by 12/31/94, age +/- 33% until 12/31/93 §3(a)1, 3(a)3(4), 3(a)7	Rates must not vary by more than +/- 25% of the index rate for same or similar coverage; inside the rating band, variations can be based only on health status (includes refraining from tobacco use or other actuarially valid lifestyle factors), claims experience, industry, and length of time employer has been covered; adjustments outside the band: age +/- 50%, geography +/- 20%, rate cells are permitted based on number of adults and children covered under the policy §8 subd. 2,3,4,5,6
Transitional Period	Phase out of rating restrictions §3(a)8	None
Renewal Rating	Trend plus 10% plus changes in case characteristics §3(b)	No provision
Renewability	Guaranteed renewable except "for cause" §4(b)(1)(2)	Guaranteed renewable except "for cause" §3 subd. 5
Whole Groups	Prohibits policies from excluding eligible employees or eligible dependents on the basis of an actual or expected health condition of such person §5(a)	Application must include all eligible employees §4 subd. 1
Continuity of Coverage	Preexisting condition exclusion of 6 months; credit shall be given if a person was covered under qualifying previous coverage; if previous coverage was continuous 30 days prior to the new coverage and if previous coverage was reasonably actuarially equivalent to new coverage §5(b)	Preexisting condition exclusion of 12 months; requires credit for time covered under qualifying prior coverage; permits 18 month preexisting condition limitation for late entrants §3 subd. 4
Reinsurance Type	Prospective/mandatory for commercials §8	prospective/with an opt-out §13, 18(1)
Reinsurance Price	Whole Groups: 150% Individuals: 500% §8(1)(2)	Whole Groups: 150% Individuals: 500% §21(1)
Cost Sharing	\$5,000 §8	\$5,000, plus 10% of the next \$50,000 §20(1)
Assessments	5% of small employer premiums; if inadequate, other funding sources will be recommended §8(7)	Initially, \$100; in addition, not to exceed 4% of the member's small group market premium (if it is determined that premium charges are insufficient to cover the losses) §22(2)(3)
Other		Loss ratios: initially 65% for individual policies, 75% for group policies; increases by 1% per year to 70% and 80%, respectively §8(1)
Effective Date	April 1, 1992	Most provisions July 1, 1993

	MISSOURI	NEW HAMPSHIRE
Availability	Guaranteed issue (1992 SB 796) §6	No provision (1992 HB 321)
Group Size	3-25 §1(28)	2-50 §420-F:1(XI)
Individual Policies	No provision §2(1)(2)(3), 3	Does not apply to individual health policies which are subject to policy form and premium rate approval §420-F:2(II)
Case Characteristics	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §1(9), 4(10)	Relevant demographics of small employer as considered by carrier in determination of premium, claims experience, health status, and duration of coverage are not case characteristics §420-F:1(IV)
Rating Restrictions	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §4(1)(2)	Rates charged during a rating period to small employers with similar case characteristics for same or similar coverage shall not vary from the index rate by more than 30% §420-F:3(T)a
Transitional Period	3 years §4(3)b	5 years §420-F:3(T)(3)c
Renewal Rating	Trend plus 15% plus changes in case characteristics §4(3)b	Trend plus 15% plus changes in case characteristics §420-F:3(T)2
Renewability	Guaranteed renewable except "for cause" §5	Guaranteed renewable except "for cause" §420-F:4
Whole Groups	Insurer must cover the whole group §6(5)a	Insurer must cover the whole group §420-F:4
Continuity of Coverage	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §6(2)(2)	Preexisting condition limitations consistent with insurance department rules
Reinsurance Type	Prospective/mandatory with an opt-out after three years §7(1)	No provision
Reinsurance Price	Whole Group: 150% §7(9)2	No provision
Cost Sharing	\$5,000 plus 10% of the remaining incurred claims; maximum limit of \$25,000 §7(8)3	No provision
Assessments	Formula to be set by Board but must be 50% - 150% of carrier's proportional share of all reinsuring carriers' small employer premiums; maximum amount shall be 5% of total premiums earned in previous year from small employer plans §11(2)b, 11(3)c	No provision
Other		
Effective Date	Guaranteed issue and continuity of coverage provision effective July 1, 1994; all other sections effective July 1, 1993	January 1, 1993

	NEW JERSEY
Availability	Continuous open enrollment (guaranteed issue) §3b
Group Size	2-49 §1
Individual Policies	Applies to all health benefit plans covering eligible employees of one or more small employers §2
Case Characteristics	Prohibits the use of age, sex, health status, residence or occupation with community rating. §1
Rating Restrictions	Rates may not exceed 4 times the base premium rate charged to the lowest-rated group. Plans must be community rated by 1/1/97. 1/1/94 to 12/31/95, premium rates charged to highest rated group shall not be greater than 300% of rate charged to lowest rated group. 1/1/95 to 12/31/96 greater than 200%. §9
Transitional Period	Policies whose term extends beyond 12/31/93. Policies contracted on or after 1/1/94. §9(h)(i)
Renewal Rating	Beginning 1/1/95 may make informational filing with commissioner of increase or decrease provided the loss ratio not be less than 75% of the premium. §9g
Renewability	Guaranteed renewable except "for cause" §7
Whole Groups	Must offer coverage to all employees and their dependents. Cannot exclude based on actual or expected health condition. §2
Continuity of Coverage	Generally no preexisting condition limitation. Pre-ex may apply to a group of 2-5 if the period is 180 days forward and 6 months back, however, if 10 or more late enrollees request coverage pre-ex does not apply. Credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods. §6
Reinsurance Type	Prospective §12
Reinsurance Price	Whole Group: 150% Individual: 500% §20
Cost Sharing	Receive reimbursement in accordance with standards developed by board. §19a
Assessments	Apportioned among all insuring members in proportion to their respective shares of the premiums earned from small group plans. Additional assessments of all members not to exceed 1% of premiums. §21c
Other	No pre-ex permitted -- see continuity of coverage. Some earners paying 2nd tier assessments will receive a credit. §21c
Effective Date	

	NEW YORK	NORTH CAROLINA
Availability	Continuous open enrollment (guaranteed issue) (1992 A 12350-A) §3231	Guaranteed issue §58-50-125(d)
Group Size	3-50 for open enrollment §3231	3-25 §58-50-110(72)
Individual Policies	Must be community rated and must be offered through open enrollment §3231	Does not apply to individual health policies §58-50-115
Case Characteristics	Prohibit the use of age, sex, health status, or occupations; geography is permitted on a county-wide (or larger) basis; Since not prohibited, presumably group size, participation, wellness, and other case characteristics are permitted §3231(a,b)	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §58-50-110(6)
Rating Restrictions	No statutory restrictions on permitted case characteristics, but Department has rate approval authority for initial rates §3231(c)(c)	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 25%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 35% §58-50-130(b)1,2
Transitional Period	The one-year delay in effective date is viewed as the transition period	3 years §58-50-130(b)7
Renewal Rating	Prior rating approval; beginning April 1, 1994, rates shall be deemed approved if policy has an anticipated loss ratio of not less than 75% §3231(a), 3231(2)a	Trend plus 15% plus changes in case characteristics §58-50-130(b)3(b)
Renewability	Coverage may not be terminated due to claims experience §3231	Guaranteed renewable except "for cause" §58-50-130a(3)
Whole Groups	Carriers must offer coverage to all employees and their dependents §3231	No provision
Continuity of Coverage	Plans must credit the time a person was covered under previous health insurance plan or benefit arrangement if the previous coverage was continuous to a date not more than 60 days prior to the effective date of new coverage §3232(a), 4318(a)	Preexisting condition limitation of 12 months; credit shall be given if a person was covered under qualifying previous coverage if previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §58-50-130
Reinsurance Type	Regulations shall include reinsurance or pooling process designed to share the risk of high claims costs; cost variations based on demographic factors and possible adverse selection §3233(c)	Prospective/with an opt-out §58-50-150
Reinsurance Price	No provision	Whole Group: 150% Individual: 500% §58-50-150(g)2(g)
Cost Sharing	No provision	\$5,000 plus 10% of the next \$50,000 §58-50-150(g)2(e)
Assessments	No provision	First 3 years: 50% - 150% of amount it would have been had assessments been based on proportional relationship of small carrier's total premiums; not to exceed 4% §58-50-150(i)1
Other	1 and 2 live employers must be classified in either the individuals or small groups rating category by the insurer §3231(b)	
Effective Date	Community rating and open enrollment take effect April 1, 1993; continuity of coverage takes effect January 1, 1993 §21	January 1, 1992

OHIO	
Availability	Modified open enrollment. Carriers must open enroll 1/2 of 1% of total block of business.
Group Size	2-50 §3923.58
Individual Policies	Subject to law if any portion of the premium or benefits is paid by the employer, or any individual is reimbursed for any portion of the premium. §3924.02(A)
Case Characteristics	Geography, age, sex and industry classification. Does not include claims experience, health status or duration of coverage. §3924.01(E)
Rating Restrictions	Premium rates for small employer plans with similar case characteristics may not vary from the midpoint rate for those small employers by more than 35% of that midpoint rate. §3924.04
Transitional Period	Plans that exceed rate band may not use experience.
Renewal Rating	Trend plus 15% changes in case characteristics. §3924.04(C)
Renewability	Guaranteed renewable except "for cause." §3924.03(C)
Whole Groups	Cannot exclude eligible employees or dependents on the basis of an actual or expected health condition. §3924.03(F)
Continuity of Coverage	Preexisting condition limitation of 12 months relating to conditions 6 months before coverage. Waiting periods shall not be more than 90 days. Plans shall credit the time a person was covered under a previous health plan for 30 days prior to the effective date of the new coverage, exclusive of any applicable waiting period. Late enrollees may be excluded up to 24 months. §3924.03 (A)(B)
Reinsurance Type	§3924.07
Reinsurance Price	Whole Group: 150% Individual: 500% §3924.12(A)
Cost Sharing	
Assessments	Apportioned among all members in proportion to their respective shares of the total premiums earned from small group plans. Assessment will not exceed 1%. §3924.13(B)
Other	
Effective Date	

	OREGON	RHODE ISLAND
Availability	Guaranteed issue (1991 SB 1076) §5(4)	Guaranteed issue (groups of 3-25) (1992 H 9011 Sub. A) §27-49-8(A)
Group Size	3-25 §3(25)	1-50 §27-49-4(AA)
Individual Policies	Applies to individual policies providing health benefits covering one or more employees of a small employer; provisions of OR 742.005 do not apply to individual policies subject to this law §5(1)(2)	Does not apply to individual health policies. §27-49-4
Case Characteristics	Geography and differences in family size and composition §7(6)b	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §27-49-3(F)
Rating Restrictions	Premium rates may not vary from the geographic average rate by more than 33% except that the premium rate may be adjusted to reflect the provision of additional benefits not covered by the basic health care plan and differences in family size and composition §7(6)b	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §27-49-6(1,2)
Transitional Period	Effective on the date the reinsurance pool becomes operational §7(10)a	3 years §27-49-6(7)
Renewal Rating	Trend plus 15% plus adjustments to reflect provision of benefits not required to be covered by basic health care plan §7(6)c(B)	Trend plus 15% plus changes in case characteristics §27-49-6(3)b
Renewability	Guaranteed renewable except "for cause" §7(4)	Guaranteed renewable except "for cause" §27-49-7
Whole Groups	Prohibits carriers from excluding individuals on the basis of actual or expected health condition §7(3)	Carriers are required to take the whole group §27-49-8c(5a)
Continuity of Coverage	Preexisting condition limitation of 6 months; credit shall be given if the person was covered under a previous group or individual plan if the previous coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §7(1)(2)	Plans must credit the time a person was covered by qualified previous coverage provided the coverage was continuous; qualified previous coverage is defined as Medicare, Medicaid, employer-based health insurance, or individual insurance providing similar or exceeding benefits. §27-49-8(c)
Reinsurance Type	Prospective/with an opt-out §10,11	Prospective/with an opt-out §27-49-11
Reinsurance Price	Existing business: none Whole Group: 150% Individual: 300% §11(8)a,b	Whole Group: 150% Individual: 500% §27-49-11(9)5(2)
Cost Sharing	\$5,000 plus 15% of the next \$100,000 §11(7)d	First \$5,000 of reimbursed claims §27-49-11(9)(4A)
Assessments	Maximum assessment is 4% of small employer premium plus 1% of members' total health insurance premiums §11(12)a	5% of total premiums earned in small employer market §27-49-11(L)(3c)
Other		Standard and economy health benefit plans are included within the law and are based on Rhode Island's low-cost limited mandated benefit law. Copayment, deductibles, and coinsurance are outlined. §27-49-12
Effective Date	On or after the date the Oregon Small Employer Reinsurance Pool becomes operational	July 21, 1992

SOUTH CAROLINA	
Availability	No provision
Group Size	1-25 §38-71-920(1)
Individual Policies	Does not apply to individual health policies subject to policy form and premium rate approval §38-71-930(A,B)
Case Characteristics	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §38-71-920(5)
Rating Restrictions	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §38-71-940
Transitional Period	5 years §38-71-940(A)4
Renewal Rating	Trend plus 15% plus changes in case characteristics §38-71-940(A)3(B)
Renewability	Guaranteed renewable except "for cause" §38-71-950
Whole Groups	Prohibits carriers from excluding any individual from the group; however, in groups of 10 or less, evidence of individual insurability may be required §38-71-730(3)
Continuity of Coverage	Preexisting condition limitations of 12 months; credit shall be given for time served under a prior plan if the coverage is selected when the person first becomes eligible and the coverage is continuous; service waiting periods are not considered to interrupt continuous service §38-71-730(4)
Reinsurance Type	No provision
Reinsurance Price	No provision
Cost Sharing	No provision
Assessments	No provision
Other	
Effective Date	January 1, 1992

	TENNESSEE	VERMONT
Availability	Guaranteed issue (1992 SB 2578) §8(E)	Guaranteed issue §4080a(4)d(1)
Group Size	3-25 §3(24)	1-49 §4080a(1)
Individual Policies	Does not apply to individual policies §6(a,b)	May not offer a health benefit plan or insurance policy to individual employees or members of a small group as a means of circumventing the act §4080a(4)b(3)m
Case Characteristics	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §3(6)	The following risk classification factors are prohibited: demographic rating, including age and gender, geographic area rating, industry rating, medical underwriting and screening, experience rating, tier rating, or durational rating; Commissioner may by rule permit carriers to use one or more risk classifications §4080a(h)1
Rating Restrictions	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 25%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 35% §9(b)	Premiums may not deviate by more than +/- 20% of the community rate filed by the small employer carrier §4080a(h)2
Transitional Period	3 years §9(b)7	In force business will not be subject to the provisions of the Act until the later of the date of renewal, anniversary, or July 1, 1992 §5112(6)b
Renewal Rating	Trend plus 15% plus change in case characteristics 9(b)3(B)	No provision
Renewability	Guaranteed renewable except "for cause" §9(3)	Must guarantee rates for six months; must guarantee acceptance §4080a(k)
Whole Groups	No provision	Carrier must take entire group §4080a(a)4(d)
Continuity of Coverage	Preexisting condition limitation of 12 months; plans shall credit the time person was covered under a previous group health benefit plan if previous coverage was continuous 30 days prior to the new coverage §9(1,2)	Preexisting condition limitation of 12 months; limitation shall be waived if there is evidence of substantially equivalent continuous coverage during previous 9 months §4080a(g)
Reinsurance Type	Prospective/with an opt-out §13(e)	Prospective/mandatory for commercials; participants must guarantee solvency w/out limitation on a pro-rata basis §4080a(u)
Reinsurance Price	Whole Group: 150% Individual: 500% §13(g)2(e)	No provision
Cost Sharing	\$5,000 plus 10% of the next \$50,000 §13(g)2(e)	No provision
Assessments	Capped at 5% of small employer premiums; formula to be set by board but must be 50% to 150% of carrier's proportional share of all reinsuring carriers' small employer premiums §13(h)2,4	No provision
Other	Guaranteed issue requirement suspended if assessment cap is reached §13(h)4	Participation requirement = 75% of employees; most provisions do not apply to registered carriers who on 1/1/91 and thereafter have written or collected less than \$100,000 in annual gross premiums for group health benefit plans §4080a(1)b(3)1
Effective Date	July 1, 1992; January 1, 1993 for preexisting condition and guaranteed renewable provisions	July 1, 1992

	VIRGINIA	WISCONSIN
Availability	Guaranteed issue.* §38.2-3431(D) (*1993 HB 2353 amendments awaiting Governor's signature)	Guaranteed issue (1992 A 655) §635.26
Group Size	2-23 for primary small group, 2-50 for small group §38.2-3431(B)	2-25 §635.20(12)a
Individual Policies	Subject if any portion of the premiums or benefits is paid by the employer, if the employee is reimbursed or if the plan is treated as part of a program for the purpose of the US Internal Revenue Code. §38.2-3431(A)	Applies to individual policies §635.02(8)
Case Characteristics	Based on a community rate subject to demographic rating including age, gender and geography. May not use claim experience, health status or duration. *	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §6305.05(2)(3), 635.18(4)
Rating Restrictions	Premium rates charged by a small employer may deviate above or below the community rate by no more than 20% for claim experience, health status and duration only during a rating period for such groups within similar demographics for the same or similar coverage. Rating factors, including case characteristics will be applied consistently with respect to all primary small employers in similar demographics. Adjustments in rates for claims experience, health status and duration from issue may not be applied individually. *	Premium rates for small employer plans with similar case characteristics may not vary from the midpoint rate for those small employers by more than 35% of that midpoint rate §635.05(1)
Transitional Period	No provision	3 years
Renewal Rating	No provision	Trend plus 15% plus changes in case characteristics §635.05(2)2
Renewability	Guaranteed renewable except "for cause" §38.2-3432(B)	Guaranteed renewable except "for cause" §635.07
Whole Groups	Prohibits carriers from excluding individuals because of health status §38.2-3432(1)(3)	Insurer must offer coverage to the entire group §635.25(2)
Continuity of Coverage	Preexisting condition limitation of 12 months; time shall be credited to a person covered under previous individual or group coverage in the small employer market of equal or greater value if coverage was continuous 30 days prior to new coverage, exclusive of applicable waiting periods. Late enrollees may be excluded for 18 months. §38.2-3432(1)(3)	Preexisting condition limitation of 12 months; credit shall be given to individuals who were previously covered by qualifying coverage if the coverage was continuous 30 days prior to the new coverage, exclusive of applicable waiting periods §635.17
Reinsurance Type	No provision	Reinsurance type and assessments shall be studied by the Health Insurance Board §635.23
Reinsurance Price	No provision	No provision
Cost Sharing	No provision	No provision
Assessments	No provision	No provision
Other		
Effective Date	April 1, 1994	Day after publication

WYOMING	
Availability	Guaranteed Issue §26-19-306
Group Size	2-25 §26-19-302(xvii)
Individual Policies	Does not apply to individual policies which are subject to approval for policy form §26-19-303
Case Characteristics	Relevant demographics of small employer as considered by carrier in determination of premiums; claims experience, health status, and duration of coverage are not case characteristics §26-19-302(vi)
Rating Restrictions	Index rate for one class of business shall not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25% §26-19-304
Transitional Period	3 years §26-19-304(a)viii
Renewal Rating	Trend plus 15% plus changes in case characteristics §26-19-304(a)iii(B)
Renewability	Guaranteed renewable except "for cause" §26-19-305
Whole Groups	Insurers are required to offer coverage to the entire group §26-19-306(c)vi
Continuity of Coverage	Preexisting condition limitation of 12 months; credit shall be given for time person was previously covered if previous coverage was continuous 30 days prior to new coverage, exclusive of applicable waiting periods, or for a person who becomes unemployed and are provided coverage if the person obtains employment and coverage within 60 days §26-19-306(c)i
Reinsurance Type	Prospective/mandatory §26-19-307
Reinsurance Price	Whole Group: 150% Individual: 500% §26-19-307(k)l,ii
Cost Sharing	\$5,000 §26-19-307(l)x,v
Assessments	Not to exceed 5% of the total small group premiums §26-19-307(n)A
Other	
Effective Date	No earlier than March 31, 1993

COMPREHENSIVE SMALL EMPLOYER PACKAGES

	HIAA	NAIC
Availability	Guaranteed issue	Guaranteed issue (groups of 3-25)
Group Size	3-25	1-25
Individual Policies	Individual policies sold to small employer subject to Act; however, if state has effective rate regulation, the rating requirements do not apply	Does apply to individual policies; although drafting note says that states may wish to consider exempting individual health policies from the rating provisions
Case Characteristics	Geography, age, sex, size of employer, and other objective criteria; but does not include claims experience, health status, or duration of coverage	Small employer carriers may not use case characteristics other than age, gender, industry, geographic area, family composition, and group size without prior approval of Commissioner
Rating Restrictions	Premium rates for small employer plans with similar case characteristics may not vary from the midpoint rate for those small employers by more than 35% of that midpoint rate	Index rate for one class of business may not exceed the index rate for any other class of business by more than 20%; for a class of business, the premium rates charged small employers with similar case characteristics shall not vary from the index rate by more than 25%
Transitional Period	3 years	3 years
Renewal Rating	Trend plus 15% plus changes in case characteristics	Trend plus 15% plus changes in case characteristics
Renewability	Guaranteed renewable except "for cause"	Guaranteed renewable except "for cause"
Whole Groups	Carriers must take the entire group	Carriers must take the entire group
Continuity of Coverage	Plans must credit the time a person was covered under a previous employer-based plan if coverage was continuous.	Plans must credit the time a person was covered by qualified previous coverage provided the coverage was continuous; qualified previous coverage is defined as Medicare, Medicaid, employer-based health insurance, or individual insurance providing similar or exceeding benefits
Reinsurance Type	Prospective/mandatory	Individual rates will determine whether to make participation in reinsurance mandatory or voluntary
Reinsurance Price	Whole Group: 150% Individual: 500%	Whole Group: 150% Individual: 500%
Cost Sharing	None	First \$5000 of reinsured claims plus 10% of next \$50,000
Assessments	4% of the premium of small employer market net of reinsurance premiums paid	5% of the premium of the small employer market
Other	Carriers may reinsure existing business and new adds	
Effective Date		



Health Insurance Association of America

March 24, 1993

The Honorable Tim Kelly
Chairman, Senate Labor and Commerce Committee
Alaska State Senate
Juneau, Alaska 99811

Re: SB 40

Dear Senator Kelly:

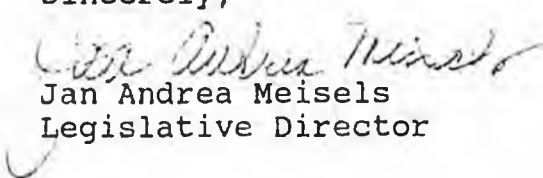
Thank you for prmitting me testify at length on the small employer health insurance reforms contained in SB 40. As I mentioned during the hearing, it is not possible to determine what the premium will be for the standard or basic plans in Alaska, until the Health Benefits Committee, as established by SB 40, recommends the benefits to the Alaska Small Employer Reinsurance Association.

However, to give you a frame of reference as to what other states' standard and basic plans include, and what one insurance carrier charges in another state, I asked an HIAA member company to price a specific example: a five employee group, comprised of 3 males and two females all age 40 with employee coverage only (no dependents) for the average geographic rate in Florida. The premiums for this example were \$84/month/employee for the basic plan and \$145/month/employee for the standard plan.

These rates are not be reflective for Alaska as the rates will vary by: the type of benefits determined by the Alaska Health Benefits Committee and Alaska Reinsurance Association, by carrier, by age, gender, family composition, industry, the geographic region within the state and for the difference in health care provider costs. Each carrier will set its own premium rates for the benefits determined for the basic and standard plans, therefore, any given carrier may be above or below other carrier's rates for the same type of coverage.

Attached is a copy of the Florida basic and standard plans for both indemnity carriers and HMOs. If I can be of any additional assistance in answering your or the committee members' questions about the small employer health market reforms, please do not hesitate to contact me.

Sincerely,


Jan Andrea Meisels
Legislative Director

JAN/bhs

221-attachment Street Suite 220 Woodland Hills, CA 91367-6324 818/704-9274 Telecopier 818/704-1053

FLORIDA SMALL GROUP INDEMNITY DESIGNS

	<u>STANDARD PLAN</u>	<u>BASIC PLAN</u>
Maternity Services	Same as Any Other Illness, (80/20)	Same as Any Other Illness, (60/40)
Infertility and Sterilization Services	Not Covered	Not Covered
Prescription Drugs	80/20 Coinsurance	Not Covered
Maximum Copay Out-of-Pocket Limit	\$2,000 Per Person With a Two Person Limit	\$4,800 Per Person With a Two Person Limit
Annual Deductible	\$500 Per Person	\$250 Per Person
Maximum Annual Limit	3 Person Limit	3 Person Limit
Annual Calendar Year Maximum Benefit	N/A	\$50,000
Lifetime Policy Maximum	\$1,000,000	N/A

FLORIDA SMALL GROUP INDEMNITY DESIGNS

	<u>STANDARD PLAN</u>	<u>BASIC PLAN</u>
Physician Services		
-Primary Care Physician Office Visits	80/20 Coinsurance	50/40 Coinsurance - However, first \$150 in physician office services, (including lab tests) will be paid without coinsurance or deductible application.
-Specialist Consultation, Diagnosis, and Treatment		
-Other Outpatient Nonsurgical Physician Care		
-Periodic Physical Exams (Maximum 1/CY)		
-Surgical Care in Physician's Office (Carriers may limit non-surgical back treatments to ten visits)		
Hospital Services		
-Emergency Care through Primary Care Physician's Office	80/20 Coinsurance	60/40 Coinsurance
-Emergency Care Services through Emergency Room Hospital ER visit (waived if admitted or if other safe and adequate care is not available)	\$25 Copay Per Visit	\$25 Copay Per Visit
Ancillary Services		
-Home Health Care	80/20 Coinsurance	Not Covered
-Ambulance	80/20 Coinsurance	60/40 Coinsurance
-Skilled Nursing Facility (Maximum 100 days lifetime)	80/20 Coinsurance	Not Covered
-Durable Medical Equipment	80/20 Coinsurance	60/40 Coinsurance - (These services may be included in case management)
Mental and Nervous Disorders		
-Inpatient Annual Maximum Inpatient Benefit	80/20 Coinsurance \$5,000	60/40 Coinsurance \$500
-Outpatient Visit Maximum Number of Outpatient Visits	80/20 Coinsurance With a Maximum Allowable Charge of \$50 20 Visits/CY	60/40 Coinsurance With a Maximum Charge of \$50 5 Visits/CY
-Lifetime Maximum	\$20,000	
Alcoholism and Chemical Dependency		
-Inpatient Detoxification (as medically appropriate)	Not Covered	Not Covered
-Outpatient Visits	Not Covered	Not Covered

FLORIDA SMALL GROUP HMO PLAN DESIGNS

	<u>STANDARD PLAN</u>	<u>BASIC PLAN</u>
Maternity Services	Same as Any Other Illness	Same as Any Other Illness
Infertility and Sterilization Services	Not Covered	Not Covered
Prescription Drugs	\$ 7 Copay for Generic Drugs/ \$14 Copay for Brand Name Drugs	Not Covered
Maximum Copay Out-of-Pocket Limit	200% of the Total Annual Premium	200% of the Total Annual Premium