

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10444 HOUSE STATE AFFAIRS

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FACSIMILE TRANSMISSION

TO: Legislative Information Office

~~Acting Secy~~

FAX 269-0229

RE: PPD eligibility for Peace Corps Volunteers

DATE: 28 February 2002 **TIME:** 9:45 AM AST

This transmission consists of 2 pages including this page.

MESSAGE:

Please have the following statement transmitted
herewith made part of the record of todays hearing
on the above referenced issue. Thank you.

Kim Stohr

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SITE: ANCHORAGE LIO

COMMITTEE: House State
Affairs

DATE: 2-28-2002

SUBJECT OF MEETING:

HB 314

UPDATE #: 1



DO YOU WANT

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?
Y or N

Russell Walker			Y-HB 314
Email address:			
Karen Maskarinec			Y-HB 314
Email address:			
Joe Sullivan			Y-HB 314
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

ALASKA STATE HOUSE OF REPRESENTATIVES

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Fairbanks, AK 99701

Capitol

(907)-456-5081

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Session

(907)-

FAX# (907)-465-

State

REPRESENTATIVE JOHN COGHILL

Date: February 28, 2002

To: Tam Cook, Leg Legal

From: Rynniva Moss, Legislative Aide

A handwritten signature in cursive script, appearing to read "Rynniva Moss".

Re: Work Order # LS1129\C

House State Affairs is requesting a final for CSHB 314(STA) adopted by the committee today. This is Version C.

Thanks.

Kimberly J. Stohr
Attorney at Law

828 E Street
Anchorage, AK 99501

HB 314

Legislative Information Office
716 W 4th Ave
Anchorage, AK 99501

Attn: Jean

Fax 269-0229

Re: Peace Corps/PFD

Our daughter Adrienne is a PCV in Zambia involved in establishing an aquaculture program. While she was born and raised in Alaska and will be returning when her commitment is finished in December of this year, that is not why we feel the PFD program should be restored for Peace Corps volunteers.

We believe the PFD should be restored because it makes sense to the State of Alaska and the USA. These are some of our brightest and most dedicated young adults. They are the best ambassadors we have at a time when the American image abroad needs all the support it can muster. Adrienne's decision to return to Alaska will not be impacted by the current action or nonaction of the legislature on this issue. She got one of the toughest and most remote assignments in Zambia in part because she is from Alaska and loves our cabin in Skwentna where she learned to live without modern amenities. She's right at home in her mud hut w/o water or electricity in Zambia. She is serving in the Peace Corps as a result of her passion, commitment and patriotism. She does not expect to be rewarded for her efforts through the payment of a PFD. Her service and experiences are her rewards.

The foregoing may not be true for all potential volunteers, however, and to the extent someone's future decision to either enter the Peace Corps or return to Alaska after their service may be impacted by their eligibility for the PFD, it's a small price to pay. These educated and extremely dedicated individuals will be an asset wherever they live, work and raise their families. If eligibility to the PFD program can either encourage them to volunteer in the first place and/or return to Alaska after their service, then the State of Alaska got a great return on its investment. It's a win win proposition for the State. A promoter of Alaskan and American values while they are away and solid productive citizens when they return. If they don't return, you still can't buy the good will and PR they display during their service for the price of a PFD in any other medium.

Following the events of September 11th I was glued to the TV like the rest of the civilized world. Of course I'll never forget the images of that date, however, I'll never forget something else that many who heard it may or may not recall. Walter Cronkite was being interviewed and he was asked a question about how we can counter terrorism. His reply was that we need to change the world's image of America and that starts with programs like the Peace Corps. He said that it is hard to recruit terrorists from a village that's been exposed to American Peace Corps volunteers. I will remember Mr. Cronkite's statement because I was never prouder of my daughter. She doesn't need the PFD to survive and with or without it she will progress and prosper. But it would be a nice way for the State of Alaska to say "Thank you."

Kim & Jeanne Stohr

TESTIMONY IN SUPPORT OF HOUSE BILL 380

My name is Merritt Olson. I am a long-time Alaskan who served as a member and chair of the Teachers' Retirement Board and currently am a trustee on the Alaska State Pension Investment Board.

I have long been concerned about the inequity that exists regarding health benefits for retired teachers and public employees in the state system. Member and employer contributions during the employment years pay for pension benefits and health insurance at retirement. Although retirees pay the required deductibles for health insurance, they are not assessed premium charges until age 65. Then Medicare automatically becomes their primary health insurance, and they must pay the Medicare premium

Older retirees, especially those who are in their mid- to late-80s or 90s, are particularly hard hit. Their pensions tend to be lower in amount as they retired earlier and, consequently, with lower salaries while, at the same time, Medicare premium charges increase each year. (Currently it is \$54 a month.) Without other income beyond their rather meager pensions, they can be hard pressed to pay those charges.

House Bill 380 addresses this problem. I urge that you give serious consideration to this legislation.

I wish to thank the Committee for providing the opportunity to express my thoughts on this issue.

Merritt C. Olson
1032 W. 11th Avenue
Anchorage, AK 99501

Post-It® Fax Note	7671	Date	2-28-02	# of pages	2
To	HOUSE STATE AFFAIRS-	From	KAREN MASKARINEC		
Co/Dept	HB 314 Acad.	Co.			
Phone #		Phone #	907-694-2505		
Fax #	465-3258	Fax #	907-222-4796		

I read this part of Christmas card
from Owen's 10th grade students:

Dear miss Guterlyth and
our friends from remote and
old country Alaska.
We want to wish you a
Merry Christmas and a Happy
New Year. The most sincere and
coldest wishes of love and happiness
in this wonderful Christmas day.
Let every day new year day will
be light and happy and will bring
joy and good mood.

Karen Maskarinec's testimony on HB 314
2-28-02

Peace Corps -- those who work there now, those who have been volunteers in the past, are current volunteers. We're honored that you serve our nation, and you're welcome here in the White House, and thank you for coming. (Applause.)

And finally, I think it's a great tribute to the Peace Corps that we've got a lot of members from the ambassadorial corps who are here. I want to thank you all for coming and taking your time. You understand the importance of the Peace Corps, and your presence here is a confirmation of its importance. And so we welcome you. Thank you for coming.

For more than 40 years, the Peace Corps has sent Americans to serve their country by serving the world. America has a new kind of force today.

I mean, we're not only a great country, a great economic engine, and obviously a great military, we're a great idea. The greatness of the country is in the values we believe in -- freedom and hope and opportunity.

We're a nation founded on just valuable principles. And the power of the idea cannot, and will not, be stopped at our borders.

I read these quotes from President Bush's Feb. 15 remarks at the swearing-in of the new Peace Corps Director.

opportunities in Muslim nations for us to spread the good story about the values, the universal values, we hold so dear.

I believe Americans are still willing to sacrifice for causes greater than themselves. And the Peace Corps offers such a fantastic opportunity to do so. Gaddi Vasquez understands this, as well. And so it's with pleasure I introduce the newly sworn-in Director of the Peace Corps to the American people.

May God bless you all. (Applause.)

END 2:24 P.M. EST

Karen Markovics testimony on HB 314

2-28-02



the White House
President George W. Bush

- President *Oval Office*
- News & Policies *West Wing*
- Vice President *VP Office*
- History & Tours *White House*
- First Lady *East Wing*
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West Wing connections

Policies in Focus

- America Responds to Terrorism
- Homeland Security
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Photos



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Printer-Friend

State of the Union *The President shall from time to time give to Congress* President George W.

"The President shall from time to time give to Congress information of the State of the Union and recommend their Consideration such measures as he shall judge necessary and expedient." Article II, Sec. 3, U.S.

What Americans Can Do to Serve

USA Freedom Corps Find out how you can serve the cause of freedom. Visit USA Freedom Corps.

First State of the Union Live Webcast

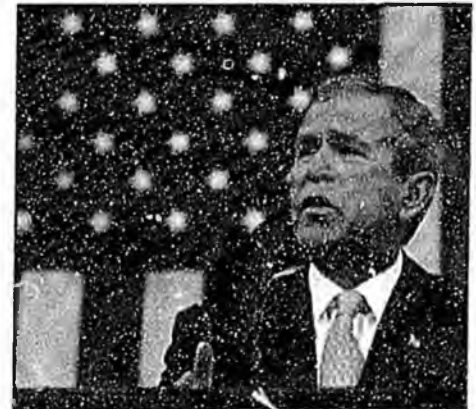
For the first time in history, the President's State of the Union message was available via a live webcast originating from the White House web site.

President George W. Bush State of the Union Address

January 29, 2002



- View the Transcript
- View the President's Remarks
- Meet the First Lady's Guests



White House photo President George W. Bush delivers the State of the Union address before a joint session of Congress at the U.S. Capitol, Tuesday, Jan 29, 2002.

Take a look at behind the scenes photo: Bush as he prepares for his State of the U

Winning the War on Terrorism



This war is being fought at home and abroad through diplomatic, military, financial and investigative actions.

Learn more about Winning the War on Terrorism.

Protecting the Homeland

Click on the map for contact information about Homeland Security in your state.



Creating Economic Growth

President Bush believes the best way to fight the recession is by creating economic growth and jobs. View the timeline to see his work economy.

Helpful Job Links:
America's Job Bank
U.S. Department of Labor

President's Message to Children

President Bush is proud of the youth of America and their displays of courage during this challenging time in history. Read his Message to Children.



View the results of America's Fund for Afghan Children.

Take the State of the Union Trivia Quiz for Kids.

History: The Tie That Binds

Vast and varied describe past State of the Union messages. One theme binds them together: National Unity



Guess the Quote



Test your wits and match the President to his State of the Union Quote.

State of the Union

What state did George Washington welcome into the union annual message in 1790

- Kentucky
- North Carolina
- Florida
- Tennessee

answer

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peace corps

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applicant toolkit



applicant toolkit

- Meet a Recruiter
- Request Information
- Application Guide
- Apply Now
- Volunteer FAQs
- Nominees
- Invitees
- Family and Friends

Two years in the Peace Corps can help you redefine your world—and yourself. It will **test your ingenuity**, and **your idea of what "changing the world" is all about**. If you're ready to make a world of **your own**, join the Peace Corps.

Explore the applicant toolkit

Meet a Recruiter

Locate and contact a regional recruiter — your partner in the Peace Corps application process.

Request Information

Request a hard-copy brochure and application kit.

Application Guide

Helpful hints and information for applying to Peace Corps.

Apply Now

Apply online, and take the first step on the road to the toughest job you'll ever love.

Volunteer FAQs

Answers and information about frequently asked Volunteer questions.

Nominees

Information customized for Peace Corps Nominees.

Invitees

Checklists, information and ideas for soon-to-depart Peace Corps Invitees.

Friends and Family

Information for the family members and friends of applicants and Volunteers.

Read our [privacy](#) and [freedom of information](#) policies.

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peace corps

applicant toolkit

applicant toolkit

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Volunteer FAQs Qualifying

I hear it's very hard to get into the Peace Corps. Is that true? How competitive is it?

To become a Peace Corps Volunteer, an applicant must meet certain education and work experience requirements. When evaluating an applicant, the Peace Corps considers the "whole person" including your life experiences, community involvement, volunteer work, motivations, and even your hobbies. In most cases, applicants with a bachelor's degree in any discipline, strong motivation and a commitment to Peace Corps service will be competitive to become Peace Corps Volunteers.

I'm not a U.S. citizen. Can I join Peace Corps?

We appreciate the interest of our friends from other countries, but the answer is no — only U.S. citizens may join the Peace Corps. You may wish to learn about [other volunteer opportunities](#).

Do I need to speak another language to get into the Peace Corps?

The Peace Corps teaches more than 180 languages and dialects. During your pre-service training, you will receive intensive language instruction to prepare you for living and working in your overseas community. While some countries where Volunteers serve prefer people who have studied French or Spanish, it is not always a requirement.

Does the Peace Corps accept senior citizens?

You're never too old to serve in the Peace Corps. Volunteers must be at least eighteen years old, but there is no upper age limit. The oldest Peace Corps Volunteer ever was 86 when he completed his service. The Peace Corps, and the countries where Volunteers serve, welcome and value the wealth of experience that older Americans bring to their overseas assignments.

Can married couples join the Peace Corps? Can I serve with my boyfriend or girlfriend?

Peace Corps service can be a rewarding, enriching experience for married couples. Today, about 10 percent of Peace Corps Volunteers are married. In all cases, both spouses must serve as Volunteers and live and work in the same community. The Peace Corps is unable to place couples with dependent children and cannot guarantee placement in the same country of couples or friends who are not legally married. Applicants can begin the Peace Corps application process while engaged, but must be married before departing for their overseas assignment.

Read our [privacy](#) and [freedom of information](#) policies.

a place in Peace

Are you qualified? A 5-minute quiz can help you determine how you can help you qualify for a Peace Corps assignment. [more info](#)

related :

College students: how to prepare for Peace Corps service. [more info](#)

a diverse volunteer

You don't need a degree -- Peace Corps Volunteers come from different backgrounds and have different educational experiences. [more info](#)

peace corps

applicant toolkit

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Volunteer FAQs

Our frequently asked questions provide answers about [volunteering](#), [serving](#), and [life](#) in the Peace Corps.

Categories

Select a link to view FAQs by category, or choose a specific question from the list below.

- [Qualifying](#)
- [Applying](#)
- [Volunteering](#)
- [Health and Safety](#)
- [Benefits](#)

Questions, by Category

Qualifying

- I hear it's very hard to get into the Peace Corps. Is that true? How competitive is it? [read](#)
- I'm not a U.S. citizen. Can I join Peace Corps? [read](#)
- Do I need to speak another language to get into the Peace Corps? [read](#)
- Does the Peace Corps accept senior citizens? [read](#)
- Can married couples join the Peace Corps? Can I serve with my boyfriend or girlfriend? [read](#)

Applying

- When is the application deadline? [read](#)
- How far in advance should I send in my application? [read](#)
- I am worried that one of my references won't complete my reference form on time. Can I substitute someone else? [read](#)
- What is a nomination? [read](#)
- I've moved since my nomination. Who should I call to update my address? [read](#)
- Where do I go for my Peace Corps medical exams? [read](#)
- I've been fingerprinted several times for previous employers. Can Peace Corps just use these? If not, where can I get my fingerprints done? [read](#)
- I don't have a passport. Should I apply for one now? [read](#)

Volunteering

volunteer and security

Learn how Peace Corps and Volunteers work together to ensure personal safety overseas [see more](#)

for family and friends

Common questions from family and friends about Peace Corps Volunteers at homefront. [see more](#)

for returned volunteers

Career resources, benefits, and how to stay connected [see more](#)



- Will I leave for my Peace Corps country alone? [read](#)
- Can I choose the country where I'll serve as a Volunteer? How long is a Peace Corps assignment? [read](#)
- Will I be the only Peace Corps Volunteer in my community? Will I be in an isolated spot? Can I have a roommate? [read](#)
- When I'm in training, will I have a choice in where I'll be placed for my two years—a rural site as opposed to an urban site? [read](#)
- Do I get vacation time while I'm overseas? Can I come home for a visit? Can my family or friends visit me? [read](#)
- Will I have trouble overseas if I am a vegetarian? [read](#)
- Can I bring my pet? [read](#)

Health and Safety

- What immunizations do I need to obtain before I go overseas? [read](#)
- How is medical care provided during Volunteer service? [read](#)
- What kind of health insurance coverage will I have in Peace Corps? [read](#)
- What does the Peace Corps do to protect the health and safety of its Volunteers? [read](#)
- Does my health care coverage last after my Peace Corps service overseas? Are there any special plans I can join? [read](#)

Benefits

- How much will I get paid in the Peace Corps? What do I have to pay for as a Volunteer? [read](#)
- I have student loans. Can they be deferred or cancelled while I serve in the Peace Corps? [read](#)
- What kind of job placement assistance does Peace Corps provide when I complete my Volunteer service? [read](#)

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applicant toolkit



Application Guide

Application Hints

applicant toolkit

- Meet a Recruiter
- Request Information
- Application Guide
 - ▶ Steps to Applying
 - ▶ Application Hints
 - ▶ Applying Online
 - ▶ Medical Clearance
 - ▶ Safety and Security
 - ▶ Checklist
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- Family and Friends

The selection process relies heavily on the information in your application. Consequently, accurate and complete information about your work experience, school history, interests and background is important. This will make it easier for your recruiter to match your abilities and skills with the needs of a given assignment. You may add supplemental information to ensure that your application contains the necessary information.

Please Proofread Your Application Carefully

Spelling and grammatical errors may hurt your chances for certain programs. Particular attention should be paid to the sections mentioned below. You may wish to contact a recruiter regarding your specific background prior to completing the application or if you have any questions.

The Basics

Use your full, legal name. Do not use nicknames. Indicate the earliest date you would be available to depart for overseas. You will be considered for assignments after this date.

Legal Information

It is critical that this section be completed. Your application may be delayed if the Peace Corps needs to contact you for additional information. If you answer "yes" to any of the items in this section, you must give full details.

Marital Status and Dependents

Answer all questions regardless of your marital status. Note: If you are married and plan to serve with your spouse, each person must complete an application. Peace Corps does not allow Volunteers to serve with their dependents.

Educational Background and Course Work

List all schools, including high schools, trade and vocational schools that you have attended. Include dates, your major and minor, type of degree or certificate — e.g. B.A., B.S., and date (month/year) received for expected.

Employment History

Include dates and descriptions of work performed as well as your reasons for leaving. Use additional pages if necessary. If retired, list your prior jobs. College students must list summer and part-time work. Be sure to give an accurate chronological listing of your employment by month and year. You must submit a resume but it cannot be used as a substitute for requested employment information. Account for "time gaps" of more than three months including unemployment and time not taken up by school, work or military service.

Community, Volunteer Activities

Many volunteer assignments require recent experience demonstrating organizational ability, motivation, commitment to service and leadership skills. Please list all school, church or community activities. Be as specific as possible. Describe your participation in community service or improvement projects, whether paid or volunteer (e.g., Red Cross, service clubs, PTA). Provide dates and the amount of time committed to each project. This section plays a very important role in the evaluation of your application.

Geographic Preference

Although we ask for your geographic preference, Peace Corps' priority is to



place you where your skills are most needed. Flexibility increases your chances of placement.

Practical Experience

Do not underestimate your abilities even if informally gained. Include dates and time spent on your practical experience; add as much detail as possible.

Motivation Statement

Your reason(s) for wanting to join Peace Corps will be taken into account in the selection process. Please be thoughtful and honest in preparing your statement. Tell why you wish to become a volunteer and what you hope to accomplish.

Some Suggestions to Help Speed Processing of Your Application

- Make sure you keep copies of all your application materials.
- Respond to all requests from the Peace Corps for additional legal and medical information as quickly as possible.
- Select your references from people who are readily available, and urge them to complete their forms as quickly as possible.
- Keep in touch by phone or e-mail with your recruiter, and later your placement officer. Make sure you notify them of changes in your address or phone numbers.

Related Resources

- [Frequently Asked Questions About the Medical Clearance Process](#)
- [Applying Online](#)

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applicant toolkit



Application Guide Safety and Security

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[Apply Now](#)[Volunteer FAQs](#)[Nominees](#)[Invitees](#)[Family and Friends](#)

Whether you are considering joining the Peace Corps, about to accept an invitation to serve in a particular country, or a family member or friend of a current or prospective Volunteer, it is important for you to understand the realities of Peace Corps service, particularly with regard to personal safety and welfare. If you or someone you know is about to accept an assignment to serve overseas, this is surely an exciting time, and we want your expectations to be as realistic as possible. The more you learn now about the realities of Peace Corps service, the better prepared you will be to handle the challenges and rewards ahead.

Because the Peace Corps works in some of the least developed countries and in some of the most remote areas in the world, health, safety, and security risks are an unavoidable part of life and of Volunteer service. While the majority of Volunteers serve their two years without major incident, it is important for you to know that Peace Corps service does involve certain risks, including road accidents, natural disasters, crime and civil unrest. The Peace Corps devotes significant resources to minimize safety risks to Volunteers and to ensure that they are given the training, support, and information they need for a safe experience. However, there are many variables beyond the agency's control that impact Volunteers' welfare and it is not possible to eliminate all the risks associated with Volunteers' service overseas.

Key Points about Safety and Security in the Peace Corps

In matters of safety and security, the Peace Corps makes the following key assumptions:

- 
- **Serving as a Volunteer Involves Safety and Security Risks**
Living and traveling in an unfamiliar environment, having a limited understanding of local language and culture, and being perceived as well-off are some of the factors that can put a Volunteer at risk. Many Volunteers experience varying degrees of unwanted attention and harassment. Petty thefts and burglaries are not uncommon, and incidents of physical and sexual assaults do occur.
 - **Volunteers Are Expected to Adopt a Culturally Appropriate Lifestyle to Promote Their Safety**
Being a Volunteer requires changes in lifestyle preferences and habits in deference to host country cultural expectations and in order to minimize security risks. Choices in dress, living arrangements, means of travel, entertainment, and companionship may have a direct impact on how Volunteers are viewed, and thus treated, by their communities. Navigating the differences in gender relations may be one of the most sensitive and difficult lessons to learn, but one which could have a direct impact on the Volunteer's safety and the protection provided by the local community. Mature behavior and the exercise of sound judgment will enhance personal safety.
 - **Each Peace Corps Post Maintains a Volunteer Safety Support System Designed to Minimize Safety Risks, as Prescribed by Peace Corps Policy**
Fundamental to the Peace Corps approach to Volunteer safety is the fact that Volunteers can most effectively minimize their safety risks by building respectful relationships with those in their community. The Peace Corps has instituted a broad and systematic approach to increase Volunteers' capacity to keep themselves safe during their two-year service. This approach is based upon several fundamental tenets of Volunteer safety and security, which are outlined below. These include: building relationships, sharing information, training, site development, incident reporting and response, and emergency communications and planning.

Building Relationships Is Key to Volunteer Safety

Like the Peace Corps mission, safety and security are predicated on the development of close interpersonal relationships between Volunteers and host-country community members. The agency recognizes that Volunteers' daily safety is, for the most part, best assured when they are well integrated into the local community, valued and protected as extended family members, and viewed as contributors to development. To this end, the Peace Corps strives to build and maintain the support of host country governments, authorities, and local communities for the Peace Corps' presence in country and the work the Volunteers have been requested to perform. The responsibility of Volunteers is to learn the local language and integrate into the host community. Volunteers are expected to build and maintain respectful relationships with sponsoring agency representatives, colleagues, and other community members. These relationships help Volunteers establish a presence in their new homes, pave the way for many work and social opportunities, and become the basis of their new support systems in country.

Knowing What to Expect Helps Applicants and Volunteers Make Informed Choices

The Peace Corps is committed to providing accurate information about Volunteer service to interested individuals. This information describes the nature and conditions of Peace Corps service; the challenges Volunteers face; the impact that serving in another culture will have on individual lifestyle, comfort, and safety (e.g., living with host families, conservative dress, restrictions on movement and night travel); and the support Volunteers will receive in their respective countries of service. From the moment an applicant is invited to serve in a particular country, specific information about potential challenges is provided from a variety of sources. These challenges often include unwanted attention; harassment; health and safety risks; and cultural behaviors that an American might find offensive, uncomfortable, or threatening. With this information, potential Volunteers can make informed decisions about whether Peace Corps service

is right for them and whether they are prepared to live at any site in their host country, where local community members will be their primary support system. Once the Volunteers are in-country, Peace Corps staff will keep them informed of security issues and provide guidance for maintaining their safety and well-being as appropriate.

In addition, for the welfare of Volunteers, Peace Corps policy requires that Volunteers report their whereabouts when they travel away from their sites or change residences, and that they obtain Peace Corps authorization if they intend to leave their country of assignment for any reason.

On-Going Training Equips Volunteers for a Safe and Productive Service

The Peace Corps takes an integrated approach to Volunteer training. Through language, cross-cultural, and health and safety instruction, training is designed to raise the Volunteer's awareness of their new environment, build their capacity to effectively cope with the many challenges they will face, and provide the tools the Volunteers need to adopt a safe and appropriate lifestyle. Volunteers are also instructed in Peace Corps policies and procedures and the Volunteer's responsibility to abide by them.


Before reporting to the communities where they will live and work, Volunteers participate in 8-12 weeks of intensive training in their country of service. During pre-service training, Peace Corps typically places Volunteers with local families to aid in cultural integration and language acquisition. This early home-stay experience begins the process of building and maintaining various networks of friends and contacts with host country nationals and fellow Volunteers that will support each Volunteer's efforts for a successful service. The Peace Corps provides this integrated safety training throughout the Volunteer's tour of service to help Volunteers better understand their surroundings, how to cope with unwanted attention, and how to develop personal safety strategies.

Volunteer Sites Are Assessed to Meet Safety and Security Criteria
Peace Corps staff in-country are responsible for assessing and approving the communities where Volunteers will live and work to ensure that placements are appropriate and safe and that secure housing and work sites are available. Site selection is based on established safety and security criteria that reflect consideration of site history; access to medical, banking, postal, and other essential services; access to communication, transportation, and local markets; availability of adequate housing and living arrangements; and the potential for obtaining and maintaining the acceptance and consent of host country authorities and the population-at-large. During their service, Volunteers are visited periodically at their sites by Peace Corps program managers and medical staff members to monitor issues related to Volunteers' site assignments. If a Volunteer's safety or well-being is placed at risk or compromised, the Peace Corps staff will try to resolve the situation or move the Volunteer to another location.

Peace Corps Responds to Volunteers' Safety Concerns
Volunteers are strongly encouraged and expected to report safety concerns or incidents to the appropriate Peace Corps staff member. Staff members are prepared to provide appropriate medical, emotional, and administrative support as each case warrants. In such cases, Volunteers' need for confidentiality will be respected. The Peace Corps also maintains a collaborative relationship with the U.S. Embassy and host government officials in order to respond to Volunteers' safety and security concerns as they arise. Improvements in safety reporting have allowed the Peace Corps to identify associated risk factors (time of day, location, alcohol use, means of transportation, etc.) and develop strategies to help Volunteers address them. Volunteers are urged to be aware of their environment and to adopt a safe lifestyle and exercise judgment in a manner that reduces their exposure to risks.

Emergency Communications and Planning

Typically, Volunteers live and work with community members, at some distance from the Peace Corps office in the capital city. Volunteers are expected to stay in touch with the Peace Corps office on a periodic basis. They are required to report their whereabouts when they travel away from their sites, and are required to receive Peace Corps authorization if they



intend to leave the country of assignment for any reason. Although some Volunteers consider notification of movement and regular contact with the Peace Corps office restrictive, it is necessary to ensure that Volunteers can be contacted in case of emergency.

The Peace Corps addresses larger security concerns through country-specific Emergency Action Plans (EAP) that are in place in each Peace Corps country. These plans, developed to address such events as natural disasters or civil unrest, set forth the strategies developed by each Peace Corps office to prepare for, respond to, and recover from such crises. The plan defines roles and responsibilities for staff and Volunteers, explains standard policies and procedures, and lists emergency contact information for every Volunteer in country. These plans are tested and revised annually. A critical element of the EAP is a comprehensive locator form for each Volunteer, which ensures that Volunteers can be contacted in case of emergency and for important notices. Volunteers receive training about the EAP, are provided a copy of the EAP, and are expected to familiarize themselves with their roles and responsibilities during times of crises.

The Peace Corps works very closely with the U.S. Embassy to share information, develop strategies, and coordinate communications in a crisis. If a situation arises in a country that poses a potential threat to Volunteers, the Peace Corps will immediately assess the nature of the threat and respond in a manner that ensures the Volunteers' safety and well-being. If the decision is made to evacuate Volunteers from a country, the Peace Corps will commit every resource at hand to safely move each Volunteer and staff member out of harm's way. Although the Peace Corps does not automatically contact family members in all crisis situations the Peace Corps will, in the event of an evacuation, initiate calls to the emergency contact persons each Volunteer has identified.

Safe Journey

Every staff member at the Peace Corps is committed to providing Volunteers with the support they need to successfully meet the challenges they will face to have a safe, healthy, and productive service. We hope that the information provided here will help you gain a sense of these challenges, the changes in attitude and lifestyle that may be required to adapt to a new environment, and the level of support that can be expected from the Peace Corps, local colleagues, and host communities. The success of each Peace Corps Volunteer is our goal. We rely on Volunteers to exercise personal responsibility, demonstrate a keen awareness of the world around them, and a willingness to adjust their behavior in a manner that will enhance their safety and well-being. In the end their efforts will be rewarded with an incredible, unique experience.

Read our [privacy](#) and [freedom of information](#) policies.

Brian Keith Brubaker

Hello!

My name is Brian Brubaker. I am a resident of Fairbanks and an alumnus of the University of Alaska Fairbanks. I am writing to ask that you please support HB 314 and SB 232, which would restore eligibility to Peace Corps Volunteers to receive Permanent Fund Dividends.

Some of my best friends, Theresa and Leif Vick (shown at right), served in the Peace Corps in the Philippines in 1995-1997. Today they're back in Fairbanks, where she is an English middle school teacher and he sells furniture for Sadler's.



Since then I've known others who have served as well. They include LJ Evans who is in the Philippines now and used to work for the Arctic Region Supercomputing Center. Denny and Lisa Wells are college friends I knew in the UAF United Campus Ministry and are now serving in Thailand. Another college friend of mine, Amber Hopkins, served in Macedonia. And the younger sister of my college friend Kate (Korvola) Ziesmer served in Togo.

Our Alaska Peace Corps Volunteers are few, but the work they do is important to our national interests - especially since the events of September 11. My father fought in Vietnam and my grandfathers went to war in Europe to preserve our freedom so that their children and grandchildren could live in a safer, free world. Now we're at war again, and this time it is not world war nor is it a cold war. President Bush recognized the importance of the Peace Corps in our national strategy for today when he called on the nation to double the number of Peace Corps Volunteers in his State of the Union Address.

These people from our community who are volunteering and serving our country deserve our support and recognition. Please restore to them the privilege of the Alaska Permanent Fund Dividend.

Sincerely,
Brian K. Brubaker

www.akpeacedividends.org

To All Alaskans:

People here in Thailand ask me where I'm from, and I proudly answer Alaska, even though I know perfectly well that they are expecting me to say what *country* I am from. I feel however, that maybe Alaska is not as proud of me as I am of it, as I am denied the PFD because I am a Peace Corps Volunteer. I am not considered a resident of Alaska despite the fact that I have all my belongings, furniture, etc. in storage in Alaska, my car and truck are there, my bank account is there, my permanent address is there, and I have a post office box there. I am registered to vote in Alaska. My driver's license (still valid) is

Alaskan. After I finish my service in the Peace Corps, I will return to live in Alaska. If I'm not a resident of Alaska, then just exactly where *do* you consider me to be a resident? Thailand? The Thais would disagree with you wholeheartedly. I cannot vote here, nor can I acquire a driver's license here. I need a separate visa every time I enter the country, even if I've just stepped across the border to visit a market for the day. I do not qualify for any of the public health plans, I do not pay income tax to the Thai government. The



Peace Corps itself considers me an Alaskan resident. "...Peace Corps volunteers are considered residents of their Home-of-Record state," (Peace Corps Administrative Guide, March 2001).

Now, I will be perfectly honest. I joined the Peace Corps knowing full well that I would be denied the Permanent Fund Dividend, but I joined anyway because principles are more important to me than money. If you don't believe that, consider this: I make \$170 a month here (that works out to \$2040 per year), and I will quote the Peace Corps Administrative Guide regarding our leave policy: "*Volunteers are deemed to be on duty seven days a week...volunteers accrue annual leave at the rate of two days for each month of service.*" That leave policy is the same as standard military personnel, who, I might add, are eligible to receive the PFD. I am obviously not in this job for the money, but to be completely honest, it bothers me that if I volunteer to carry a gun for my country, I get the PFD, but if I volunteer to help others and promote understanding of Americans, I am denied that money.

In addition to the work that I do locally here, I also participate in the Peace Corps World Wise School program, in which volunteers "adopt" a class back in the States in order exchange cultural information. I send Marilyn Siedschlag's 2nd grade class at Hunter Elementary (in Fairbanks) letters, post cards, photos, and other miscellaneous things from Thailand, while she arranges for her students to then ask me questions about my life here. This is all done at my own expense.

It is almost inconceivable to me that I do not qualify for the permanent fund, despite the fact that I consider myself an Alaskan resident AND the Peace Corps considers me an Alaskan resident. I just wish that Alaska considered me a resident. It gets a little lonely out here when no one's willing to claim me.

Sincerely,
Lisa Wells, PCV
ONPEC Sangkha
Amphur Sangkha
Surin, 32150 - Thailand

Box 104106
Anchorage, Alaska 99510

Representative John Davies
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Re: House Bill 314 (PFD Eligibility for Peace Corps Volunteers)

February 13, 2002

Dear Representative Davies:

I write in support of HB 314 that restores Peace Corps service as a permitted absence from Alaska in the determination of a person's eligibility for a permanent fund dividend. Although we have met through my current position as the executive director of the Alaska Judicial Council, I am writing to you as a private citizen.

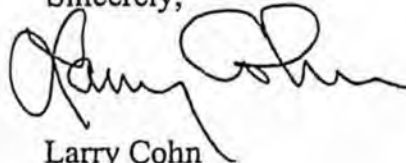
In 1979-1981, after law school, I worked as a Peace Corps volunteer in a legal aid clinic in Kingston, Jamaica. Based on my experience and the experience that other volunteers have shared with me since then, I am confident that the Peace Corps is an important and cost-effective component of American foreign policy. I understand that this bill is not a referendum on the value of the Peace Corps. However, President Bush's proposal to double the size of the Peace Corps is evidence that Peace Corps service promotes a level of cross-cultural understanding that is vitally important in the world today. I do believe that Peace Corps service is as important as many of the other absences from Alaska that do not disqualify a person for a permanent fund dividend.

Any doubt I may have had about the value of Peace Corps service was allayed by my recent visit to Jamaica with my wife and two children. It was my first visit in seventeen years. The warmth with which my former neighbors, friends, and fellow Jamaican workers greeted me and my family was overwhelming. We could go nowhere without being offered a meal, fruits from a garden, a handicraft, and other tokens of appreciation from people whose annual incomes do not amount to a single permanent fund dividend. It was one of the most uplifting experiences of my life.

Public service and civic responsibility are important traditions in Alaska. Irrespective of their eligibility for a permanent fund dividend, I like to think that Alaskans will continue to volunteer for Peace Corps service. I do think though that Alaska should support and encourage Peace Corps service by not adding to the sacrifices that people weigh in deciding whether to volunteer.

Thank you very much for sponsoring this legislation. Please do not hesitate to contact me if there is anything I can do to support your efforts.

Sincerely,



Larry Cohn

Subject: HB 314 Restoration of PFD to Alaskan Peace Corps Volunteers

Date: Thu, 21 Feb 2002 16:53:40 -0900

From: Don & Carolyn Gray <dcgray@mosquionet.com>

To: Representative_Joe_Hayes@legis.state.ak.us

-- HB 314 Restoration of Permanent Fund
Dividend for Alaskan Peace Corps Volunteers

My husband, Don, and I came to Alaska 32 years ago after serving in the Peace Corps in India and Panama respectively and meeting afterwards in graduate school at Stanford University. The program, a Secondary Education Masters degree program, reserved fellowships for people with Peace Corps experience because the School of Education viewed this experience as an asset for those leading the education of students in this country. The only reason we ended up coming to Alaska was that we met a man doing research on setting up the Alaska State Foundation Formula for schools and he talked about teaching in Alaska. Coincidentally, the National Council for the Social Studies had their national meeting in San Francisco and we interviewed with a representative from the Fairbanks North Star Borough School District. After arriving, we took classes at the University of Alaska and participated in teacher in-services regarding Alaskan cultures as well as visited some of our rural students from the Boarding Home program of the 1970's. Thus we were able to learn and include diverse cultural information for our Fairbanks social studies classes.

We believe that Alaska has potential PCV residents who know Alaskan cultures, often learned in Alaskan schools. These residents are prime candidates (if they return to Alaska) to serve as teachers in rural and urban areas. The Department of Education reports there is a shortage of teachers. Restoration of the PFD to Alaskan Peace Corps Volunteers would act as incentive to return and teach here. Such recruitment at little cost to the state or taxpaying districts also makes sense.

Returned Volunteers can apply their work experience in teaching, business, agriculture and forestry, environment, health and community development to the challenges of life in Alaska.

Peace Corps Recruiters have had difficulty finding qualified Alaskan volunteers partly due to the removal of the Permanent Fund Dividend. Many qualified applicants have incurred heavy State and Federal student loans in the course of their career preparation and must begin paying them off before or immediately upon graduation.

In his 2002 State of the Union Message, President Bush asked that the number of Peace Corps Volunteers be doubled in service overseas. George Tenet, Director of the CIA in Congressional testimony on 2/06/02 called on U.S. officials "to work at the root causes of poverty, alienation and ethnic tensions, conditions exploited by terrorists to gain recruits". Skilled Peace Corps Volunteers can both help through the aforementioned programs and satisfy Alaskan needs upon their return to

the state.

The PFD should be restored to eligible Alaskans who make the sacrifice of two years of public service (or up to five years as currently limited by Federal Statute) as Peace Corps Volunteers or Staff members.

A personal note: I was paid \$90/month for 27 months of service--from that I paid \$60/month rent. I did not have electricity or running water in 1967 and received the sum total of \$2000 as a readjustment allowance after completing service.

Today a PCV in Panama receives \$300/month and may or may not have those utilities. The readjustment allowance is \$225/month and the usual service term is 24 months.

Thank you, M. Carolyn Gray, RPCV Panama 1965-67
399 Hillside Drive-Fairbanks, AK 99712 dcgray@mosquionet.com
tel. 907-457-5737

Bush supports Peace Corps, while Alaska should be ashamed

I don't always agree with President Bush's approach to things, but in the State of the Union address, he joined with every president since John F. Kennedy and supported the Peace Corps, promising to double the number of volunteers.

Several years ago, the Alaska Legislature took away the Permanent Fund from Alaska Peace Corps volunteers for God only knows what reasons and what warped logic. Fortunately, Alaskans will suffer that insult in order to do the right thing and join anyway. The Peace Corps is a fundamentally good thing. We represent our country and our state when we go overseas to help people live a better life, and they think better of us for the sacrifices we make to help them. The Legislature should be embarrassed and ashamed that it would punish people ready to go the extra mile to make this world a better place.

— Joseph R. Sullivan, Ph.D.

Returned Peace Corps volunteer, Zambia,

1999-2001

Anchorage

Letter to the Editor
ADN - 02-05-02

Subject: support for HB 314

Date: Wed, 20 Feb 2002 13:29:16 -0900

From: "Rebecca Kyle" <rkyle@emeraldnc.com>

To: <Representative_Lisa_Murkowski@legis.state.ak.us>,
<Representative_Lesil_McGuire@legis.state.ak.us>,
<Representative_Eric_Croft@legis.state.ak.us>,
<Representative_John_Davies@legis.state.ak.us>, <Senator_Loren_Leman@legis.state.ak.us>,
<Senator_Ben_Stevens@legis.state.ak.us>, <Senator_Johnny_Ellis@legis.state.ak.us>,
<Senator_Gene_Therriault@legis.state.ak.us>, <Senator_Bettye_Davis@legis.state.ak.us>,
<Senator_Rick_Halford@legis.state.ak.us>

Honorable Senators and Representatives,

I am writing to express my support for House Bill 314 sponsored by Rep. McGuire and Rep. Davies.

As an Alaskan recently returned from college I am in the process of asking myself how I may best contribute to my community to promote understanding in these confusing times. Since my return I have started attending my community council meetings, signed-up with Big Brothers Big Sisters of Anchorage, and have donated free time to Habitat for Humanity. But on January 29, 2002 President Bush sent a personal appeal in his State of the Union Address to join the Peace Corps. As President Bush urged, I too wish to "extend the compassion of our country to every part of the world," to aid our goal of national security.

Recently I was told that if I was inclined to help our country through the Peace Corps I will lose eligibility for the Permanent Fund Dividend (PFD). I have been a resident of Alaska since I moved here at age eight and have received the PFD since at least 1988. Throughout my stint Outside, I fought the College Registrar's office and the Alaska Department of Revenue, Permanent Fund Dividend Division to convince everyone that I still indeed am a resident and have always had the intent to live, raise a family, and retire in Alaska. Now after years of dreams and loyalty if I enter into the voluntary government service of the Peace Corps, depending on the beginning of my 2-year minimum commitment, I will not collect the PFD privilege that every other Alaska resident receives for approximately 4-5 years.

I have completed some research and discovered that according to the Peace Corps Administrative Guide (March 2001), "Peace Corps volunteers are considered residents of their Home-of-Record state." Since 1961, 711 Alaskans have or are volunteers in the Peace Corps. If the current volunteers were added to the list of eligible PFD recipients in 2000 and 2001 the amount of each check would have been reduced by a miniscule 8 cents.

At the moment I have school and car loans, plus other financial obligations such as my individual retirement account that I probably won't be able to cover with an average of \$2,000 yearly compensation as a volunteer. Even though I am at an excellent time in life and have those special characteristics (single status, optimism, international experience, a bit of naiveté) to volunteer, the desire to keep my residency and PFD is pressure enough to stay home.

I have heard from returned volunteers that the benefits of their service were not only bestowed upon the communities they helped, but upon them as individuals, and the communities to which they returned and the people with whom they shared their experiences.

Please help me extend the compassion of our great state to others in our world community by approving House Bill 314.

Sincere thanks,
Rebecca E Kyle

Subject: FW: HB 314

Date: Tue, 26 Feb 2002 16:38:13 -0900

From: "Gary A. Zipkin" <gzipkin@guessrudd.com>

To: <Representative_Lesil_McGuire@legis.state.ak.us>

Dear Representative McGuire,

I am forwarding a copy of the e-mail message I previously sent to Representative Coghill regarding House Bill 314, which I support. I wasn't sure that his office forwarded a copy of my message to the other members of the State Affairs Committee. I understand that the continued hearing on this bill will be at 8:00 a.m. this Thursday, February 28, but I may not be able to attend in view of my busy work schedule. Thank you for sponsoring this bill! Gary A. Zipkin

-----Original Message-----

From: Gary A. Zipkin [mailto:gzipkin@guessrudd.com]

Sent: Tuesday, February 19, 2002 8:42 AM

To: Representative_John_Coghill@legis.state.ak.us

Subject: HB 314

Dear Representative Coghill,

My name is Gary Zipkin. I am an attorney in Anchorage and a 28-year resident of Alaska. I write in support of House Bill 314, regarding "allowable absences" from the state for Peace Corps volunteers so that they may qualify for permanent fund dividends. As you know, President Bush -- during his State of the Union Address -- called on young people in this country to dedicate themselves to public service and to make a two-year commitment to serving this nation. He specifically referenced the Peace Corps and recommended it to young men and women. My daughter Sarah (age 23) is one of the people answering President Bush's call for public service and she has just learned that she has been accepted into the Peace Corps beginning this coming May. I understand that some 17,000 people visited the Peace Corps website the day following the President's address -- indicating the extent to which he has motivated young people towards public service. Now I ask that the State of Alaska similarly help motivate our young people and recognize the value of their national service by extending our permanent fund dividend program to include, and not to exclude, these fine young citizens. Thank you for your consideration of my views. I had hoped to participate in the hearings on this bill but just learned that they have been postponed until February 21, when I will be flying out of state on business. Finally, I ask that this message be share^d with the other members of the House State Affairs Committee. Again, thank you for considering my views. Gary Zipkin, 3515 Cottonwood St., Anchorage, Ak., 99508 -- (907) 276-0043 (H) -- and (907) 793-2200 (W).

HB

315

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 15, 2002

FURTHER REFERRALS: Labor and Commerce
Finance

Date of Committee Action: 2 APR 02

The STATE AFFAIRS Committee considered:

SSHB 315

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 315

STATE HEALTH INS FOR BUSINESS/NONPROFITS

"An Act allowing employers that are small businesses, small nonprofit organizations, or small associations for insurance purposes to join state employee insurance coverage as a group; and providing for an effective date."

Recommends it be replaced with CS551B 315 (STA) [] Same Title [] New Title
For Senate Bills with new title: [] Technical Title [] New Title: HCR _____

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev. for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LAA
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Regan Wilson</i>	Wilson	✓			
<i>Harry Crawford</i>	CRAWFORD	✓			
<i>Stephanie James</i>	STEPHEN	X			
<i>Jennelle James</i>	JAMES			✓	
<i>Frank Hughes</i>	Hughes	✓			
Chair: <i>John Cochett</i>	Cochett				✓
Chair: <i>J</i>	J				

ALASKA STATE HOUSE OF REPRESENTATIVES

Interim Address:
119 N. Cushman, Suite 211
Fairbanks, AK 99701
(907)-456-5081
Fax# (907)-456-8245



Session Contact:
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 102

REPRESENTATIVE JOHN COGHILL

Memorandum

Date: March 26, 2002
To: Barbara Craver, Leg Legal
From: Rynnieva Moss, Legislative Aide *Rynnieva Moss*
Re: HB 315 Work Order#1177J

The House State Affairs Committee is requesting a CS for SSHB 315 with the following amendments:

Title Change:

Delete: "join state employee insurance coverage as"

Insert: "be"

Page 4, line 21:

Page 4, line 28:

Page 5, line 2:

Delete: "300"

Insert: "50"

Page 5, line 5:

Delete: "July 1, 2003"

Insert: "January 1, 2003"

Page 4, line 16:

Insert a new section:

AS 39.30.090(b)(1) is amended to read:

(1) "eligible employee" means

(A) an employee who has served in permanent full-time or part-time employment with the same governmental unit or special services organization for 30 days or more, including the sole proprietor or the sole shareholder of a proprietorship or corporation described in (4)(A) of this subsection; "eligible employee" does not include [EXCEPT] an emergency or temporary employee;

(B) an elected or appointed official of a governmental unit, effective upon taking the oath of office; and

(C) a contractual employee of the legislative branch of state government under AS 24.10.060(f) if the employee's personal services contract provides that the employee is entitled to coverage;

You may have to expand the Title to accommodate redefining eligible employee. Feel free to do so.

Thanks for your assistance.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 323

MEMORANDUM

March 27, 2002

SUBJECT: Special Service Organizations and HB 315
(Work Order No. 22-LS1177\O)

TO: Representative John Coghill
House State Affairs Committee
Attn: Rynniva Moss

FROM: Barbara R. Craver 
Legislative Counsel

After considering the most recent change to HB 315, that of adding special services organizations, I have come to think that this group would be covered under the existing classifications already added by HB 315. There is thus no need to add this group.

The size limits apply (minimum of two eligible employees and maximum of 50 eligible employees) to each of the groups below. Here is how the three groups break down:

Businesses: These are any form of business.

Non-profit organizations: These must be tax exempt non-profit organizations.

Associations for insurance purposes: These associations are the catch all for individuals in business for themselves (and therefore not anyone's employee), small businesses or non-profit corporations that have less than two employees, and any other small group that does not want to have to apply as its own group. The only limitation is that these associations are limited in size based on the combined number of employees of all those in their association.

I'll show how all the different kinds of "special services organizations" can fit within the three categories above.

A sole proprietorship or a corporation solely owned by one person, no matter what they did, child care, assisted living or whatever could either join as a small business if it had at least two and less than 50 eligible employees. If it had only one employee, the business could join an association for insurance purposes and be part of their group.

Representative John Coghill

March 27, 2002

Page 2

Any other form of business operating child care, maternity homes, etc. could join as a small business or small nonprofit organization.

A corporation that receives or redistributes state grants can fit under the small business definition.

A nonprofit organization, regardless of its purpose can join under the nonprofit organization definition.

BRC:lmb
02-050.lmb

Enclosure

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 26, 2002

SUBJECT: Draft CSSS HB 315(STA) (Work Order No. 22-LS1177L)

TO: Representative John Coghill, Jr., Chair
House State Affairs Committee
Attn: Rynniva Moss

FROM: Barbara R. Craver 
Legislative Counsel

I did not make all the changes you requested and thus wish to explain what I did and why. I will list the difference between what you requested and what I drafted by page and line.

1. Page 1, line 2: I did not make the title change requested. It is not needed, and I think that the change would incorrectly describe the bill. If the title were changed to "[a]n Act allowing employers that are small businesses, small nonprofit organizations, or small associations for insurance purposes to be a group; . . ." the kind of group is left nameless, and the bill title loses all its descriptive character. The central idea of this bill is to allow certain named entities to be considered "groups" for state insurance purposes.
2. Page 4, following line 14: I edited the amendment to AS 39.30.090(b)(1). The language in the memo added a new, undefined term "special services organization." It was less cumbersome to simply list the three new types of groups added by this bill. It also appears that part of the requested change was to address the concern that a sole proprietor might not be considered an employee of his or her own business for purposes of being able to participate in group insurance. Both the owner of a sole proprietorship or a shareholder in a corporation may or may not be eligible employees for insurance purposes, depending on whether the person works for the company and whether the person meets the eligibility criteria imposed by the changes to (b)(1). I think the intent is preserved in my changes to the language.
3. Page 5, lines 1, 2, 8, 9, 13 and 15. Where the number of employees was changed from 300 to 50, I also added the word "eligible" to limit the counting of employees for determining a small business to "eligible employees" as defined in (b)(1).

If I may be of further assistance, please advise.

BRC:med
02-326.med

22-LS1177/L
Craver
3/26/02

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 315(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 **"An Act allowing employers that are small businesses, small nonprofit organizations, or**
2 **small associations for insurance purposes to join state employee insurance coverage as a**
3 **group; and providing for an effective date."**

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

5 *** Section 1.** AS 39.30.090(a) is amended to read:

6 (a) The Department of Administration may obtain a policy or policies of group
7 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
8 AS 22.25.090, AS 39.35.535 or former AS 39.37.145, employees of other
9 participating governmental units, [OR] persons entitled to coverage under
10 AS 23.15.136, employees of small businesses, employees of small nonprofit
11 organizations, or members of small associations for insurance purposes, subject to
12 the following conditions:

13 (1) A group insurance policy must [SHALL] provide one or more of
14 the following benefits: life insurance, accidental death and dismemberment insurance,

1 weekly indemnity insurance, hospital expense insurance, surgical expense insurance,
2 dental expense insurance, audiovisual insurance, or other medical care insurance.

3 (2) Each eligible employee of the state, the spouse and the unmarried
4 children chiefly dependent on the eligible employee for support, and each eligible
5 employee of another participating governmental unit shall be covered by the group
6 policy, unless exempt under regulations adopted by the commissioner of
7 administration.

8 (3) A governmental unit may participate under a group policy if

9 (A) its governing body adopts a resolution authorizing
10 participation, and payment of required premiums;

11 (B) a certified copy of the resolution is filed with the
12 Department of Administration; and

13 (C) the commissioner of administration approves the
14 participation in writing.

15 (4) A small business, a small nonprofit organization, or a small
16 association for insurance purposes may participate under a group policy if

17 (A) it applies to participate and agrees to payment of
18 required premiums;

19 (B) a certified copy of the application is filed with the
20 Department of Administration; and

21 (C) the commissioner of administration approves the
22 participation in writing.

23 (5) In procuring a policy of group health or group life insurance as
24 provided under this section or excess loss insurance as provided in AS 39.30.091, the
25 Department of Administration shall comply with the dual choice requirements of
26 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
27 transact business in the state under AS 21.09, a hospital or medical service corporation
28 authorized to transact business in this state under AS 21.87, or a health maintenance
29 organization authorized to operate in this state under AS 21.86. An excess loss
30 insurance policy may be obtained from a life or health insurer authorized to transact
31 business in this state under AS 21.09 or from a hospital or medical service corporation

1 authorized to transact business in this state under AS 21.87.

2 (6) [(5)] The Department of Administration shall make available bid
3 specifications for desired insurance benefits or for administration of benefit claims and
4 payments to (A) all insurance carriers authorized to transact business in this state
5 under AS 21.09 and all hospital or medical service corporations authorized to transact
6 business under AS 21.87 who are qualified to provide the desired benefits; and (B)
7 [TO] insurance carriers authorized to transact business in this state under AS 21.09,
8 hospital or medical service corporations authorized to transact business under
9 AS 21.87, and third-party administrators licensed to transact business in this state and
10 qualified to provide administrative services. The specifications shall be made
11 available at least once every five years. The lowest responsible bid submitted by an
12 insurance carrier, hospital or medical service corporation, or third-party administrator
13 with adequate servicing facilities shall govern selection of a carrier, hospital or
14 medical service corporation, or third-party administrator under this section or the
15 selection of an insurance carrier or a hospital or medical service corporation to provide
16 excess loss insurance as provided in AS 39.30.091.

17 (7) [(6)] If the aggregate of dividends payable under the group
18 insurance policy exceeds the governmental unit's share of the premium, the excess
19 shall be applied by the governmental unit for the sole benefit of the employees.

20 (8) [(7)] A person receiving benefits under AS 14.25.110, AS 22.25,
21 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
22 effect under this section at the time of termination of employment with the state or
23 participating governmental unit.

24 (9) [(8)] A person electing to have insurance under (8) [(7)] of this
25 subsection shall pay the cost of this insurance.

26 (10) [(9)] For each permanent part-time state employee electing
27 coverage under this section, the state shall contribute one-half the state contribution
28 rate for permanent full-time state employees, and the permanent part-time employee
29 shall contribute the other one-half.

30 (11) [(10)] A person receiving benefits under AS 14.25, AS 22.25,
31 AS 39.35, or former AS 39.37 may obtain auditory, visual, and dental insurance for

1 that person and eligible dependents under this section. The level of coverage for
2 persons over 65 shall be the same as that available before reaching age 65 except that
3 the benefits payable shall be supplemental to any benefits provided under the federal
4 old age, survivors, and disability insurance program. A person electing to have
5 insurance under this paragraph shall pay the cost of the insurance. The commissioner
6 of administration shall adopt regulations implementing this paragraph.

7 (12) [(11)] A person receiving benefits under AS 14.25, AS 22.25,
8 AS 39.35, or former AS 39.37 may obtain long-term care insurance for that person
9 and eligible dependents under this section. A person who elects insurance under this
10 paragraph shall pay the cost of the insurance premium. The commissioner of
11 administration shall adopt regulations to implement this paragraph.

12 (13) [(12)] Each licensee holding a current operating agreement for a
13 vending facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy
14 that applies to governmental units other than the state.

15 * Sec. 2. AS 39.30.090(b)(1) is amended to read:

16 (1) "eligible employee" means

17 (A) an employee who has served in permanent full-time or
18 part-time employment with the same governmental unit, small business, small
19 nonprofit organization, or member of a small association for insurance
20 purposes for 30 days or more, except an emergency or temporary employee;

21 (B) an elected or appointed official of a governmental unit,
22 effective upon taking the oath of office; and

23 (C) a contractual employee of the legislative branch of state
24 government under AS 24.10.060(f) if the employee's personal services contract
25 provides that the employee is entitled to coverage;

26 * Sec. 3. AS 39.30.090(b) is amended by adding new paragraphs to read:

27 (4) "Alaska business" means the business is located in Alaska and is
28 organized under the relevant provisions of the Alaska Statutes; if the form of business
29 is not required to be organized under a statute, then the sole proprietor or joint
30 venturers who own the business must be Alaska residents;

31 (5) "small business" means an Alaska business that employed an

1 average of at least two but not more than 50 eligible employees on the business days
2 during the preceding calendar year and that employs at least two eligible employees on
3 the first day of a health benefit plan year;

4 (6) "small nonprofit organization" means a nonprofit corporation,
5 association, club, or society organized and operated exclusively for charitable,
6 religious, scientific, or educational purposes or for the promotion of social welfare and
7 that has received an exemption from the payment of federal income tax, that employed
8 an average of at least two but not more than 50 eligible employees on the business
9 days during the preceding calendar year, and that employs at least two eligible
10 employees on the first day of a health benefit plan year;

11 (7) "small association for insurance purposes" means an association
12 composed of small businesses or nonprofit organizations that, as a group, collectively
13 employs an average of at least two but not more than 50 eligible employees on the
14 business days during the preceding calendar year and that collectively employs at least
15 two eligible employees on the first day of a health benefit plan year.

16 * Sec. 4. This Act takes effect January 1, 2003.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

JUDICIARY COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

website: <http://www.akrepublicans.org/Rokeberg.htm>



INTERIM:
716 WEST 4TH AVENUE, SUITE 350
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

MEMORANDUM

TO: Representative John Coghill, Jr., Chairman
House State Affairs Committee

FROM: Representative Norman Rokeberg *Norman/jp*

DATE: March 4, 2002

RE: SSHB 315 – Health Insurance

Please schedule SSHB 315 for a hearing before your committee.

Attached are the following:

1. SSHB 315
2. Sponsor Statement
3. Sectional Analysis
4. State of Alaska Select Benefits 2001/2002 Premium Card
5. State of Alaska Select Benefits Medical Plan Comparison
6. Selected Information from Division of Insurance 63rd Annual Report
7. Selected Information from the WEB site for the Division of Insurance concerning insurance consumer guide for health insurance.
8. "Options Limited in Alaska", ALASKA BUSINESS MONTHLY, November 2001
9. Letters
 - a. Ronald Jordan
 - b. Seaview Community Services
 - c. Alaska Association for Education of Young Children
 - d. Alaska Community Mental Health Services Association
 - e. Alaska Mental Health Board

Sponsor Statement for HB 315 State Health Insurance

An Act requiring a single insurance provider for all state employees and allowing small employers to join as a group; and providing for an effective date.

Updated: February 15, 2002
Contact: Representative Norman Rokeberg's office at (907) 465-4968

SSHB 315 would allow small businesses, small nonprofit organizations, or small associations for insurance purposes (2 to 300 employees) to join the state's health insurance plan and thus provide coverage for their employees. The small business, nonprofit, or association would be responsible for the premiums due for the coverage of its employees.

According to the Division of Insurance, one health insurance provider writes one-half of the private health insurance policies and three providers write a large percentage of small employer policies. The intent of this bill is to provide quality health insurance for state employees and small business employers or small nonprofit organizations in Alaska at reasonable prices by creating a larger pool of covered lives.

Currently, the premiums for State of Alaska, Select Benefits (those state employees not covered by union health trusts), are:

- Premium Plan for Employee Only [90% coinsurance, \$250 individual deductible] is \$695 per month;
- Premium Plan for Employee and Family [90% coinsurance, \$500 family deductible] is \$825 per month;
- Standard Plan for Employee and Family [80% coinsurance, \$250 individual deductible, \$500 family deductible] is \$635 per month; and
- Economy Plan for Employee and Family [70% coinsurance, \$500 individual deductible, \$1000 family deductible] is \$536 per month

Premiums above are good through June 30, 2002. At that time, state employees will be advised of new premiums and will be able to change plans if desired.

The legislation contains definitions for "Alaska business", "small business", "small nonprofit organization", and "small association for insurance purposes". The Act would take effect July 1, 2003, as it would take some time for the State to establish regulations and set up a system to permit this insurance coverage to take place.

I urge your support of this legislation.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 2, 2002

SUBJECT: Sectional Summary for SSHB 315, Work Order No. 22-LS1177J

TO: Representative Norman Rokeberg
Attn: Janet Seitz

FROM: Barbara R. Craver *BRC*
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. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Allows employees of small businesses, small non-profit organizations and members of small associations for insurance purposes to join the state insurance plan. Also sets out how these groups apply to participate in an insurance plan.

Section 2. Adds new definitions to cover the new groups added in section 1.

Section 3. Provides an effective date of July 1, 2003.

BRC:lmb
02-034.lmb

**STATE OF ALASKA
SELECT BENEFITS
2001/2002 PREMIUM CARD**

The monthly premiums for each option is listed below. The premium cost for each benefit follows. The total premium cost for the options you select will be withheld from your salary each month. The premiums will be split. Since these premiums are deducted before taxes are calculated, your taxable income is reduced. The premiums on this card are effective 7/1/2001 through 6/30/2002.

MEDICAL

Option	Monthly Cost
Premium Plan for Employee Only	\$ 695
Premium Plan for Employee and Family	825
Standard Plan for Employee and Family	635
Economy Plan for Employee and Family	536

DENTAL

Option	Monthly Cost for Employee and Family
Premium Plan	\$ 160
Standard Plan	95
Preventive Plan	39

Your Dental election will remain in effect for at least 18 months. Premiums are subject to change.

VISION

Option	Monthly Cost for Employee and Family
No Coverage	\$ 0
Standard Plan	30
Managed Care Plan	20

Your Vision election will remain in effect for at least 18 months. Premiums are subject to change.

LIFE INSURANCE

Employee Age	Monthly Cost				
	\$10,000	\$20,000	\$30,000	\$40,000	\$48,000
Under 30	\$.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.32
30 - 39	1.10	2.20	3.30	4.40	5.28
40 - 44	1.80	3.60	5.40	7.20	8.64
45 - 49	2.60	5.20	7.80	10.40	12.48
50 - 54	4.10	8.20	12.30	16.40	19.68
55 - 59	6.10	12.20	18.30	24.40	29.28
60 - 64	8.70	17.40	26.10	34.80	41.76
65 - 69	12.60	25.20	37.80	50.40	60.48
70 - 74	27.90	55.80	83.70	111.60	133.92
75 - 79	53.00	106.00	159.00	212.00	254.40
80 - 84	75.20	150.40	225.60	300.80	360.96
85 and over	115.70	231.40	347.10	462.80	555.36

To determine your monthly premium, find your age as of 7/1/2001, the amount of life insurance elected, and the corresponding premium on the chart.

**ACCIDENTAL DEATH
AND DISMEMBERMENT**

Who is covered	Monthly Cost
Employee	\$4.00
Employee and Family	\$6.00

Your monthly premium is based on whom you elect to cover: you or you and your family.

SURVIVOR BENEFITS

Employee Age	Monthly Cost
Under 30	\$3.04
30 - 39	3.80
40 - 44	6.08
45 - 49	8.74
50 - 54	13.68
55 - 59	20.52
60 - 64	29.64
65 and over	42.56

To determine your monthly premium, find your age as of 7/1/2001 and the corresponding premium on the chart.

SHORT-TERM DISABILITY

Who is covered	Plan	Monthly Cost
Employee	Plan A \$210/week	\$1.96

Every employee who elects this benefit pays the same premium.

LONG-TERM DISABILITY

Employee Age	Premiums per \$100 of Wage	
	Plan B (50%)	Plan C (70%)
Under 25	\$.65	\$ 1.45
25 - 29	.66	1.46
30 - 34	.67	1.48
35 - 39	.69	1.53
40 - 44	.74	1.61
45 - 49	.79	1.72
50 - 54	.86	1.88
55 - 59	.95	2.05
60 - 64	.97	2.10
65 - 69	1.01	2.19
70 and over	1.25	2.62

To determine your monthly premium, divide your monthly wage by 100 and multiply the result by the monthly premium for your age group. Example: If your base pay is \$2,000 monthly and you are 54, the cost for Plan B is \$17.20 per month (2,000 ÷ 100 = 20 x \$.86 = \$17.20).

**HEALTH CARE
REIMBURSEMENT**

Minimum Monthly Amount	\$ 20
Maximum Annual Amount	\$5,000

You must contribute in whole dollar amounts. The amount of contributions you elect will be deducted from your paycheck in equal amounts throughout the year.

**DEPENDENT CARE
REIMBURSEMENT**

Minimum Monthly Amount	\$ 25
Maximum Annual Amount	\$5,000

You must contribute in whole dollar amounts. The amount of contributions you elect will be deducted from your paycheck in equal amounts throughout the year.

SELECT BENEFITS MEDICAL PLAN COMPARISON

	PREMIUM	STANDARD	ECONOMY
Deductible	\$250 Individual \$500 Family	\$250 Individual \$500 Family	\$500 Individual \$1000 Family
Coinsurance	90%	80%	70%
Annual Out of Pocket Maximum	\$550/person includes deductible	\$1250/person includes deductible	\$2500/person includes deductible
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Prescription Drugs	<u>Card program</u> \$10 copay brand names \$5 copay generics <u>Without card</u> 60% - After medical deductible <u>Mail order</u> \$2 copay brand name \$0 copay generic	<u>Card program</u> \$10 copay brand names \$5 copay generics <u>Without card</u> 60% - After medical deductible <u>Mail order</u> \$2 copay brand name \$0 copay generic	<u>Card program</u> \$10 copay brand names \$5 copay generics <u>Without card</u> 60% - After medical deductible <u>Mail order</u> \$2 copay brand name \$0 copay generic
Emergency Room Copayment	\$100 each incident for nonemergency use	\$100 each incident for nonemergency use	\$100 each incident for nonemergency use
Wellness & Patient Education	Available	Available	Available
Physicals, Well Baby Care, Immunizations	Provided under medical plan. Paid at same coinsurance as other expenses after deductible	Provided under medical plan. Paid at same coinsurance as other expenses after deductible	Provided under medical plan. Paid at same coinsurance as other expenses after deductible

There is no difference in the services covered under the plans; only difference is in the level of coverage.



Send an e-mail message to the Benefits Section

6th Floor, State Office Building
 PO Box 110203, Juneau, AK 99811-0203, Phone: (907) 465-4460, Fax: (907) 465-3086
 [[department of administration](#) - [state](#) - [state employees](#) - [r&b webmaster](#) - [office locations](#)]

Since 8/14/2001
 000003



STATE OF ALASKA

**Department of Community and
Economic Development**

DIVISION OF INSURANCE 63rd ANNUAL REPORT

Calendar Year 2000 ♦ Fiscal Year 2001



IX

**Statistical
& Financial
Data**



**2000 ALASKA HOSPITAL AND
MEDICAL SERVICE CORPORATIONS
(\$000)**

PREMIUMS WRITTEN

INSURER	GROUP REMITTANCE		GROUP CONVERSION	MEDICARE SUPPLEMENT	INDIVIDUAL	EXPERIENCE RATED	TOTAL
	Community Rated	Family					
PREMERA/ BLUE CROSS	44,354	0	68	1,475	14,706	131,877	192,480
ALASKA VISION	0	1,250	0	0	0	0	1,250

PREMIUMS EARNED

INSURER	GROUP REMITTANCE		GROUP CONVERSION	MEDICARE SUPPLEMENT	INDIVIDUAL	EXPERIENCE RATED	TOTAL
	Community Rated	Family					
PREMERA/ BLUE CROSS	44,135	0	67	1,462	14,558	131,443	191,665
ALASKA VISION	0	1,248	0	0	0	0	1,248

CLAIMS INCURRED

INSURER	ALL MEDICAL SURGICAL HOSPITAL	DENTAL	VISION	OTHER	TOTAL	NUMBER OF SUBSCRIBERS*
PREMERA/ BLUE CROSS	156,711	0	0	0	156,711	92,616
ALASKA VISION	0	0	1,072	0	1,072	9,499

*Numbers not rounded to the nearest thousand.

2000 ALASKA ACCIDENT & HEALTH/LIFE INSURANCE MARKET SHARE

01 - GROUP (\$000)

COMPANY NAME	PERCENT OF MARKET	DIRECT PREMIUMS WRITTEN
Principal Life Ins Co	14.45	18,034
Aetna Life Ins Co	14.33	17,879
Employers Health Ins Co	9.84	12,275
United Healthcare Ins Co	7.84	9,783
Great West Life & Annuity Ins Co	5.62	7,011
Guardian Life Ins Co of Amer	5.39	6,730
United of Omaha Life Ins Co	4.09	5,098
Golden Rule Ins Co	4.02	5,017
Unum Life Ins Co of Amer	3.43	4,285
Mega Life & Health Ins Co The	3.15	3,932
John Alden Life Ins Co	2.37	2,954
Hartford Life & Accident Ins Co	1.81	2,258
JC Penney Life Ins Co	1.81	2,253
Standard Ins Co	1.59	1,989
Mutual of Omaha Ins Co	1.26	1,572
Fortis Benefits Ins Co	1.11	1,389
Life Ins Co of North Amer	1.07	1,335
TransAmerica Life Ins Co	1.04	1,293
States West Life Ins Co	1.02	1,278
Allianz Life Ins Co of North Amer	1.02	1,270
TOTAL FOR TOP 20 RANKED INSURERS	86.25	107,639
TOTAL FOR ALL 142 INSURERS WRITING THIS LINE	100.00	124,792

02 - CREDIT (\$000)

COMPANY NAME	PERCENT OF MARKET	DIRECT PREMIUMS WRITTEN
American Natl Ins Co	21.42	993
Cuna Mut Ins Society	20.41	946
American Bankers Life Assur Co of FL	15.98	740
North Central Life Ins Co	12.21	566
Union Security Life Ins Co	11.78	546
Minnesota Life Ins Co	10.29	477
Resource Life Ins Co	5.46	253
Centurion Life Ins Co	3.69	171
JC Penney Life Ins Co	0.91	42
Household Life Ins Co	0.88	41
Protective Life Ins Co	0.37	17
Life Investors Ins Co of Amer	0.30	14
Associates Financial Life Ins Co	0.29	14
American Gen Assur Co	0.28	13
Allstate Life Ins Co	0.23	11
Balboa Life Ins Co	0.17	8
USAA Life Ins Co	0.04	2
Central States H & L Co of Omaha	0.00	0
Old Republic Life Ins Co	0.00	0
MIC Life Ins Corp	-0.01	0
TOTAL FOR TOP 20 RANKED INSURERS	104.72	4,853
TOTAL FOR ALL 28 INSURERS WRITING THIS LINE	100.00	4,635

2000 ALASKA ACCIDENT & HEALTH/LIFE INSURANCE MARKET SHARE

9 - ALL OTHER (\$000)

COMPANY NAME	DIRECT PERCENT OF MARKET	PREMIUMS WRITTEN
Fortis Benefits Ins Co	33.58	7,144
American Family Life Asr Co Columbus	20.25	4,309
New York Life Ins Co	4.44	946
Physicians Mut Ins Co	3.70	786
Northwestern Mut Life Ins Co	2.39	509
Unum Life Ins Co of Amer	2.38	506
Golden Rule Ins Co	2.31	491
Colonial Life & Accident Ins Co	2.18	464
Paul Revere Life Ins Co	2.15	458
Provident Life & Accident Ins Co	2.11	448
Mutual of Omaha Ins Co	1.94	413
Equitable Life Assr Soc of The US	1.51	320
Mony Life Ins Co	1.40	298
Bankers United Life Assur Co	1.37	291
John Hancock Life Ins Co	1.23	262
Conseco Senior Health Ins Co	1.14	242
Continental General Ins Co	1.10	234
General Electric Capital Assur Co	0.87	185
Berkshire Life Ins Co	0.85	181
USAA Life Ins Co	0.78	166
TOTAL FOR TOP 20 RANKED INSURERS	87.68	18,652
TOTAL FOR ALL 163 INSURERS WRITING THIS LINE	100.00	21,274

10 - TOTAL (\$000)

COMPANY NAME	DIRECT PERCENT OF MARKET	PREMIUMS WRITTEN
Principal Life Ins Co	11.58	18,136
Aetna Life Ins Co	11.45	17,923
Employers Health Ins Co	7.84	12,275
United Healthcare Ins Co	6.25	9,783
Fortis Benefits Ins Co	5.45	8,533
Great West Life & Annuity Ins Co	4.48	7,018
Guardian Life Ins Co of Amer	4.35	6,819
Continental Assur Co	3.76	5,884
Golden Rule Ins Co	3.52	5,508
United Of Omaha Life Ins Co	3.26	5,099
Unum Life Ins Co of Amer	3.08	4,820
American Family Life Asr Co Columbus	2.75	4,312
Mega Life & Health Ins Co The	2.51	3,932
John Alden Life Ins Co	1.89	2,962
JC Penney Life Ins Co	1.50	2,352
Hartford Life & Accident Ins Co	1.44	2,259
Mutual of Omaha Ins Co	1.35	2,120
Standard Ins Co	1.27	1,994
New York Life Ins Co	1.12	1,749
Life Ins Co of North Amer	0.85	1,339
TOTAL FOR TOP 20 RANKED INSURERS	79.71	124,819
TOTAL FOR ALL 218 INSURERS WRITING THIS LINE	100.00	156,598

HEALTH INSURANCE BY PRODUCT LINE

INDIVIDUAL - CALENDAR YEAR 2000

PRODUCT	#POLICIES BEG OF YEAR	#INDIVIDUALS COVERED BEG OF YEAR	# NEW POLICIES ISSUED DURING THE YEAR	#INDIVIDUALS NEWLY ISSUED COVERAGE DURING THE YEAR	#POLICIES TERMINATED DURING THE YEAR	# COVERED INDIVIDUALS TERMINATED DURING THE YEAR	#POLICIES IN FORCE END OF YEAR	#INDIVIDUALS COVERED END OF YEAR	EARNED PREMIUM	INCURRED CLAIMS
ACCIDENT	7,608	15,627	5,089	7,770	2,555	4,210	10,116	18,988	2,289,313	1,040,891
COMP MED PPO	5,782	16,685	49	388	548	5,153	5,177	9,330	25,020,333	17,609,996
NON-PPO	615	1,253	184	350	237	327	536	1,253	2,337,425	1,190,683
DENTAL PPO										
NON-PPO	125	247	85	164	85	164	126	247	80,313	26,623
DISABILITY INCOME	4,636	4,763	1,368	1,309	935	1,004	5,217	4,872	3,921,924	995,920
HOSPITAL EXPENSE	773	1,164	285	463	204	313	755	1,314	1,284,847	1,473,652
HOSPITAL INDEMNITY	4,367	7,055	1,182	2,019	1,068	1,766	4,481	7,322	3,996,156	1,551,085
LIMITED BENEFIT	4	4			1	1	3	3	3,651	
LONG TERM CARE	848	868	638	652	80	85	1,409	1,438	20,118,228	427,751
MEDICAL EXPENSE	31	35			8	9	23	27	18,882	27,269
MEDICAL SUPPLEMENT	1,586	1,625	182	141	88	92	1,701	1,580	2,485,946	1,713,079
SPECIFIED DISEASE	4,477	8,743	2,256	3,973	1,146	1,834	5,585	10,880	1,583,694	589,795
VISION PPO	205	397	102	219	90	175	217	441	11,790	6,791
NON-PPO										
OTHER	285	305	10	10	21	35	275	282	200,028	256,477
OTHER: INTENSIVE CARE	2,342	5,100	1,124	2,288	781	1,618	2,685	5,770	357,756	107,472
OTHER: GROUP CONVERSI	72	85	1	1	7	9	72	84	111,497	318,095
OTHER: CHAMPUS										
OTHER: SHORT TERM	39	80	163	258	161	277	57	92	57,419	4,199
OTHER: GUAR RENEW AH	2	2			1	1	1	1	5,846	349
OTHER: CREDIT INS										
TOTAL	33,798	64,049	12,720	20,005	8,016	17,083	38,536	63,924	45,178,678	27,330,131

This report was compiled from data provided by the companies. The Division of Insurance does not warrant the accuracy of this information.

HEALTH INSURANCE BY PRODUCT LINE

SMALL EMPLOYER (2-50) GROUP – CALENDAR YEAR 2000

PRODUCT	#POLICIES BEG OF YEAR	#INDIVIDUALS COVERED BEG OF YEAR	# NEW POLICIES ISSUED DURING THE YEAR	#INDIVIDUALS NEWLY ISSUED COVERAGE DURING THE YEAR	#POLICIES TERMINATED DURING THE YEAR	#COVERED INDIVIDUALS TERMINATED DURING THE YEAR	#POLICIES IN FORCE END OF YEAR	#INDIVIDUALS COVERED END OF YEAR	EARNED PREMIUM	INCURRED CLAIMS
ACCIDENT	185	2,524	43	791	34	619	194	25,167	591,842	588,225
COMP MED FPO	9,282	25,476	147	2,509	542	5,595	11,165	23,356	60,704,541	42,133,840
NON-PPO	735	8,997	311	1,563	169	1,944	658	8,662	21,243,738	14,936,480
DENTAL FPO	4	105					4	102	86,146	
NON-PPO	513	9,423	74	2,548	134	2,221	471	9,443	3,760,795	2,268,508
DISABILITY INCOME	124	2,234	16	705	33	400	108	2,568	663,578	601,603
HOSPITAL EXPENSE	21	151			13	33	11	18	214,808	209,866
HOSPITAL INDEMNITY		148				3		69	7,274	3,769
LONG TERM CARE		8						8	8,369	902
MEDICAL EXPENSE									34,593	87,876
MEDICAL SUPPLEMENT										
SPECIFIED DISEASE	12	18				1	12	17	3,666	
STOP LOSS	3	15		1	1	5	2	11	65	
VISION FPO	13	662					13	730	34,950	26,812
NON-PPO										
OTHER: LONG TERM CARE										
OTHER: HOURLY										
OTHER	1	836					1	836	93	13,810
TOTAL	10,896	73,097	591	8,118	926	10,851	12,639	71,117	87,345,288	60,871,891

HEALTH INSURANCE BY PRODUCT LINE

ALL OTHER GROUP - CALENDAR YEAR 2000

PRODUCT	# POLICIES BEG OF YEAR	# INDIVIDUALS COVERED BEG OF YEAR	# NEW POLICIES ISSUED DURING THE YEAR	# INDIVIDUALS NEWLY ISSUED COVERAGE DURING THE YEAR	# POLICIES TERMINATED DURING THE YEAR	# COVERED INDIVIDUALS TERMINATED DURING THE YEAR	# POLICIES IN FORCE END OF YEAR	# INDIVIDUALS COVERED END OF YEAR	EARNED PREMIUM	INCURRED CLAIMS
Accident	3,035	162,367	192	30,028	542	33,121	2,757	162,218	5,215,961	3,712,815
Comp/Med FPO	25,082	69,816	12	140	12	5,566	27,133	68,008	138,751,231	126,172,320
Non-FPO	1,830	16,051	863	4,128	403	3,000	2,124	15,784	19,105,699	11,796,818
Dental FPO	5	926		110	1	336	4	665	324,216	120,971
Non-FPO	35	13,209	7	633	23	6,752	26	6,756	1,637,498	1,049,698
Disability Income	478	33,426	34	13,860	34	2,235	480	41,126	9,794,608	9,460,220
Hospital Expense	8	421					8	419	826,603	1,024,606
Hospital Indemnity	229	4,414	10	121	28	126	206	4,411	703,653	512,672
Long Term Care	16	290	120	422	20	38	320	674	473,273	325,244
Medical Expense	49	111	7	7		2	55	116	133,652	73,560
Medical Supplement	273	4,312	19	145	51	55	257	4,401	5,375,167	4,216,320
Specified Disease	537	1,250	64	2,540	42	1,521	570	2,260	316,937	118,38
Stop-Loss	8	9,511	13	13,315	6	1,458	18	20,282	3,445,408	30,058,878
Vision FPO	19	19,402	1	511			20	21,249	1,242,753	1,071,703
Non-FPO	3	5,115			2	1,600	2	13,162	134,777	71,747
Other:	139	1,637	19	1,276	25	1,341	133	1,729	1,805,911	800,754
Other: Special Risk	35	22,531	1	2	2	22	34	22,511	2,971,136	612,636
Other: Credit	21	331	122	180	66	84	320	397	81,739	39,326
Other: Short Term	1	28	1	63	1	79	1	13	15,096	638
Other: Global Acosick	1	2			1	2			338	20,697
Other: Champus	22	107			3	8	19	99	16,075	10,705
Other: Airflight Ins							5		567,179	204,450
Other: AH	1	755		263		352	1	665	9,854	-7,591
Other: Tricare		12					12	18,505	3,561	
Total	31,841	366,024	1,485	67,744	1,263	57,689	34,474	386,988	189,999,319	164,311,576



Alaska Insurance Consumer Guide

Health Insurance

Everyone runs the risk of becoming ill or suffering an accident that results in doctor or hospital bills, and sometimes in loss of income. Most Alaskans need protection from unexpected and sometimes devastating expenses associated with an illness or accident.

How do you choose from the hundreds of medical plans available? To wisely purchase medical care protection you must:

- Determine your family's needs
- Know the different types of protection available
- Choose a plan on the basis of coverage, costs, and services

Before buying a health insurance policy, know what insurance or other benefits you already have. This will help prevent duplicating coverage and will help you determine if you have enough coverage, inadequate coverage, or no coverage at all. Make sure you have up-to-date information on medical insurance, disability benefits, and sick leave benefits provided by your employer. Your first priority should be assuring that you have either a comprehensive major medical insurance policy or both basic medical insurance and supplemental major medical insurance.

How Health Insurance Policies are Sold

Individual Insurance

An individual insurance policy provides coverage to a specific individual or to an individual and their family under a policy issued to that individual. In order to be considered for individual insurance coverage, you will be asked to provide evidence of insurability that may require you to undergo a medical examination. This is called medical underwriting. The same requirements would apply to any dependents you may insure under the policy.

Group Insurance

A group insurance policy provides coverage to individuals under a single master policy issued to the group policy owner. Certificates of insurance are provided to the individuals. The policy owner may be an employer, an association, a labor union, or other entity. Unless the group is small, no individual medical underwriting is performed. Instead, insurers require minimum employee or member participation levels and minimum employer contribution levels in order to assure that there are sufficient individuals in the group in good health to balance those in the group in poor health.

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Alaska Insurance Consumer Guide

Types of Health Insurance Plans

Following is a summary of several types of health insurance plans sold as group and individual health insurance. The actual health insurance benefits will vary from policy to policy. Therefore, it is important to read and understand your insurance contract. The term **provider** is commonly used in health insurance and in this guide to refer to physicians and other providers of medical care.

Basic Medical

A basic medical insurance policy provides coverage for basic hospital, provider and other services. There are limits placed on the benefits for covered services such as a limited number of hospital days, a maximum payment for each day of hospital confinement, or a surgical schedule where a specific payment maximum is established for each procedure. These benefits are provided without deductibles or coinsurance.

Supplemental Major Medical

Under a supplemental major medical policy, benefits are structured to supplement a basic medical insurance policy. The policy would pay for any covered services and supplies not covered by the basic medical insurance policy after the required deductible has been paid and subject to the coinsurance requirements. A basic medical policy in combination with a supplemental major medical policy results in coverage similar to a comprehensive major medical policy.

Comprehensive Major Medical

A comprehensive major medical policy provides coverage for almost all types of medical care services and supplies and has high benefit limits. These policies cover hospital, provider, and other services subject only to the required deductible, coinsurance, and benefit maximums. Unlike basic medical, individuals are required to share in the cost of their medical expenses. These policies have replaced most of the basic medical insurance policies.

Limited Benefit

Limited benefit plans are offered as independent, noncoordinated benefits provided under a separate policy and paid without regard to any other insurance plan. Examples of these types of plans include **hospital indemnity policies** that pay a fixed amount for each day of hospital confinement, and **specified or dread disease policies** that only pay for medical expenses associated with a specified disease (such as cancer or heart disease).

Long-Term Care

Long-term care insurance policies provide nursing home or home health care benefits for individuals with a prolonged physical illness, disability or mental disorder, medical condition, or a deficiency affecting activities of daily living or lifestyle. Benefits are provided as a reimbursement for services, but subject to a fixed dollar maximum per day. Usually a waiting period called an **elimination period** of 0, 30, 90, 180, or 360 days is required before the plan will pay benefits. Long-term care insurance may be available as a rider to a life insurance or annuity policy, as well as a separate health insurance policy.

Medicare Supplement

Medicare supplement (also called Medigap) insurance is sold to people age 65 and older and helps

pay for medical costs that Medicare Parts A & B do not pay, such as the deductible and coinsurance amounts. Medicare supplement insurance is regulated by both state and federal laws. This coverage can only be provided through ten standard health plans that vary in the amount and type of coverage provided. Coverage is available to individuals without medical underwriting for six months following the date the individual first becomes eligible for Medicare Part B. The Division of Insurance produces, on an annual basis, a rate comparison guide that outlines the basic characteristics of Medicare supplement insurance, describes the ten standard health insurance plans, and shows the current premium rates charged by the insurers selling this insurance in Alaska. There is also a pamphlet entitled "Health Insurance for People with Medicare" produced by the 50 states and the federal government that summarizes the Medicare and Medicare supplement programs. Both publications are available from the Division of Senior Services, 3601 C Street, Suite 310, Anchorage, Alaska 99503, telephone number (907) 269-3680 or (800) 478-6065.

Dental Insurance

Dental insurance covers costs associated with the care of teeth. Benefits for preventive services, such as cleanings and exams are generally limited to once every six months. Most plans contain coinsurance and deductible cost-sharing requirements. The coinsurance provisions will vary based on the type of procedure.

Vision Coverage

Vision coverage provides benefits for glasses, contact lenses, and eye examinations up to a specified amount per year. Vision benefits are often subject to a set schedule of benefits and limits on the frequency of services. A typical vision plan covers the cost for one examination per year, with coverage for glasses and contact lenses limited to once every two years.

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Alaska Insurance Consumer Guide

Things to be Aware of Regarding Health Insurance Policies

Benefit Limits

- Most health insurance plans set a maximum benefit amount that will be provided for all covered services and supplies over the lifetime of the covered individual. This is called a **lifetime maximum**. This maximum is often set at \$1,000,000.
- Most health insurance plans set a maximum benefit amount that provides for particular services and supplies, such as a maximum benefit of \$250,000 for organ transplants.
- Some health insurance plans limit the benefit that will be provided per day for a covered service. This is called a **daily maximum**. They may also limit the number of days that a service will be covered. These types of limits are generally used for services including mental and nervous disorders, skilled nursing facilities, and home health care.
- Many health insurance plans limit the total benefit that will be provided per year for covered services. This is called an **annual maximum**. These limits are generally used for those services where it is difficult to assess whether the service is medically necessary.
- Most health insurance plans exclude or limit coverage for a period of time for medical conditions that existed within a certain period, commonly six months, prior to the date coverage began for which medical advice, diagnosis, care or treatment was recommended or received. This is called a **preexisting condition waiting period**. The waiting period is commonly 12 months. In most cases, insurance companies must reduce this waiting period by the number of days you were covered under prior health insurance plans, as long as you had no more than a 90-day break in your health insurance coverage.

Deductibles, Coinsurance, and Other Charges

- A **deductible** is a specified dollar amount an individual must pay in each policy period before reimbursement for expenses begin. The primary purpose of the deductible is to encourage individuals to use health care services only when necessary. A separate deductible may be required for specified services such as hospital admissions or prescription drugs. Some health plans may include a provision that allows any claims incurred in the last quarter of the policy period to be carried over and applied to meet the deductible in the next quarter.
- **Coinsurance** is that per-centage of covered services and supplies the insurer will pay for after the individual pays the de-ductible. The individual is responsible for the amount the insurer does not pay. A common coinsurance arrangement is for the insurer to pay 80% of charges for covered services and the individual 20%.
- **Out-of-pocket maximum** is the maximum dollar amount the individual pays for covered services and supplies during a specified period, generally a calendar year. This maximum may be defined to include or exclude the deductible. Once the out-of-pocket maximum is paid, benefits are paid at 100% of the costs incurred after that time.
- A **copayment** is the fixed dollar amount that the individual is required to pay at the time each covered service takes place. Copayments vary by type of service. They are commonly used with emergency services and prescription drugs.
- A **usual, customary and reasonable (UCR)** charge is an established maximum amount that an insurance company will reimburse for a medical expense covered under your health insurance policy. UCR charges are generally determined based on charges that are actually billed by providers for each medical procedure or service in a geographical area. In order to

determine a reasonable charge, UCR charges are commonly calculated as a percentile of the charges billed by providers. The percentile is generally set so that a large percentage, such as 80% or 90%, of charges actually billed by providers are reimbursable in full. Note that UCR charges are determined by each insurer and will vary.

- Under most health insurance plans, you will be responsible for paying any amount billed by a hospital or physician that is larger than the insurer's established UCR charges for the service or procedure. However, service corporations, such as Blue Cross, contract with various hospitals and providers who agree to accept the service corporation's payment as payment in full. Therefore you would not be responsible for paying any amount that exceeds their UCR charges, unless you chose to use a hospital or provider that does not have a contract with the service corporation.
- The following is an example of how the various charges described above impact the amount you may be responsible for paying for medical services:



The limits specified by your insurance policy:	
Deductible	\$ 500
Coinsurance	80%
Out-of-pocket maximum	\$1,000
<i>Amount Insurer Owes:</i>	
Charges billed by provider	\$4,200
Amount greater than the UCR for the procedure	-\$ 550
Amount you owe for your deductible	-\$ 500
Charges eligible for reimbursement by insurer	\$3,150
Insurer's coinsurance	80%
Amount insurer owes before out-of-pocket limit applied	\$2,520
Amount that is greater than your out-of-pocket limit	\$ 130
Total amount insurer owes after out-of-pocket limit applied	\$2,650
<i>Amount You Owe:</i>	
Deductible	\$ 500
Coinsurance amount (20% of \$3,150)	\$ 630
Amount of eligible charges before out-of-pocket limit applied	\$1,130
Amount greater than your out-of-pocket limit	-\$ 130
Amount of eligible charges after out-of-pocket limit applied	\$1,000
Amount greater than the UCR for the procedure	\$ 550
Total amount you owe	\$1,550

Covered Services and Supplies

There are two basic categories of services and supplies covered by health insurance policies.

- **Hospital Benefits** include expenses associated with stays at hospitals and other covered facilities, such as skilled nursing facilities, nursing homes and outpatient surgery centers. Benefits for hospital services often require that the individual or their physician contact the insurer or the employer to obtain prior approval for the number of days of hospital stay. Without this approval the benefits may be reduced.
- **Physician or Provider Benefits** include services provided by licensed physicians and other medical providers.

There are a number of other charges and services generally excluded from coverage under most health insurance plans. Following are examples of common exclusions:

- Services determined by the insurer to be medically unnecessary
- Services considered experimental by an accepted medical authority
- Services related to cosmetic surgery
- Services for mental or nervous disorders, vision, hearing
- Services that are provided without charge
- Services provided due to war
- Services provided as a result of a work-related injury
- Services provided by a relative
- Services related to normal pregnancy and routine well-baby care (these are generally excluded from individual policies and included in group policies).

Alaska law mandates that the following specific charges or services be covered in health insurance plans sold in Alaska. These requirements do not apply to employers with self-insured health plans.

- Coverage for newly born or adopted children for at least 30 days, if coverage includes dependents
- Coverage for treatment of alcoholism or drug abuse
- Low-dose mammography screening if the contract covers mastectomies and prosthetic devices and reconstructive surgery
- Treatment of phenylketonuria
- Coverage for not less than 48 hours after vaginal birth and 96 hours after a cesarean birth, if the contract covers the costs of childbirth
- Coverage for prostate cancer screening and cervical cancer screening

Coordination of Benefits

This provision applies to the situation where an individual is covered under two different health insurance plans. It is included in almost all group insurance plans. It requires that payments made under the two plans be coordinated so that the individual does not receive duplicate payments for a service, thereby being reimbursed more than what was spent. Duplicate coverage frequently occurs when an individual is covered under both their own and their spouse's insurance plans. Most coordination of benefits provisions require that the individual's own plan pay first on a claim, and the other plan only pay the amounts not covered by the first plan. It is important that this provision be reviewed so that misunderstandings can be avoided regarding the benefit payments each insurer will make.

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Alaska Insurance Consumer Guide

Alaska Health Insurance Laws

Small Employer Health Insurance

Alaska Statute requires insurers who offer health insurance coverage to small employers in the state to offer each small employer (defined as those with 2-50 employees) all the health insurance plans that they offer to other small employers in the state regardless of the health or claims experience of the group. They must offer coverage to all eligible employees and not deny coverage to an employee. This law does not require an employer to purchase coverage for their employees. Alaska law also requires that insurance companies providing coverage to small employers adhere to certain rating restrictions including a maximum annual rate increase of 15% for poor group claims experience.

Large and Small Employer Health Insurance

According to Alaska law, insurance companies that offer health insurance coverage to large and small employer groups:

- May not base eligibility for coverage on health status, claims experience, medical history or condition, disability, receipt of health care, genetic information or any evidence of insurability.
- Must continue to renew the coverage, except in certain specified circumstances such as a failure to pay premiums
- May not require a preexisting condition waiting period that is longer than 12 months for a health condition that existed prior to the effective date of coverage which is called a preexisting condition waiting period. Pregnancy and genetic information cannot be considered preexisting conditions and therefore no waiting period may be applied.
- Must reduce any preexisting condition waiting period by the amount of time an individual was covered under prior health insurance coverage. However, the insurer is not required to reduce such a waiting period by any periods of health insurance coverage before a 90 day or more break in health insurance coverage. For example:
- An individual is covered under employer A's health insurance plan for 6 months before terminating coverage. The individual then terminates employment and is not covered under any health insurance plan for 100 days. The individual then becomes covered under employer B's health plan and remains covered for 5 months. The individual terminates employment and is not covered under any health insurance plan for 45 days. The individual then enrolls in employer C's health insurance plan which has a 12 month preexisting condition waiting period. Since the individual had a break in coverage of more than 90 days between employer A and employer B, the 6 months covered under employer A's health insurance plan are not used to reduce the 12 month preexisting condition waiting period. Therefore, only 5 months of coverage with employer B will be used to reduce the 12 month preexisting condition waiting period. Employer C's health insurance plan may only apply a 7-month waiting period (12 months – 5 months).

Comprehensive Health Insurance Association (CHIA)

In 1992, the Alaska legislature established a health insurance program for high-risk individuals. This law allows all individuals who have been refused coverage by at least two insurers, who have a specified medical condition, or who meet certain other criteria, to purchase coverage through the CHIA. Individuals who meet the state definition of a federally defined eligible individual can receive coverage through the CHIA without a waiting period. A federally defined eligible individual is an individual whose most recent coverage was under a group health plan; who had at least 18 months of

health insurance coverage; who has exhausted any available COBRA coverage; whose most recent coverage was not terminated due to nonpayment of premiums or fraud; who does not have other health insurance coverage; and who is not eligible for other coverage.

The premium rates for the program are set at 175% of the average standard risk rate for health insurance plans sold in Alaska with similar benefits.

For information on this program, contact the Division of Insurance in Anchorage at 1-800-467-8725 (in Alaska only) or 907-269-7900.

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Alaska Insurance Consumer Guide

Federal Laws Affecting Health Insurance

COBRA

COBRA is the federal law that requires employers to continue to provide their health insurance coverage to employees who have been laid off or terminated. The coverage may extend from 18 to 36 months. To obtain coverage under COBRA, the employee or their dependent must apply to the employer within 60 days of termination of their employment. The U.S. Department of Labor handles all inquiries regarding COBRA coverage. Inquiries should be sent to:

Office of Program Services
 Pension and Welfare
 Benefits Administration
 U.S. Department of Labor
 200 Constitution Ave., N.W.
 Washington, DC 20210
 (202) 219-8776

ERISA (Employee Retirement Income Security Act)

Many people who believe that they have a health insurance policy through their employer are actually covered under what is called a self-insured health plan. A **self-insured health plan** exists when an employer chooses to pay for medical bills directly, instead of purchasing insurance for that purpose. Most self-insured plans are regulated by the federal government through the Department of Labor under the authority of ERISA and are exempt from state regulation. Most large employers have self-insured health plans. The State of Alaska changed to a self-insured health plan for employees and retirees effective July 1, 1997.

Employers choosing to self-insure their health plans are not subject to state insurance laws such as benefit mandates, state premium taxes, capital and surplus requirements, and reserve requirements. They are also able to gain more control over their cash flow and have more freedom in determining benefits to be provided to their employees. Most employers with self-insured health plans purchase stop-loss insurance from insurance companies to protect themselves against large losses.

Employees who receive health coverage under a self-insured plan are not afforded the protections of state insurance laws and regulations. These protections include financial solvency requirements as well as requirements applying to the payment of claims. If a self-insured plan fails, Alaska benefits and managed care protections, such as standards for grievance procedures, fair disclosure of plan provisions, fair claims settlement practices and consumer services, are not available to employees. The federal laws governing these self-insured plans limit damages to actual costs and may not even cover attorney fees. Individuals covered under a self-insured plan must assume responsibility for all claims if the plan fails. Also, individual employees are required to obtain their own legal counsel to settle disputes, since the U.S. Department of Labor will not become involved in individual disputes over coverage. One other important consideration is that a self-insured employer may make material changes to the health plan (such as reducing or eliminating benefits) without providing advance notice.

HIPAA (Health Insurance Portability and Accountability Act of 1996)

This Act establishes federal standards for group and individual health insurance plans. The Act sets minimum standards for guaranteed renewability, preexisting condition waiting periods, and crediting for prior health insurance coverage. Alaska has enacted into law these federal standards which are

discussed in the health insurance sections of this guide.

Medical Savings Accounts

Under this federal law a bank, insurance company, or other federally approved entity may set up an individual savings account called a Medical Savings Account (MSA) where you can set money aside to pay for qualified medical expenses. The deposits (called contributions) in the account are tax deductible. Qualified medical expenses are those expenses paid by you for medical care including any deductible and coinsurance payments. Medical Savings Accounts are regulated by the federal government, not the Alaska Division of Insurance. One advantage to establishing an MSA is that contributions are not subject to tax and qualified medical expenses paid out of the account are not included in gross income for federal income tax purposes.

In order for a savings account to qualify as an MSA, you must be covered by a high deductible health plan offered by a small employer (2-50 employees) or be self-employed and have purchased a high deductible health plan. A high deductible health plan is an individual health insurance policy with deductibles between \$1,500 and \$2,250 and out-of-pocket limit of \$3,000, or a family health insurance policy with deductibles between \$3,000 and \$4,500 and out-of-pocket limit of \$5,500. These high deductible health plans are regulated by the Division of Insurance in the same manner as other health insurance policies.

If you are seeking information on setting up an MSA account, the best place to start is by contacting your financial advisor or producers selling health insurance in Alaska. Producers should have knowledge of the high deductible plans that are available in Alaska and any MSAs that may be offered in conjunction with those plans.

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Clark James Mishler

Options Limited in Alaska

BY DEBORAH J. MYERS

Health insurance costs are rising, but employers benefit from providing quality insurance to employees.

No matter what the economic situation is, employee retention helps your business save money. Considering the cost of attracting, screening and interviewing applicants, plus the expensive downtime and potential mistakes while training, you'll save money if you keep the people you have.

Naturally, it helps to offer employees pleasant working conditions and adequate pay. However, benefits play an important role in keeping the grass lush on your side of the fence, so your employees don't seek other, greener pastures.

According to the 2000 Health Confidence Survey conducted by the Employee Benefit Research Institute (www.ebri.org), only 12 percent of people surveyed who have employer-provided health insurance said that they were extremely satisfied with their health insurance. The other 88 percent of people surveyed apparently feel they could do a little better elsewhere.

As an employer, it's in your best interest to offer a good health insurance package. As for insurance companies, their numbers have dwindled considerably, narrowing options.

"We generally have dealt with a number of companies," said Rick Johnson, a broker with Baldwin Financial Concepts in Anchorage and a board member of the National Association of Health Underwriters. "Anthem Health and Life has left the state, as has Humana Employer's Health and Guardian. Aetna has closed its marketing office (in Alaska).

"Other carriers have come in and undercut everyone else and then left the market. That leaves a sour taste with brokers and employers," he said.

At present, Blue Cross/Blue Shield of Alaska, Aetna, Principal, Starmark, United Healthcare and Great West Life offer coverage within the state.

"Blue Cross/Blue Shield of Alaska has the biggest network," Johnson said, "and they boast a pretty wide variety of physicians. We have a couple of carriers doing an outstanding job up here, but I also see employers frustrated at paying a lot for insurance."

Some employers are going online in search of discount health care benefits, but the promised deals aren't always a bargain.

"There are some Internet companies

that do (provide insurance) from out of state," Johnson said. "I've been told by folks who have made inquiries that they're the same price or higher."

The basic plans available now are preferred provider options (PPOs) and indemnity plans.

PREFERRED PROVIDER OPTIONS
PPOs are usually pretty inflexible. "(With PPOs), you're a little bit restricted on where you can go for care," Johnson said.

Employees must visit a care provider on a network list to receive full benefits. Depending upon the plan, visiting a doctor not on the list may reduce or eliminate the amount of coverage, leaving the employee to pay the difference out of pocket.

PPOs also offer advantages over the indemnity plan. A few PPOs require no deductible to pay before receiving coverage. The plan is less expensive for employers, according to Johnson.

"Generally, you can get a PPO plan and it's a reduction in premium for the employer," he said.

This also means a smaller premium for the employees, too. The cost of



Johnson

care is less as well. Employees pay only a small co-payment for each doctor or hospital visit, and/or they meet a small deductible.

"People with young employees like those plans," said Jim Dunlap, owner of the Dunlap Agency in Fairbanks. "Employees only pay a \$10 to \$15 co-pay."

The quality of care is also an important factor for employees who need frequent medical care.

"Some of the chronic care and disease management programs are starting to move into PPOs," said Jeff Davis, executive director and general manager of Blue Cross/Blue Shield of Alaska.

"In the long run, quality care is cost-effective care," he said. "Cost and quality have been the perennial challenges of health care. Simply having a low premium isn't helpful if it doesn't provide the coverage you need."

Another type of PPO is a "hospital-preferred-provider network," Davis said.

These plans provide emergency room and planned inpatient and outpatient coverage once the deductible has been paid.

Like indemnity plans, the deductible is usually about \$300 to \$500 with 80 percent paid after the deductible has been met, according to Davis.

INDEMNITY PLANS

Indemnity plans are about as popular as PPOs, according to Johnson of Baldwin Financial Concepts. "Fifty percent of my clients are on indemnity plans," he said.

Indemnity plans require employees

to pay a deductible before receiving care. Employees who seldom require care may feel like they are paying for something they never use; however, if they do get seriously ill or injured, at least they have coverage. The benefits are more like fire insurance. You may never use it, but it's good to know it's there for you.

Indemnity plans also usually require employees to answer health questions, such as the occurrence of high blood pressure, cancer or diabetes in their family health history.

The good news is that indemnity plans are very flexible.

Indemnity plans let employees pick where they receive care and coverage is usually at a certain percentage once the deductible has been paid.

"There is a tremendous contingent of employers and employees who say they want to go where they want," Johnson said.

A THIRD CHOICE

Sometimes PPOs or indemnity plans don't fit into employers' budgets.

Arnon Weaver

DRAGON SLAYERS

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Photo courtesy of Dunlap Agency

Dunlap

"For businesses that don't offer group insurance, there is another option for employees," Davis said. "Namely, individual coverage."

Many make this decision because of rate increases, according to Johnson.

"They feel like they're being pressed," he said. "They don't feel like they can afford to pick up the rate increases."

Although rate increases are getting smaller (some are less than one percent, Johnson said), many smaller employers still feel the pinch.

Some employers who cancel company plans are still helping their employees with the cost of health insurance. They offer stipends to be applied toward individual coverage. Known loosely as cafeteria plans, employers pay a certain amount directly to the employees for their own use.

"There's a trend toward providing a basic benefit of so many dollars you can spend," Johnson said. "That's the trend of the future."

This leaves the decision and plan management up to the employees. Plans can include health, dental, life, vision or prescription drug coverage from various insurance companies. Like a mess hall, employees can pick and choose from a variety of options. In this way, the stipend scenario is like a formal cafeteria plan.

Unfortunately, employees don't always appropriate the funds that way and the cost to employees is higher.

"Most employers (who end their group

plans) give their employees a couple hundred dollars and say, "You can spend it on insurance," said Johnson, "but most (employees) spend it elsewhere."

One reason for this may be out-of-pocket expense.

"The cost (to employees) is higher for individual insurance," Davis said. "There's no employer contribution to the premium and typically premiums are not tax-deductible."

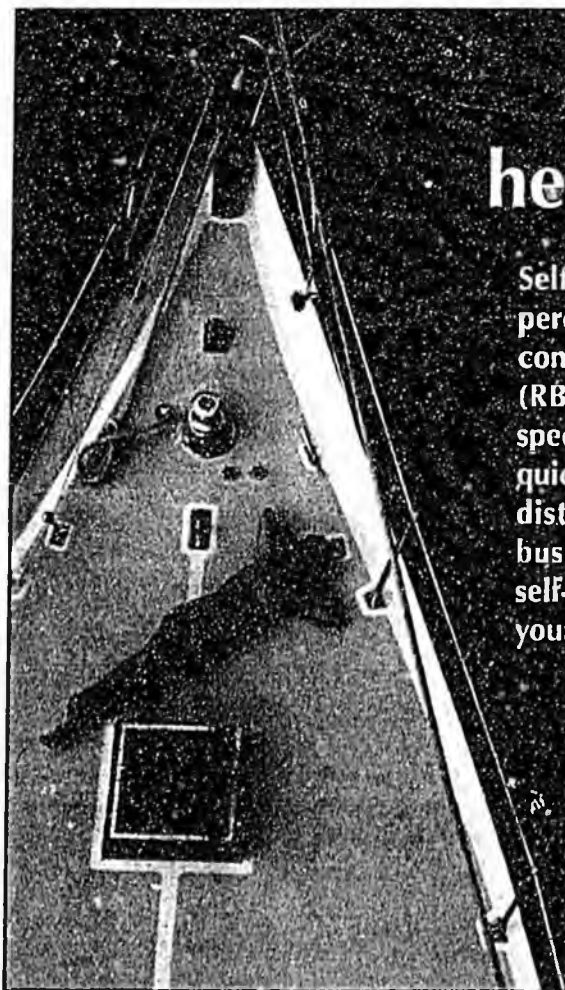
Formal cafeteria plans, officially known as Section 125 plans, are offered through insurance agencies and allow employers to pay the employees' portion of the premium tax-exempt. Most insurance companies give this option to only sizable groups.

ASSOCIATION PLANS

Some employers have tried to form larger groups by associating with other employers in the same field.

"We have a couple association plans," Johnson said, "such as the Alaska Bar Association."

By mixing employees from different firms into one group, the employees, employers and insurance companies can



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Davis

benefit by better service, lower rates and more dependable payments, respectively.

It sounds like a dream come true for many small employers; however, Johnson warns that it can get tricky to form associations.

"The insurance companies tend to shy away from (association plans)," he said. "The Alaska State Medical

Association (stipulates) that if we get together a certain number of employees, there are no restrictions, regardless of medical conditions."

In other words, for groups of fewer than 100, age and health questions can affect rates. If a company with 30 employees has a disproportionate number of employees over age 50, rates would be higher than a same-sized company comprised of 20 year olds.

Large employers with 100 or more receive a flat rate that does not vary because of the age and health conditions of the group. No matter who is added to or taken from the group, the rate remains the same as long as the group is large enough.

"The pool (of employees) in Alaska tends to be so small that if you want to come in with a guaranteed issue, the rates they initially set may not be correct because of medical conditions. Folks drop out of the plan because it's not cost effective."

There's no easy solution to the state's health care problems.

"If I had a crystal ball, I'd like to be able to solve this thing," Johnson said.

"We need competition up here. There's almost a monopolistic situation with the carriers up here. They're overpriced and noncompetitive.

"There is a market here, if we had some insurance carriers who would come up and do business. We're so small compared to other states and it makes it awfully tough."

To cut costs, many carriers limit the types of plans available.

"We're 10 to 15 years behind the Lower 48 regarding network situations and managed care," Johnson said. "A lot of folks are leery about being restricted."

NEW CHOICES?

Although Health Maintenance Organizations (HMOs) are nonexistent and unpopular in Alaska, promising changes are dawning on the health care horizon that will include some of their best qualities without the unattractive parts.

"Some of the most progressive companies nationwide are realizing that some services are linked with HMOs that don't have to be," Davis said. "You're starting to see clinical quality

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John Snead, President

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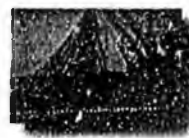
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improvement programs. It makes care better for patients and improves the quality of care."

Preventative care and screenings are becoming more popular, according to Davis.

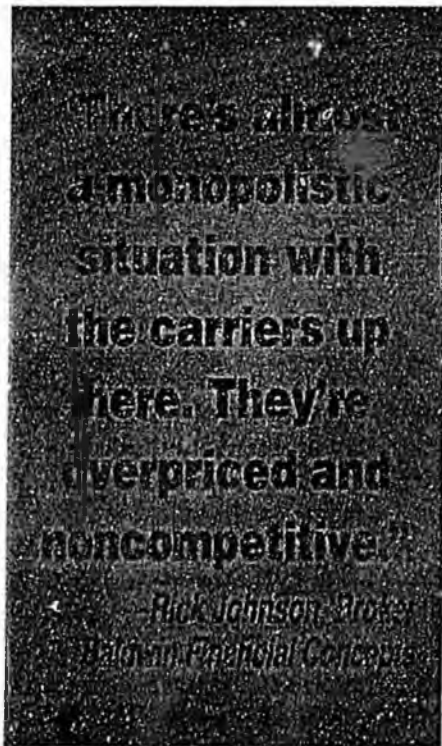
"This is becoming available to some of the more progressive plans without the referrals and expense traditional to HMOs," he said.

Preventative care includes cancer screening and diabetes testing, for example.

The type of health insurance plan you select can impact employees' decision to remain with the company or go elsewhere.

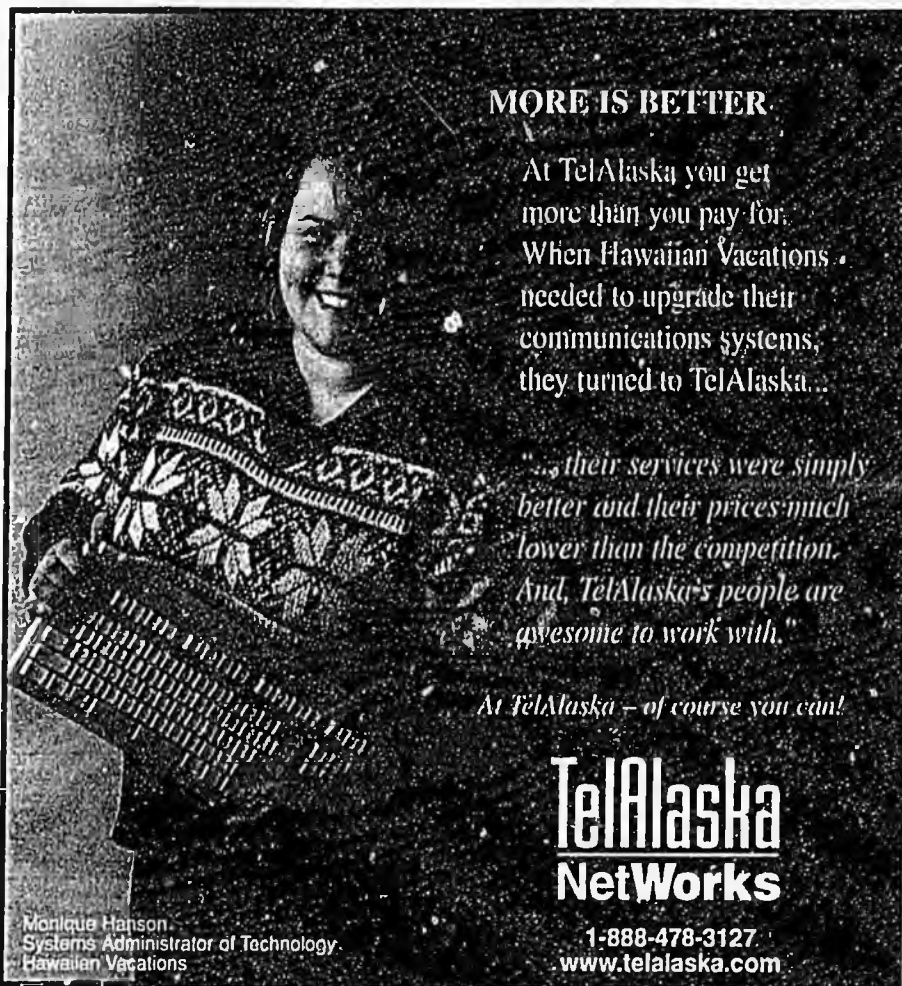
"Employers need to think about what employees value," Davis said. "The value of a local company makes a difference as does the access to and size of physicians' facilities. (Employees) need peace of mind from their health care coverage."

There's a simple way to find out what employees want: ask them. Objectively compare the plans you're considering



on paper, and ask employees to vote on the plan they prefer. Select the plan the majority chooses.

Obtaining good health care coverage for employees will probably not be easy for the near future; however, by listening to employees' needs, you can select a plan that will keep them happy and working for your company. □



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JAN 17 2002

Subject: HB 315

Date: Thu, 17 Jan 2002 08:43:39 -0900

From: "Ronald Jordan" <akrljordan@hotmail.com>

To: Representative_Norman_Rokeberg@legis.state.ak.us

I read HB 315 and a small business owner this sounds great. I believe that this bill would allow many small business owners to cover the many insurance gaps with employees.

Thank You

Ronald Jordan

8170 Woodgreen Cir.

Anchorage, AK. 99518

907-345-2755

or: akrljordan@hotmail.com .

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SeaView Community Services

SeaView Community Services (SeaView) is a not-for-profit multi-service agency in existence for 30 years. SeaView is unique in the state, providing centralized management and co-location for 12 distinct state-grant funded programs*. SeaView operates an assisted living home for adults with serious mental illness, a 4-plex apartment and provides a broad continuum of outpatient services. SeaView's mission is to *provide community-based services that strengthen families, foster self-sufficiency, and enhance quality of life.* SeaView has an annual budget of \$2.4 million, employing 40 people.

Issues

- Agency insurance rates increased 150% causing agency to reduce coverage to basic medical, increase deductibles, and increase employee copay. Agency is now at risk of not having enough employees taking the insurance and losing our eligibility to provide group coverage.
- There is no reimbursement mechanism for people with mental health diagnoses in long-term care. In addition, Alaska is one of the only states in the US that does not include Alzheimer's disease and Related Dementias (ARD) as a covered service under Medicaid. With the rapidly growing population of elders in Alaska, increased longevity and increasing tendency for elders to remain in Alaska, these problems need to be resolved.
- Grant funding and restrictions on revenue production do not keep pace with unfunded state mandates, changes in technology, cost-of living, etc. putting the agency's ability to recruit and retain staff and ultimate survival at constant risk.

Action

- Insurance relief for non-profit, small businesses
- Change State of Alaska Medicaid Regulations to include ARD as covered problems.
- Develop a mechanism for reimbursement of mental health services for people in Long Term Care
- Support grant reform; increase base grants to keep up with cost of living and grant mandates
- Maintain Denali Kid Care and Medicaid at current level

*Community Mental Health, Outpatient Substance Abuse Program, ASPECTS, Alcohol Safety Action Program, Rural Human Services, Domestic Violence and Sexual Assault, Incest Awareness Campaign, Infant Learning Program, Disability Services, Family Support, Day Care Assistance, Emergency Food and Shelter

Melissa Witzler Stone, Executive Director
mstone@seward.net

PO Box 1045
Seward AK 99664

MAR 01 2002

Alaska Association for the Education of Young Children

February 27, 2002

Representative Rokeberg
State Capitol
Juneau AK 99801-1182

FEB 28 2002

Greetings,

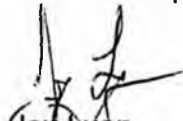
We know that until long range fiscal solutions are in place, legislators and policy makers are facing increasing pressure to reduce spending. It is also true that investing in the care and education of young children is critical to a strong economic future for our state. We ask for your support in two creative solutions with little or no increase in state funds.

Lift the cap on the child care grant program. This program administered by the Department of Education and Early Development, provides federal quality initiative funds as direct support to licensed child care programs for educational supplies, materials, equipment and staff support. It also serves as an incentive for programs to accept families receiving child care assistance who have irregular schedules; facilitating many families in finding the care that enables them to move from welfare into work.

Lifting this cap will allow the Department of Education and Early Development to allocate these federal quality initiative funds as an incentive to achieving higher quality standards.

Support a health insurance buy-in program for child care workers. This solution to the high turnover rate of child care workers has broad support across the state. In the initial stages of a public awareness campaign, the Alaska Association for the Education of Young Children has received over 100 signed resolutions from 30 communities across the state; from Craig to Barrow. These include resolutions from the City and Borough of Juneau, United Way of Anchorage, the Anchorage School District, NASW Alaska Chapter, Chugiak Children's Services, Success By Six, Fairbanks Child Care Coalition, the Alaska Family Child Care Association, along with numerous businesses and children's programs.

Attached is a sample of the resolution in support of health insurance for child care workers. Please take a moment to review this and consider how your office can support efforts to improve the education of young children in our state.


Joy Lyon
President

Resolutions in support of Child Care Workers

JUNEAU

City and Borough of Juneau
February 11th, 2002 Assembly meeting

Bridget Smith
Southeast Regional Resource Center
210 Ferry Way, Suite 200
Juneau AK 99801

Linda Squibb
Tlingit and Haida Head Start
320 W. Willoughby Ave. Suite 300
Juneau, AK 99801

Nancy Filkin
St Vincent de Paul Society
8617 Tea! Street
Juneau, AK 99801

Krista Bertholl
Auke Bay Co-op Preschool

Jim Scholl
Juneau Co-op Preschool
401 W 12th Street

Tracy Moulton
Rain Forest Child Care
PO Box 33274
Juneau, AK 99803

Jennifer Hamilton
Juneau AK 99801

Eunicee Aulizio
Little Dreamer Child Care

KETCHIKAN

Gina & Brad Palmer
3450 Hawkins
Ketchikan, AK 99901

Stacie Haslett
Ketchikan General Hospital Child Care
3100 Tongass Ave
Ketchikan, AK 99901

Gianna Mason
Dolly's Preschool

PO Box 23134
Ketchikan AK 99901

HOONAH

Kathie Dietering
The Bromley Center
PO Box 191
Hoonah AK 99829

SKAGWAY

Skagway Child Care Council
Mary McCaffrey, President
PO Box 1134
Skagway AK 99840

HAINES

Jacklynn Ruggirello
Box 1628
Haines AK 99827

Irene Echeniave
Canal Marine Company
PO Box 1569
Haines AK 99827

James Alborough
TLC Child Care
PO Box 552
Haines, AK 99827

Edna Buttram
TLC Child Care
PO Box 552
Haines AK 99827

GUSTAVUS

Ellie Sharman
Rookery Preschool
PO Box 21
Gustavus, AK 99826

CRAIG

Hannah Fitch
PO Box 938
Craig, AK 99921

WRANGELL

Donna McKay
P.O. Box 1637
Wrangell AK 99929

PETERSBURG

Petersburg Childrens Center
Mary Clemens, President
PO Box 138

Petersburg AK 99929

Erin Willis
Vickie Franklin
Good Beginnings Preschool
PO Box 709
Petersburg AK 99833

SITKA

Michelle Kennedy
109 Bahrt Circle
Sitka, AK 99835

Patricia Lehmann
116 Anna Dr.
Sitka AK 99835

ANCHORAGE

NASW Alaska Chapter
Marie Lavigne, Director
4161 Patterson Circle
Anchorage AK 99504

Carol Cameau
Superintendent
Anchorage School District
Anchorage AK 99504

Alaska Family Child Care Association
Robbie Brawner, President
2221 E Northern Lights #201
Anchorage AK 99508

United Way of Anchorage
Dean McMath

Mitcheal Donah
Nursing Director of Childrens Services
Alaska Regional Hospital
Anchorage AK 99504

Rolland Burns
President
City Market
Anchorage Ak 99508

Kathe Boucha
Director, Telemedicine
Providence Health System

Jim Stroh
General Manager
Peterkin Distributors

Anchorage AK 99508

Sheila Gaddis
Executive Director
Alaska Youth and Parent Foundation

ImPACT Family Literacy
Lori Hessim Anderson
1345 Rudakof Circle #104
Anchorage AK 99508

Kathleen Shoop
PO Box 24491
Anchorage AK 99524

WASILLA

Turning Point Child Care Center
Judy Barnhard, Manager
PO Box 875752
Wasilla AK 99687

SEWARD

Brenda Ross-Watkinson
Roo's Rascals
PO Box 1905
Seward AK 99664

EAGLE RIVER

Chugiak Childrens Services
Scott Torrison, President
16515 Centerfield Dr. Suite 200
Eagle River AK 99577

Michelle Jaeger
22846 Myrtle Drice
Eagle River AK 99577

Sarah Sherwood
PO Box 770751
Eagle River AK 99577

Bonnie James
PO Box 5531
Ketchikan, AK 99901

SCAMMON BAY

Laura Dobbins
PO Box 197
Scammon Bay AK 99662

KASIGLUK

Sassa Brink
PO Box 36
Kasigluk, AK 99607

FAIRBANKS

Fairbanks Environmental Services
Craig Martin, President
Fairbanks, AK 99701

C.A.R.E.S.

Resource and Referral
Kelly Doughty, Director

Fairbanks Child Care Coalition

Cheryl Keepers, Chair

Educare

Jackie Haskins, Director
1414 23rd Avenue
Fairbanks, AK 99701

Suellen Nelles

Fairbanks Regional Director
CampFire USA

Juanita Frazier

Child Care Referral
Fairbanks North Star Borough

A Ungalles

Associate Director
Early Heat Start
Fairbanks AK

Gara Bridwell

Executive Director
Play N Learn

Joyce Billups

Education Coordinator
Golden Heart Head Start

Colleen Haslrouch

Margarita Olverion
Carmen Del Solar
Gari Bystedt
Laura Wieghat
Christine Merrill

Katheryn Steadham

Kim Edwards
Lynda Page
Karen Julianna
Catherine Laurence
Marco Balducci
Teachers
Golden Heart Head Start
Fairbanks AK 99701

Open Arms Child Development Center

Bonnie Rogers, Director
Fairbanks Ak 99701

CareBears Day Care

Shenaqui Caldwell
Fairbanks Ak 9970

Cindy Rucker

316 Wedgeweeo Drive
Fairbanks AK 99701

Nancy Davidisin

PO Box 72031
Fairbanks AK 99701

NORTH POLE

Joan Mangruno
2701 Badger Rd
North Pole AK 99705

Nanette Britten

2393 Greer Rd
North Pole AK 99705

ATQASUK

Robanne Stading
Mead River School
Atqasuk, AK

BARROW

Rosemary Millarich
Community Child Care & Learning Center
PO Box 976
Barrow AK 99723

WASILLA

Deeta Coyle
Box 2090
Wasilla AK 99654

CORDOVA

Susanna Marquette
PO Box 1891
Cordova AK 99574

DILLINGHAM

Rachel Muir
PO Box 1395
Dillingham AK 99576

STERLING

Cynthia Sawyer
PO Box 6
Sterling AK 99672

SEWARD

Lois Saubney
Box 951
Seward AK 99664

SUTTON

Charleen Pitta
PO Box 458
Sutton, AK 99674

KENAI

Nancy Schrag
312 Princess
Kenai AK 99611

SOLDOTNA

Patricia Morrison
PO Box 1615
Soldotna AK 99669

Bargain!

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P.O. Box 141689 Anchorage, AK 99514-1689
3350 Commercial Drive, Second Floor
Phone: (907) 563-1923 Fax: (907) 563-1959
Email: probinso@childcareconnection.org

**Resolution in Support of Health Insurance for Child Care Workers
2002 – 3**

Whereas, the care and education of young children is a major economic sector in the state of Alaska; and

Whereas, the profession of child care employs more Alaskans than VECO, Alaska Airlines, BP, and GCI combined, with approximately 5000 workers; and

Whereas, less than one third of these workers have health insurance, and the average cost of purchased health insurance for small businesses (1-9 employees) for employee-only coverage is \$400 per month.¹ This is over one quarter of the average monthly income \$1456 for a child care worker.

Whereas, the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession; and

Whereas, it is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care; and

Whereas, a strong system of high quality, affordable, and accessible child care is critical to the economic success of families, to the economy, and most importantly to the healthy development of Alaskan children; and

Whereas, the State of Alaska has an extensive group health plan that could be expanded to allow participation by Alaskan child care workers through a buy-in provision; and

Whereas, offering a buy-in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field;

Therefore, be it resolved that the Success By 6 Board strongly urges the Alaska State Departments of Administration, Health and Social Services, Education and Early Development, the Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy-in program for child care workers.

Approved at the regular meeting of the Success By 6 Governance Board on January 31, 2002.

Ernie Hall, Chair

¹ Anchorage Access to Health Care Coalition Health Insurance Benefits Survey – September 2001. Dr. Catherine Schumacher 907-272-7778.

A resolution in support of
Health Insurance for Child Care Workers

Whereas...the profession of child care employs more Alaskans than VECO, Alaska Airlines, British Petroleum and GCI combined, with approximately 5000 workers, the care and education of young children is a major economic sector in the state,

Whereas...less than one third of these workers have health insurance, and the cost for privately purchased health insurance for a full time child care worker would be over one third of their income in many cases,

Whereas...the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession,

Whereas...It is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care,

Whereas... a strong system of high quality, affordable and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children,

Whereas.... offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field,

Now be it resolved that we strongly urge the Alaska State Department of Administration, the Department of Health and Social Services, the Department of Education and Early Development, The Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.

Deann G. Matthews
Name

President
Title

United Way of Anchorage
Organization

12/12/01
Date

**Chugiak Children's Services, Inc.
Board of Directors**

Resolution 02-01

A Resolution in support of Health Insurance for Child Care Workers

Whereas, the profession of child care employs approximately 5,000 workers, making the care and education of young children a major economic sector in the state; and

Whereas, less than one third of these workers have health insurance, and the costs for privately purchased health insurance for a full time child care work would be over one third of their income in many cases; and

Whereas, the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska in the leading cause of the 40% turnover rate in the profession; and


Whereas, it is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care; and

Whereas, a strong system of high quality, affordable, and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children; and

Whereas, offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregivers and educators to this important field:

Now, be it resolved, that the Board of Directors of Chugiak Children's Services, Inc. urges the Alaska Department of Administration, the Department of Health and Social Services, the Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.

Dated this 5th day of February, 2002



Scott Torrison
President, Board of Directors

A resolution in support of
Health Insurance for Child Care Workers

Whereas...the profession of child care employs more Alaskans than VECO, Alaska Airlines, British Petroleum and GCI combined, with approximately 5000 workers, the care and education of young children is a major economic sector in the state,

Whereas...less than one third of these workers have health insurance, and the cost for privately purchased health insurance for a full time child care worker would be over one third of their income in many cases,

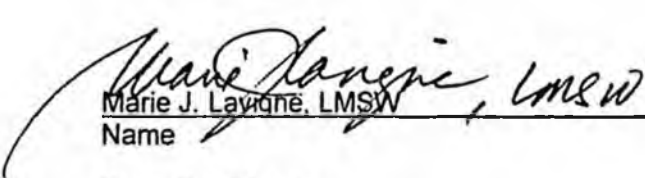
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Whereas...It is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care,

Whereas... a strong system of high quality, affordable and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children,

Whereas.... offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field,

Now be it resolved that we strongly urge the Alaska State Department of Administration, the Department of Health and Social Services, the Department of Education and Early Development, The Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.


Marie J. Lavigne, LMSW

Name

Executive Director

Title

National Association of Social Workers (NASW) Alaska Chapter
Organization

December 14, 2001

Date



Alaska Community Mental Health Services Association
3050 Fifth Avenue
Ketchikan, Alaska 99901

February 28, 2002

Representative John Coghill, Chair
House State Affairs Committee
Capitol Room 102
Juneau, AK 99801

Dear Representative Coghill:

We urge you to schedule a hearing at your earliest convenience for SSHB 315, regarding state health insurance for business/non-profits, sponsored by Representative Rokeberg. Our association, ACMNSA, strongly supports this legislation.

ACMNSA is a statewide association of non-profit mental health providers. Many of our members have endured three-fold increases in insurance premiums in the past few years. With our income sources remaining flat, demand for our services rising, and regulatory constraints increasing, our escalating insurance premiums need some creative remedy which we may find with passage of this legislation. We hope that a pooling structure, as would be established in the above legislation, would help us gain some control of this indispensable cost on services we provide.

We thank you in advance for your consideration of the above.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Adler", is written over a horizontal line.

Ron Adler, Chair
Alaska Community Mental Health Services Association

RA/kdw

cc: Representative Rokeberg

Ron Adler
Chair
3050 Fifth Avenue
Ketchikan, AK 99901
(907) 225-4135

Dave Newell
Vice Chair
1675 C Street, Suite 117
Anchorage, AK 99501
(907) 274-8281

Brenda Krapp
Secretary
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(907) 463-3303

Diana Strzok
Treasurer
2330 Nicholas Street
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(907) 279-6617

Bill Hagan
Member at Large
230 East Paulson, Suite 68
Wasilla, AK 99587
(907) 376-2411

Doug Veit
Member at Large
P.O. Box 806
Craig, AK 99921
(907) 826-3662

Chuck Bonnah
Member at Large
P.O. Box 32839
Juneau, AK 99802
(907) 796-4123

ALASKA MENTAL HEALTH BOARD

TONY KNOWLES, GOVERNOR
STATE OF ALASKA

431 N. Franklin, Suite 200
Juneau, Alaska 99801
Office: (907) 465-3071
Fax: (907) 465-3079

February 28, 2002

MAR 01 2002

The Honorable Norm Rokeberg
Alaska House of Representatives
State Capitol, Room 118
Juneau, AK 99801-1182

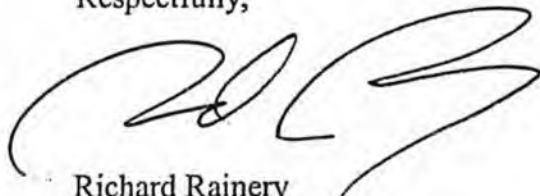
Dear Representative Rokeberg:

As the entity tasked by state law with planning, evaluation, and advocacy for public mental health services in Alaska, the Alaska Mental Health Board (AMHB) works regularly and closely with a wide range of stakeholders in that system. For some time now, the AMHB has heard from the non-profit organizations that provide public mental health services in Alaska that the availability and cost of employee health insurance coverage have become serious issues. Most of these organizations are relatively small by national standards and funding sources have been generally flat for some time. Increases to any component of business expenses are significant under such conditions, but in this case the impact is twofold and inter-related:

- ◆ Rapidly rising costs directly impact the ability of providers to provide mental health services. If grantees seek to maintain current insurance packages (or often even lesser ones), funds must be diverted from providing direct services to insurance bills.
- ◆ If, on the other hand, higher costs are passed on to employees or coverage reduced, the ability to recruit and retain qualified staff suffers. In many cases, Alaskan mental health providers already find it difficult to compete with lower 48 agencies on the basis of salary alone. Reduced employee benefits only exacerbate the situation.

The AMHB has made addressing this question one of its priorities and is pleased to see more than one bill on the subject in the hopper. The Board applauds your initiative in seeking a solution to the dilemma. Please let us know if we can assist in any way. Thank you for this opportunity to comment.

Respectfully,



Richard Rainery
Executive Director