

ALASKA STATE LEGISLATURE



REPRESENTATIVE ANDY JOSEPHSON

Committee Substitute for House Bill 23 (FIN) ver O Survivors' Medical Benefits – Background

In 2014, Alaska State Troopers Scott Johnson and Gabe Rich, were shot and killed in the line of duty in Tanana. Almost immediately, their wives and young children lost their employer-provided medical insurance. The year before, Trooper Tage Toll died in a helicopter accident rescuing a stranded snowmachiner, leaving his wife and three young children also without health insurance. These deaths highlighted a gap in medical benefit coverage to survivors of police officers and firefighters whose deaths occur as a result of their jobs.

In 2015, House Bill 3 and HB 66 were introduced to address the gap issue. HB 66 provided spouses and children of state employees killed in the line of duty with health coverage within the Public Employee Retirement System (PERS) health plan. HB 3 amended the Alaska Workers' Compensation Act to cover the costs of health insurance premiums for surviving spouses and children. Neither bill passed in the regular session.

In 2016, during the fourth special session, Governor Walker submitted HB 4002 that provided major medical benefits to the eligible survivors of peace officers and firefighters whose deaths occurred while in the performance of their duties. The legislation applied to employees who were members of PERS and to employees working for municipalities that participate in PERS. Under PERS, major medical benefits are available to survivors of Tier I employees in the defined benefit plan. HB 4002 extended major benefit coverage to survivors of employees regardless of what Tier applied to the deceased member.

An amended version of HB 4002 passed the House. The amendment terminated benefits after 10 years or after the surviving spouse remarried, whichever came first. The legislation did not pass the Senate. Following the final legislative session of the 29th legislature, the administration convened an

inter-agency working group to address issues raised during the 2016 session and to develop a new approach.

HB 23

As introduced, HB 23 mirrored the original version of HB 4002. The proposed Finance committee substitute for HB 23 substantively changes the language. The new proposal is based on the concepts developed by the administration's working group over the interim.

The legislation establishes a police officer and firefighter survivors' fund in the Department of Public Safety. Appropriations and donations to the fund will be used to pay the health insurance premiums for eligible survivors. Premium payments are made to the deceased's former employer-sponsored medical insurance provider.

Municipalities with populations of 10,000 or more are required to pay the full premium for survivors of municipal police officers and firefighters. For municipalities with populations less than 10,000, money available in the fund will cover 50 percent of the premium.

Appropriations to the police officer and firefighter survivors' fund will be based on need. For example, for the families who currently are likely to be eligible for premium coverage under the legislation, the legislature may appropriate to the fund the amount necessary to cover their premiums as part of this year's budget process. If there is an incident between legislative sessions and additional survivors become eligible for coverage, it may be possible for the fund to pay the additional premiums. The department would then request a supplemental appropriation at the start of the next session.

The commissioner shall pay the premium for the level of health coverage that applied at the time of the employee's death. A surviving spouse becomes ineligible for payments from the fund when the spouse becomes eligible for major medical insurance coverage by other means or reaches 65 years of age, whichever comes first. Except for a child who is totally and permanently disabled, a dependent child becomes ineligible when they receive major medical insurance coverage by other means or reach 26 years of age, whichever comes first.