



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Fred Dyson
Current Version: SB 94
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Fact Sheet for: Senate Bill 94

Short Title: STATE EMPLOYEE HEALTH INSURANCE

Summary:

- Gives state employees the option of choosing a High Deductible Health Plan as a component of a Health Savings Account.
- Qualifies state employees with an HDHP to own a Health Savings Account to pay for uninsured medical expenses.

Benefits:

- Gives a state employee or the state as an employer, the ability to deposit up to \$2,600 a year, or \$5,150 a year in pre-tax dollars into a Health Savings Account.
- Creates a nest egg because remaining funds are rolled over from year to year and become available at retirement.
- Eliminates pre-approval restrictions on health care services and gives employees the freedom to pay for them in full.
- Provides an incentive for employees to use their health care money in the most efficient manner.
- Allows the Health Savings Account to move with employees when they change jobs or are unemployed.

Background:

- The soaring cost of health care in Alaska is a financial burden for everyone. An illness or injury requiring hospitalization or long term treatment can throw a family, even with health insurance coverage, into bankruptcy. SB 94 gives state employees the option of choosing a High Deductible Health Plan as a component of a Health Savings Account. The high deductible permits enrollment in a Health Savings Account. Individuals with an HSA can deposit up to \$2,600 per year, while families can deposit up to \$5,150 per year into the account with pre-tax dollars. The HDHP covers catastrophic, or even preventative treatment if the employer wishes to provide an incentive for proactive health care. The unused funds are rolled over from year to year and can create a sizable nest egg at retirement. Health Savings Accounts move with employees when they change jobs or are unemployed.