

CS FOR HOUSE BILL NO. 374(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:**Referred:****Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to funding for a reinsurance program; relating to the definition of
2 'residents who are high risks'; relating to an application for a waiver for state
3 innovation for health care insurance; and providing for an effective date."

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

5 * **Section 1.** AS 21.55 is amended by adding a new section to read:

6 **Sec. 21.55.430. Funding for a reinsurance program.** The legislature may
7 appropriate the revenue collected under AS 21.09.210, AS 21.33.055, 21.33.061,
8 AS 21.34.180, and AS 21.66.110, less the service fee amount under AS 23.05.067, for
9 the preceding fiscal year to the division of insurance to be used to fund the reinsurance
10 program under this chapter.

11 * **Sec. 2.** AS 21.55.500(20) is amended to read:

12 (20) "residents who are high risks" means residents who
13 (A) have been rejected for medical reasons after applying for a
14 subscriber contract, a policy of health insurance, or a Medicare supplement

1 policy by at least one association member within the six months immediately
2 preceding the date of application for a state plan; medical reasons may include
3 preexisting medical conditions, a family history that predicts future medical
4 conditions, or an occupation that generates a frequency or severity of injury or
5 disease that results in coverage not being generally available;

6 (B) have had a restrictive rider placed on a subscriber contract,
7 a health insurance policy, or a Medicare supplement policy that substantially
8 reduces coverage; or

9 (C) meet other requirements adopted by regulation by the
10 director that are consistent with this chapter [AND THAT INDICATE THAT
11 A PERSON IS UNABLE TO OBTAIN COVERAGE SUBSTANTIALLY
12 SIMILAR TO THAT WHICH MAY BE OBTAINED BY A PERSON WHO
13 IS CONSIDERED A STANDARD RISK];

14 * **Sec. 3.** AS 21.96 is amended by adding a new section to read:

15 **Sec. 21.96.120. Waiver for state innovation.** The director may apply to the
16 United States Secretary of Health and Human Services under 42 U.S.C. 18052 for a
17 waiver of applicable provisions of P.L. 111-148 (Patient Protection and Affordable
18 Care Act) with respect to health insurance coverage in the state for a plan year
19 beginning on or after January 1, 2017. The director may implement a state plan
20 meeting the waiver requirements in a manner consistent with state and federal law and
21 as approved by the United States Secretary of Health and Human Services.

22 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).