

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 273
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB273-DCCED-DOI-01-30-26
Title: DENTAL INSURANCE & DIRECT CARE AGREEMENTS
Sponsor: RUFFRIDGE
Requester: (H) HOUSE & SOCIAL SERVICES

Department: Department of Commerce, Community and Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2027 Appropriation Requested | Included in Governor's FY2027 Request | Out-Year Cost Estimates | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|----------------|----------------|----------------|----------------|
| | | | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| OPERATING EXPENDITURES | FY 2027 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
| Personal Services | 146.2 | | 146.2 | 146.2 | 146.2 | 146.2 | 146.2 |
| Travel | 10.0 | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Services | 75.0 | | 100.0 | 45.0 | 45.0 | 45.0 | 45.0 |
| Commodities | 10.0 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 241.2 | 0.0 | 258.2 | 203.2 | 203.2 | 203.2 | 203.2 |

Fund Source (Operating Only)

| | | | | | | | |
|----------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1156 Rcpt Svcs (DGF) | 241.2 | | 258.2 | 203.2 | 203.2 | 203.2 | 203.2 |
| Total | 241.2 | 0.0 | 258.2 | 203.2 | 203.2 | 203.2 | 203.2 |

Positions

| | | | | | | | |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/29

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

| | | | |
|--------------|---|--------|---------------|
| Prepared By: | Heather Carpenter, Division Director | Phone: | (907)465-2518 |
| Division: | Division of Insurance | Date: | 01/30/2026 |
| Approved By: | Hannah Lager, Administrative Services Director | Date: | 01/30/26 |
| Agency: | Department of Commerce, Community, and Economic Development | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 273

Analysis

HB 273 allows dental care services to be provided under direct health care agreements, which currently are only allowed to provide primary care. Under the bill, dental direct health care agreements, and the providers or businesses that enter into them, are subject to the same requirements that apply to primary care direct health care agreements.

The bill creates new requirements in Title 21 for insurers offering dental plans. It requires the Division of Insurance to set up a process for insurers to submit an annual dental loss ratio (DLR) report. The division will then have to analyze the data for outliers, and make aggregate data publicly available for consumers to compare dental loss ratios across carriers by plan type. The proposed bill gives the director authority to require remediation activities by an insurer that remains an outlier for two consecutive years.

If this legislation passes, the Division of Insurance will require one full-time position to oversee implementation of this legislation for the dental loss ratio (DLR) program, as well as associated support costs. A breakout of the fiscal impact of this legislation is outlined below.

| | | |
|---------------------------|---------|--|
| Personal Services: | \$146.2 | Insurance Specialist 1/2, range 17/19, located in Juneau. |
| Travel: | \$ 10.0 | In-state travel and relevant training/conferences. |
| Services: | \$ 25.0 | Annual statewide and allocated core services costs. |
| | \$ 50.0 | Portal access for insurers to submit data; database to store and manage information; and public facing webpage with search and sort capabilities drawing from the database. System will be built and further developed by department programmers in FY2027 and FY2028. |
| | \$ 20.0 | Ongoing system maintenance and hosting costs in FY2029 and future. |
| | \$ 25.0 | Department of Law regulations review and public hearings for FY2028 only. Regulations will be developed and noticed after the division collects first year data. |
| Commodities: | \$ 10.0 | One-time setup costs for equipment and space in FY2027. |
| | \$ 2.0 | Ongoing supply and equipment costs |

Initial regulations as required by this legislation are estimated to be adopted by January 1, 2029.