

# Alaska State Legislature

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## Representative Carl Gatto

### ***Explanation of Changes from HB 01, version A To CSHB 01 (HSS) version M***

There was a concern from the HSS Committee regarding the definition of penalty in HB01, version A. Under the Patient Protection and Affordable Care Act (PPACA), there is a mandate requiring all citizens and legal residents to have qualifying health care coverage or pay a tax penalty.

A scenario was presented that an individual decided to opt out of obtaining health care insurance coverage under the PPACA. He then received health care services and was issued a bill from the practitioner. Under HB01, *"...a person has the right to choose or decline any mode of obtaining health care services without penalty or threat of penalty."*

The concern was that this individual could say that the bill from the practitioner could be viewed as a "penalty" under the definition in HB 01, stating that a *"penalty means a fine, tax, surcharge, fee, or other monetary charge."* This individual could potentially not pay for the practitioner's bill because HB01 states a person declining health care insurance would not be penalized.

Therefore, a qualifying statement was added in CSHB 01 (HSS), Page 2, Line 9 stating ***"...however, liability for the cost of health care services is not a penalty"***. This additional definition to "penalty" will alleviate the concern of practitioners not being paid for health care services.

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