



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

OFFICE OF THE COMMISSIONER

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MEMORANDUM

TO: Senator Mia Costello
Chair, Senate Labor & Commerce

DATE: Monday, March 28, 2016

FROM: Chris Hladick, Commissioner

RE: Hearing request for SB 206

Please accept this request to schedule SB 206 – Reinsurance Program; Health Insurance Waivers – for consideration by the Senate Labor & Commerce Committee.

SB206 amends AS 21.55 (State Health Insurance) to allow the director of the division of insurance to establish a reinsurance program to address the high cost claims that, since the implementation of the Affordable Care Act, are now being borne by the commercial insurers and not by the state's high-risk pool. It provides that the members of ACHIA will share the losses of the reinsurance program based on a ratio of covered lives, unlike the ACHIA current high risk pool which is based on a ration of major medical premiums. SB206 does amend AS 21 55 by deleting the premium tax credit for the premium assessments made to the insurers for the reinsurance program.

Finally, SB206 allows the director of the Division of Insurance to apply to the Secretary of the United States Department of Health and Human Services for an innovation waiver, commonly referred to as a Section 1332 waiver, as defined under the ACA. If the waiver were to be granted by the secretary, the director would have the authority to implement a state plan in compliance with the requirements of the waiver.

If you have any questions regarding this hearing request, please feel free to contact me directly or Micaela Fowler at 465-2503.

Enclosures