

ALASKA STATE LEGISLATURE

Session

State Capitol, Rm. 416
Juneau, AK 99801
(907) 465-4942
Fax: (907) 465-4589

Interim

P.O. Box 886
Bethel, AK 99559
(907) 543-5898
Fax: (907) 543-5892

Tribal Affairs

Chair

Health & Social Services

Chair

Education

Member

Energy

Member



Rep.Tiffany.Zulkosky@akleg.gov

REPRESENTATIVE TIFFANY ZULKOSKY

Proposed CS, HB 267 ver. S Sponsor Statement

House Bill 267 aims to establish consumer protections for Alaskans who purchase short-term limited duration (STLD) health insurance plans, reducing the possibility that individuals face financial hardship as a result of these plans. While the low cost of STLD plans is advertised as an advantage to the purchaser, their low premiums are possible because these plans have high deductibles, high out-of-pocket limits, and high rates of coinsurance for the few services they do cover. Further, STLD plans exclude coverage for pre-existing conditions, leading to significant financial burden on consumers with serious or chronic illnesses, such as asthma, high blood pressure, diabetes, or cancer.

Federal regulation finalized in October 2018 allowed STLD plans to extend their coverage to 364 days, renewing up to a maximum of 36 months. This new regulation is inconsistent with the short term, temporary coverage intended by these plans, exposing Alaska consumers to medical bills that are unexpectedly high, if not catastrophic. Thirty-two states and the District of Columbia have enacted consumer protections and shortened the permitted duration of STLD plans, while some banned them altogether.

Proposed CS HB 267 seeks to ensure that Alaskans with these plans are protected and no longer face the risk of significant financial hardship for accessing healthcare.

This legislation is comprised of the following components:

- *Defined Duration:* Limits STLD plans to a duration of 90 days.
- *Limited Renewal:* Allows a broker or insurance company to renew an STLD plan twice.
- *Required Coverage for Emergency Services:* Ambulatory, emergency, hospitalization, and laboratory services must be covered.
- *Protection for Pre-Existing Conditions:* Requires that STLD plans provide coverage for services associated with pre-existing conditions if an individual renews their plan.
- *Limited Availability:* Limits sale of STLD plans to time outside of the health insurance marketplace's open enrollment period or an individual's special enrollment period.

While there should be an option available for Alaskans who experience a gap in health coverage, individuals, with a pre-existing condition or not, should be able to access insurance plans that do not set them up to unexpectedly take on significant financial burden.