

# Alaska State Legislature

**SESSION ADDRESS:**  
Alaska State Capitol  
Juneau, Alaska 99801  
907-465-3743  
800-565-3743



**INTERIM ADDRESS:**  
600 E Railroad Avenue  
Wasilla, Alaska 99654  
907-376-3725  
Sen.Shelley.Hughes@akleg.gov

**Senator Shelley Hughes**

Senate District F – Palmer, Chugiak, Mirror Lake, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

## **SB 41 Health Insurance Information; Incentive Program Sectional Analysis**

*“ An Act relating to health care insurers; relating to availability of payment information; relating to an incentive program for electing to receive health care services for less than the average price paid; relating to filing and reporting requirements; relating to municipal regulation of disclosure of health care services and price information and providing for an effective date.”*

### **Section 1 – Page 1, Lines 7 – 10**

Adds *Alaska Health Care Consumer's Right to Shop Act* as a new section to the uncodified law of the State of Alaska.

### **Section 2 – AS 18.23.400 - Page 1, Line 11 through Page 2, Line 5**

Adds new subsection (o) specifically stating that if an uninsured patient requests an estimate under (g) of this section, the health care provider shall include an estimate that shows any financial assistance available to the patient from the health care provider. Secondly, it must direct the patient or the patient's authorized agent to Internet websites, if available, that provide information about what standard charges are typical (regionally) for appropriate providers of the service.

### **Section 3 - AS 21.06.110 – Page 2, Line 6 through Page 3, Line 9**

Adds healthcare insurance incentive program to the list of items to be included in the director's annual report.

### **Section 4 – Page 3, Line 10 through Page 6, Line 3**

Adds a new section to AS 21.96. This section establishes new provisions for health care insurance companies to operate in the state of Alaska. This section deals with private health insurance policies not pre-empted by ERISA or any other federal laws.

### **Sec. 21.96.210 – Page 3, Line 11 through Line 19**

A health care insurer shall establish an interactive online tool so that the covered person may request and obtain information about the amount paid for specific health care services by the insurance company to the in-network providers and be able to compare prices among network healthcare providers.

# Alaska State Legislature

**SESSION ADDRESS:**  
Alaska State Capitol  
Juneau, Alaska 99801  
907-465-3743  
800-565-3743



**INTERIM ADDRESS:**  
600 E Railroad Avenue  
Wasilla, Alaska 99654  
907-376-3725  
Sen.Shelley.Hughes@akleg.gov

## Senator Shelley Hughes

Senate District F—Palmer, Chugiak, Mirror Lake, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

### Sec. 21.96.220 – Page 3, Line 20 through Page 4, Line 22

- a. The health care insurance company shall set up an incentive plan for a covered person who elect to receive a healthcare service from a health care provider that charges less than the average in-network price paid by the insurer for that service. At a minimum the health care services that apply to this section shall include:
  1. Physical and Occupational Therapy services
  2. Obstetrical and Gynecological services
  3. Radiology and Medical Imaging services
  4. Laboratory services
  5. Infusion therapy
  6. Dental services
  7. Vision services
  8. Behavioral health services
  9. Inpatient or outpatient surgical procedures; and
  10. Outpatient non-surgical diagnostic tests or procedures
- b. The insurer shall provide to the covered person choosing the provider whose price falls below the average cost to the insurance company for that service. For those whose insurance is provided as part of a group plan offered by their employer, the shared saving will be split at least equally between the patient, the employer, and the insurance company. For those who secured health care insurance on their own without an employer or some other third party, the cash payment will be calculated with at least 50% of the shared savings going to the policy holder.
- c. The health care insurer will base average price paid to in-network providers within a reasonable period of time, but not to exceed one calendar year.

### Sec. 21.96.230 – Page 4, Line 23 through Line 27

The incentive program will be made available as a part of all qualified plans in the state and will notice it at time of initial enrollment or annual renewal.

### Sec. 21.96.240 – Page 4, Line 28 through Page 5, Line 1

Before offering an incentive program, the health insurance company shall file a description of the program with the Director for approval.

### Sec. 21.96.250 – Page 5, Line 2 through Line 8

If a covered person participates in an incentive program and chooses an out-of-network provider that results in a savings to the health care insurer, the health care insurer will treat the amount paid for the health care service as though it was provided by an in-network provider or facility.

# Alaska State Legislature

**SESSION ADDRESS:**  
Alaska State Capitol  
Juneau, Alaska 99801  
907-465-3743  
800-565-3743



**INTERIM ADDRESS:**  
600 E Railroad Avenue  
Wasilla, Alaska 99654  
907-376-3725  
Sen.Shelley.Hughes@akleg.gov

## Senator Shelley Hughes

Senate District F – Palmer, Chugiak, Mirror Lake, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

### Sec. 21.96.260 – Page 5, Line 9 through Line 11

The incentive program will not be treated as an administrative expense by the insurer for rate development or rate filing purposes.

### Sec. 21.96.270 – Page 5, Line 12 through Line 28

- a. Provides instruction for the health care insurance company to provide an annual report concerning the incentive program.
- b. Provides instruction for the division of insurance to provide an aggregate report annually to the legislature on health care insurance incentive programs in the state.

### Sec. 21.96.300 – Page 5, Line 29 through Page 6, Line 3

Establishes definition for terms in this section.

### Section 5 – Page 6, Line 4 through Line 6

Adds Sec. 29.35.142 to the list of home rule powers under AS 29.10.200.

### Section 6 – Page 6, Line 7 through Line 20

The authority to regulate the disclosure or reporting of price information for health care services is reserved to the state of Alaska.

### Section 7 – Page 6, Line 21 through Line 31

The Department of Administration shall perform an analysis of the possible impacts to the state of Alaska and to the employees under managed plans should the Department adopt the requirements of AS 18.23.400, AS 18.23.405 and AS 21.96.210 – AS 21.96.300.

### Section 8 – Page 7, Line 1 through Line 6

Amended language to the uncodified law of the State of Alaska allowing for the Department of Commerce, Community, and Economic Development to adopt regulations necessary to implement this Act.

### Section 9 – Page 7, Line 7

Sections 7 and 8 of this Act take effect immediately.

### Section 10 – Page 7, Line 8

Except as provided in sec. 9 of this Act, this Act takes effect January 1, 2022.

Staff contact: Lisa Hart, (907) 465-3743