

# Senate Labor and Commerce Committee

*Senator Mia Costello, Chair*

*Senator Joshua Revak, Vice Chair*

*Senator Gary Stevens*



*Senator Peter Micciche*

*Senator Elvi Gray-Jackson*

*Email: Senate.Labor.and.Commerce@akleg.gov*

## 32<sup>nd</sup> Alaska State Legislature

### **Senate Bill 41—Health Insurance Info.; Incentive Program Explanation of Changes Version A to Version I**

*"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."*

#### **Page 1, Line 3**

Replaces "the average price paid" in the title with "the median of the contract rates recognized by an insurer." This change is made throughout Version I.

#### **Sec. 2 – Page 1**

Version I removes entirely the previous section 2, which required health care providers to provide to any uninsured patients estimates of total charges that include any financial assistance available from the provider and direct the patient to any available websites that provide information about standard charges for that type of health care service.

The following sections are renumbered accordingly.

#### **Sec. 3 – AS 21.36.100 Page 3, Lines 2-18**

Adds to statute an exception for the incentive program described in section 4, AS 21.96.220, to allow for rebates of premiums payable for health insurance coverage.

**Sec. 4 – AS 21.96 Page 3, Lines 19-31, Page 4, Lines 1-31, Page 5, Lines 1-31, Page 6, Lines 1-15**

Version I inserts the title “Article 2. Health Care Insurance Incentive Program,” before adding new sections.

In section 21.96.210, the term “a health care insurer” is updated to specify “a health care insurer that offers a health care insurance policy in the group or individual market.” This change is made throughout Version I. In Version A, this section requires health care insurers to provide an interactive online mechanism for covered individuals to request information on payments made by the insurer to network health care providers for services and compare prices among network providers. In Version I, this section requires that health care insurers must provide comprehensive comparison guidance by telephone and online, and further, must allow a covered individual to compare the amount of cost sharing that he would be responsible for paying. The health care insurer must comply with the federal code regarding the maintenance of such a price comparison tool.

In section 21.96.220(a), the language is updated to specify “a monetary incentive” instead of “an incentive.” Version I removes the list of specific health care service categories which a health care insurer must include in the incentive program.

The language in section 21.96.220(b) from Version A is separated into three subsections in Version I: (b), (c), and (d). Additional language is inserted to specify that a health care insurer is not required to provide an incentive payment if the cost savings to the insurer is \$200 or fewer. The previously lettered subsection (c), which stated that the average price must be based on a period that does not exceed one year is removed in Version I.

In subsection (e), Version I states that an incentive payment is not a violation of AS 21.36.100, which is also specified in section 3 of the bill.

Sec. 21.96.260 is updated from requiring that health care insurers file annual reports regarding their incentive programs with the director of the Division of Insurance, to requiring that they provide that information to the director if requested. Subsection (b) is updated to include this information in the director’s annual report, submitted to the House and Senate Labor & Commerce Committees, rather than in a separate report.

Sec. 21.96.280 is a new section in Version I which specifies that sections 21.96.210 - 21.96.300 apply to a health care insurance policy or contract but do not apply to excepted benefits, except for those benefits provided under dental and vision insurance policies.

Section 21.96.300 replaces the definition of “health care insurance plan” with definitions for “health care insurance” and “policy” to conform to technical language fixes made throughout Version I.

**Sec. 8 – Page 7, Lines 13-18**

Version I specifies that the director of the Division of Insurance may adopt regulations necessary to implement this Act, rather than broadly the Department of Commerce Community and Economic Development.

**Sec. 10 – Page 7, Line 20**

Updates the effective date from January 1, 2022 to January 1, 2023, for all sections but 7 and 8, which take effect immediately.