

CS FOR SENATE BILL NO. 276(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to insurance coverage for contraceptives and related services; relating**
2 **to medical assistance coverage for contraceptives and related services; and providing for**
3 **an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 21.42 is amended by adding a new section to read:

6 **Sec. 21.42.427. Coverage for contraceptives.** (a) A health care insurer that
7 offers, issues for delivery, delivers, or renews in the state a health care insurance plan
8 in the group or individual market shall

9 (1) provide coverage for

10 (A) prescription contraceptives; and

11 (B) consultations, examinations, procedures, and medical
12 services that are necessary to prescribe, dispense, insert, deliver, distribute,
13 administer, or remove the drugs, devices, and other products or services
14 provided under this paragraph;

1 (2) reimburse a health care provider or dispensing entity for dispensing
2 prescription contraceptives intended to last for a 12-month period for subsequent
3 dispensings of the same prescription contraceptive to the insured regardless of whether
4 the insured was enrolled in the health care insurance plan at the time of the first
5 dispensing.

6 (b) A health care insurer may not deny coverage or reimbursement under (a)
7 of this section because an insured changed contraceptive methods within a 12-month
8 period.

9 (c) Except as provided in (d) of this section, a health care insurer may not
10 offset the costs of compliance with (a) of this section and may not require copayments
11 or deductibles for contraceptives or services covered under (a) of this section.

12 (d) A health care insurer shall establish cost sharing for the coverage provided
13 under (a) of this section to the extent necessary to qualify a plan as a high deductible
14 health plan eligible for a health savings account tax deduction under 26 U.S.C. 223
15 (Internal Revenue Code).

16 (e) A health care insurer may not restrict or delay the coverage or
17 reimbursement required under (a) of this section, including use of medical
18 management techniques, such as denials, step therapy, or prior authorization, that limit
19 an insured's choice in accessing a full range of prescription contraceptives. Nothing in
20 this subsection prevents a health care insurer from enacting reasonable cost
21 containment measures in relation to the coverage required under (a) of this section if
22 the cost containment measure does not unreasonably limit choice in access to
23 coverage. In this subsection, "cost containment" means incentivizing the use of
24 generic or lower cost medications or the use of health care providers or pharmacies
25 that offer services or prescriptions at a lower negotiated rate.

26 (f) If the covered therapeutically equivalent version of a prescription
27 contraceptive is not available or is considered medically inadvisable by the health care
28 provider of the insured, a health care insurer shall provide coverage without cost
29 sharing for an alternative therapeutically equivalent version of the prescription
30 contraceptive that is prescribed for the insured.

31 (g) A health care insurer shall provide coverage and reimbursement under (a)

1 of this section to all insureds enrolled in a health care insurance plan, including
2 enrolled spouses and dependents.

3 (h) A health care insurer that offers, issues for delivery, delivers, or renews in
4 the state a health care insurance plan in the group market to a religious employer is
5 exempt from the requirements of this section with respect to the health care insurance
6 plan of the religious employer if the religious employer opposes the coverage required
7 under this section and is an organization that meets the criteria set out in 26 U.S.C.
8 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended. A religious
9 employer that opposes coverage under this subsection shall provide a list of the
10 contraceptives or services described in (a) of this section for which the religious
11 employer opposes coverage

12 (1) to each prospective enrollee in the religious employer's health care
13 insurance plan before the enrollee's enrollment in the plan; and

14 (2) annually to all insureds enrolled in the religious employer's health
15 care insurance plan.

16 (i) In this section, "prescription contraceptive" means a drug or device that
17 requires a prescription and is approved by the United States Food and Drug
18 Administration to prevent pregnancy.

19 * **Sec. 2.** AS 29.10.200 is amended by adding a new paragraph to read:

20 (68) AS 29.20.420 (health care insurance plans).

21 * **Sec. 3.** AS 29.20 is amended by adding a new section to article 5 to read:

22 **Sec. 29.20.420. Health insurance policies.** (a) If a municipality offers a group
23 health care insurance plan covering municipal employees, including by means of self-
24 insurance, the municipal health care insurance plan is subject to the requirements of
25 AS 21.42.427.

26 (b) This section applies to home rule and general law municipalities.

27 (c) In this section, "health care insurance plan" has the meaning given in
28 AS 21.54.500.

29 * **Sec. 4.** AS 39.30.090(a) is amended to read:

30 (a) The Department of Administration may obtain a policy or policies of group
31 insurance covering state employees, persons entitled to coverage under AS 14.25.168,

1 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,
2 employees of other participating governmental units, or persons entitled to coverage
3 under AS 23.15.136, subject to the following conditions:

4 (1) a group insurance policy shall provide one or more of the following
5 benefits: life insurance, accidental death and dismemberment insurance, weekly
6 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
7 expense insurance, audiovisual insurance, or other medical care insurance;

8 (2) each eligible employee of the state, the spouse and the unmarried
9 children chiefly dependent on the eligible employee for support, and each eligible
10 employee of another participating governmental unit shall be covered by the group
11 policy, unless exempt under regulations adopted by the commissioner of
12 administration;

13 (3) a governmental unit may participate under a group policy if

14 (A) its governing body adopts a resolution authorizing
15 participation and payment of required premiums;

16 (B) a certified copy of the resolution is filed with the
17 Department of Administration; and

18 (C) the commissioner of administration approves the
19 participation in writing;

20 (4) in procuring a policy of group health or group life insurance as
21 provided under this section or excess loss insurance as provided in AS 39.30.091, the
22 Department of Administration shall comply with the dual choice requirements of
23 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
24 transact business in the state under AS 21.09, a hospital or medical service corporation
25 authorized to transact business in this state under AS 21.87, or a health maintenance
26 organization authorized to operate in this state under AS 21.86; an excess loss
27 insurance policy may be obtained from a life or health insurer authorized to transact
28 business in this state under AS 21.09 or from a hospital or medical service corporation
29 authorized to transact business in this state under AS 21.87;

30 (5) the Department of Administration shall make available bid
31 specifications for desired insurance benefits or for administration of benefit claims and

1 payments to (A) all insurance carriers authorized to transact business in this state
2 under AS 21.09 and all hospital or medical service corporations authorized to transact
3 business under AS 21.87 who are qualified to provide the desired benefits; and (B)
4 insurance carriers authorized to transact business in this state under AS 21.09, hospital
5 or medical service corporations authorized to transact business under AS 21.87, and
6 third-party administrators licensed to transact business in this state and qualified to
7 provide administrative services; the specifications shall be made available at least once
8 every five years; the lowest responsible bid submitted by an insurance carrier, hospital
9 or medical service corporation, or third-party administrator with adequate servicing
10 facilities shall govern selection of a carrier, hospital or medical service corporation, or
11 third-party administrator under this section or the selection of an insurance carrier or a
12 hospital or medical service corporation to provide excess loss insurance as provided in
13 AS 39.30.091;

14 (6) if the aggregate of dividends payable under the group insurance
15 policy exceeds the governmental unit's share of the premium, the excess shall be
16 applied by the governmental unit for the sole benefit of the employees;

17 (7) a person receiving benefits under AS 14.25.110, AS 22.25,
18 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
19 effect under this section at the time of termination of employment with the state or
20 participating governmental unit;

21 (8) a person electing to have insurance under (7) of this subsection
22 shall pay the cost of this insurance;

23 (9) for each permanent part-time employee electing coverage under
24 this section, the state shall contribute one-half the state contribution rate for permanent
25 full-time state employees, and the permanent part-time employee shall contribute the
26 other one-half;

27 (10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
28 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
29 and eligible dependents under this section; the level of coverage for persons over 65
30 shall be the same as that available before reaching age 65 except that the benefits
31 payable shall be supplemental to any benefits provided under the federal old age,

1 survivors, and disability insurance program; a person electing to have insurance under
2 this paragraph shall pay the cost of the insurance; the commissioner of administration
3 shall adopt regulations implementing this paragraph;

4 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
5 or former AS 39.37 may obtain long-term care insurance for that person and eligible
6 dependents under this section; a person who elects insurance under this paragraph
7 shall pay the cost of the insurance premium; the commissioner of administration shall
8 adopt regulations to implement this paragraph;

9 (12) each licensee holding a current operating agreement for a vending
10 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
11 applies to governmental units other than the state;

12 **(13) a group health insurance policy covering employees of a**
13 **participating governmental unit must meet the requirements of AS 21.42.427.**

14 * **Sec. 5.** AS 39.30.091 is amended to read:

15 **Sec. 39.30.091. Authorization for self-insurance and excess loss insurance.**

16 Notwithstanding AS 21.86.310 or AS 39.30.090, the Department of Administration
17 may provide, by means of self-insurance, one or more of the benefits listed in
18 AS 39.30.090(a)(1) for state employees eligible for the benefits by law or under a
19 collective bargaining agreement and for persons receiving benefits under AS 14.25,
20 AS 22.25, AS 39.35, or former AS 39.37, and their dependents. The department shall
21 procure any necessary excess loss insurance under AS 39.30.090. **A self-insured**
22 **group medical plan covering active state employees provided under this section is**
23 **subject to the requirements of AS 21.42.427.**

24 * **Sec. 6.** AS 47.07.065 is amended by adding new subsections to read:

25 (c) The department shall pay for

26 (1) prescription contraceptives intended to last for a 12-month period
27 for subsequent dispensings of the same prescription contraceptive if prescribed to and
28 requested by the recipient, regardless of whether the recipient was receiving medical
29 assistance at the time of the first dispensing; and

30 (2) consultations, examinations, procedures, and medical services that
31 are necessary to

1 (A) prescribe, dispense, insert, distribute, or administer
2 prescription contraceptives; or

3 (B) remove prescription contraceptives.

4 (d) Nothing in this section requires itemized reimbursement when a service is
5 reimbursable as part of a bundled or composite rate.

6 (e) In this section, "prescription contraceptive" means a drug or device that
7 requires a prescription and is approved by the United States Food and Drug
8 Administration to prevent pregnancy.

9 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **MEDICAID STATE PLAN FEDERAL APPROVAL.** To the extent necessary to
12 implement this Act, the Department of Health shall amend and submit for federal approval the
13 state plan for medical assistance coverage consistent with AS 47.07.065(c) - (e), enacted by
14 sec. 6 of this Act.

15 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **CONDITIONAL EFFECT; NOTIFICATION.** (a) Section 6 of this Act takes effect
18 only if, on or before January 1, 2028, the United States Department of Health and Human
19 Services

20 (1) approves the amendments to the state plan for medical assistance coverage
21 under AS 47.07.065(c) - (e), enacted by sec. 6 of this Act; or

22 (2) determines that its approval of the amendments to the state plan for
23 medical assistance coverage under AS 47.07.065(c) - (e), enacted by sec. 6 of this Act, is not
24 necessary.

25 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
26 days after the United States Department of Health and Human Services approves amendments
27 to the state plan under (a)(1) of this section or determines that approval is not necessary under
28 (a)(2) of this section.

29 * **Sec. 9.** If sec. 6 of this Act takes effect, it takes effect on the day after the date the revisor
30 of statutes receives notice from the commissioner of health under sec. 8(b) of this Act.