

Alaska State Legislature

Senator Cathy Giessel
Senate Majority Leader
Senate District E
907-465-4843



120 4th Street
Alaska State Capitol,
Room 121
Juneau, AK 99801

Senate Bill 122

Sectional Analysis (vsn N)

"An Act relating to insurance; establishing standards for health insurance provider networks; and providing for an effective date."

Section 1. Amends AS 21.07 Patient Protections Under Health Care Insurance Policies

Adds new section 21.07.035 Minimum provider network standards.

In this section a health care insurer

- Must take into account the network requirements set out in this new section when calculating the benefits or contractual requirements of the covered person.
- (b) A health care insurer's provider network must include each hospital, skilled nursing facility or mental health/substance abuse facility in the state and each physician, PA and APRN employed by them. This would be the same for any tribal health organization.
- However, the physicians, PAs and APRNs are not included when calculating the health care insurer's minimum network standards set out in (d) of this section.
- (c) A health care insurer's provider network must include a sufficient number of physicians, PAs and APRNs in each region to meet the minimum standards set out in (d). The provider network may include physicians, PAs and APRNs who are not contracted network health care providers, but they must be shown as in-network providers in the insurer's directory of network providers and treated as in-network when determining benefits for a covered person.
- (d) Divides Alaska into 6 contracting (network) regions:
 - Municipality of Anchorage
Network must include 85% of total active physicians, PAs and APRNs in each specialty and at least 85% of each provider groups in each specialty.
 - Mat-Su Borough

Network must include at least 9% of active physicians, PAs and APRNs in each specialty and at least 90% of the provider groups in each specialty.

- Fairbanks North Star Borough and Southeast Fairbanks Census Area
90% same as Matsu
 - Kenai Peninsula Borough
Network must include at least 95% of active physicians, PAs and APRNs in each specialty and at least 95% of the provider groups in each specialty.
 - City and Borough of Juneau, Ketchikan Gateway Borough and City and Borough of Sitka
95% - same as Kenai Peninsula Borough
 - Remaining areas of the state
- In (e) a health care insurer may request to the director an exception to the minimum provider network standard for up to 36 months. The process for an exemption will be set in regulation by the director. The insurer must submit a plan to comply and also submit annual progress reports to the director.
 - In (f) a health care insurer must attest or prove they meet the minimum provider network standards and provide supporting documentation to the director as part of their required rate filings. If standards are not met, the insurer must submit a plan of corrective action.
 - In (g) allows the director to adopt regulations to implement this section and may also require that a contracting region exceed the minimum network standards

Section 2. Repeals AS 21.07.020(3):

Sec. 21.07.020. Required contract provisions for health care insurance policy.

A health care insurance policy must contain a provision

(3) that covered medical care services be reasonably available in the community in which a covered person resides or that, if referrals are required by the policy, adequate referrals outside the community be available if the medical care service is not available in the community;

Section 3. Sets an effective date for January 1, 2026.