

SENATE BILL NO. 122

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR GIESSEL BY REQUEST

Introduced: 3/5/25

Referred: Health and Social Services, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

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

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

4 * **Section 1.** AS 21.07 is amended by adding a new section to read:

5 **Sec. 21.07.035. Minimum provider network standards.** (a) A health care
6 insurer that offers a health care insurance policy providing for coverage of medical
7 care services through a provider network consisting of health care providers that have
8 entered into a contract with the insurer shall take the network requirements of this
9 section into account when calculating the benefits or other contractual requirements of
10 a covered person.

11 (b) A health care insurer's provider network must include each hospital,
12 skilled nursing facility, or mental health or substance abuse facility licensed in the
13 state and each physician, physician assistant, or advanced practice registered nurse
14 licensed in this state who is employed or contracted by one of these hospitals or

1 facilities to provide medical care at the hospital or facility. A health care insurer's
2 provider network must include each health care facility operated by an Alaska tribal
3 health organization and each physician, physician assistant, or advanced practice
4 registered nurse employed or contracted by the organization to provide medical care at
5 that location. A physician, physician assistant, or advanced practice registered nurse
6 who is employed or contracted by a hospital, skilled nursing facility, mental health or
7 substance abuse facility, or Alaska tribal health organization to provide medical care is
8 not included when calculating the health care insurer's minimum network standards set
9 out in (d) of this section.

10 (c) A health care insurer's provider network must include a sufficient number
11 of physicians, physician assistants, and advanced practice registered nurses in each
12 contracting region in which the insurer provides coverage to meet the minimum
13 network standards set out in (d) of this section. Only a physician, physician assistant,
14 or advanced practice registered nurse who is licensed in this state, meets the
15 credentialing standards of the health care insurer, and whose principle practice
16 location is physically located in the applicable contracting region may be included
17 when determining whether a health care insurer meets the minimum network standards
18 set out in (d) of this section. If an insurer treats the physician, physician assistant, or
19 advanced practice registered nurse as contracted for the purposes of all insurance
20 benefit determinations, a health care insurer may include in the provider network a
21 physician, physician assistant, or advanced practice registered nurse who is not a
22 contracted network health care provider to meet the standards set out in (d) of this
23 section. Each physician, physician assistant, or advanced practice registered nurse
24 included in the health care insurer's provider network, including a physician, physician
25 assistant, or advanced practice registered nurse that is not a contracted network health
26 care provider, must be shown as an in-network provider in the insurer's directory of
27 network providers.

28 (d) For purposes of this section, the state is divided into six contracting
29 regions: the Municipality of Anchorage; the Matanuska-Susitna Borough; the
30 Fairbanks North Star Borough and Southeast Fairbanks Census Area; the Kenai
31 Peninsula Borough; the City and Borough of Juneau, Ketchikan Gateway Borough,

1 and City and Borough of Sitka; and the remainder of the state. A health care insurer
 2 that provides coverage in the Municipality of Anchorage contracting region must
 3 include in the insurer's provider network at least 85 percent of the total actively
 4 practicing physicians, physician assistants, and advanced practice registered nurses in
 5 each specialty recognized for a Medicare advantage plan network adequacy
 6 requirement for the Centers for Medicare and Medicaid Services physically located in
 7 the region and at least 85 percent of the provider groups in each specialty. A health
 8 care insurer that provides coverage in the Matanuska-Susitna Borough contracting
 9 region or the Fairbanks North Star Borough and Southeast Fairbanks Census Area
 10 contracting region must include in the insurer's provider network at least 90 percent of
 11 the total actively practicing physicians, physician assistants, and advanced practice
 12 registered nurses in each specialty recognized for a Medicare advantage plan network
 13 adequacy requirement for the Centers for Medicare and Medicaid Services physically
 14 located in those regions and at least 90 percent of the provider groups in each
 15 specialty. A health care insurer that provides coverage in the Kenai Peninsula Borough
 16 contracting region, the City and Borough of Juneau, Ketchikan Gateway Borough, and
 17 City and Borough of Sitka contracting region, or the contracting region covering the
 18 remainder of the state must include in the insurer's provider network at least 95
 19 percent of the total actively practicing physicians, physician assistants, and advanced
 20 practice registered nurses in each specialty recognized for a Medicare advantage plan
 21 network adequacy requirement for the Centers for Medicare and Medicaid Services
 22 physically located in those regions and at least 95 percent of the provider groups in
 23 each specialty.

24 (e) A health care insurer may make a written request to the director for an
 25 exception to the minimum provider network standards set out under this section. The
 26 director may grant an exception only for a specified limited period not to exceed 36
 27 months. The director shall adopt regulations specifying the procedure for requesting
 28 an exception and the standards for granting an exception. The director shall require the
 29 health care insurer to submit a plan to achieve the minimum network standards within
 30 the time frame of the exception granted by the director and submit annual progress
 31 reports to the director.

1 (f) A health care insurer shall annually attest whether the insurer meets or
2 exceeds the minimum provider network standards in this section for each contracting
3 region in which the insurer provides coverage and provide to the director supporting
4 documentation to demonstrate compliance as part of the insurer's required rate filings.
5 If a health care insurer does not meet a specific standard, the insurer shall submit a
6 plan for corrective action for consideration by the director.

7 (g) The director may adopt regulations necessary to implement this section.
8 The director may adopt in regulation minimum provider network standards by
9 contracting region that exceed the minimum network standards set out in (d) of this
10 section.

11 * **Sec. 2.** AS 21.07.020(3) is repealed.

12 * **Sec. 3.** This Act takes effect January 1, 2026.