

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 122
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB122-DCCED-DOI-03-07-25
Title: HEALTH INSURANCE NETWORK STANDARDS
Sponsor: GIESSEL BY REQUEST
Requester: Senate Health and Social Services

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	155.4		155.4	155.4	155.4	155.4	155.4
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Services	300.0		275.0	275.0	275.0	275.0	275.0
Commodities	10.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	475.4	0.0	442.4	442.4	442.4	442.4	442.4

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	475.4		442.4	442.4	442.4	442.4	442.4
Total	475.4	0.0	442.4	442.4	442.4	442.4	442.4

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/26

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Commerce, Community, and Economic Development

Phone: (907)269-7896
Date: 03/07/2025
Date: 03/07/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB 122

Analysis

SB 122 requires each insurer, regulated under Title 21, to establish health care provider network standards. The standards dictate that each hospital, skilled nursing facility, mental health or substance abuse facility licensed in the state as well as each physician, physician assistant, or advanced practice registered nurse licensed in Alaska who is employed or contracted to a hospital, skilled nursing facility, or mental health or substance abuse facility be included in the provider network. The bill imposes the same standards on the health care facilities operated by an Alaska tribal health organization. The bill does not allow for out-of-state health care providers to be included when determining adequacy of the network.

Similar standards are set for physicians, physician assistants, and advanced practice registered nurses that are licensed and principally located in the state but not employed by or under contract to a hospital, skilled nursing facility, mental health or substance abuse facility.

The bill divides Alaska into six categories for the purposes of determining network adequacy. In the Municipality of Anchorage, insurers must contract as in-network providers, and 85% of the total actively practicing physicians, physician assistants and advance practice registered nurses, in each specialty, must be recognized by the Centers for Medicare and Medicaid Services for a Medicare advantage plan. The percentage increases to 90% for the Matanuska-Susitna Borough, the Fairbanks North Star Borough, and the Southeast Fairbanks Census Area. For the Kenai Peninsula Borough, the City and Borough of Juneau, the Ketchikan Gateway Borough, and the City and Borough of Sitka, and the remainder of the state, the percentage is set at 95%.

SB 122 requires that the division be able to verify that the insurers are meeting the network requirements. To do so, the division would require staff, as well as contract support to determine that the percentiles in each of the six geographic regions is met by the insurers. The cost of the contract is an estimate based on other contract support that the division has utilized in past projects of similar magnitude.

If this legislation passes, the Division of Insurance anticipates the following fiscal impacts:

Personal Services:	\$155.4	Program Coordinator 2, range 20, located in Anchorage.
Travel:	\$ 10.0	In-state travel to regions to ensure insurer are meeting network requirements, as well as for relevant training/conferences.
Services:	\$ 25.0	Department of Law regulations review and public hearings for FY2026 only.
	\$ 25.0	Annual statewide and allocated core services costs.
	\$250.0	Contractual support.
Commodities:	\$ 10.0	One-time setup costs for equipment and space in FY2026.
	\$ 2.0	Ongoing supply and equipment costs.