

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB121-DCCED-DOI-03-07-25
Title: HEALTH INSURANCE ALLOWABLE CHARGES
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	50.0		25.0	25.0	25.0	25.0	25.0
Commodities	10.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	225.4	0.0	192.4	192.4	192.4	192.4	192.4

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	225.4		192.4	192.4	192.4	192.4	192.4
Total	225.4	0.0	192.4	192.4	192.4	192.4	192.4

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If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/26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
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB 121

Analysis

SB 121 provides that out-of-network claims be reimbursed at the 75th percentile except for primary care, which is to be reimbursed at 450% of Medicare. It also provides that all health care providers who bill under the same Current Procedure Technology (CPT) code be reimbursed at the same rate.

The bill requires that the division periodically audit and validate the methodology used by a health care insurer to ensure that the allowable charges are in accordance with Title 21.

The bill requires that a health care insurer, reimbursement provider, regardless of specialty or discipline, bill at the same rate provided that they bill at the same CPT. The division anticipates this will lead to a significant increase in consumer complaints, from providers, to ensure that the reimbursement is correct.

If this legislation passes, the Division of Insurance will require one full-time position to oversee implementation of this legislation, as well as associated costs. A breakout of the fiscal impact of this legislation is outlined below.

Personal Services:	\$155.4	Program Coordinator 2, range 20, located in Anchorage.
Travel:	\$10.0	In-state travel for audits, 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.
Commodities:	\$10.0	One-time setup costs for equipment and space in FY2026.
	\$ 2.0	Ongoing supply and equipment costs.