

CS FOR SENATE BILL NO. 4(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/11/25

Referred: Health & Social Services

Sponsor(s): SENATOR HUGHES

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a health care insurance policy incentive program; relating to health**
2 **care services; and providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 SHORT TITLE. This Act may be known as the Alaska Health Care Consumer's Right
7 to Shop Act.

8 *** Sec. 2.** AS 21.36.100 is amended to read:

9 **Sec. 21.36.100. Rebates.** Except as provided in AS 21.96.220 or otherwise
10 expressly provided by law, a person may not knowingly permit or offer to make or
11 make a contract of life insurance, life annuity or health insurance, or agreement under
12 the contract other than as plainly expressed in the contract, or pay, allow, give or offer
13 to pay, allow, or give, directly or indirectly, as inducement to the insurance, or
14 annuity, a rebate of premiums payable on the contract, or a special favor or advantage

1 in the dividends or other benefits, or paid employment or contract for services of any
 2 kind, or any valuable consideration or inducement whatever not specified in the
 3 contract; or directly or indirectly give, sell, purchase or offer to agree to give, sell,
 4 purchase, or allow as inducement to the insurance or annuity or in connection
 5 therewith, whether or not to be specified in the policy or contract, an agreement of any
 6 form or nature promising returns, profits, stocks, bonds, or other securities, or interest
 7 present or contingent in the contract or as measured by the contract, of an insurance
 8 company or other corporation, association, or partnership, or dividends or profits
 9 accrued or to accrue under the contract; or offer, promise, or give anything of value
 10 that is not specified in the contract.

11 * **Sec. 3.** AS 21.96 is amended by adding new sections to read:

12 **Article 2. Health Care Insurance Policy Incentive Program.**

13 **Sec. 21.96.210. Access to payment information.** A health care insurer that
 14 offers a health care insurance policy in the group or individual market shall provide
 15 comprehensive comparison guidance by telephone and make available on the Internet
 16 website of the insurer a price comparison tool that, to the extent practicable, allows an
 17 individual enrolled in or covered under a health care insurance policy to compare the
 18 amount of cost sharing that the individual would be responsible for paying under the
 19 policy for a specific item or service provided in the same policy year and geographic
 20 region by each provider participating in the policy. At a minimum, the health care
 21 insurer shall comply with 42 U.S.C. 300gg-114.

22 **Sec. 21.96.220. Incentive program.** (a) A health care insurer that offers a
 23 health care insurance policy in the group or individual market shall develop and
 24 implement a program that provides a monetary incentive for a covered person enrolled
 25 in a health care insurance policy to elect to receive a covered health care service under
 26 the health care insurance policy from a health care provider that charges less than the
 27 median contracted rate recognized by the health care insurer for that health care
 28 service.

29 (b) A health care insurer that offers a health care insurance policy in the group
 30 or individual market shall provide an incentive payment to a covered person as
 31 provided in this subsection. An incentive may be calculated as a percentage of the

1 difference in price as a flat dollar amount or by another reasonable methodology
 2 adopted by the director by regulation. A health care insurer is not required to provide
 3 an incentive payment to a covered person if the cost saved by the health care insurer is
 4 \$200 or less.

5 (c) If a covered person receives coverage under a group health care insurance
 6 policy offered by an employer, a health care insurer shall provide the covered person
 7 with an incentive of at least 33.4 percent of the costs saved by the health care insurer
 8 resulting from the covered person's election to receive a health care service from a
 9 health care provider that charges less than the median of the contracted rates
 10 recognized by the health care insurer for that health care service. The health care
 11 insurer shall provide the employer with at least 33.3 percent of the costs saved by the
 12 health care insurer resulting from the covered person's election.

13 (d) If a covered person receives coverage under a health care insurance policy
 14 offered in the individual market, a health care insurer shall provide the covered person
 15 with an incentive of at least 50 percent of the costs saved by the health care insurer
 16 resulting from the covered person's election.

17 (e) An incentive payment to a covered person under this section is not
 18 (1) a violation of AS 21.36.100; or
 19 (2) an administrative expense of the health care insurer for rate
 20 development or rate filing purposes.

21 **Sec. 21.96.230. Program availability.** A health care insurer that offers a
 22 health care insurance policy in the group or individual market shall make an incentive
 23 program under AS 21.96.220 available as a component of a health care insurance
 24 policy offered in this state. Annually, at enrollment or renewal, a health care insurer
 25 shall provide notice about the availability of the program to a person covered under a
 26 health care insurance policy eligible for the program.

27 **Sec. 21.96.240. Filing requirements.** Before offering an incentive program
 28 under AS 21.96.220, a health care insurer that offers a health care insurance policy in
 29 the group or individual market shall file a description of the program with the director
 30 in the manner determined by the director. The director may review the filing to
 31 determine whether the incentive program complies with the requirements of

AS 21.96.210 - 21.96.300.

Sec. 21.96.250. Out-of-network health care providers. If a covered person participates in an incentive program under AS 21.96.220 and elects to receive a health care service under AS 21.96.220(a) from an out-of-network health care provider that results in a savings for the health care insurer, the health care insurer shall apply the amount paid for the health care service toward the cost sharing owed by the covered person as specified in the applicable health care insurance policy as if the health care services were provided by an in-network health care provider.

Sec. 21.96.260. Reporting requirements. A health care insurer shall, at the request of the director, annually provide information to the director relating to an incentive program under AS 21.96.220 for the most recent calendar year that includes

- (1) the total number of incentive payments;
- (2) information on the use of the incentive program by category of service;
- (3) the total amount of incentive payments;
- (4) the average amount of each incentive payment for each category of service;
- (5) the total savings achieved below the average price of the health care service in each category of service; and
- (6) the total number and percentage of covered persons who participated in the incentive program.

Sec. 21.96.270. Applicability. (a) Except as provided in (b) of this section, AS 21.96.210 - 21.96.300 apply to a health care insurance policy or contract but do not apply to excepted benefits.

(b) AS 21.96.210 - 21.96.300 apply to excepted benefits provided under a dental insurance policy or a vision insurance policy.

(c) In this section, "excepted benefits" has the meaning given in AS 21.54.160.

Sec. 21.96.300. Definitions. In AS 21.96.210 - 21.96.300,

- (1) "health care insurance" has the meaning given in AS 21.12.050;
- (2) "health care insurer" has the meaning given in AS 21.54.500;
- (3) "health care provider" has the meaning given in AS 18.23.400(n);

1 (4) "health care service" has the meaning given in AS 18.23.400(n);

2 (5) "policy" has the meaning given in AS 21.97.900.

3 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 TRANSITION: REGULATIONS. The director of the division of insurance may adopt
6 regulations necessary to implement this Act. The regulations take effect under AS 44.62
7 (Administrative Procedure Act), but not before the effective date of the law implemented by
8 the regulation.

9 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

10 * **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect January 1, 2026.