

29-GH2126\N  
Glover/Wallace  
5/27/16

**CS FOR HOUSE BILL NO. 374(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-NINTH LEGISLATURE - FOURTH SPECIAL SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the Alaska comprehensive health insurance fund; relating to a**  
2 **reinsurance program; relating to the definition of 'residents who are high risks'; relating**  
3 **to an application for a waiver for state innovation for health care insurance; and**  
4 **providing for an effective date."**

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

6 **\* Section 1.** AS 21.55.400 is amended to read:

7 **Sec. 21.55.400. Duties of director.** The director may

8 (1) approve the selection of the plan administrator by the association  
9 and approve the association's contract with the plan administrator, including the  
10 coverages and premiums to be charged;

11 (2) contract with the federal government or another unit of government  
12 to ensure coordination of the state plans with other governmental assistance programs;

13 (3) undertake, directly or through contracts with other persons, studies  
14 or demonstration programs to develop awareness of the benefits of this chapter; and

(4) formulate general policy and adopt regulations that are reasonably necessary to administer this chapter, including regulations establishing a reinsurance program reinsuring residents who are high risks and specifying covered conditions eligible for payment through appropriations from the Alaska comprehensive health insurance fund established under AS 21.55.430 [, THAT ARE REASONABLY NECESSARY TO ADMINISTER THIS CHAPTER].

\* **Sec. 2.** AS 21.55 is amended by adding a new section to read:

**Sec. 21.55.430. Alaska comprehensive health insurance fund.** (a) The Alaska comprehensive health insurance fund is established in the general fund. The Department of Administration shall separately account for revenue collected under AS 21.09.210, AS 21.33.055, 21.33.061, AS 21.34.180, and AS 21.66.110 and deposit net proceeds into the Alaska comprehensive health insurance fund. The Department of Administration shall deposit interest earned on the Alaska comprehensive health insurance fund in the general fund.

(b) The legislature may use the annual estimated balance in the Alaska comprehensive health insurance fund to make appropriations to the Department of Commerce, Community, and Economic Development to fund the reinsurance program under this chapter.

(c) Payment for claims under the reinsurance program under this chapter is subject to appropriation.

(d) Money in the fund does not lapse.

(e) Nothing in this section creates a dedicated fund.

(f) In this section, "net proceeds" includes

(1) revenue accounted for under (a) of this section, less all return premiums, fees under AS 23.05.067, errors, and other adjustments;

(2) penalties and interest on late payments accounted for under (a) of this section.

\* **Sec. 3.** AS 21.55.500(20) is amended to read:

(20) "residents who are high risks" means residents who

(A) have been rejected for medical reasons after applying for a subscriber contract, a policy of health insurance, or a Medicare supplement

1 policy by at least one association member within the six months immediately  
2 preceding the date of application for a state plan; medical reasons may include  
3 preexisting medical conditions, a family history that predicts future medical  
4 conditions, or an occupation that generates a frequency or severity of injury or  
5 disease that results in coverage not being generally available;

6 (B) have had a restrictive rider placed on a subscriber contract,  
7 a health insurance policy, or a Medicare supplement policy that substantially  
8 reduces coverage; or

9 (C) meet other requirements adopted by regulation by the  
10 director that are consistent with this chapter [AND THAT INDICATE THAT  
11 A PERSON IS UNABLE TO OBTAIN COVERAGE SUBSTANTIALLY  
12 SIMILAR TO THAT WHICH MAY BE OBTAINED BY A PERSON WHO  
13 IS CONSIDERED A STANDARD RISK];

14 \* **Sec. 4.** AS 21.96 is amended by adding a new section to read:

15 **Sec. 21.96.120. Waiver for state innovation.** The director may apply to the  
16 United States Secretary of Health and Human Services under 42 U.S.C. 18052 for a  
17 waiver of applicable provisions of P.L. 111-148 (Patient Protection and Affordable  
18 Care Act) with respect to health insurance coverage in the state for a plan year  
19 beginning on or after January 1, 2017. The director may implement a state plan  
20 meeting the waiver requirements in a manner consistent with state and federal law and  
21 as approved by the United States Secretary of Health and Human Services.

22 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 **RETROACTIVITY.** Section 2 of this Act is retroactive to June 30, 2016.

25 \* **Sec. 6.** Sections 1 and 3 - 5 of this Act take effect immediately under AS 01.10.070(c).