

Fiscal Note

State of Alaska
2026 Legislative Session

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

Identifier: SB121-DCCED-DOI-01-23-26
Title: HEALTH INSURANCE ALLOWABLE CHARGES
Sponsor: GIESSEL BY REQUEST
Requester: (S) LABOR & COMMERCE

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)

| | FY2027 Appropriation Requested | Included in Governor's FY2027 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|
| OPERATING EXPENDITURES | FY 2027 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
| Personal Services | 158.3 | | 158.3 | 158.3 | 158.3 | 158.3 | 158.3 |
| Travel | 10.0 | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Services | 70.0 | | 45.0 | 45.0 | 45.0 | 45.0 | 45.0 |
| Commodities | 12.0 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 250.3 | 0.0 | 215.3 | 215.3 | 215.3 | 215.3 | 215.3 |

Fund Source (Operating Only)

| | | | | | | | |
|----------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1156 Rcpt Svcs (DGF) | 250.3 | | 215.3 | 215.3 | 215.3 | 215.3 | 215.3 |
| Total | 250.3 | 0.0 | 215.3 | 215.3 | 215.3 | 215.3 | 215.3 |

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 (FY2026) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2027) 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? 01/01/28

Why this fiscal note differs from previous version/comments:

Updated for SLA2026 fiscal note template, updated analysis to reflect revised personal services costs using current salary schedules and rates, and contractual needs.

| | | | |
|--------------|---|--------|---------------|
| Prepared By: | Heather Carpenter, Division Director | Phone: | (907)465-2518 |
| Division: | Division of Insurance | Date: | 01/23/2026 |
| Approved By: | Hannah Lager, Administrative Services Director | Date: | 01/23/26 |
| Agency: | Department of Commerce, Community, and Economic Development | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSSB 121(HSS)

Analysis

SB 121 provides that out-of-network claims be reimbursed at the greater of 75th percentile or 450% of Medicare. It also provides that out-of-network health care providers who bill under the same Current Procedure Technology (CPT) code be reimbursed at the same rate regardless of specialty or discipline. The division anticipates this will lead to a significant increase in provider complaints to ensure that the reimbursement is correct.

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.

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: | \$158.3 | Program Coordinator 2, range 20, located in Juneau. |
| 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 FY2027 only. |
| | \$ 25.0 | Annual statewide and allocated core services costs. |
| | \$ 20.0 | Annual software/contract with a vendor to validate the methodology used by insurers. |
| Commodities: | \$ 10.0 | One-time setup costs for equipment and space in FY2027. |
| | \$ 2.0 | Ongoing supply and equipment costs. |

Initial regulations as required by this legislation are estimated to be adopted by 1/1/2028. These regulations updates will be combined with planned regulations packages.

This legislation would impact health insurance premium rates, but those are not an operating cost of the division.