



Representative Lindsey Holmes

House Bill 222 Sponsor Statement

HB 222 is a bill that will update several sections of Alaska's health insurance code to comply with recent changes made in federal law. If we do not update Alaska's code to reflect the federal changes, our Division of insurance will not be able to enforce the law when the federal changes go into effect. These updates include:

- Prohibiting health care insurers from discriminating against individuals on the basis of genetic information.
- Requiring that insurers continue to cover college students under their parent's health insurance coverage when the students take leave from school for medical reasons.
- Requiring insurers to provide parity in mental health and substance abuse treatment coverage.
- Requiring insurers to allow eligible employees and their dependents to enroll in the employer's health insurance plans when the employee or dependent loses Medicaid or state child health coverage or when an employee or dependent becomes eligible for assistance for their employer plan.
- Updating the definition of dentist for insurance purposes to include dentists who are licensed outside the state of Alaska

HB 222 also updates the law to bring substance abuse treatment coverage in line with the new mental health parity requirements. It would replace the mandate that insurers provide coverage for substance abuse treatment. In place of the mandate, it would require that insurers offer coverage for substance abuse treatment and prohibit insurers from placing extra restrictions on substance abuse treatment coverage.

Please join me in supporting HB 222 to ensure that our Division of Insurance can continue enforcing insurance law in the state of Alaska.

HOUSE BILL NO. 222(title am)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES HOLMES, Tuck, Gardner, Lynn, Kerttula, Guttenberg

Amended: 4/15/09

Introduced: 4/8/09

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting discrimination by health care insurers based on genetic
2 information; providing special enrollment requirements related to Medicaid and state
3 child health plan coverage; requiring a health care insurer to offer coverage for the
4 treatment of alcoholism or drug abuse; providing continuity of coverage for college
5 students during medically necessary leaves of absence from college; requiring health
6 care insurers in the group market to provide parity in the application of mental health
7 and substance abuse benefits that comply with federal requirements; amending the
8 definition of 'dentist' to include out-of-state dentists for purposes of certain dental
9 insurance requirements; and providing for an effective date."

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

11 * **Section 1.** AS 21.36 is amended by adding a new section to read:

12 **Sec. 21.36.093. Genetic information nondiscrimination.** (a) A health care

1 insurer that offers a health care insurance plan in the individual market shall comply
 2 with the genetic information nondiscrimination requirements established under 42
 3 U.S.C. 300gg-53.

4 (b) A health care insurer that offers a health care insurance plan in the group
 5 market shall comply with the genetic information nondiscrimination requirements
 6 established under 42 U.S.C. 300gg-1(b)(3), 42 U.S.C. 300gg-1(c) - (f), and 42 U.S.C.
 7 300gg-91.

8 (c) In this section,

9 (1) "group market" has the meaning given in AS 21.54.500;

10 (2) "health care insurance plan" has the meaning given in
 11 AS 21.54.500;

12 (3) "health care insurer" has the meaning given in AS 21.54.500;

13 (4) "individual market" has the meaning given in AS 21.51.500.

14 * **Sec. 2.** AS 21.42.365 is repealed and reenacted to read:

15 **Sec. 21.42.365. Coverage for treatment of alcoholism or drug abuse.** (a)

16 Except for a fraternal benefit society, a health care insurer that offers, issues for
 17 delivery, delivers, or renews in this state a health care insurance plan providing
 18 coverage for five or more employees of an employer in the group market shall offer a
 19 covered employee or the employee's dependent coverage for the treatment of
 20 alcoholism or drug abuse.

21 (b) In this section, "alcoholism or drug abuse" means an illness characterized
 22 by

23 (1) a physiological or psychological dependency, or both, on alcoholic
 24 beverages or controlled substances as defined in AS 11.71.900; or

25 (2) habitual lack of self-control in using alcoholic beverages or
 26 controlled substances to the extent that the person's health is substantially impaired or
 27 the person's social or economic function is substantially disrupted.

28 * **Sec. 3.** AS 21.42.392(g)(2) is amended to read:

29 (2) "dentist" means a person licensed [IN THIS STATE] to practice
 30 dentistry;

31 * **Sec. 4.** AS 21.42 is amended by adding a new section to read:

1 **Sec. 21.42.410. Coverage of dependent students on medically necessary**
 2 **leave of absence.** A health care insurer that offers a health care insurance plan in the
 3 individual or group market shall comply with the coverage requirements for dependent
 4 students on medically necessary leaves of absence under 42 U.S.C. 300gg-54.

5 * **Sec. 5.** AS 21.54 is amended by adding a new section to read:

6 **Sec. 21.54.105. Special enrollment requirements related to Medicaid and**
 7 **state child health plan coverage.** A health care insurer that offers, issues, delivers, or
 8 renews a health care insurance plan in the group market shall allow an eligible
 9 employee or dependent of an employee to enroll for coverage under the terms of the
 10 plan if the employee or dependent

11 (1) is covered by Medicaid under 42 U.S.C. 1396 – 1396u (Title XIX
 12 of the Social Security Act) or under a state child health plan under 42 U.S.C. 1397aa -
 13 1397mm (Title XXI of the Social Security Act), coverage is terminated because of
 14 loss of eligibility, and the employee requests coverage under the health care insurance
 15 plan not later than 60 days after the date of termination; or

16 (2) becomes eligible for assistance under Medicaid under 42 U.S.C.
 17 1396 – 1396u (Title XIX of the Social Security Act) or under a state child health plan
 18 under 42 U.S.C. 1397aa - 1397mm (Title XXI of the Social Security Act), with respect
 19 to coverage under a health care insurance plan, including under any waiver or
 20 demonstration project conducted under or in relation to the Medicaid or state child
 21 health plan, and the employee requests coverage under the health care insurance plan
 22 not later than 60 days after the date the employee or dependent is determined to be
 23 eligible for assistance.

24 * **Sec. 6.** AS 21.54.151 is repealed and reenacted to read:

25 **Sec. 21.54.151. Mental health or substance use disorder benefits.** A health
 26 care insurer that offers a health care insurance plan in the group market shall comply
 27 with the mental health or substance use disorder benefit requirements established
 28 under 42 U.S.C. 300gg-5.

29 * **Sec. 7.** AS 21.36.093, enacted by sec. 1 of this Act, takes effect May 21, 2009.

30 * **Sec. 8.** AS 21.42.410, enacted by sec. 4 of this Act, and AS 21.54.151, as repealed and
 31 reenacted by sec. 6 of this Act, take effect October 3, 2009.



Representative Lindsey Holmes

House Bill 222 Sectional Analysis

- Section 1: This section incorporates requirements in 42 U.S.C. 300gg-53 into state law. 42 U.S.C. 300gg-54 prohibits health care insurers from discriminating against individuals on the basis of genetic information. It prohibits health care insurers from requiring individuals to undergo genetic testing as a condition of insurance.
- Section 2: This section changes the requirements for insurance coverage for treatment of alcoholism or drug abuse. Currently, insurers are mandated to provide coverage for treatment of alcoholism and drug abuse to employer groups with 20 or more employees and mandates that insurers offer such coverage to employer groups with fewer than 20 employees. This section would replace that mandate and only require insurers to offer coverage for substance abuse to all employer groups. Under the mental health parity provisions in Section 6 of the bill insurers are prohibited from placing limits on substance abuse coverage that are not placed on the general medical coverage of the plan.
- Section 3: This section amends the definition of dentist for insurance purposes to cover dentists who are not licensed in Alaska.
- Section 4: This section incorporates requirements in 42 U.S.C. 300gg-54 and 42 U.S.C. 300gg-7 into state law. Those sections of federal statute require that health care insurers continue to cover college students under their parent's health insurance coverage when the students take leave from school for medical reasons.
- Section 5: This section has two changes to enrollment requirements for employees who are eligible for their employer's health insurance plans but have previously chosen to not enroll in that plan. The first change allows a person who was covered by Medicaid or similar plan and loses eligibility for that plan, to enroll in their employer's health insurance plan. The second change allows a person to enroll in their employer's health insurance plan if they become eligible for assistance to help pay for their employer's health insurance plan from Medicaid or a similar plan.
- Section 6: This section incorporates requirements in 42 U.S.C. 300gg-5 to apply to state law. The federal requirements are that a health care insurer may not place restrictions on mental health and substance use coverage in an insurance plan that are not placed on the general medical coverage of that plan.
- Section 7: This section provides an effective date for section 1 of the bill.
- Section 8: This section provides an effective date for sections 4 and 6 of the bill.
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Rep.Lindsey.Holmes@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB222
() Publish Date: _____

Identifier (file name): HB222-DHSS-BHMS-04-11-09 Dept. Affected: Health & Social Services
Title: Medical Insurance Eligibility Nondiscrimination RDU: Behavioral Health Services
Component: Behavioral Health Medicaid Services
Sponsor: Holmes
Requester: House L&C Component Number: 2660

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES (
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill will not result in increased costs to the Medicaid program. It could reduce Medicaid benefit costs by increasing private insurance coverage for drug & alcohol abuse services, continuing coverage for dependent students during medically necessary leaves of absence from college, and requiring group health insurers to allow an employee to request coverage under a group health insurance plan within 60 days if the employee or a dependent loses medical assistance coverage or becomes eligible for medical assistance. The costs avoided are indeterminate but are likely to be small because most medical assistance enrollees do not have access to private health insurance.

Prepared by: William J. Streur, Deputy Commissioner
Division: Health Care Services

Phone: 907-334-2520
Date/Time: 4/11/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance and Management Services

Date: 4/11/2009

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB222
 () Publish Date: _____

Identifier (file name): HB222-DHSS-MS-04-11-09 Dept. Affected: Health & Social Services
 Title: Medical Insurance Eligibility Nondiscrimination RDU: Health Care Services
 Component: Medicaid Services
 Sponsor: Holmes
 Requester: House L&C Component Number: 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES (
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
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ANALYSIS: (Attach a separate page if necessary)

This bill will not result in increased costs to the Medicaid program. It could reduce Medicaid benefit costs by continuing coverage for dependent students during medically necessary leaves of absence from college and requiring group health insurers to allow an employee to request coverage under a group health insurance plan within 60 days if the employee or a dependent loses medical assistance coverage or becomes eligible for medical assistance. The costs avoided are indeterminate but are likely to be small because most medical assistance enrollees do not have access to private health insurance.

Prepared by: William J. Streur, Deputy Commissioner
 Division: Health Care Services

Phone: 907-334-2520
 Date/Time: 4/11/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance and Management Services

Date: 4/11/2009

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 222
() Publish Date: _____

Identifier (file name): HB222-CED-INS-04-08-09
Title: Med. Ins. Eligibility/Nondiscrimination
Dept. Affected: DCCED
RDU: Insurance (116)
Component: Insurance
Sponsor: Representative Holmes
Requester: House Labor and Commerce Committee
Component Number: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HB 222 will update several sections of Alaska's health insurance code to comply with recent changes made in federal law. These updates include:

- Prohibiting health care insurers from discriminating against individuals on the basis of genetic information.
- Requiring that insurers continue to cover college students under their parents health insurance coverage when the students take leave from school for medical reasons.
- Requiring insurers to provide parity in mental health and substance abuse treatment coverage.
- Updating the definition of dentist for insurance purposes to include dentist who are licensed outside of the State of Alaska.

Prepared by: Linda S. Hall, Director
Division: Insurance
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907-269-7900
Date/Time 4/8/09 1:40 PM
Date 4/8/2009

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 222

ANALYSIS CONTINUATION

•Requiring insurers to allow eligible employees and their dependents to enroll in the employer's health insurance plans when the employee or dependent loses Medicaid or state child health coverage or when an employee or dependent becomes eligible.

These changes will allow the Division of Insurance to enforce the laws when the federal laws go into effect and will have no fiscal impact.