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CS FOR HOUSE BILL NO. 58(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES CLAMAN, Zulkosky, Kreiss-Tomkins, Hopkins, Spohnholz, Tarr, Hannan, Fields, Schrage, Snyder

A BILL

FOR AN ACT ENTITLED

"An Act relating to insurance coverage for contraceptives and related services; relating to medical assistance coverage for contraceptives and related services; and providing for an effective date."

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

* **Section 1.** AS 21.42 is amended by adding a new section to read:

Sec. 21.42.427. Coverage for contraceptives. (a) A health care insurer that offers, issues for delivery, delivers, or renews in the state a health care insurance plan in the group or individual market shall

(1) provide coverage for

(A) prescription contraceptives;

(B) emergency contraception, including over-the-counter emergency contraception, approved by the United States Food and Drug Administration; the insurer may not require a prescription for coverage of over-the-counter emergency contraception under this subparagraph; and

(C) consultations, examinations, procedures, and medical services that are necessary to prescribe, dispense, insert, deliver, distribute, administer, or remove the drugs, devices, and other products or services provided under this paragraph;

(2) reimburse a health care provider or dispensing entity for dispensing prescription contraceptives intended to last for a 12-month period for subsequent dispensings of the same prescription contraceptive to the insured regardless of whether the insured was enrolled in the health care insurance plan at the time of the first dispensing.

(b) A health care insurer may not deny coverage or reimbursement under (a) of this section because an insured changed contraceptive methods within a 12-month period.

(c) Except as provided in (d) of this section, a health care insurer may not offset the costs of compliance with (a) of this section and may not require copayments or deductibles for contraceptives or services covered under (a) of this section.

(d) A health care insurer shall establish cost sharing for the coverage provided under (a) of this section to the extent necessary to qualify a plan as a high deductible health plan eligible for a health savings account tax deduction under 26 U.S.C. 223 (Internal Revenue Code).

(e) A health care insurer may not restrict or delay the coverage or reimbursement required under (a) of this section, including use of medical management techniques, such as denials, step therapy, or prior authorization, that limit an insured's choice in accessing a full range of prescription contraceptives. Nothing in this subsection prevents a health care insurer from enacting reasonable cost containment measures in relation to the coverage required under (a) of this section if the cost containment measure does not unreasonably limit choice in access to coverage. In this subsection, "cost containment" means incentivizing the use of generic or lower cost medications or the use of health care providers or pharmacies that offer services or prescriptions at a lower negotiated rate.

(f) If the covered therapeutically equivalent version of a prescription contraceptive is not available or is considered medically inadvisable by the health care

provider of the insured, a health care insurer shall provide coverage without cost sharing for an alternative therapeutically equivalent version of the prescription contraceptive that is prescribed for the insured.

(g) A health care insurer shall provide coverage and reimbursement under (a) of this section to all insureds enrolled in a health care insurance plan, including enrolled spouses and dependents.

(h) A health care insurer that offers, issues for delivery, delivers, or renews in the state a health care insurance plan in the group market to a religious employer is exempt from the requirements of this section with respect to the health care insurance plan of the religious employer if the religious employer opposes the coverage required under this section and is an organization that meets the criteria set out in 26 U.S.C. 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended.

(i) In this section, "prescription contraceptive" means a drug or device that requires a prescription and is approved by the United States Food and Drug Administration to prevent pregnancy.

* **Sec. 2.** AS 29.10.200 is amended by adding a new paragraph to read:

(68) AS 29.20.420 (health care insurance plans).

* **Sec. 3.** AS 29.20 is amended by adding a new section to article 5 to read:

Sec. 29.20.420. Health insurance policies. (a) If a municipality offers a group health care insurance plan covering municipal employees, including by means of self-insurance, the municipal health care insurance plan is subject to the requirements of AS 21.42.427.

(b) This section applies to home rule and general law municipalities.

(c) In this section "health care insurance plan" has the meaning given in AS 21.54.500.

* **Sec. 4.** AS 39.30.090(a) is amended to read:

(a) The Department of Administration may obtain a policy or policies of group insurance covering state employees, persons entitled to coverage under AS 14.25.168, 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145, employees of other participating governmental units, or persons entitled to coverage under AS 23.15.136, subject to the following conditions:

1 (1) a group insurance policy shall provide one or more of the following
2 benefits: life insurance, accidental death and dismemberment insurance, weekly
3 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
4 expense insurance, audiovisual insurance, or other medical care insurance;

5 (2) each eligible employee of the state, the spouse and the unmarried
6 children chiefly dependent on the eligible employee for support, and each eligible
7 employee of another participating governmental unit shall be covered by the group
8 policy, unless exempt under regulations adopted by the commissioner of
9 administration;

10 (3) a governmental unit may participate under a group policy if

11 (A) its governing body adopts a resolution authorizing
12 participation and payment of required premiums;

13 (B) a certified copy of the resolution is filed with the
14 Department of Administration; and

15 (C) the commissioner of administration approves the
16 participation in writing;

17 (4) in procuring a policy of group health or group life insurance as
18 provided under this section or excess loss insurance as provided in AS 39.30.091, the
19 Department of Administration shall comply with the dual choice requirements of
20 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
21 transact business in the state under AS 21.09, a hospital or medical service corporation
22 authorized to transact business in this state under AS 21.87, or a health maintenance
23 organization authorized to operate in this state under AS 21.86; an excess loss
24 insurance policy may be obtained from a life or health insurer authorized to transact
25 business in this state under AS 21.09 or from a hospital or medical service corporation
26 authorized to transact business in this state under AS 21.87;

27 (5) the Department of Administration shall make available bid
28 specifications for desired insurance benefits or for administration of benefit claims and
29 payments to (A) all insurance carriers authorized to transact business in this state
30 under AS 21.09 and all hospital or medical service corporations authorized to transact
31 business under AS 21.87 who are qualified to provide the desired benefits; and (B)

1 insurance carriers authorized to transact business in this state under AS 21.09, hospital
2 or medical service corporations authorized to transact business under AS 21.87, and
3 third-party administrators licensed to transact business in this state and qualified to
4 provide administrative services; the specifications shall be made available at least once
5 every five years; the lowest responsible bid submitted by an insurance carrier, hospital
6 or medical service corporation, or third-party administrator with adequate servicing
7 facilities shall govern selection of a carrier, hospital or medical service corporation, or
8 third-party administrator under this section or the selection of an insurance carrier or a
9 hospital or medical service corporation to provide excess loss insurance as provided in
10 AS 39.30.091;

11 (6) if the aggregate of dividends payable under the group insurance
12 policy exceeds the governmental unit's share of the premium, the excess shall be
13 applied by the governmental unit for the sole benefit of the employees;

14 (7) a person receiving benefits under AS 14.25.110, AS 22.25,
15 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
16 effect under this section at the time of termination of employment with the state or
17 participating governmental unit;

18 (8) a person electing to have insurance under (7) of this subsection
19 shall pay the cost of this insurance;

20 (9) for each permanent part-time employee electing coverage under
21 this section, the state shall contribute one-half the state contribution rate for permanent
22 full-time state employees, and the permanent part-time employee shall contribute the
23 other one-half;

24 (10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
25 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
26 and eligible dependents under this section; the level of coverage for persons over 65
27 shall be the same as that available before reaching age 65 except that the benefits
28 payable shall be supplemental to any benefits provided under the federal old age,
29 survivors, and disability insurance program; a person electing to have insurance under
30 this paragraph shall pay the cost of the insurance; the commissioner of administration
31 shall adopt regulations implementing this paragraph;

(11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37 may obtain long-term care insurance for that person and eligible dependents under this section; a person who elects insurance under this paragraph shall pay the cost of the insurance premium; the commissioner of administration shall adopt regulations to implement this paragraph;

(12) each licensee holding a current operating agreement for a vending facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that applies to governmental units other than the state;

(13) a group health insurance policy covering employees of a participating governmental unit is subject to the requirements of AS 21.42.427.

* **Sec. 5.** AS 39.30.091 is amended to read:

Sec. 39.30.091. Authorization for self-insurance and excess loss insurance.

Notwithstanding AS 21.86.310 or AS 39.30.090, the Department of Administration may provide, by means of self-insurance, one or more of the benefits listed in AS 39.30.090(a)(1) for state employees eligible for the benefits by law or under a collective bargaining agreement and for persons receiving benefits under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37, and their dependents. The department shall procure any necessary excess loss insurance under AS 39.30.090. **A self-insured group medical plan covering active state employees provided under this section is subject to the requirements of AS 21.42.427.**

* **Sec. 6.** AS 47.07.065 is amended by adding new subsections to read:

(c) The department shall pay for

(1) prescription contraceptives intended to last for a 12-month period for subsequent dispensings of the same prescription contraceptive if prescribed to and requested by the recipient, regardless of whether the recipient was receiving medical assistance at the time of the first dispensing;

(2) emergency contraception, including over-the-counter emergency contraception, approved by the United States Food and Drug Administration; the department may not require a prescription for coverage of over-the-counter emergency contraception under this paragraph; and

(3) consultations, examinations, procedures, and medical services that

are necessary to

(A) prescribe, dispense, insert, distribute, or administer
prescription contraceptives; or

(B) remove prescription contraceptives.

(d) Nothing in this section requires itemized reimbursement when a service is
reimbursable as part of a bundled or composite rate.

(e) In this section, "prescription contraceptive" means a drug or device that
requires a prescription and is approved by the United States Food and Drug
Administration to prevent pregnancy.

* **Sec. 7.** The uncoded law of the State of Alaska is amended by adding a new section to
read:

MEDICAID STATE PLAN FEDERAL APPROVAL. The Department of Health and
Social Services shall amend and submit for federal approval the state plan for medical
assistance coverage consistent with AS 47.07.065(c) - (e), enacted by sec. 6 of this Act.

* **Sec. 8.** The uncoded law of the State of Alaska is amended by adding a new section to
read:

CONDITIONAL EFFECT; NOTIFICATION. (a) The commissioner of health and
social services shall notify the revisor of statutes in writing, on or before January 1, 2022, if
the United States Department of Health and Human Services approves the amendments to the
state plan for medical assistance coverage under AS 47.07.065(c) - (e), enacted by sec. 6 of
this Act.

(b) Section 6 of this Act takes effect only if the commissioner of health and social
services notifies the revisor of statutes in writing as required under (a) of this section.

* **Sec. 9.** If sec. 6 of this Act takes effect, it takes effect on the day after the date the revisor
of statutes receives notice from the commissioner of health and social services under sec. 8 of
this Act.