

# Representative Sara Rasmussen

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## CS House Bill 176(L&C)

### Sectional Analysis

*“An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices.”*

**Section 1: AS 21.03.025 – Direct health care agreements.** Adds a new section to AS 21.03 creating direct health care agreements.

**Subsection (a)** outlines that a direct health care agreement is between a health care provider and a government entity, individual patient, employer of a patient, or a representative of a patient.

**Subsection (b)** states the provider shall disclose the services provided under the agreement and establish an annual fee comparable to other agreements.

**Subsection (c)** The health care agreement must be legible and in language an individual with no medical training can understand. It must:

- Describe the services to be provided by the health care provider;
- Specify the annual fees associated with the agreement;
- Prominently state that the agreement is not health insurance and that it does not meet health insurance mandates that may be required by federal law;
- Include contact information for the person receiving and addressing complaints;
- State the annual fee under the agreement; and
- Specify the number of patients the health care provider has the capacity to serve and the number they are currently serving.

**Subsection (d)** allows for the policy to be terminated within 30 days of entering into the agreement from the patient.

**Subsection (e)** allows for the policy to be terminated after a 30-day written notice from either party.

**Subsection (f)** allows for the policy to be terminated in accordance with the agreement.

**Subsection (g)** allows for policy modification

**Subsection (h)** States that the services and agreements are subject to consumer protection laws

**Subsection (i)** specifies that the offering or execution of an agreement is not engaging in the business of insurance or underwriting in the state.

**Subsection (j)**

**Subsection (k)** providers that enter into agreements shall file a report with the Division of Insurance on or before September 1 each year.

**Subsection (l)** defines the terms “health care practice”, “health care provider”, and “health care service”

**Section 2: AS 45.45.915 – Direct health care agreements.** Adds a new section under Trade Practices.

**Subsection (a)** prevents health care providers from declining or terminating direct health care agreements based on a patient’s protected class under federal or state law that prohibits discrimination.

**Subsection (b)** provides that a provider may decline or terminate a direct health care agreement if the provider is unable to provide the level or type of care the patient requires. The provider shall ensure the patient is referred to a health care provider who is able to provide the level or type of care required and agrees to provide said care.

**Subsection (c)** allows for a provider to decline to enter into an agreement if they do not have the capacity to accept new patients.

**Subsection (d)** defines the terms “direct health care agreement” and “health care provider.”

**Section 3: AS 45.50.471(b) Unlawful acts and practices.** Updates definitions for “unfair methods of competition” and “unfair or deceptive acts or practices” to include violating direct health agreements under AS 45.45.915.

**Section 4:** Amends uncodified law for the Division of Insurance to adopt regulations.

**Section 5:** provides an immediate effective date for Section 4.

**Section 6:** provides for a January 1, 2023, effective date.