

CS FOR HOUSE BILL NO. 25(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/15/17

Referred: Rules

Sponsor(s): REPRESENTATIVES CLAMAN, Spohnholz, Fansler, Gara, Tarr, Kreiss-Tomkins, Drummond

A BILL

FOR AN ACT ENTITLED

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

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

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

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

9 (1) provide coverage for

10 (A) prescription contraceptives;

11 (B) voluntary sterilization procedures; and

12 (C) consultations, examinations, procedures, and medical
13 services that are necessary to prescribe, dispense, insert, deliver, distribute,
14 administer, or remove the drugs, devices, and other products or services

1 provided under this paragraph;

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

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

10 (c) A health care insurer may not offset the costs of compliance with (a) of
11 this section and may not require copayments or deductibles for contraceptives or
12 services covered under (a) of this section.

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

23 (e) If the covered therapeutically equivalent version of a prescription
24 contraceptive is not available or is considered medically inadvisable by the health care
25 provider of the insured, a health care insurer shall provide coverage without cost
26 sharing for an alternative therapeutically equivalent version of the prescription
27 contraceptive that is prescribed for the insured.

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

31 (g) A health care insurer that offers, issues for delivery, delivers, or renews in

1 the state a health care insurance plan in the group market to a religious employer is
 2 exempt from the requirements of this section with respect to the health care insurance
 3 plan of the religious employer if the religious employer opposes the coverage required
 4 under this section and is an

5 (1) organization that meets the criteria set out in 26 U.S.C.
 6 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended; or

7 (2) eligible organization that has self-certified in the form and manner
 8 specified by the United States Secretary of Labor or has provided notice to the United
 9 States Secretary of Health and Human Services, under the requirements set out in 45
 10 C.F.R. 147.131(b)(1) - (3).

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

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

15 (66) AS 29.20.420 (health care insurance plans).

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

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

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

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

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

25 (a) The Department of Administration may obtain a policy or policies of group
 26 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
 27 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,
 28 employees of other participating governmental units, or persons entitled to coverage
 29 under AS 23.15.136, subject to the following conditions:

30 (1) a group insurance policy shall provide one or more of the following
 31 benefits: life insurance, accidental death and dismemberment insurance, weekly

1 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
2 expense insurance, audiovisual insurance, or other medical care insurance;

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

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

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

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

13 (C) the commissioner of administration approves the
14 participation in writing;

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

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

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

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

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

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

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

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

30 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
 31 or former AS 39.37 may obtain long-term care insurance for that person and eligible

1 dependents under this section; a person who elects insurance under this paragraph
 2 shall pay the cost of the insurance premium; the commissioner of administration shall
 3 adopt regulations to implement this paragraph;

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

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

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

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

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

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

20 (b) The department shall pay for

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

25 (2) consultations, examinations, procedures, and medical services that
 26 are necessary to

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

29 (B) remove prescription contraceptives.

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

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

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

6 MEDICAID STATE PLAN INSTRUCTIONS; NOTICE TO REVISOR OF
 7 STATUTES. The Department of Health and Social Services shall immediately amend and
 8 submit for federal approval a state plan for medical assistance coverage consistent with
 9 AS 47.07.065(b) - (d), added by sec. 6 of this Act. The Department of Health and Social
 10 Services shall apply to the United States Department of Health and Human Services for any
 11 waivers necessary to implement AS 47.07.065(b) - (d), added by sec. 6 of this Act. The
 12 commissioner of health and social services shall notify the revisor of statutes in writing if the
 13 United States Department of Health and Human Services approves the provisions of
 14 AS 47.07.065(b) - (d), added by sec. 6 of this Act.

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

17 CONDITIONAL EFFECT. AS 47.07.065(b) - (d), added by sec. 6 of this Act, take
 18 effect only if the commissioner of health and social services notifies the revisor of statutes in
 19 writing under sec. 7 of this Act, on or before January 1, 2018, that the provisions of
 20 AS 47.07.065(b) - (d), added by sec. 6 of this Act, have been approved by the United States
 21 Department of Health and Human Services.

22 * **Sec. 9.** If AS 47.07.065(b) - (d), added by sec. 6 of this Act, take effect, they take effect on
 23 the day after the date the commissioner of health and social services makes a certification to
 24 the revisor of statutes under secs. 7 and 8 of this Act.

25 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect January 1, 2018.