

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 129

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY SENATOR GIESSEL

Introduced: 2/2/18

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination by an insurer of a final payment for a covered
2 service or supply; annulling regulations relating to determination by an insurer of a
3 final payment for a covered service or supply based on geographical areas; and
4 providing for an effective date."

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

6 * **Section 1.** AS 21.42.205 is amended to read:

7 **Sec. 21.42.205. Coordination of benefits and determination of final**
8 **payment for a covered service or supply.** (a) Unless prohibited by federal law, an
9 insurer authorized under AS 21.09 to offer, issue for delivery, deliver, or renew an
10 individual or group health insurance policy for major medical coverage on an expense
11 incurred basis; a health maintenance organization authorized under AS 21.86 to offer a
12 contract to provide major medical health care services on a prepaid basis; or a service
13 corporation authorized under AS 21.87 to offer or renew an individual or group
14 subscriber's contract for major medical coverage shall

1 **(1)** include a coordination of benefits provision in a major medical
2 policy or contract; **and**

3 **(2) determine the final payment for a covered service or supply**
4 **based on an amount that is at least 300 percent of the amount reimbursed by**
5 **Medicare for that service or supply under an applicable Medicare fee schedule**
6 **for the state.**

7 (b) The director may adopt regulations to implement this section, **except that**
8 **the director may not adopt a regulation that establishes the final payment for a**
9 **covered service or supply.**

10 * **Sec. 2.** 3 AAC 26.110(a)(2)(B) and (5)(A) are annulled.

11 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 TRANSITION: IMPLEMENTATION. The determination for final payment for a
14 covered service or supply under AS 21.42.205(a), as amended by sec. 1 of this Act, applies to
15 contracts or agreements entered into by an insurer, health maintenance organization, or
16 service corporation on or after the effective date of this Act.

17 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).