

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 21**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTY-FIRST LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVES CLAMAN, Hopkins, Drummond, Fields, Tarr, Spohnholz**

**Introduced: 2/21/20**

**Referred: Health and Social Services, Finance**

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

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

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

27 (f) If the covered therapeutically equivalent version of a prescription  
28 contraceptive is not available or is considered medically inadvisable by the health care  
29 provider of the insured, a health care insurer shall provide coverage without cost  
30 sharing for an alternative therapeutically equivalent version of the prescription  
31 contraceptive that is prescribed for the insured.

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

4 (h) A health care insurer that offers, issues for delivery, delivers, or renews in  
 5 the state a health care insurance plan in the group market to a religious employer is  
 6 exempt from the requirements of this section with respect to the health care insurance  
 7 plan of the religious employer if the religious employer opposes the coverage required  
 8 under this section and is an organization that meets the criteria set out in 26 U.S.C.  
 9 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended.

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

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

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

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

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

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

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

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

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

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

1 expense insurance, audiovisual insurance, or other medical care insurance;

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,  
30 or former AS 39.37 may obtain long-term care insurance for that person and eligible  
31 dependents under this section; a person who elects insurance under this paragraph

1 shall pay the cost of the insurance premium; the commissioner of administration shall  
2 adopt regulations to implement this paragraph;

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

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

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

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

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

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

19 (c) The department shall pay for

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

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

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

28 (B) remove prescription contraceptives.

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

31 (e) In this section, "prescription contraceptive" means a drug or device that

1 requires a prescription and is approved by the United States Food and Drug  
2 Administration to prevent pregnancy.

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

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

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

10 CONDITIONAL EFFECT; NOTIFICATION. (a) The commissioner of health and  
11 social services shall notify the revisor of statutes in writing, on or before January 1, 2021, if  
12 the United States Department of Health and Human Services approves the amendments to the  
13 state plan for medical assistance coverage under AS 47.07.065(c) - (e), enacted by sec. 6 of  
14 this Act.

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

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