

HOUSE BILL NO. 176

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES RASMUSSEN, McCabe, Nelson, Fields

Introduced: 4/16/21

Referred: Labor and Commerce, Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance; relating to direct health care agreements; and relating to
2 unfair trade practices."

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

4 * **Section 1.** AS 21.03 is amended by adding a new section to read:

5 **Sec. 21.03.025. Direct health care agreements.** (a) A direct health care
6 agreement is a written health care agreement between a health care provider and a
7 government entity, an individual patient, the employer of a patient, or the
8 representative of a patient to provide health care services in exchange for payment of a
9 periodic fee. The health care provider shall disclose the services to be provided under
10 the agreement to the patient and to the person paying the fee. The health care provider
11 may not assess charges or receive compensation other than the periodic fee for health
12 care services and additional fees specified in the agreement. However, a patient may
13 submit a health care insurance claim and the health care provider may assess charges
14 or receive compensation for health care services not included in the agreement. A

1 direct health care agreement must

2 (1) describe the health care services to be provided by the health care
3 provider;

4 (2) specify the periodic fee for the health care services and additional
5 fees that the health care provider may charge in addition to the periodic fee;

6 (3) prominently state that the agreement is not health insurance and
7 does not meet an individual or other health insurance mandate that may be required by
8 federal law; and

9 (4) prominently state that the patient is not entitled to the protections
10 under AS 21.07 (Patient Protections Under Health Care Insurance Policies) or
11 AS 21.36 (Trade Practices and Frauds).

12 (b) A direct health care agreement between a health care provider and a
13 patient or the representative of a patient must allow a party to terminate the agreement
14 in writing after at least 30 days' notice and in accordance with the agreement. An
15 agreement between a health care provider and a government entity or the employer of
16 a patient may be terminated in accordance with the agreement. An agreement may
17 provide for a refund, a termination penalty, or a termination fee.

18 (c) A direct health care agreement and health care services provided under a
19 direct health care agreement are not subject to AS 21.07 (Patient Protections Under
20 Health Care Insurance Policies) or AS 21.36 (Trade Practices and Frauds), but are
21 subject to other consumer protection statutes and regulations, including AS 45.45.915.

22 (d) Offering or executing a direct health care agreement does not constitute
23 engaging in the business of insurance or underwriting in this state, and, except as
24 provided by this section, a direct health care agreement and health care services
25 provided under a direct health care agreement are exempt from regulation by the
26 division under this title. A health care provider is not a health maintenance
27 organization, insurer, or insurance producer by virtue of the offering or execution of a
28 direct health care agreement or the provision of health care services under a direct
29 health care agreement. A certificate of authority or license to market, sell, or offer to
30 sell a direct health care agreement or health care services under a direct health care
31 agreement is not required to offer or execute a direct health care agreement or provide

1 health care services under a direct health care agreement.

2 (e) In this section,

3 (1) "health care provider" means a firm, corporation, association,
4 institution, or other person licensed or otherwise authorized in this state to provide
5 health care services;

6 (2) "health care service" means a health care service or procedure,
7 other than a health care service or procedure that is immediately necessary to prevent
8 the death or serious impairment of the health of the patient, that is provided in person
9 or remotely by telemedicine or other means by a health care provider for the care,
10 prevention, diagnosis, or treatment of a physical or mental illness, health condition,
11 disease, or injury.

12 * **Sec. 2.** AS 45.45 is amended by adding a new section to read:

13 **Sec. 45.45.915. Direct health care agreements.** (a) A health care provider
14 may not decline to enter into a direct health care agreement with a new patient or
15 terminate a direct health care agreement with an existing patient solely because of the
16 patient's race, religion, color, national origin, age, sex, physical or mental disability,
17 marital status, change in marital status, pregnancy, parenthood, or any other
18 characteristic of a class of persons protected by federal or state laws that prohibit
19 discrimination.

20 (b) A health care provider may decline to enter into a direct health care
21 agreement with a new patient or terminate a direct health care agreement with an
22 existing patient based on the patient's health status only if the health care provider is
23 unable to provide to the patient the level or type of care the patient requires for a
24 medical condition. Before terminating a direct health care agreement with an existing
25 patient, a health care provider shall ensure that the patient is transferred to a health
26 care provider who

27 (1) is able to provide the level or type of care the patient requires; and

28 (2) agrees to provide to the patient the level or type of care the patient
29 requires.

30 (c) In this section,

31 (1) "direct health care agreement" means an agreement described in

1 AS 21.03.025;
2 (2) "health care provider" has the meaning given in AS 21.03.025.
3 * **Sec. 3.** AS 45.50.471(b) is amended by adding a new paragraph to read:
4 (58) violating AS 45.45.915 (direct health care agreements).