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SENATE CS FOR CS FOR HOUSE BILL NO. 17(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/6/24

Referred: Rules

Sponsor(s): REPRESENTATIVES CARRICK, Armstrong, Groh, Fields, Hannan, Schrage, Mina, McCormick, Foster, Himschoot, Mears, Galvin, Dibert, Gray, Josephson, Story

SENATORS Tobin, Kawasaki, Kiehl, Dunbar, Claman, Gray-Jackson

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; and

11 (B) consultations, examinations, procedures, and medical
 12 services that are necessary to prescribe, dispense, insert, deliver, distribute,
 13 administer, or remove the drugs, devices, and other products or services
 14 provided under this paragraph;

15 (2) reimburse a health care provider or dispensing entity for dispensing

1 prescription contraceptives intended to last for a 12-month period for subsequent
2 dispensings of the same prescription contraceptive to the insured regardless of whether
3 the insured was enrolled in the health care insurance plan at the time of the first
4 dispensing.

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

8 (c) Except as provided in (d) of this section, a health care insurer may not
9 require cost sharing for contraceptives or services covered under (a) of this section
10 when provided by a participating health care provider or dispensing entity.

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

15 (e) A health care insurer that applies medical management techniques,
16 including step therapy or prior authorization, must provide without delay a simple and
17 easy to understand exception procedure for a covered person to access contraceptives
18 covered under (a) of this section.

19 (f) If the covered therapeutically equivalent version of a prescription
20 contraceptive is not available or is considered medically inadvisable by the health care
21 provider of the insured, a health care insurer shall provide coverage without cost
22 sharing for an alternative therapeutically equivalent version of the prescription
23 contraceptive that is prescribed by a participating health care provider for the insured.

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

27 (h) A health care insurer that offers, issues for delivery, delivers, or renews in
28 the state a health care insurance plan in the group market to a religious employer is
29 exempt from the requirements of this section with respect to the health care insurance
30 plan of the religious employer if the religious employer opposes the coverage required
31 under this section and is an organization that meets the criteria set out in 26 U.S.C.

1 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended.

2 (i) When enforcing health care insurance coverage regarding contraceptive
3 methods as provided in this section in a manner that burdens a person's religious
4 practices, the state must demonstrate that enforcement is

5 (1) in furtherance of a compelling government interest; and

6 (2) the least restrictive means of furthering that interest.

7 (j) In this section, "prescription contraceptive" means a drug or device that
8 requires a prescription and is approved by the United States Food and Drug
9 Administration to prevent pregnancy.

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

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

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

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

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

18 (c) In this section, "health care insurance plan" has the meaning given in
19 AS 21.54.500.

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

21 (a) The Department of Administration may obtain a policy or policies of group
22 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
23 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,
24 employees of other participating governmental units, or persons entitled to coverage
25 under AS 23.15.136, subject to the following conditions:

26 (1) a group insurance policy shall provide one or more of the following
27 benefits: life insurance, accidental death and dismemberment insurance, weekly
28 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
29 expense insurance, audiovisual insurance, or other medical care insurance;

30 (2) each eligible employee of the state, the spouse and the unmarried
31 children chiefly dependent on the eligible employee for support, and each eligible

1 employee of another participating governmental unit shall be covered by the group
2 policy, unless exempt under regulations adopted by the commissioner of
3 administration;

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

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

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

9 (C) the commissioner of administration approves the
10 participation in writing;

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

21 (5) the Department of Administration shall make available bid
22 specifications for desired insurance benefits or for administration of benefit claims and
23 payments to (A) all insurance carriers authorized to transact business in this state
24 under AS 21.09 and all hospital or medical service corporations authorized to transact
25 business under AS 21.87 who are qualified to provide the desired benefits; and (B)
26 insurance carriers authorized to transact business in this state under AS 21.09, hospital
27 or medical service corporations authorized to transact business under AS 21.87, and
28 third-party administrators licensed to transact business in this state and qualified to
29 provide administrative services; the specifications shall be made available at least once
30 every five years; the lowest responsible bid submitted by an insurance carrier, hospital
31 or medical service corporation, or third-party administrator with adequate servicing

1 facilities shall govern selection of a carrier, hospital or medical service corporation, or
2 third-party administrator under this section or the selection of an insurance carrier or a
3 hospital or medical service corporation to provide excess loss insurance as provided in
4 AS 39.30.091;

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

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

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

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

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

26 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
27 or former AS 39.37 may obtain long-term care insurance for that person and eligible
28 dependents under this section; a person who elects insurance under this paragraph
29 shall pay the cost of the insurance premium; the commissioner of administration shall
30 adopt regulations to implement this paragraph;

31 (12) each licensee holding a current operating agreement for a vending

1 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
 2 applies to governmental units other than the state;

3 **(13) a group health insurance policy covering employees of a**
 4 **participating governmental unit must meet the requirements of AS 21.42.427.**

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

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

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

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

16 (c) The department shall pay for

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

21 (2) consultations, examinations, procedures, and medical services that
 22 are necessary to

23 (A) prescribe, dispense, insert, distribute, or administer
 24 prescription contraceptives; or

25 (B) remove prescription contraceptives.

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

28 (e) In this section, "prescription contraceptive" means a drug or device that
 29 requires a prescription and is approved by the United States Food and Drug
 30 Administration to prevent pregnancy.

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 MEDICAID STATE PLAN FEDERAL APPROVAL. To the extent necessary to
3 implement this Act, the Department of Health shall amend and submit for federal approval the
4 state plan for medical assistance coverage consistent with AS 47.07.065(c) - (e), enacted by
5 sec. 6 of this Act.

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

8 CONDITIONAL EFFECT; NOTIFICATION. (a) Section 6 of this Act takes effect
9 only if, on or before January 1, 2026, the United States Department of Health and Human
10 Services

11 (1) approves the amendments to the state plan for medical assistance coverage
12 under AS 47.07.065(c) - (e), enacted by sec. 6 of this Act; or

13 (2) determines that its approval of the amendments to the state plan for
14 medical assistance coverage under AS 47.07.065(c) - (e), enacted by sec. 6 of this Act, is not
15 necessary.

16 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
17 days after the United States Department of Health and Human Services approves amendments
18 to the state plan under (a)(1) of this section or determines that approval is not necessary under
19 (a)(2) of this section.

20 * **Sec. 9.** Section 1 of this Act takes effect January 1, 2025.