

HOUSE BILL NO. 272

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE JOSEPHSON

Introduced: 1/23/26

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to insurance coverage for prosthetic and orthotic devices; relating to**
2 **medical assistance for prosthetic and orthotic devices; and providing for an effective**
3 **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. 21.42.445. Coverage for prosthetic and orthotic devices.** (a) A health
7 care insurer that offers, issues for delivery, delivers, or renews in the state a health
8 care insurance plan in the group or individual market shall provide coverage for
9 prosthetic and orthotic devices at a level that is at least equal to the coverage required
10 under 42 U.S.C. 1395k - 1395m.

11 (b) The coverage for prosthetic and orthotic devices required under this
12 section must include all prosthetic or orthotic devices that the covered person's health
13 care provider determines are the most appropriate models to meet the medical needs of
14 the covered person to complete activities of daily living or essential job-related

1 activities, shower or bathe, perform applicable physical activities, including running,
2 biking, swimming, and strength training, and maximize whole-body health and limb
3 function. The coverage must also include all device materials and components and
4 instruction to the covered person on use of the devices.

5 (c) Coverage under this section must include coverage for repair or
6 replacement of a prosthetic or orthotic device as needed. The health care insurer shall
7 provide for the replacement of the device, or the repair or replacement of a part of the
8 device, without regard to continuous use or useful lifetime restrictions, if a health care
9 provider determines that the repair or replacement of the device or a part the device is
10 necessary because a change has occurred in the physiological condition of the covered
11 person or a change has occurred in the condition of the device or in a part of the
12 device that affects its functionality.

13 (d) A health care insurer shall classify the benefits provided under this section
14 as habilitative or rehabilitative benefits to meet state or federal requirements for
15 coverage of essential health benefits.

16 (e) A health care insurer may not deny coverage for a benefit to a covered
17 person with limb loss or absence that would otherwise be covered for a nondisabled
18 covered person seeking medical or surgical intervention to restore or maintain the
19 ability to perform the same physical activity. A health care insurer shall provide
20 replacement coverage when the condition of the prosthetic or orthotic device or a part
21 of the device requires repair and the cost of repair would be more than 60 percent of
22 the cost of replacement of the device or the part of the device needing repair. A health
23 care insurer may require confirmation from a health care provider before providing
24 repair or replacement coverage under this section if the device, or the part of the
25 device needing repair or replacement, is less than three years old.

26 (f) A health care insurer shall ensure at least two distinct providers of
27 prosthetics and orthotics are included within the health care insurer's network in the
28 state. If medically necessary covered prosthetics or orthotics are not available from an
29 in-network provider, the health care insurer shall provide the covered person with a
30 referral to an out-of-network provider and shall fully reimburse the out-of-network
31 provider at a mutually agreed upon rate, less the portion that is the responsibility of the

1 covered person. The copayment of the covered person is determined on an in-network
2 basis.

3 (g) A health care insurer may not require that a person covered under the
4 health care insurer's plan be subject to financial requirements that are applicable only
5 to prosthetic and orthotic coverage. A health care provider may not impose more
6 restrictive cost-sharing requirements for prosthetic or orthotic services than the plan's
7 cost-sharing requirements for inpatient physician and surgical services.

8 (h) A health care insurer shall provide a covered person with a description of
9 the covered person's rights under this section in evidence of coverage and any benefit
10 denial letter. A denial letter must be in writing and explain in detail the reason for the
11 denial, including an explanation as to how the request or claim does not meet the
12 medical necessity standards of the insurer, if applicable.

13 * **Sec. 2.** AS 47.07.030(b) is amended to read:

14 (b) In addition to the mandatory services specified in (a) of this section and the
15 services provided under (d) of this section, the department may offer only the
16 following optional services: case management services for traumatic or acquired brain
17 injury; case management and nutrition services for pregnant women; personal care
18 services in a recipient's home; emergency hospital services; long-term care
19 noninstitutional services; medical supplies and equipment; advanced practice
20 registered nurse services; clinic services; rehabilitative services for children eligible
21 for services under AS 47.07.063, substance abusers, and emotionally disturbed or
22 chronically mentally ill adults; targeted case management services; inpatient
23 psychiatric facility services for individuals 65 years of age or older and individuals
24 under 21 years of age; psychologists' services; clinical social workers' services; marital
25 and family therapy services; professional counseling services; midwife services;
26 prescribed drugs; physical therapy; occupational therapy; chiropractic services; low-
27 dose mammography screening, as defined in AS 21.42.375(e); hospice care; treatment
28 of speech, hearing, and language disorders; adult dental and dental hygiene services;
29 prosthetic **and orthotic** devices **or replacements as covered in AS 21.42.445(b) and**
30 **(c)**; [AND] eyeglasses; optometrists' services; intermediate care facility services,
31 including intermediate care facility services for persons with intellectual and

1 developmental disabilities; skilled nursing facility services for individuals under 21
2 years of age; and reasonable transportation to and from the point of medical care.

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

5 REPORTING. (a) Not later than October 1, 2028, a health care insurer subject to
6 AS 21.42.445, added by sec. 1 of this Act, shall submit a report to the director of the division
7 of insurance, Department of Commerce, Community, and Economic Development, on a form
8 determined by the director, that contains the total number of claims and the total amount of
9 claims paid for services required under AS 21.42.445 for the preceding two fiscal years.

10 (b) Before the first day of the First Regular Session of the Thirty-Sixth Alaska State
11 Legislature, the director of the division of insurance, Department of Commerce, Community,
12 and Economic Development, shall prepare a report that contains the information reported
13 under (a) of this section aggregated by fiscal year, and shall deliver the report to the senate
14 secretary and the chief clerk of the house of representatives and notify the legislature that the
15 report is available.

16 (c) Before the first day of the First Regular Session of the Thirty-Sixth Alaska State
17 Legislature, the commissioner of health shall prepare a report aggregated by fiscal year of the
18 total number of claims and the total amount of claims paid for prosthetic and orthotic services
19 provided through medical assistance under AS 47.07.030(b), as amended by sec. 2 of this Act,
20 and shall deliver the report to the senate secretary and the chief clerk of the house of
21 representatives and notify the legislature that the report is available.

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

24 APPLICABILITY. AS 21.42.445, added by sec. 1 of this Act, applies to a health care
25 insurance plan or contract issued, delivered, or renewed on or after the effective date of sec. 1
26 of this Act.

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

29 MEDICAID STATE PLAN FEDERAL APPROVAL. To the extent necessary to
30 implement this Act, the Department of Health shall amend and submit to the United States
31 Department of Health and Human Services for approval the state plan for medical assistance

1 coverage consistent with AS 47.07.030(b), as amended by sec. 2 of this Act.

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

4 **CONDITIONAL EFFECT; NOTIFICATION.** (a) Section 2 of this Act takes effect
5 only if, on or before January 1, 2027, the United States Department of Health and Human
6 Services

7 (1) approves the amendment to the state plan for medical assistance coverage
8 under AS 47.07.030(b); or

9 (2) determines that approval of the amendment to the state plan for medical
10 assistance coverage under AS 47.07.030(b) is not necessary.

11 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
12 days after the United States Department of Health and Human Services approves the
13 amendment to the state plan or determines that approval is not necessary under this section.

14 * **Sec. 7.** If sec. 2 of this Act takes effect, it takes effect on the day after the United States
15 Department of Health and Human Services approves the amendment submitted under sec. 6
16 of this Act or determines that approval of the amendment is not necessary.