

CS FOR SENATE BILL NO. 122(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 4/7/25

Referred: Labor & Commerce

Sponsor(s): SENATOR GIESSEL BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to insurance; establishing standards for health insurance provider**
2 **networks; and providing for an effective date."**

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

4 *** Section 1.** AS 21.07 is amended by adding a new section to read:

5 **Sec. 21.07.035. Minimum provider network standards.** (a) A health care
6 insurer shall take the network requirements of this section into account when
7 calculating the benefits of, or other contractual requirements applicable to, a covered
8 person's health care insurance policy that, as determined by the director,

9 (1) requires the covered person to use a limited network of health care
10 providers, as defined in regulation by the director; or

11 (2) creates a substantial financial or other incentive or disincentive for
12 the covered person to use a limited network of health care providers.

13 (b) A health care insurer's provider network must include each hospital,
14 skilled nursing facility, or mental health or substance abuse facility licensed in the

1 state and each physician, physician assistant, or advanced practice registered nurse
2 licensed in this state who is employed or contracted by one of these hospitals or
3 facilities to provide medical care at the hospital or facility. A health care insurer's
4 provider network must include each health care facility operated by an Alaska tribal
5 health organization and each physician, physician assistant, or advanced practice
6 registered nurse employed or contracted by the organization to provide medical care at
7 that location. A physician, physician assistant, or advanced practice registered nurse
8 who is employed or contracted by a hospital, skilled nursing facility, mental health or
9 substance abuse facility, or Alaska tribal health organization to provide medical care is
10 not included when calculating the health care insurer's minimum network standards set
11 out in (d) of this section.

12 (c) A health care insurer's provider network must include a sufficient number
13 of physicians, physician assistants, and advanced practice registered nurses in each
14 contracting region in which the insurer provides coverage to meet the minimum
15 network standards set out in (d) of this section. Only a physician, physician assistant,
16 or advanced practice registered nurse who is licensed in this state, meets the
17 credentialing standards of the health care insurer, and whose principal practice
18 location is physically located in the applicable contracting region may be included
19 when determining whether a health care insurer meets the minimum network standards
20 set out in (d) of this section. If an insurer treats the physician, physician assistant, or
21 advanced practice registered nurse as contracted for the purposes of all insurance
22 benefit determinations, a health care insurer may include in the provider network a
23 physician, physician assistant, or advanced practice registered nurse who is not a
24 contracted network health care provider to meet the standards set out in (d) of this
25 section. Each physician, physician assistant, or advanced practice registered nurse
26 included in the health care insurer's provider network, including a physician, physician
27 assistant, or advanced practice registered nurse that is not a contracted network health
28 care provider, must be shown as an in-network provider in the insurer's directory of
29 network providers.

30 (d) For purposes of this section, the state is divided into six contracting
31 regions: the Municipality of Anchorage; the Matanuska-Susitna Borough; the

1 Fairbanks North Star Borough and Southeast Fairbanks Census Area; the Kenai
2 Peninsula Borough; the City and Borough of Juneau, Ketchikan Gateway Borough,
3 and City and Borough of Sitka; and the remainder of the state. A health care insurer
4 that provides coverage in the Municipality of Anchorage contracting region must
5 include in the insurer's provider network at least 70 percent of the total actively
6 practicing physicians, physician assistants, and advanced practice registered nurses in
7 each specialty recognized for a Medicare advantage plan network adequacy
8 requirement for the Centers for Medicare and Medicaid Services physically located in
9 the region and at least 70 percent of the provider groups in each specialty. A health
10 care insurer that provides coverage in the Matanuska-Susitna Borough contracting
11 region or the Fairbanks North Star Borough and Southeast Fairbanks Census Area
12 contracting region must include in the insurer's provider network at least 75 percent of
13 the total actively practicing physicians, physician assistants, and advanced practice
14 registered nurses in each specialty recognized for a Medicare advantage plan network
15 adequacy requirement for the Centers for Medicare and Medicaid Services physically
16 located in those regions and at least 75 percent of the provider groups in each
17 specialty. A health care insurer that provides coverage in the Kenai Peninsula Borough
18 contracting region, the City and Borough of Juneau, Ketchikan Gateway Borough, and
19 City and Borough of Sitka contracting region, or the contracting region covering the
20 remainder of the state must include in the insurer's provider network at least 80
21 percent of the total actively practicing physicians, physician assistants, and advanced
22 practice registered nurses in each specialty recognized for a Medicare advantage plan
23 network adequacy requirement for the Centers for Medicare and Medicaid Services
24 physically located in those regions and at least 80 percent of the provider groups in
25 each specialty.

26 (e) A health care insurer may make a written request to the director for an
27 exception to the minimum provider network standards set out under this section. The
28 director may grant an exception only for a specified limited period not to exceed 36
29 months. The director shall adopt regulations specifying the procedure for requesting
30 an exception and the standards for granting an exception. The director shall require the
31 health care insurer to submit a plan to achieve the minimum network standards within

1 the time frame of the exception granted by the director and submit annual progress
2 reports to the director.

3 (f) A health care insurer shall annually attest whether the insurer meets or
4 exceeds the minimum provider network standards in this section for each contracting
5 region in which the insurer provides coverage and provide to the director supporting
6 documentation to demonstrate compliance as part of the insurer's required rate filings.
7 If a health care insurer does not meet a specific standard, the insurer shall submit a
8 plan for corrective action for consideration by the director.

9 (g) The director may adopt regulations necessary to implement this section.
10 The director may adopt in regulation minimum provider network standards by
11 contracting region that exceed the minimum network standards set out in (d) of this
12 section.

13 * **Sec. 2.** AS 21.07.020(3) is repealed.

14 * **Sec. 3.** This Act takes effect January 1, 2026.