

Original Sponsor: Ostrosky

Offered: 4/21/76

Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 792

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to required benefits in group, blanket  
7 disability, and hospital and medical service corpora-  
8 tion insurance policies; and providing for an effective  
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. It is the purpose of this Act to moderate the high cost of  
12 health care in the state by making available to persons health and hospital  
13 insurance policies which include economical and medically appropriate alter-  
14 natives to costly hospital care.

15 \* Sec. 2. AS 21.54 is amended by adding a new section to read:

16 Sec. 21.54.080. REQUIRED OFFERINGS. (a) Disability insurers  
17 which offer for sale group or blanket policies in the state which pro-  
18 vide for a definite or determinable payment intended to pay costs that a  
19 person incurs should that person receive hospital services for more than  
20 seven consecutive days or which indemnifies a person against costs so  
21 incurred must also offer to the holders of those policies in the state  
22 the option to purchase for an additional premium supplemental benefits  
23 which provide payment for

24 (1) the services of a skilled nursing facility or inter-  
25 mediate care facility for not less than 120 days in a calendar year, if  
26 the services commence within 14 days following a confinement of at least  
27 three consecutive days in a hospital and if the services are in response  
28 to the same illness or injury which caused the confinement in the  
29 hospital;

1 (2) home health agency services, as defined by the commis-  
2 sioner of health and social services, up to a maximum of 180 visits in a  
3 calendar year if the services commence within seven days following  
4 confinement in a hospital, skilled nursing facility, or intermediate  
5 care facility of at least three consecutive days and if the services are  
6 in response to the same illness or injury which caused the confinement  
7 in the hospital.

8 (b) For the purposes of this section

9 (1) "home health agency services" includes at a minimum those  
10 services included within the definition of "home health agency" as  
11 defined in 42 U.S.C. sec. 1395x(o);

12 (2) "hospital" has the same meaning as "hospital" as defined  
13 in 42 U.S.C. sec. 1395x(e) and AS 18.20.210;

14 (3) "intermediate care facility" has the same meaning as  
15 "intermediate care facility" as defined in 42 U.S.C. sec. 1396(d) and  
16 applicable provisions of state regulations;

17 (4) "skilled nursing facility" has the same meaning as  
18 defined in 42 U.S.C. sec. 1395x(j) and applicable provisions of state  
19 regulations.

20 \* Sec. 3. AS 21.87 is amended by adding a new section to read:

21 Sec. 21.87.135. REQUIRED OFFERINGS. (a) A medical service cor-  
22 poration which contracts with a subscriber to indemnify with respect to  
23 hospital services furnished that subscriber for more than seven consecu-  
24 tive days under sec. 120(a)(3) of this chapter, or a hospital service  
25 corporation which contracts with a subscriber to indemnify with respect  
26 to hospital services furnished for more than seven consecutive days  
27 under sec. 130(a)(2) of this chapter, or to provide those services under  
28 sec. 130(a)(1) of this chapter, also is required to offer that sub-  
29 scriber the option to purchase, at an additional subscription rate, fee,

1 or payment, benefits which provide indemnity for

2 (1) the services of a skilled nursing facility or inter-  
3 mediate care facility for not less than 120 days in a calendar year, if  
4 the services commence within 14 days following a confinement of at least  
5 three consecutive days in a hospital and if the services are in response  
6 to the same illness or injury which caused the confinement in the  
7 hospital;

8 (2) home health agency services, as defined by the commis-  
9 sioner of health and social services, up to a maximum of 180 visits in a  
10 calendar year, if the services commence within seven days following  
11 confinement in a hospital, skilled nursing facility, or intermediate  
12 care facility of at least three consecutive days and if the services are  
13 in response to the same illness or injury which caused the confinement  
14 in the hospital.

15 (b) For the purposes of this section

16 (1) "home health agency services" includes at a minimum those  
17 services included within the definition of "home health agency" as  
18 defined in 42 U.S.C. sec. 1395x(o);

19 (2) "hospital" has the same meaning as "hospital" as defined  
20 in 42 U.S.C. sec. 1395x(e) and AS 18.20.210;

21 (3) "intermediate care facility" has the same meaning as  
22 "intermediate care facility" as defined in 42 U.S.C. sec. 1396(d) and  
23 applicable provisions of state regulations;

24 (4) "skilled nursing facility" has the same meaning as  
25 defined in 42 U.S.C. sec. 1395x(j) and applicable provisions of state  
26 regulations.

27 \* Sec. 4. AS 21.87.120(a) is amended by adding a new paragraph to read:

28 (5) indemnity for services specified in sec. 135(a)(1) and  
29 (2) of this chapter.

1 \* Sec. 5. AS 21.87.130(a) is amended by adding a new paragraph to read:

2 (4) indemnity for services specified in sec. 135(a)(1) and  
3 (2) of this chapter.

4 \* Sec. 6. AS 18.05.040 is amended by adding a new subsection to read:

5 (c) The commissioner shall adopt regulations requiring the pro-  
6 fessional standards review organization established in the state under  
7 P.L. 92-603 to review the appropriateness and economy of institutional  
8 health services reimbursed through insurance policies described in  
9 AS 21.54 and AS 21.87.

10 \* Sec. 7. This Act takes effect January 1, 1977.  
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