

CORRECTION

HOUSE BILL NO. 41

Representative Abood's name removed as co-sponsor. His name was added in error.

Please discard all previous copies of this Bill.

Introduced: 2/4/81
Referred: Health, Education &
Social Services and Finance

BY BUCHHOLDT, GARDINER, CLOCKSIN,
CATO, ROGERS, ZHAROFF, ADAMS, FULLER
AND VASKA

1 IN THE HOUSE

2 HOUSE BILL NO. 41

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the health of residents of the
7 state; and providing for an effective date."

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

9 * Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 27. STATE HEALTH INSURANCE.

11 Sec. 18.27.010. STATE COMPREHENSIVE HEALTH PLAN. (a) The com-
12 missioner shall establish minimum benefit standards for the state
13 comprehensive health plan and shall provide for the underwriting and
14 administration of the state comprehensive health plan through competi-
15 tive bidding procedures.

16 (b) A resident of the state is entitled to enroll in the state
17 comprehensive health plan if the resident

18 (1) is not eligible for Medicare and is not covered under a
19 state or federal health program;

20 (2) is not covered by a group health insurance plan.

21 Sec. 18.27.020. STATE HEALTH PREMIUM PROGRAM. (a) A resident of
22 the state is entitled to an insurance premium supplement under the
23 state health premium program if

24 (1) the resident is enrolled in the state comprehensive
25 health plan or an individual health insurance policy which is certified
26 by the director of insurance as meeting or exceeding the benefit stan-
27 dards of the state comprehensive health plan established by the commis-
28 sioner under AS 18.27.010(a);

29 (2) the resident is not enrolled in a group health insurance

1 policy or covered under a state or federal health program; and

2 (3) the resident qualifies for a supplement under (b) of
3 this section.

4 (b) The amount of the insurance premium supplement is equal to 80
5 percent of the monthly premium cost less eight percent of the monthly
6 premium cost for every \$100 of the adjusted gross income of the insured,
7 as defined by regulation of the commissioner, over \$1,000 per month.
8 The premium cost of the state comprehensive health plan is the maximum
9 amount of monthly premium cost which may be used in the calculation of
10 the supplement. The \$1,000 per month of adjusted gross income used in
11 the calculation shall be adjusted periodically by the commissioner by
12 regulation to correspond with the changes in the consumer price index.

13 Sec. 18.27.030. DEFINITION. In this chapter "commissioner"
14 means the commissioner of administration.

15 * Sec. 2. AS 39.30.090(1) is amended to read:

16 (1) A group insurance policy shall provide one or more of
17 the following benefits: life insurance, accidental death and dismember-
18 ment insurance, weekly indemnity insurance, hospital expense insurance,
19 surgical expense insurance, dental expense insurance, audio-visual
20 insurance, alcoholism and drug dependency insurance, or other medical
21 care insurance.

22 * Sec. 3. AS 39.30 is amended by adding a new section to read:

23 Sec. 39.30.092. COVERAGE FOR ALCOHOLISM AND DRUG DEPENDENCE. (a)

24 The group insurance policy required by AS 39.30.090(1)

25 (1) shall provide coverage for alcoholism and drug dependence
26 to include

27 (A) inpatient detoxification benefits for not less than
28 14 days of benefit each calendar year in a state-approved treatment
29 facility or licensed hospital; payment of institutional and profes-

1 sional benefits shall be equal to and payable as any other covered
2 condition, except a covered condition which, by the terms of the
3 policy, has an internal restriction;

4 (B) inpatient treatment coverage benefits for not less
5 than 30 days of benefit each calendar year in a state-approved
6 treatment program; payment of institutional and professional bene-
7 fits shall be at the same level as any other covered condition,
8 except a covered condition which, by the terms of the policy, has
9 an internal restriction; and

10 (C) outpatient treatment coverage benefits of not less
11 than 30 visits each calendar year if treatment is provided by a
12 licensed physician, state-approved treatment program, or state-cer-
13 tified professional substance abuse counselor; coverage shall
14 include individual, family or group therapy; benefits shall be
15 paid at not less than 75 percent of the usual, customary and
16 reasonable charge for a medical procedure, treatment or service in
17 the geographic area;

18 (2) may not exclude dependents otherwise covered and may not
19 limit coverage for alcoholism or drug dependence because of age, sex or
20 state of illness;

21 (3) may not apply preexisting or named condition exclusions
22 to deny coverage for alcoholism or drug dependence; and

23 (4) may require a physician's certification of necessity as
24 a condition of payment for alcoholism or drug dependence treatment.

25 (b) The provisions of this section apply to group health insurance
26 contracts and group service or indemnity type contracts issued to pro-
27 vide coverage for employees of the state and may apply to contracts for
28 the benefit of employees of other participating governmental units only
29 if the governing body of the governmental unit elects to have the

1 provisions apply.

2 (c) In (a) of this section,

3 (1) "alcoholism" means an illness or condition characterized
4 by the habitual lack of self control in the use of alcoholic beverages,
5 or use of alcoholic beverages to the extent that health is substantially
6 impaired or endangered, or social or economic function is substantially
7 disrupted;

8 (2) "drug dependence" means the condition of being physically
9 or psychologically addicted to an opiate, opiate derivative, tranquil-
10 izer, amphetamine, barbiturate, or similar substance, but excluding
11 nicotine, caffeine and alcohol;

12 (3) "state" means any state in the United States and includes
13 the District of Columbia.

14 * Sec. 4. AS 39.30.100 is amended to read:

15 Sec. 39.30.100. DEFINITIONS. In AS 39.30.090 - 39.30.100 [AS 39.-
16 30.090]

17 (1) "eligible employee" means

18 (A) an employee who has served in permanent full-time
19 or part-time employment with the same governmental unit for 30
20 days or more, except an emergency or temporary employee, and

21 (B) an elected or appointed official of a governmental
22 unit, effective upon taking the oath of office;

23 (2) "governmental unit" means the state, a borough, municipal
24 corporation, or other political subdivision of the state, and the North
25 Pacific Fishery Management Council;

26 (3) "insurance", "insurance carrier" and "insurance policy"
27 include health care services, health care service contractors and con-
28 tracts.

29 * Sec. 5. The provisions of secs. 2 - 4 of this Act apply to group poli-

1 cies or contracts which provide coverage under AS 39.30.090 - 39.30.100 and
2 which are delivered, issued for delivery, or renewed in this state after the
3 effective date of this Act. A policy or contract providing coverage for
4 eligible employees in this state delivered, issued for delivery, or renewed
5 after the effective date of this Act provides the minimum coverage required
6 by this Act even if the language of the policy or contract does not so
7 specifically provide.

8 * Sec. 6. AS 47.05 is amended by adding new sections to read:

9 Sec. 47.05.070. MEDICAL ASSISTANCE BY INSURANCE OR SERVICE CON-
10 TRACTS. (a) The commissioner shall use available medical assistance
11 funds to purchase and pay premiums on policies of insurance or pay the
12 expenses on health maintenance organization service contracts or medi-
13 cal or hospital service contracts that provide one or more of the
14 medical services available under state medical assistance programs.

15 (b) The policy of insurance or the contract must by its terms
16 guarantee

- 17 (1) to provide the medical services allowed under state law;
18 (2) to provide medical services under policies of insurance
19 or contracts in compliance with applicable laws and regulations;
20 (3) to provide the statistical data, records, and reports
21 relating to the provision, administration, and costs of providing
22 medical services as required by the commissioner.

23 Sec. 47.05.080. CONTRACTS WITH DIRECT PROVIDERS OF CARE AND
24 SERVICE. (a) The commissioner may enter into nonexclusive contracts
25 under which funds available for medical assistance may be administered
26 and disbursed by the contractor to direct providers of medical and
27 remedial care and services available under medical assistance for
28 services rendered and supplies furnished by them.

29 (b) A contract under this section shall

1 (1) oblige the contractor to make payments under the contract
2 promptly and not later than 30 days after receipt of the proper evidence
3 of the claim; and

4 (2) provide data, records, and reports required by the com-
5 missioner.

6 Sec. 47.05.090. IMPLEMENTATION. The commissioner shall implement
7 the provisions of AS 47.05.070 - 47.05.090 when the commissioner deter-
8 mines that comparable benefits are available at equal or less cost than
9 direct payments by the department to the providers of medical assist-
10 ance.

11 Sec. 47.05.100. INTERIM PAYMENT. The department may make an
12 interim payment before receipt of billing for service to providers who
13 serve a large volume of state medical assistance clients under regula-
14 tions of the department.

15 Sec. 47.05.110. INTEREST ON LATE PAYMENTS. When presented by a
16 provider of medical services with a clean claim, the state shall pay

17 (1) interest at the rate of one percent per month when
18 payment is delayed more than 30 days after presentation of the clean
19 claim;

20 (2) interest at the rate of two percent per month when
21 payment is delayed more than 90 days after presentation of the clean
22 claim; and

23 (3) a full months interest entitlement if the claim is not
24 paid by the 15th day of a calendar month.

25 Sec. 47.05.120. DEFINITIONS. In AS 47.05.070 - 47.05.120

26 (1) "clean claim" means a claim for payment which can be
27 processed without obtaining additional information from the provider of
28 the service or from a third party; it includes a claim with errors
29 originating in the department's claims processing system, but does not

1 include claims from a provider who is under investigation for fraud or
2 abuse, or a claim under review for medical necessity;

3 (2) "commissioner" means the commissioner of health and
4 social services;

5 (3) "department" means the Department of Health and Social
6 Services;

7 (4) "medical assistance" means Medicaid (AS 47.07), general
8 relief medical (AS 47.25.120), catastrophic illness (AS 47.08), and
9 crippled children's and maternal and child health programs (AS 18.05.-
10 010).

11 * Sec. 7. AS 47.07.020(b) is repealed and reenacted to read:

12 (b) Residents of the state for whom the Social Security Act
13 allows optional medical coverage qualifying for federal financial
14 participation are eligible for medical assistance.

15 * Sec. 8. AS 47.07.030 is repealed and reenacted to read:

16 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services
17 to be offered to eligible persons include services eligible for federal
18 financial participation under Title XIX of the federal Social Services
19 Act.

20 * Sec. 9. AS 47.25.120 is amended to read:

21 Sec. 47.25.120. ELIGIBILITY FOR ASSISTANCE. Financial assistance
22 may be given under AS 47.25.120 - 47.25.300 [, SO FAR AS PRACTICABLE
23 UNDER THE CONDITIONS IN THIS STATE,] to

24 (1) a needy person who is eligible under the regulations of
25 the department; and

26 (2) a medically needy person whose income is less than the
27 medically needy income standard or who has incurred medical expenses
28 which equal or exceed the difference between the person's monthly in-
29 come and the medically needy income standard; the medically needy in-

1 come standard is 150 percent of the current Federal Community Services
2 Administration poverty income guidelines for Alaska (45 C.F.R.,
3 sec. 1060.2).

4 * Sec. 10. AS 47.07.020(d) is repealed.

5 * Sec. 11. Section 1 of this Act takes effect July 1, 1982.

6 * Sec. 12. Sections 2 - 5 and 7 - 10 of this Act take effect January 1,
7 1982.

8 * Sec. 13. Sections 6, 8 and 11 of this Act take effect July 1, 1981.