

1 IN THE HOUSE

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2

HOUSE BILL NO. 403

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurance coverage for treatment  
7 of alcoholism or drug abuse."

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

9 \* Section 1. AS 21.36.090(d) is amended to read:

10 (d) Except to the extent necessary to comply with AS 21.42.365,  
11 a [A] person may not practice or permit unfair discrimination against  
12 a person who provides a service covered under a group disability  
13 policy that extends coverage on an expense incurred basis, or under a  
14 group service or indemnity type contract issued by a nonprofit corpo-  
15 ration, if the service is within the scope of the provider's occupa-  
16 tional license. In this subsection, "provider" means a state licensed  
17 physician, dentist, osteopath, optometrist, chiropractor, nurse  
18 midwife, naturopath, physical therapist, or occupational therapist.

19 \* Sec. 2. AS 21.42 is amended by adding a new section to read:

20 Sec. 21.42.365. COVERAGE FOR TREATMENT OF ALCOHOLISM OR DRUG  
21 ABUSE. (a) An insurer authorized under AS 21.09 to offer, issue for  
22 delivery, deliver, or renew a disability insurance policy for medical  
23 coverage on an expense-incurred basis in the state, or a hospital or  
24 medical service corporation authorized under AS 21.87 to offer or  
25 renew a subscriber's contract for medical coverage in the state, shall  
26 provide the insured or subscriber the following coverage for treatment  
27 of alcoholism or drug abuse:

28 (1) benefits of at least \$7,000 over two consecutive bene-  
29 fit years; and

1 (2) lifetime benefits of at least \$14,000.

2 (b) The benefits specified in (a)(1) and (2) of this section  
3 shall be adjusted yearly, by the director, to correspond with the  
4 change in the medical care component of the consumer price index for  
5 all urban consumers for the Anchorage Metropolitan Area compiled by  
6 the Bureau of Labor Statistics, United States Department of Labor.  
7 The base year for the computation shall be the first full calendar  
8 year for which insurance is obtained under this section.

9 (c) The insurer or service corporation providing coverage under  
10 this section may not

11 (1) require that the insured or subscriber pay a higher  
12 deductible or co-payment for the cost of treating alcoholism or drug  
13 abuse than for the cost of treating another condition or illness;

14 (2) require prenotification of treatment, a second opinion,  
15 limit coverage on an inpatient or outpatient basis, or require a  
16 specific form of treatment;

17 (3) exclude from coverage the cost of medical or psychiat-  
18 ric evaluation, activity or family therapy, counseling, or prescrip-  
19 tion drugs or supplies received at an approved treatment facility; or

20 (4) deny coverage solely because treatment was interrupted  
21 or not completed.

22 (d) In this section

23 (1) "alcoholism or drug abuse" means an illness charac-  
24 terized by

25 (A) a physiological or psychological dependency, or  
26 both, on alcoholic beverages or controlled substances as defined  
27 in AS 11.71.900; or

28 (B) habitual lack of self control in using alcoholic  
29 beverages or controlled substances to the extent that the

1 person's health is substantially impaired or the person's social  
2 or economic function is substantially disrupted;

3 (2) "approved treatment facility" means treatment in a  
4 facility that is either approved under AS 47.37.140 or located and  
5 licensed for treatment of alcoholism or drug abuse in another state;

6 (3) "co-payment" means the portion of the cost to be paid  
7 by the insured or subscriber;

8 (4) "cost" means the lesser of the following:

9 (A) the actual charge for the treatment received for  
10 alcoholism or drug abuse; or

11 (B) the usual, customary, and reasonable charge for  
12 the treatment;

13 (5) "treatment" means medical care, including detoxifica-  
14 tion, as an inpatient or outpatient at an approved treatment facility.

15 \* Sec. 3. AS 21.87.340 is amended to read:

16 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the  
17 provisions contained or referred to previously in this chapter, the  
18 following chapters and provisions of this title also apply with re-  
19 spect to service corporations to the extent applicable and not in  
20 conflict with the express provisions of this chapter and the reason-  
21 able implications of the express provisions, and for the purposes of  
22 the application the corporations shall be considered to be mutual  
23 "insurers":

- 24 (1) AS 21.03  
25 (2) AS 21.06  
26 (3) AS 21.09, except AS 21.09.090  
27 (4) AS 21.18.010  
28 (5) AS 21.18.030  
29 (6) AS 21.18.040

- 1 (7) AS 21.18.120  
2 (8) AS 21.21.321  
3 (9) AS 21.36  
4 (10) AS 21.69.400  
5 (11) AS 21.69.520  
6 (12) AS 21.69.600, 21.69.620, and 21.69.630  
7 (13) AS 21.78  
8 (14) AS 21.90  
9 (15) AS 21.42.345 - 21.42.365 [AS 21.42.345 AND 21.42.355]  
10 (16) AS 21.89.040  
11 (17) AS 21.89.060.

12 \* Sec. 4. AS 21.42.365, enacted by sec. 2 of this Act, applies to  
13 disability insurance policies and to hospital or medical service subscriber  
14 contracts entered into or renewed after the effective date of this Act.