

Original sponsors: Boyer, Davis,
Ulmer, et al.

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

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CS FOR HOUSE BILL NO. 403 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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

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(d) Except to the extent necessary to comply with AS 21.42.365,

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a [A] person may not practice or permit unfair discrimination against
a person who provides a service covered under a group disability
policy that extends coverage on an expense incurred basis, or under a
group service or indemnity type contract issued by a nonprofit corpo-
ration, if the service is within the scope of the provider's occupa-
tional license. In this subsection, "provider" means a state licensed
physician, dentist, osteopath, optometrist, chiropractor, nurse
midwife, naturopath, physical therapist, or occupational therapist.

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

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Sec. 21.42.365. COVERAGE FOR TREATMENT OF ALCOHOLISM OR DRUG

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ABUSE. (a) An insurer authorized under AS 21.09 to offer, issue for
delivery, deliver, or renew a group disability insurance policy for
major medical coverage on an expense-incurred basis in the state, or a
hospital or medical service corporation authorized under AS 21.87 to
offer or renew a subscriber's contract for medical coverage in the
state, shall provide the insured or subscriber the following coverage
for treatment of alcoholism or drug abuse:

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(1) benefits of at least \$7,000 over two consecutive bene-

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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, require a second
15 opinion, or limit coverage by provisions of the insurance contract
16 that are not applicable to other major illnesses or conditions;

17 (3) limit treatment services under the insurance contract
18 to either an inpatient or outpatient service;

19 (4) exclude from coverage the cost of medically necessary
20 treatment including medical or psychiatric evaluation, activity or
21 family therapy, counseling, or prescription drugs or supplies received
22 at an approved treatment facility; or

23 (5) deny reimbursement for actual services rendered solely
24 because treatment was interrupted or not completed.

25 (d) In this section

26 (1) "alcoholism or drug abuse" means an illness charac-
27 terized by

28 (A) a physiological or psychological dependency, or
29 both, on alcoholic beverages or controlled substances as defined

1 in AS 11.71.900; or

2 (B) habitual lack of self control in using alcoholic
3 beverages or controlled substances to the extent that the per-
4 son's health is substantially impaired or the person's social or
5 economic function is substantially disrupted;

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

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

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

12 (A) the actual charge for the treatment received for
13 alcoholism or drug abuse; or

14 (B) the usual, customary, and reasonable charge for
15 the treatment;

16 (5) "major medical" means a disability insurance contract
17 or subscriber contract that provides benefits for hospital and medical
18 care with potential lifetime maximum benefits per insured of at least
19 \$10,000;

20 (6) "treatment" means medical care, including detoxifica-
21 tion, as an inpatient or outpatient at an approved treatment facility.

22 * Sec. 3. AS 21.87.340 is amended to read:

23 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the
24 provisions contained or referred to previously in this chapter, the
25 following chapters and provisions of this title also apply with re-
26 spect to service corporations to the extent applicable and not in
27 conflict with the express provisions of this chapter and the reason-
28 able implications of the express provisions, and for the purposes of
29 the application the corporations shall be considered to be mutual

1 "insurers":

2 (1) AS 21.03

3 (2) AS 21.06

4 (3) AS 21.09, except AS 21.09.090

5 (4) AS 21.18.010

6 (5) AS 21.18.030

7 (6) AS 21.18.040

8 (7) AS 21.18.120

9 (8) AS 21.21.321

10 (9) AS 21.36

11 (10) AS 21.69.400

12 (11) AS 21.69.520

13 (12) AS 21.69.600, 21.69.620, and 21.69.630

14 (13) AS 21.78

15 (14) AS 21.90

16 (15) AS 21.42.345 - 21.42.365 [AS 21.42.345 AND 21.42.355]

17 (16) AS 21.89.040

18 (17) AS 21.89.060.

19 * Sec. 4. AS 21.42.365, enacted by sec. 2 of this Act, applies to group
20 disability insurance policies and to hospital or medical service subscriber
21 contracts entered into or renewed on or after the effective date of this
22 Act.