

1 IN THE SENATE

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2

SENATE BILL NO. 363

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 licensad
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
29 benefit 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 January 1, 1989.