

H B

403

# COMMITTEE REPORT

## SENATE

FURTHER:

TITANCE

5/23/83

Date: June 14, 1983

Mr. President:

The Committee on IBSS has had NS 403 am

Insurance trade practices; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for NS 403 am  same title
- and recommends do pass  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

*OK*  
*pre 5/13*

STATE OF ALASKA  
FISCAL NOTE

Revision Date     , 1983

I. REQUEST

Bill/Resolution No.: HB 403  
 Title: insurance trade practices  
 Sponsor: Furnace  
 Requestor: Labor & Commerce

II. FISCAL DETAIL

Agency Affected: Commerce & Ec. Dev.  
 Program Category Affected: Public Prot.  
 BRU, Program of Subprogram(s) Affected: Division of Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kenneth C. Moore, Director  
 Division: Insurance

Phone: 465-2515  
 Date: 5/13/83

Approved by Commissioner: Richard A. Lyon  
 Department: Commerce & Economic Development

Date: 5/13/83







# Alaska National

INSURANCE COMPANY

*A policy of service and protection*

A handwritten signature in dark ink, appearing to be 'P' followed by a flourish.

LEGISLATIVE POSITION PAPER  
CS FOR SENATE BILL 177  
(HESS)

**PURPOSE:**

An act relating to insurance trade practices.

**SUBSTANCE:**

Would prevent unfair discrimination by a group medical insurance company or a group medical service contract company among types of medical service providers.

**POSITION:**

Would not oppose the bill provided some clarifying language has been added.

**ACTION:**

Seek to obtain the clarifying language. If the language is not included the bill should be opposed.

**BACKGROUND:**

I suspect the purpose of the bill is to prohibit insurance companies and medical service contractors, such as Blue Cross, from discriminating against chiropractors and other health care providers licensed by the state. Where contracts now provide for medical care which, though perhaps not specifically so provided for in the insurance policy, were intended to be provided by a physician.

I believe it is safe to say that fundamentally insurance companies are willing to reimburse for services provided by any health care practitioner, if the efforts of the health care practitioner result in healing. The problem is that there is not adequate assurance that some licensed health care providers are equipped to provide the kind of care which current medical science regards as necessary for some kinds of health care problems.

For example, there are some kinds of skeletomuscular problems which are incurred and covered by medical service contracts which current medical science believes can be satisfactorily addressed only by surgery or drugs. Indeed, the proper diagnosis of these problems requires the latest in medical diagnostic equipment and techniques which can only be administered by a licensed physician.

It is contemplated that these modalities be performed by a physician and that the company not be required to pay for services rendered by a chiropractor who is not qualified to administer these modalities. It is argued that the person ought to be paid or reimbursed for the expenses incurred in seeing a chiropractor who cannot provide surgery or drug therapy but whose alternate modalities are manipulation.

Whether manipulation by a chiropractor is equally as therapeutic as surgery or drugs is not the issue. The question is should an insurance carrier which enters into a contract to provide indemnity for services of a physician be required to pay for services rendered by a chiropractor? The language of this bill would prohibit a person providing such coverage from limiting the application of that coverage to a physician or other health care providers for which the carrier is prepared to provide indemnity and requiring them to provide indemnity or expense reimbursement to any health care provider providing any kind of treatment.

While it may be reasonable to assume that chiropractors and nurse midwives do provide a valuable service, it does not follow that an insurance company should be required to pay for that type of care if that is not its desired business.

Perhaps the suggested language of the bill is acceptable for cases where the carrier has not specifically designated the kinds of services for which it wishes to provide coverage, but a carrier should be allowed to limit the applicability of its coverage if it wishes to do so.

I would urge that the following language be added in line 16:

"...occupational license and services by the class of provider is covered by the terms of the policy or contract. In this section, "Provider" means a state..."

#### IMPACT ON ALASKA NATIONAL INSURANCE COMPANY:

The impact statement in the original position paper is still applicable.