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REGULATION REVIEW COMMITTEE

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LABOR AND COMMERCE COMMITTEE

HB 297 Insurance Coverage for Adopted Children

This bill establishes, in law, that insurance companies must cover a new child in the family from the moment that child comes into the family, whether by birth or adoption.

Currently a number of insurance companies require a thirty day waiting period before coverage for an adopted child begins. If the child has any medical problems or even if the child is involved in an accident during that thirty days, the insurance company declines to pay for treatment.

The net effect of this approach is that it is undue and inappropriate discrimination against adopted children. A child is a member of the family, and a dependent from the moment the child enters the family whether that be by birth or adoption.

HB 297 redresses this problem.



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Sponsor Statement

3-5661

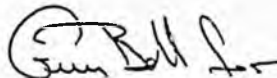
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HB 297: "An Act relating to insurance coverage for adopted children and children placed for adoption."

The department is in favor of this legislation.

The department has generally been opposed to health insurance mandates. However, AS 21.42.345, passed in 1975, is one "mandate" that the department supported when it was introduced. It represents more of an unfair discrimination issue than it does a coverage mandate. Prior to passage of the section, newborn children were not considered family members until they were 14 days of age. This placed substantial financial stress on the parents of newborn children with medical problems.

Recently, it has been noted that insurers are treating newly adopted children in a similar manner as were newborn children prior to 1975. Insurers are imposing their own definition of "family member" causing in some cases, the same kind of financial stress noted above. Insurers are relying on preexisting conditions restrictions to deny coverage for adopted children, thus, impeding the adoption process. In such cases, immediate medical attention is often preventive and can identify and treat situations that will only become more expensive and potentially life threatening if not treated early. We view this legislation as a clarification of existing statute, not an additional mandate.



Glenn A. Olds, Commissioner

Date: 5-1-91

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 297

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act relating to insurance BRU: Insurance
~~coverage for adopted children and~~
~~children placed for adoption~~ Component: Operations
 Sponsor: House Labor & Commerce
 Requestor: _____ **COMPONENT SERIAL NO.**

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Koch, Chief of Market Surveillance Phone: 465-2572
 Division: Insurance Date: 4/30/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 5-1-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 22, 1991

FURTHER REFERRALS:

Labor & Commerce
Finance

Date of Committee Action: 5-10-91

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 297

HOUSE BILL NO. 297

INS. COVERAGE FOR ADOPTED NEWBORN CHILD

"An Act relating to insurance coverage for adopted children and children placed for adoption."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note DCED

zero fiscal note(s) _____

SIGNING <u>DQ</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Cheri Davis</i>	<input checked="" type="checkbox"/>				
<i>Betty Davis</i>	<input checked="" type="checkbox"/>	<i>Mary Miller</i>		X	
<i>John E. Gonzales</i> (GONZALES)	<input checked="" type="checkbox"/>	<i>[Signature]</i> (LINCOLN)		<input checked="" type="checkbox"/>	
		<i>[Signature]</i> (CARNEY)		<input checked="" type="checkbox"/>	

[Signature]
CO-CHAIRMAN'S SIGNATURE (LINCOLN)