

1944 HHS'S STATE HEALTH INSURANCE (FILE NO. 2) 788

of government to ensure coordination of the comprehensive health care plan with other governmental assistance programs;

(6) undertake directly or through studies or demonstration programs to develop awareness of the benefits of AS 21.50.010 - 21.50.040 so that residents of the state may avail themselves of the health care benefits provided by these sections.

Sec. 21.50.100. DEFINITIONS. In this chapter,

(1) "administering carrier" means the carrier with the largest premium volume of health insurance in the state which is obligated under AS 21.50.010 to establish and operate a residual market health insurance pool;

(2) "carrier" means an insurer, hospital service corporation, or medical service corporation;

(3) "comprehensive health care plan" means health insurance which provides the benefits required under AS 21.50.020;

(4) "director" means the director of the division of insurance in the Department of Commerce and Economic Development;

(5) "family" means the primary insured and the covered dependents of the primary insured;

(6) "health insurance"

(A) means hospital and medical expenses incurred policies written on a direct basis, nonprofit service plan contracts, and self-insured or self-funded employee health benefit plans;

(B) does not include accident only policies, disability income policies or casualty insurance coverages subject to regulation under AS 21.39;

(7) "Medicare supplement plan" means a health insurance plan which provides benefits which complement or supplement the benefits provided by Medicare;

(8) "Medicare supplemental comprehensive health care plan" means a plan which, in conjunction with Medicare Parts A and B coverage, provides the benefits required under AS 21.50.020;

(9) "resident employer"

(A) means a person, partnership, association, trust, estate, corporation, whether foreign or domestic or the legal representative, trustee in bankruptcy or receiver or trustee of one of these, or the legal representative of a deceased person, including the state and a municipality of the state which has in its employ one or more individuals during a calendar year;

(B) refers only to an employer with a majority of employees employed in the state.

* Sec. 2. AS 21.27.410(a) is amended by adding a new paragraph to read:

(10) if an agent, solicitor, or broker transacting health insurance in the state fails to refer an applicant for health insurance whom the agent, solicitor, or broker has reason to believe may be eligible for a comprehensive health plan through the residual market health insurance pool to the administering carrier.

* Sec. 3. AS 21.87.340 is amended by adding a new paragraph to read:

(17) AS 21.50.

* Sec. 4. The director of the division of insurance, Department of Commerce and Economic Development, shall adopt regulations implementing sec. 1 of this Act by January 1, 1981.

* Sec. 5. AS 39.30.090(1) is amended to read:

(1) A group insurance policy shall provide one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audio-visual insurance, alcoholism and drug dependency insurance, or other medical

care insurance.

* Sec. 6. AS 39.30 is amended by adding a new section to read:

Sec. 39.30.092. COVERAGE FOR ALCOHOLISM AND DRUG DEPENDENCE. (a)

The group insurance policy required by AS 39.30.090(1)

(1) shall provide coverage for alcoholism and drug dependence to include

(A) inpatient detoxification benefits for not less than 14 days of benefit each calendar year in a state-approved treatment facility or licensed hospital; payment of institutional and professional benefits shall be equal to and payable as any other covered condition, except a covered condition which, by the terms of the policy, has an internal restriction;

(B) inpatient treatment coverage benefits for not less than 30 days of benefit each calendar year in a state-approved treatment program; payment of institutional and professional benefits shall be at the same level as any other covered condition, except a covered condition which, by the terms of the policy, has an internal restriction; and

(C) outpatient treatment coverage benefits of not less than 30 visits each calendar year if treatment is provided by a licensed physician, state-approved treatment program, or state-certified professional substance abuse counselor; coverage shall include individual, family or group therapy; benefits shall be paid at not less than 75 percent of the usual, customary and reasonable charge for a medical procedure, treatment or service in the geographic area;

(2) may not exclude dependents otherwise covered and may not limit coverage for alcoholism or drug dependence because of age, sex or state of illness;

(3) may not apply preexisting or named condition exclusions to deny coverage for alcoholism or drug dependence; and

(4) may require a physician's certification of necessity as a condition of payment for alcoholism or drug dependence treatment.

(b) The provisions of this section apply to group health insurance contracts and group service or indemnity type contracts issued to provide coverage for employees of the state and may apply to contracts for the benefit of employees of other participating governmental units only if the governing body of the governmental unit elects to have the provisions apply.

(c) In (a) of this section,

(1) "alcoholism" means an illness or condition characterized by the habitual lack of self control in the use of alcoholic beverages, or use of alcoholic beverages to the extent that health is substantially impaired or endangered, or social or economic function is substantially disrupted;

(2) "drug dependence" means the condition of being physically or psychologically addicted to an opiate, opiate derivative, tranquilizer, amphetamine, barbiturate, or similar substance, but excluding nicotine, caffeine and alcohol;

(3) "state" means any state in the United States and includes the District of Columbia.

* Sec. 7. AS 39.30.100 is amended to read:

Sec. 39.30.100. DEFINITIONS. In AS 39.30.090 - 39.30.100 [AS 39.30.090]

(1) "eligible employee" means

(A) an employee who has served in permanent full-time or part-time employment with the same governmental unit for 30 days or more, except an emergency or temporary employee, and

(B) an elected or appointed official of a governmental unit, effective upon taking the oath of office;

(2) "governmental unit" means the state, a borough, municipal corporation, or other political subdivision of the state, and the North Pacific Fishery Management Council;

(3) "insurance", "insurance carrier" and "insurance policy" include health care services, health care service contractors and contracts.

* Sec. 8. The provisions of secs. 5 - 7 of this Act apply to group policies or contracts which provide coverage under AS 39.30.090 - 39.30.100 and which are delivered, issued for delivery, or renewed in this state after the effective date of this Act. A policy or contract providing coverage for eligible employees in this state delivered, issued for delivery, or renewed after the effective date of this Act provides the minimum coverage required by this Act even if the language of the policy or contract does not so specifically provide.

* Sec. 9. AS 47.05 is amended by adding new sections to read:

Sec. 47.05.070. MEDICAL ASSISTANCE BY INSURANCE OR SERVICE CONTRACTS. (a) The commissioner shall use available medical assistance funds to purchase and pay premiums on policies of insurance or pay the expenses on health maintenance organization service contracts or medical or hospital service contracts that provide one or more of the medical services available under state medical assistance programs.

(b) The policy of insurance or the contract must by its terms guarantee

- (1) to provide the medical services allowed under state law;
- (2) to provide medical services under policies of insurance or contracts in compliance with applicable laws and regulations;
- (3) to provide the statistical data, records, and reports

WORK DRAFT PAPER WORK DRAFT PAPER WORK DRAFT PAPER
relating to the provision, administration, and costs of providing medical services as required by the commissioner.

Sec. 47.05.080. CONTRACTS WITH DIRECT PROVIDERS OF CARE AND SERVICE. (a) The commissioner may enter into nonexclusive contracts under which funds available for medical assistance may be administered and disbursed by the contractor to direct providers of medical and remedial care and services available under medical assistance for services rendered and supplies furnished by them.

(b) A contract under this section shall

(1) oblige the contractor to make payments under the contract promptly and not later than 30 days after receipt of the proper evidence of the claim; and

(2) provide data, records, and reports required by the commissioner.

Sec. 47.05.090. IMPLEMENTATION. The commissioner shall implement the provisions of AS 47.05.070 - 47.05.090 when the commissioner determines that comparable benefits are available at equal or less cost than direct payments by the department to the providers of medical assistance.

Sec. 47.05.100. INTERIM PAYMENT. The department may make an interim payment before receipt of billing for service to providers who serve a large volume of state medical assistance clients under regulations of the department.

Sec. 47.05.110. INTEREST ON LATE PAYMENTS. When presented by a provider of medical services with a clean claim, the state shall pay

(1) interest at the rate of one percent per month when payment is delayed more than 30 days after presentation of the clean claim;

(2) interest at the rate of two percent per month when

payment is delayed more than 90 days after presentation of the clean claim; and

(3) a full months interest entitlement if the claim is not paid by the 15th day of a calendar month.

Sec. 47.05.120. DEFINITIONS. In AS 47.05.070 - 47.05.120

(1) "clean claim" means a claim for payment which can be processed without obtaining additional information from the provider of the service or from a third party; it includes a claim with errors originating in the department's claims processing system, but does not include claims from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity;

(2) "commissioner" means the commissioner of health and social services;

(3) "department" means the Department of Health and Social Services;

(4) "medical assistance" means Medicaid (AS 47.07), general relief medical (AS 47.25.120), catastrophic illness (AS 47.08), and crippled children's and maternal and child health programs (AS 18.05.-010).

* Sec. 10. AS 47.07.020(b) is repealed and re-enacted to read:

(b) Residents of the state for whom the Social Security Act allows optional medical coverage qualifying for federal financial participation are eligible for medical assistance.

* Sec. 11. AS 47.07.030 is repealed and re-enacted to read:

Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services to be offered to eligible persons include services eligible for federal financial participation under Title XIX of the federal Social Services Act.

* Sec. 12. AS 47.25.120 is amended to read:

Sec. 47.25.120. ELIGIBILITY FOR ASSISTANCE. Financial assistance may be given under AS 47.25.120 - 47.25.300 [, SO FAR AS PRACTICABLE UNDER THE CONDITIONS IN THIS STATE,] to

(1) a needy person who is eligible under the regulations of the department; and

(2) a medically needy person whose income is less than the medically needy income standard or who has incurred medical expenses which equal or exceed the difference between the person's monthly income and the medically needy income standard; the medically needy income standard is 150 percent of the current Federal Community Services Administration poverty income guidelines for Alaska (45 C.F.R., sec. 1060.2).

* Sec. 13. AS 47.07.020(d) is repealed.

* Sec. 14. Sections 2 - 8 and 10 - 13 of this Act take effect January 1,

81.

* Sec. 15. Sections 9, (14), and 15 of this Act take effect July 1, 1980.