



LAWS OF ALASKA

1994

Source
SCS CSHB 538(HES)

Chapter No.
125

AN ACT

Relating to uniform claims forms, uniform standards, and uniform procedures for processing data relating to billing and payment of health care services; relating to the Comprehensive Health Insurance Association and to health insurance provided to residents of the state who are high risks; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 28, 1994
Actual Effective Date: July 1, 1994

AN ACT

1 Relating to uniform claims forms, uniform standards, and uniform procedures for processing
2 data relating to billing and payment of health care services; relating to the Comprehensive
3 Health Insurance Association and to health insurance provided to residents of the state who
4 are high risks; and providing for an effective date.

5

6 * **Section 1.** AS 21.06 is amended by adding a new section to read:

7 Sec. 21.06.085. UNIFORM DATA AND PROCEDURES FOR HEALTH
8 CLAIMS. (a) The director shall adopt by regulation uniform claims forms, uniform
9 standards, and uniform procedures for the processing of data relating to billing for and
10 payment of health care services provided to state residents. A health insurer shall use
11 the uniform claims forms and comply with the uniform standards and procedures
12 established under this section.

Chapter 125

1 (b) In this section,

2 (1) "health care services" has the meaning given in AS 21.86.900;

3 (2) "health insurance" has the meaning given "disability insurance" in
4 AS 21.12.050;

5 (3) "health insurer" means an insurer transacting the business of health
6 insurance, a health maintenance organization under AS 21.86, a hospital service
7 corporation under AS 21.87, a medical service corporation under AS 21.87, or a
8 combined medical service and hospital service corporation under AS 21.87.

9 * Sec. 2. AS 21.55.010 is amended to read:

10 Sec. 21.55.010. CREATION; MEMBERSHIP. There is established a nonprofit
11 incorporated legal entity to be known as the Comprehensive Health Insurance
12 Association. Membership consists of all licensed hospital or medical service
13 corporations in the state that offer subscriber contracts for major medical coverage, all
14 health maintenance organizations or other managed care arrangements approved
15 by the director, and all insurers licensed to transact health insurance in the state that
16 offer policies for major medical coverage on an expense incurred basis. All members
17 shall maintain membership in the association as a condition of doing health insurance
18 business, or being able to offer subscriber contracts or enrollment in a health
19 maintenance organization or managed care arrangement, in the state.

20 * Sec. 3. AS 21.55.100 is amended by adding a new subsection to read:

21 (d) The association may make available to residents who are high risks
22 coverage through a health maintenance organization or other managed care
23 arrangement as approved by the director.

24 * Sec. 4. AS 21.55.120(c) is amended to read:

25 (c) Except as provided in (e) of this section, the [THE] sum of the
26 deductible and copayments required in any calendar year under a plan may not exceed
27 a maximum limit of \$2,000 per covered individual. Covered expenses incurred after
28 the applicable maximum limit has been reached shall be paid at the rate of 100 percent
29 of usual, customary, reasonable, or prevailing charges, except that expenses incurred
30 for treatment of mental and nervous conditions shall be paid at the rate of 50 percent.
31 The \$2,000 maximum shall be adjusted yearly to correspond with the change in the

1 medical care component of the Consumer Price Index as adjusted by the director.

2 * Sec. 5. AS 21.55.120 is amended by adding a new subsection to read:

3 (e) In addition to the deductible, copayment, and applicable maximums
4 described in this section, other deductible, copayment, or maximum limits may be
5 offered if approved by the director.

6 * Sec. 6. AS 21.55.150(b) is amended to read:

7 (b) The association shall use separate scales of premium rates based on age
8 and geographic location of the insured. **The association may use separate scales of**
9 **premium rates based on other factors, including use or nonuse of tobacco, if**
10 **approved by the director.**

11 * Sec. 7. AS 21.55.300 is repealed and reenacted to read:

12 Sec. 21.55.300. ELIGIBILITY FOR STATE HEALTH INSURANCE. (a)
13 Except as provided in this section, a state resident who is a high risk is eligible to
14 enroll in a state plan described in AS 21.55.100.

15 (b) A person may not be covered by the state plan

16 (1) while covered by another health insurance policy or subscriber
17 contract; or

18 (2) if the person is eligible to be covered by a plan subject to the
19 requirements of AS 21.56.110 - 21.56.250.

20 (c) Upon ceasing to be a resident, a person is not eligible to purchase or renew
21 coverage under a state plan, but previously purchased coverage remains in effect for
22 the period covered by payments made while a resident.

23 (d) Additional eligibility requirements for enrollment in a state plan may be
24 imposed if approved by the director.

25 * Sec. 8. AS 21.55.310 is amended to read:

26 Sec. 21.55.310. ENROLLMENT BY AN ELIGIBLE PERSON. A person may
27 enroll in a state plan by applying to the writing carrier. The application must include
28 the following:

29 (1) name, address, age, and length of residency of the applicant;

30 (2) a designation of the plan desired, including deductible option
31 chosen;

Chapter 125

1 (3) information relevant to whether the person is a high risk; and
2 (4) payment of the first premium.

3 * Sec. 9. AS 21.55.320 is amended to read:

4 Sec. 21.55.320. WRITING CARRIER'S RESPONSE. Within 30 days after
5 receiving the certificate described in AS 21.55.310, the writing carrier shall either
6 reject the application for failing to comply with the requirements of AS 21.55.300 and
7 21.55.310 or forward the eligible person a notice of acceptance [AND BILLING
8 INFORMATION].

9 * Sec. 10. AS 21.55.400 is amended to read:

10 Sec. 21.55.400. DUTIES OF DIRECTOR. The director may

11 (1) approve the selection of the writing carrier by the association and
12 approve the association's contract with the writing carrier, including the coverages and
13 premiums to be charged;

14 (2) contract with the federal government or another unit of government
15 to ensure coordination of the state plans with other governmental assistance programs;

16 (3) undertake directly or through contracts with other persons studies
17 or demonstration programs to develop awareness of the benefits of this chapter; and

18 (4) formulate general policy and adopt regulations that are
19 reasonably necessary to administer this chapter.

20 * Sec. 11. AS 21.55 is amended by adding a new section to read:

21 Sec. 21.55.420. BOARD MEMBER CIVIL AND CRIMINAL IMMUNITY.

22 A member of the board of directors of the association may not be held civilly or
23 criminally liable for an act or omission if the act or omission was in good faith and
24 within the scope of the director's duties under this chapter.

25 * Sec. 12. AS 21.55.500(10) is amended to read:

26 (10) "residents who are high risks" means residents who

27 (A) have been rejected for medical reasons after applying for
28 a subscriber contract, a policy of health insurance, or a Medicare supplement
29 policy by at least two association members within the six months immediately
30 preceding the date of application for a state plan; medical reasons may include
31 preexisting medical conditions, a family history that predicts future medical

1 conditions, or an occupation that generates a frequency or severity of injury or
2 disease that results in coverage not being generally available; [OR]

3 (B) have had a restrictive rider placed on a subscriber contract,
4 a health insurance policy, or a Medicare supplement policy that substantially
5 reduces coverage; or

6 (C) meet other requirements adopted by regulation by the
7 director that are consistent with this chapter and that indicate that a
8 person is unable to obtain coverage substantially similar to that which may
9 be obtained by a person who is considered a standard risk;

10 * Sec. 13. By July 1, 1995, the director of the division of insurance shall adopt regulations
11 necessary to implement the uniform claim form required under AS 21.06.085, added by sec. 1
12 of this Act.

13 * Sec. 14. This Act takes effect July 1, 1994.