

# Alaska

Alaska Division of Insurance  
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## Summary of Important Regulations

MEWA Regulations .....	No
TPA Regulations .....	Yes <sup>1</sup>
Stop-Loss Regulations .....	No
UR Regulations .....	No

## NAIC Model Laws or Regulations

<b><u>Name of Model Law/Regulation</u></b>	<b><u>Model/Similar</u></b>	<b><u>Related</u></b>
Health Insurance Reserves Model Regulation	Alaska Stat. §§ 21.18.082 to 21.18.084	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	Alaska Admin. Code tit. 3 §§ 28.700 to 28.725
Small Employer Health Insurance Availability Model Law	None	Alaska Stat. §§ 21.56.010 to 21.56.250
Model Regulation To Eliminate Unfair Sex Discrimination	None	Order No. 72-1
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	Opinion 95-0654
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None

Third Party Administrator Law	None	Alaska Stat. §§ 21.27.630 to 21.27.650
Stop-loss Insurance Model Law	None	Bulletin 97-11

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	Alaska Stat. §§ 21.54.010 to 21.54.070
Group Health Insurance Mandatory Conversion Law	None	None
Group Coverage Discontinuance/ Replacement Model Regulation	None	None
Premium Rates and Renewability of Coverage-Small Groups	Alaska Stat. §§ 21.56.010 to 21.56.250	None
Group Coordination of Benefits Model Law	None	Alaska Stat. § 21.42.205
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	None
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Alaska Stat. § 21.42.365

Model Newborn Children's Law	None	Alaska Stat. § 21.42.345
Health Examination Benefits Availability Law	None	None

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Alaska Stat. §§ 21.27.010 to 21.27.520
MEWA Licensing Model Law	None	Bulletin 83-8
Managing General Agents Law	Alaska Stat. §§ 21.27.590 to 21.27.620	Bulletin 92-3
Health Maintenance Organization Model Law	Alaska Stat. §§ 21.86.010 to 21.86.900	None
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	Alaska Stat. §§ 21.36.010 to 21.36.350	Alaska Stat. 21.36.145
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Alaska Admin. Code tit. 3 § 26.410	Order No. 85-1

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Alaska Stat. § 21.36.430
Unfair Claims Settlement Practices Law	Alaska Stat. §§ 21.36.125	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	Alaska Admin. Code tit. 8 §§ 46.010 to 46.130
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

## State-Mandates

### **Benefits That Must Be Covered**

- Alcoholism treatment (only for group plans with more than five employees)
- Breast reconstruction
- Cervical cancer screening (pap smear)
- Diabetic supplies, education
- Drug abuse treatment (only for group plans with more than five employees)
- Formula for PKU
- Mammography screening
- Minimum maternity stays
- Prostate cancer screening

### **Benefits That Must Be Offered**

- Dental
- Hearing
- Vision

### **Persons Who Must Be Allowed Coverage**

- Adopted children
- Newborns
- Spouses

### **Providers Who Must Be Covered**

- Acupuncturists
- Chiropractors
- Dentists
- Marriage/Family Therapists
- Naturopath
- Nurse Midwives
- Nurse Practitioners
- Occupational Therapists
- Optometrists
- Osteopaths
- Pharmacists
- Physical Therapist
- Podiatrists

- Psychologists
- Social Workers

**Coordination of Benefits**

- Birthday Rule?
  - Divorced/Separated Rule?
  - Joint Custody Rule?
  - Active v. Inactive Rule?
  - Longer v. Shorter Rule?
  - Managed Care Rule?
  - COBRA Rule?
  - Preservation Rule?
- Bulletin  
of the  
Alaska Insurance  
Department  
Indicates Intent  
to Follow  
NAIC Rules

**Continuation or Conversion**

None

**Patient's Bill of Rights Legislation**

None

**High Risk Health Pool**

Yes - premium cap of 2x

**External Grievance System**

Yes

**Basis of Filing Grievance**

Experimental, Investigative, Medical judgment or medical necessity

**Status of Decision of Grievance Parol**

Binding unless appealed within six months

**Prompt Payment of Health Claim Requirement**

Yes - 30 calendar days

**Commentary**

Alcohol or substance abuse: at least \$7,000 over two benefit years, \$14,000 lifetime benefits, as adjusted by CPI; in approved treatment facilities. Mandatory if there are 20 or more full-time employees.<sup>2</sup>

Dependents must be covered from the moment of birth, including coverage for congenital defects or birth abnormalities.<sup>3</sup>

Mammograms are mandated if mastectomies or breast reconstruction surgery is otherwise covered.<sup>4</sup> Care for phenylketonuria must be provided.<sup>5</sup> Pap and prostate screening must be covered.<sup>6</sup>

**MEWA Regulation**

Alaska does not have a MEWA statute nor has it promulgated any regulations or rulings. Alaska, as has Alabama, ruled that a MEWA is an unauthorized insurer and therefore must not be allowed. There are penalties up to \$2,500 for each violation of the unauthorized insurer statute.<sup>7</sup> The state of Alaska has promulgated an *Alert Bulletin*<sup>8</sup> which directs brokers and others to report to the Alaska Insurance Department all MEWAs so that such MEWAs may be either shut down or treated as authorized insurers.

## TPA Regulations

### In General

Alaska has a TPA regulation statute.<sup>9</sup> It was effective July 1992. A firm must have a TPA license if it does any of the following:

- Acts as an independent contractor, performs contractual functions normally associated with an insurer, such as activities involving the effectuation of coverage, premium accounting and billing, claims settlement, and underwriting authority.
- Is compensated for such contractual services.
- Is involved in direct solicitation of group life and health insurance coverage.

Alaska has no bonding requirements. There are several types of firms which need not be licensed:

- Operates only for a foreign insurer.
- Is registered as a TPA by the TPA's resident state.
- The TPA's resident insurance regulator has enacted provisions of Alaska.
- The resident state is accredited by the National Association of Insurance Commissioners.
- A person who only provides services to bona fide employee benefit plans that are established by an employer or an employee organization, or both for which the insurance laws of the state are preempted under ERISA, is not required to be additionally registered as a third-party administrator if the person certified to the director on or before February 1 of each year its exempt status.

Alaska does not provide a *de minimis* rule.

### Filing Requirements

- Corporate papers.
- Resumes of principals.
- Formal application
- Agent for service of process.

## Stop-Loss Regulation

None. Stop-loss agreements must be filed with the state for approval.

## Utilization Review Regulations

None.

## Miscellaneous

### Premium Taxes

- Commercial insurers pay 2.7%. Blue Cross plan pays 6% of gross premiums less paid claims. HMOs pay as commercial insurers.

### Managed Care

- Alaska mandates hospital stays for postnatal care of at least 48 hours for a normal delivery and 96 hours after cesarean deliveries for new mothers and their infants.

### Insurance Guaranty Fund

- Alaska requires that a *sticker* be put on all insurance policies clearly indicating whether or not relief from the state's insurance guaranty fund may be expected in the event of the insolvency of the insurer. This applies to stop-loss agreements.<sup>10</sup>

## Endnotes

- <sup>1</sup> Alaska Stat. §§ 21.27.630 to 21.27-650.
- <sup>2</sup> Alaska Stat. § 21.42.365.
- <sup>3</sup> Alaska Stat. § 21.42.345.
- <sup>4</sup> Alaska Stat. § 21.42.375.
- <sup>5</sup> Alaska Stat. § 27.42.380.
- <sup>6</sup> Alaska Stat. § 21.42.395.
- <sup>7</sup> Alaska Stat. § 21.09.260.
- <sup>8</sup> Alaska Ins. Dept. Bulletin 83-8 (1983).
- <sup>9</sup> Alaska Stat. §§ 21.27.630 to 21.27.650; also 21.90.900.
- <sup>10</sup> Alaska Ins. Bulletin No. B01-04.