

Title 3. Commerce, Community, and Economic Development

Part 2. Division of Insurance

Chapter 31. Miscellaneous.

Article 4. Comprehensive Health Insurance Association Reinsurance Program.

3 AAC 31.510. (a) is amended to read:

(a) The association shall establish a plan of operation for the administration and operation of the Alaska Reinsurance Program under which a health care insurer shall cede the risk of a high risk resident to the program. The plan of operation must include

(1) a description of the data a health care insurer submitting a reinsurance payment request must provide to the association for the association to implement and administer the reinsurance program, including data necessary for the association to determine a health care insurer's eligibility for reinsurance payments;

(2) guidance to insurers relating to diagnosis codes for identifying residents with covered conditions under the program;

(3) the manner and time period in which a health care insurer must

(A) provide the data described under (1) of this subsection;

(B) **pay the quarterly**

(i) **premium amounts required to be paid under 3 AAC**

31.515(b); and

(ii) **pharmacy rebates required to be paid under 3 AAC**

31.515(c); and

(C) cede risk under 3 AAC 31.510;

(4) requirements for reporting and processing reports submitted by health care insurers as required by the association;

(5) requirements for conducting audits under 3 AAC 31.530; and

(6) details of an annual actuarial study of this state's individual market that

(A) measures the impact of the program;

(B) recommends funding levels; and

(C) reveals emerging conditions within the market.

3 AAC 31.510(b) is amended to read:

(b) The association shall accept a risk ceded to it with respect to a high risk resident in compliance with 3 AAC 31.500 – 3 AAC 31.549 effective on the date coverage becomes effective with the health care insurer and shall continue to accept a risk ceded to it until **March 31** [MARCH 1] of the year following the calendar year in which the high risk resident's coverage becomes effective with the health care insurer or, if earlier, the date on which the coverage terminates or the reinsurance program ceases active operation.

3 AAC 31.510 is amended by adding a new subsection to read:

(d) The association shall ensure, in accordance with applicable provisions of generally accepted accounting requirements, circulars on funds management of the federal Office of Management and Budget, and guidance on accounting of the United States Government Accountability Office, that the Alaska Reinsurance Program uses no federal funds for coverage

Register _____, _____ 2018 COMMERCE, COMMUNITY, AND EC. DEV.

of abortion services described under 42 U.S.C. 18023(b)(1)(B)(i). (Eff. 2/2/2013, Register 205; am 12/22/2016, Register 220; am ___/___/___, Register ___)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.430
AS 21.55.040 AS 21.55.400

3 AAC 31.515(b) is amended to read:

(b) The health care insurer shall pay to the association the separately identifiable premium amount the health care insurer received under the insurance policy for the applicable benefit year covering the eligible high risk resident **on a quarterly basis** not later than [30 CALENDAR DAYS] **the dates set by the association and specified in the association's plan of operation** after the association accepts a risk ceded to it with respect to a high risk resident. If the high risk resident has a separately identifiable premium equal to \$0, the health care insurer shall pay to the association the highest separately identifiable premium under the family policy. For each additional high risk resident covered under a family policy who has a separately identifiable premium equal to \$0, the health care insurer shall pay to the association the next highest separately identifiable premium under the family policy.

3 AAC 31.515(c) is amended to read:

(c) A health care insurer shall pay to the association a pharmacy rebate required to be paid to the association under (a)(4) of this section **on a quarterly basis in conjunction with the payment of premiums under (b) of this section** [NOT LATER THAN 30 CALENDAR DAYS

Register _____, _____ 2018 COMMERCE, COMMUNITY, AND EC. DEV.

AFTER RECEIPT OF THE PHARMACY REBATE]. (Eff. 12/22/2016, Register 220; am

____/____/____, Register ____)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.400

3 AAC 31.520(e) is amended to read:

(e) A health care insurer **shall** [MAY] cede a risk to the association with respect to a high risk resident [AT ANY TIME] during the period beginning on the date the high risk resident's coverage becomes effective with the health care insurer and ending on **March 31** [MARCH 1] of the year following the calendar year in which the high risk resident's coverage becomes effective with the health care insurer. A health care insurer **required** [THAT WISHES] to cede risk with respect to a high risk resident to the association in a subsequent calendar year shall re-cede that risk for that calendar year. **A health care insurer shall utilize the dates set by the association and specified in the association's plan of operation when ceding a risk required to be ceded to the association under this subsection.**

3 AAC 31.520(f) is amended to read:

(f) A health care insurer shall submit to the program claims incurred during a calendar year for a ceded risk not later than **April 30** [18 MONTHS] after that calendar year for the claim to be eligible for reimbursement from the program. (Eff. 12/22/2016, Register 220; am ____/____/____, Register ____)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.400

Register _____, _____ 2018 COMMERCE, COMMUNITY, AND EC. DEV.

3 AAC 31.525(d) is amended to read:

(d) Premiums received by the association for the program will be used first to pay, or to establish reasonable reserves for payment of, administrative and operational expenses of the program and second to pay claims for risks ceded to the program. [CLAIMS FOR RISKS CEDED TO THE PROGRAM WILL BE PAID FIRST FROM PREMIUMS REMAINING AVAILABLE AFTER PAYMENT OF, OR ESTABLISHMENT OF REASONABLE RESERVES FOR PAYMENT OF, ADMINISTRATION AND OPERATIONAL EXPENSES OF THE PROGRAM AND SECOND FROM OTHER AVAILABLE PROGRAM FUNDS.] (Eff. 2/2/2013, Register 205; am 12/22/2016, Register 220; am ___/___/____, Register _____)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.430
 AS 21.55.040 AS 21.55.400

3 AAC 31.530(c) is amended to read:

(c) The association shall conduct a final accounting **and annual claims true up** with respect to each calendar year after **April 30** [APRIL 15] of the following calendar year.

3 AAC 31.530(d) is amended to read:

(d) Claims with respect to ceded risk that are incurred during a calendar year and are submitted for reimbursement not later than **April 30** [APRIL 15] of the following calendar year will be allocated to the calendar year in which they are incurred. **The association may not reimburse claims** [CLAIMS] submitted after **April 30** [APRIL 15] following the calendar year

Register _____, _____ 2018 COMMERCE, COMMUNITY, AND EC. DEV.

in which they are incurred [WILL BE ALLOCATED TO A LATER CALENDAR YEAR IN ACCORDANCE WITH THE OPERATING RULES, POLICIES, AND PROCEDURES OF THE PROGRAM].

(Eff. 2/2/2013, Register 205; am 12/22/2016, Register 220; am ___/___/____, Register _____)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.430
 AS 21.55.040 AS 21.55.400

3 AAC 31.535(a) is amended to read:

(a) The association shall establish a true-up process with respect to a calendar year to reflect adjustments made in establishing the final accounting for that calendar year, including crediting of premiums received with respect to risk ceded after the end of the calendar year and retroactive reductions or other adjustments in reimbursements necessary to prevent a deficit in the fund for that calendar year and to prevent a windfall to an insurer as a result of third party recoveries, recovery of overpayments, commercial reinsurance recoveries, or risk adjustments made under 42 U.S.C. 18063 (sec. 1343 of the Patient Protection and Affordable Care Act, P.L. 111-148). The true-up must occur after **April 30** [APRIL 15] following the calendar year to which it relates.

(Eff. 2/2/2013, Register 205; am 12/22/2016, Register 220; am ___/___/____, Register _____)

Authority: AS 21.06.090 AS 21.55.220 AS 21.55.430
 AS 21.55.040 AS 21.55.400

3 AAC 31.540. is amended to read:

A resident of this state [diagnosed with one or more of the following covered conditions under this section] is a high risk resident under 3 AAC 31.500 – 3 AAC 31.549 **if the resident is diagnosed with one or more of the covered conditions included on the most recent list of covered conditions published by the director. The list is to be published at least annually by**

(1) posting the list on the division’s website; and

(2) providing a copy of the list to a person on request to the division.

[(1) HUMAN IMMUNODEFICIENCY VIRUS OR ACQUIRED IMMUNE DEFICIENCY SYNDROME (HIV/AIDS);

(2) SEPTICEMIA SEPSIS, SYSTEMIC INFLAMMATORY RESPONSE SYNDROME/SHOCK;

(3) METASTATIC CANCER;

(4) LUNG, BRAIN, AND OTHER SEVERE CANCERS, INCLUDING PEDIATRIC ACUTE LYMPHOID LEUKEMIA;

(5) NON-HODGKIN'S LYMPHOMAS AND OTHER CANCERS AND TUMORS;

(6) MUCOPOLYSACCHARIDOSIS;

(7) LIPIDOSES AND GLYCOGENOSIS;

(8) AMYLOIDOSIS, PORPHYRIA, AND OTHER METABOLIC DISORDERS;

(09) END-STAGE LIVER DISEASE;

(10) CHRONIC HEPATITIS;

- (11) ACUTE LIVER FAILURE OR DISEASE, INCLUDING NEONATAL HEPATITIS;
- (12) INTESTINAL OBSTRUCTION;
- (13) CHRONIC PANCREATITIS;
- (14) INFLAMMATORY BOWEL DISEASE;
- (15) RHEUMATOID ARTHRITIS AND SPECIFIED AUTOIMMUNE DISORDERS;
- (16) HEMOPHILIA;
- (17) ACQUIRED HEMOLYTIC ANEMIA, INCLUDING HEMOLYTIC DISEASE OF NEWBORN;
- (18) SICKLE CELL ANEMIA (HB-SS);
- (19) THALASSEMIA MAJOR;
- (20) COAGULATION DEFECTS AND OTHER SPECIFIED HEMATOLOGICAL DISORDERS;
- (21) ANOREXIA/BULIMIA NERVOSA;
- (22) PARAPLEGIA;
- (23) AMYOTROPHIC LATERAL SCLEROSIS AND OTHER ANTERIOR HORN CELL DISEASE;
- (24) QUADRIPLEGIC CEREBRAL PALSY;
- (25) CEREBRAL PALSY, EXCEPT QUADRIPLEGIC;
- (26) MYASTHENIA GRAVIS/MYONEURAL DISORDERS AND GUILLAIN-BARRE SYNDROME/INFLAMMATORY AND TOXIC NEUROPATHY;

(27) MULTIPLE SCLEROSIS;

(28) PARKINSON'S, HUNTINGTON'S AND SPINOCEREBELLAR
DISEASE, AND OTHER NEURODEGENERATIVE DISORDERS;

(29) CYSTIC FIBROSIS;

(30) END-STAGE RENAL DISEASE;

(31) PREMATURE NEWBORNS, INCLUDING BIRTHWEIGHT 2,000 –
2,499 GRAMS;

(32) STEM CELL, INCLUDING BONE MARROW, TRANSPLANT
STATUS/COMPLICATIONS;

(33) AMPUTATION STATUS, LOWER LIMB/AMPUTATION

COMPLICATIONS.]

(Eff. 12/22/2016, Register 220; am ___/___/___, Register ___)

Authority: AS 21.06.090 AS 21.55.040 AS 21.55.400