

Byron Mallott  
Lieutenant Governor  
State Capitol  
Juneau, Alaska 99811  
907.465.3520  
WWW.LTGOV.ALASKA.GOV




530 West 7<sup>th</sup> Ave, Suite 1700  
Anchorage, Alaska 99501  
907.269.7460  
LT.GOVERNOR@ALASKA.GOV

**OFFICE OF THE LIEUTENANT GOVERNOR  
ALASKA**

**M E M O R A N D U M**

**TO:** Linda Mattson  
Department of Commerce, Community, and Economic Development

**FROM:** April Simpson, Office of the Lieutenant Governor   
465.4081

**DATE:** October 2, 2018

**RE:** Filed Permanent Regulations: Division of Insurance  
  
Division of Insurance regulation re: Alaska Comprehensive Health Insurance  
Association (3 AAC 31.510 - 3 AAC 31.535)

---

Attorney General File:	2018200679
Regulation Filed:	10/2/2018
Effective Date:	11/1/2018
Print:	228, January 2019

cc with enclosures: Linda Miller, Department of Law  
Judy Herndon, LexisNexis

ORDER RA 18-01 ADOPTING CHANGES TO  
REGULATIONS OF THE DIVISION OF INSURANCE

The attached six pages of regulations dealing with the Alaska Reinsurance Program to reinsure high risk residents by changing the reporting dates and payment dates to align with ACA filing deadlines; adding a requirement that Alaska Reinsurance Program will not use federal funds for coverage of abortion services, are adopted and certified to be a correct copy of the regulation changes that the Division of Insurance adopts under the authority of AS 21.06.090; AS 21.55.040; AS 21.55.220; AS 21.55.400 and AS 21.55.430; and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Division of Insurance paid special attention to the cost to private persons of the regulatory action being taken.

The regulations adopted under this order take effect on the 30<sup>th</sup> day after they have been filed by the lieutenant governor as provided in AS 44.62.180.

Date: August 28, 2018



Lori Wing-Heier, Director  
Division of Insurance  
Department of Commerce, Community, and  
Economic Development

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on October 2, 2018, at 8:55 Am., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



Lieutenant Governor

Effective November 1, 2018.

Register 228, January 2019

### 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) <sup>(3)</sup> is amended to read:

((Publisher: No changes to 3 AAC 31.510 (1), (2).)))

~~(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;

this section

~~(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.~~

((( Publisher:  
no change to  
3 AAC 31.510  
(1)(4)-(6).)))

3 AAC 31.510(b) is amended to read:

no bold

(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 United States ~~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 228, January 2018<sup>9</sup> 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 11 / 1 / 2018 Register 228)

**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:

<sup>noted</sup>  
(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 228, January 2018<sup>9</sup> COMMERCE, COMMUNITY, AND EC. DEV.

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

11 / 1 / 2018, Register 228 )

**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

11 / 1 / 2018, Register 228 )

**Authority:** AS 21.06.090 AS 21.55.220 AS 21.55.400

Register 228, January 2018<sup>9</sup> 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 11 / 1 / 2018, Register 228 )

<b>Authority:</b>	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 <sup>⊖</sup> 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 228, January 201<sup>9</sup>8 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 11/1/2018, Register 228)

**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 11/1/2018, Register 228)

**Authority:** AS 21.06.090 AS 21.55.220 AS 21.55.430

AS 21.55.040 AS 21.55.400



# MEMORANDUM

State of Alaska  
Department of Law

**To:** The Honorable Byron Mallott  
Lieutenant Governor

**Date:** September 27, 2018

**File No.:** 2018200679

**From:** Susan R. Pollard *SRP*  
Chief Assistant Attorney General  
and Regulations Attorney  
Legislation and Regulations Section

**Re:** Division of Insurance regulation re:  
Alaska Comprehensive Health  
Insurance Association (3 AAC  
31.510-3 AAC 31.535)

The Department of Law has reviewed the attached regulations of the Division of Insurance against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Division of Insurance after the close of the public comment period. The regulations concern the Alaska Reinsurance Program reporting and payment dates.

The public notice and the adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

We have made some technical corrections to conform the regulations in accordance with AS 44.62.125. The corrections are shown on the attached copy of the regulations. The edit from 2018 to 2019 on the "Register" indication reflects the date of paper publication (Register 228; January 2019) and not the effective date of the regulations – 30 days after filing by the lieutenant governor.

SRP:lbp

cc w/encl: (via e-mail)

Lori Wing-Heier, Director  
Division of Insurance

Linda Mattson, Regulations Contact  
Department of Commerce, Community and Economic Development

Dolly Raster, Regulations Specialist  
Division of Insurance

Erin Egan, Assistant Attorney General  
Commercial and Fair Business Section

NOTICE OF PROPOSED CHANGES TO THE ALASKA COMPREHENSIVE HEALTH  
INSURANCE ASSOCIATION REINSURANCE PROGRAM  
TO REINSURE HIGH RISK RESIDENTS OF THIS STATE  
IN THE REGULATIONS OF THE DIVISION OF INSURANCE

BRIEF DESCRIPTION

The Alaska Division of Insurance proposes to amend regulations to the Alaska Reinsurance Program to reinsure high risk residents. The amendments include changing the reporting dates and payment dates to align with ACA filing deadlines. The amendments also remove the list of covered conditions eligible for payment through the reinsurance program from the regulations for ease of updating them as needed or at least annually.

The Alaska Division of Insurance proposes to adopt regulation changes in Title 3, Chapter 31 of the Alaska Administrative Code dealing with the Alaska Reinsurance Program including the following:

**3 AAC 31** is proposed to be amended as follows:

**3 AAC 31.510. Association duties**, is proposed to be changed to add a requirement that the plan of operations for the Alaska Reinsurance Program (ARP) include information on the manner and time period in which an insurer pays quarterly premium amounts, pharmacy rebates, and cedes risk. The proposed changes also extend the date on which the Alaska Comprehensive Health Insurance Association (“the association”) shall accept a ceded risk. The proposed amendment also adds a requirement that ACHIA will not use federal funds for coverage of abortion services.

**3 AAC 31.515. Health care insurer eligibility for reinsurance payments**, is proposed to be changed to amend the time requirements for a health care insurer to make payments for ceded premium amounts and pharmacy rebates to the association.

**3 AAC 31.520. Health care insurer duties and rules**, is proposed to be changed to require an insurer to cede risk to the association for a high risk resident. The proposed change also amends the date by which a health care insurer shall cede a risk and changes the timeframe in which a health care insurer is required to submit claims for a ceded risk. The proposed change also adds a requirement that insurers utilize the dates set in the plan of operations when ceding a risk.

**3 AAC 31.525. Premium and other financial matters**, is proposed to be changed to amend the payment requirements and procedures for a health care insurer’s handling of premiums, expenses, and other financial matters.

**3 AAC 31.530. Accounting, reporting, and auditing**, is proposed to be changed to amend the date for the final accounting and annual claims true up and amending the submission date for ceded claims to be submitted to the association for reimbursement.

**3 AAC 31.535. Annual true-up**, is proposed to be changed to amend the date when the true-up must occur.

**3 AAC 31.540. Covered conditions**, is proposed to be changed to remove the list of covered health conditions of a high risk resident from regulations and adding a requirement that the director publish a list of covered conditions at least annually.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Division of Insurance; Attention: Sarah Bailey; P.O. Box 110805; Juneau, AK 99811-0805; by e-mail to [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov); or by fax to (907) 465-3422. Comments may also be submitted through the Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices>. All comments must be received **no later than 5:00 p.m., Friday, July 20, 2018**.

Oral or written comments also may be submitted at a hearing to be held on **Friday, July 20, 2018** in Conference Room B on the ninth floor of the State Office Building, located at 333 Willoughby Ave., Juneau, Alaska. The hearing will be held from **10:00 a.m. to 12:00 p.m.** and might be extended to accommodate those present before **12:00 p.m.** who did not have an opportunity to comment. If you are unable to attend the meeting in person and would like to participate by teleconference, please call 1-800-315-6338 and enter the access code 42070 followed by #.

You may submit written questions relevant to the proposed action to the Division of Insurance; Attention: Sarah Bailey; P.O. Box 110805, Juneau, AK 99811-0805 or by e-mail to [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov). **The questions must be received at least 10 days before the end of the public comment period.** The division will aggregate its response to substantially similar questions and make the questions and responses available on the division's website at <https://www.commerce.alaska.gov/web/ins/HearingsMeetingsandNotices.aspx> and on the Alaska Online Public Notice System. The division may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in the process, please contact Laura Watson at [laura.watson@alaska.gov](mailto:laura.watson@alaska.gov) or (907) 465-2597 or TDD (907) 465-5437 no later than **Tuesday, July 10, 2018** to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the division's website at <https://www.commerce.alaska.gov/web/ins/HearingsMeetingsandNotices.aspx>, on the Alaska Online Public Notice System, by contacting Sarah Bailey at [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov), or by calling (907) 269-7900 in Anchorage or (907) 465-2515 in Juneau.

After the public comment period ends, the Division of Insurance will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR**

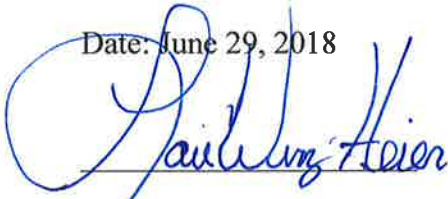
INTERESTS COULD BE AFFECTED. Written comments received are public records and are subject to public inspection.

**Statutory Authority:** AS 21.06.090; AS 21.55.040; AS 21.55.220; AS 21.55.400; AS 21.55.430

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 21.55.220; AS 21.55.400.

**Fiscal information:** The proposed regulation changes are not expected to require an increased appropriation.

Date: June 29, 2018

A handwritten signature in blue ink, appearing to read "Lori Wing-Heier", is written over a horizontal line.

Lori Wing-Heier  
Director of Insurance

ESTABLISH A REINSURANCE PROGRAM TO REINSURE HIGH RISK RESIDENTS OF THIS  
STATE

ADDITIONAL REGULATIONS NOTICE INFORMATION  
(AS 44.62.190(d))

1. Adopting agency: Division of Insurance, Department of Commerce, Community, and Economic Development
2. General subject of regulation: Alaska Reinsurance Program to reinsure high risk residents of this state
3. Citation of regulation (may be grouped): 3 AAC 31.510 – 3 AAC 31.540
4. Department of Law file number, if any: \_\_\_\_\_
5. Reason for the proposed action:  
☐ Compliance with federal law or action (identify): \_\_\_\_\_  
☐ Compliance with new or changed state statute  
☐ Compliance with Federal or state court decision (identify) \_\_\_\_\_  
☒ Development of program standards  
☐ Other (identify): \_\_\_\_\_
6. Appropriation/Allocation: Insurance Operations/Insurance Operations
7. Estimated annual costs in the aggregate to comply with the proposed action to:  
A private person: None are anticipated.  
Another state agency: None are anticipated.  
A municipality: None are anticipated.
8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY <u>18</u>	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
1002 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
1003 General fund match	\$ <u>0</u>	\$ <u>0</u>
1004 General fund	\$ <u>0</u>	\$ <u>0</u>
1005 General fund/ program	\$ <u>0</u>	\$ <u>0</u>
Other (identify)	\$ <u>0</u>	\$ <u>0</u>

9. The name of the contact person for the regulation:  
Name: Sarah Bailey  
Title: Insurance Specialist III

Address: Division of Insurance

P.O. Box 110805, Juneau, AK 99811-0805

Telephone: (907) 465-4608

E-mail address [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov)

10. The origin of the proposed action:

☐ Staff of state agency

☐ Federal government

☐ General public

☐ Petition for regulation change

☒ Other (identify) Division of Insurance

11.

Date: 6/28/18 Prepared by: Anna Latham  
[signature]

Name (printed): Anna Latham

Title (printed): Deputy Director

Telephone: (907) 465-2518

STATE OF ALASKA  
FIRST JUDICIAL DISTRICT

## AFFIDAVIT OF NOTICE OF PROPOSED ADOPTION OF REGULATIONS AND FURNISHING OF ADDITIONAL INFORMATION

I, Dolly Raster, Regulations Specialist II of the Division of Insurance, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 3 AAC 31.500 – 3 AAC 31.549 dealing with a reinsurance program to reinsure high risk residents of this state has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulations;
- (5) electronically transmitted to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Legislative Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1);
- (8) furnished electronically, along with a copy of the proposed regulations, to the Legislative Affairs Agency, the chairs of the Labor and Commerce Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

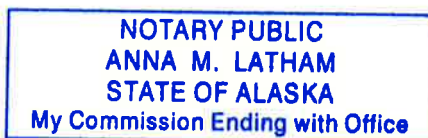
As required by AS 44.62.190(d), additional regulations notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulations notice information also has been posted on the Alaska Online Public Notice System.

Date: July 25<sup>th</sup>, 2018

  
Dolly Raster, Regulations Specialist II

Subscribed and sworn to before me at Juneau, Alaska on July 25, 2018

Notary Public in and for Alaska  
My commission expires with office



STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

AFFIDAVIT OF ORAL HEARING

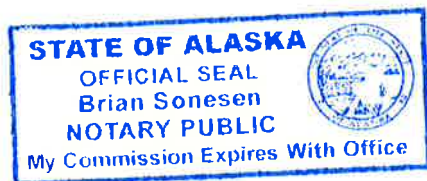
I, Anna Latham, Deputy Director for the Division of Insurance being duly sworn, state the following:

On Friday, July 20, 2018, at 10:00 a.m., in Conference Room B on the ninth floor of the State Office Building located at 333 Willoughby Ave., Juneau, Alaska, I presided over a public hearing held under AS 44.62.210 for the purpose of taking testimony in connection with the adoption of changes to 3 AAC 31.510 – 3 AAC 31.540 dealing with a reinsurance program to reinsure high risk residents of this state.

Date: July 25, 2018

Anna Latham  
Anna Latham, Deputy Director

Subscribed and sworn to before me this 25<sup>th</sup> day of July, 2018



Brian Sonesen  
Notary Public in and for the  
State of Alaska  
My commission expires: office



# ANCHORAGE DAILY NEWS

RECEIVED

JUL 09 2018

SOA-DCCED  
DIVISION OF INSURANCE  
JUNEAU OFFICE

## AFFIDAVIT OF PUBLICATION

Account #: 270251

ST OF AK/DIV OF INSURANCE  
PO BOX 110805  
JUNEAU, AK 998110805

Order#  
Cost

0001424024  
\$622.52

Product  
Placement  
Position  
ANC-Anchorage Daily News  
0300  
0301

STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

Joleesa Stepetin

being first duly sworn on oath deposes and says that he/she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

July 01, 2018

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Joleesa Stepetin

Subscribed and sworn to before me  
this 2nd day of July, 2018

*Britney Thompson*  
Notary Public in and for  
The State of Alaska.  
Third Division  
Anchorage, Alaska

MY COMMISSION EXPIRES

*2/23/2019*  
Notary Public  
BRITNEY L. THOMPSON  
State of Alaska  
My Commission Expires Feb 23, 2019

NOTICE OF PROPOSED CHANGES TO THE ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION REINSURANCE PROGRAM TO REINSURE HIGH RISK RESIDENTS OF THIS STATE IN THE REGULATIONS OF THE DIVISION OF INSURANCE

### BRIEF DESCRIPTION

The Alaska Division of Insurance proposes to amend regulations to the Alaska Reinsurance Program to reinsure high risk residents. The amendments include changing the reporting dates and payment dates to align with ACA filing deadlines. The amendments also remove the list of covered conditions eligible for payment through the reinsurance program from the regulations for ease of updating them as needed or at least annually.

The Alaska Division of Insurance proposes to adopt regulation changes in Title 3, Chapter 31 of the Alaska Administrative Code dealing with the Alaska Reinsurance Program including the following:

**3 AAC 31** is proposed to be amended as follows:

**3 AAC 31.510. Association duties**, is proposed to be changed to add a requirement that the plan of operations for the Alaska Reinsurance Program (ARP) include information on the manner and time period in which an insurer pays quarterly premium amounts, pharmacy rebates, and cedes risk. The proposed changes also extend the date on which the Alaska Comprehensive Health Insurance Association ("the association") shall accept a ceded risk. The proposed amendment also adds a requirement that ACHIA will not use federal funds for coverage of abortion services.

**3 AAC 31.515. Health care insurer eligibility for reinsurance payments**, is proposed to be changed to amend the time requirements for a health care insurer to make payments for ceded premium amounts and pharmacy rebates to the association.

**3 AAC 31.520. Health care insurer duties and rules**, is proposed to be changed to require an insurer to cede risk to the association for a high risk resident. The proposed change also amends the date by which a health care insurer shall cede a risk and changes the timeframe in which a health care insurer is required to submit claims for a ceded risk. The proposed change also adds a requirement that insurers utilize the dates set in the plan of operations when ceding a risk.

**3 AAC 31.525. Premium and other financial matters**, is proposed to be changed to amend the payment requirements and procedures for a health care insurer's handling of premiums, expenses, and other financial matters.

**3 AAC 31.530. Accounting, reporting, and auditing**, is proposed to be changed to amend the date for the final accounting and annual claims true up and amending the submission date for ceded claims to be submitted to the association for reimbursement.

**3 AAC 31.535. Annual true-up**, is proposed to be changed to amend the date when the true-up must occur.

**3 AAC 31.540. Covered conditions**, is proposed to be changed to remove the list of covered health conditions of a high risk resident from regulations and adding a requirement that the director publish a list of covered conditions at least annually.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Division of Insurance; Attention: Sarah Bailey; P.O. Box 110805; Juneau, AK 99811-0805; by email to [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov); or by fax to (907) 465-3422. Comments may also be submitted through the Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices>. All comments must be received **no later than 5:00 p.m., Friday, July 30, 2018.**

Oral or written comments also may be submitted at a hearing to be held on **Friday, July 20, 2018** in Conference Room Bon the ninth floor of the State Office Building, located at 333 Willoughby Ave., Juneau, Alaska. The hearing will be held from **10:00 a.m. to 12:00 p.m.** and might be extended to accommodate those present before **12:00 p.m.** who did not have an opportunity to comment. If you are unable to attend the meeting in person and would like to participate by teleconference, please call 1-800-315-6338 and enter the access code 42070 followed by#.

STATE OF ALASKA                     )  
  ) ss.  
FIRST JUDICIAL DISTRICT         )

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Dolly Raster, Regulations Specialist II for the Division of Insurance being duly sworn, state the following:

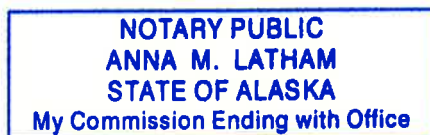
In compliance with AS 44.62.215, the division of insurance has kept a record of its use or rejection of factual or other substantive information that was submitted in writing and orally as public comment and that was relevant to the accuracy, coverage, or other aspect of the division of insurance regulation on reinsurance program to reinsure high risk residents of this state.

Date: September 19, 2018

*Dolly Raster*

Dolly Raster, Regulations Specialist II

Subscribed and sworn to before me this 19 day of September 2018



*Anna Latham*

Notary Public in and for the  
State of Alaska

My commission expires: with office