

Bill # TBD



What this Bill Does

- Clarifies and strengthens coverage standards for prosthetic and orthotic devices, including medically necessary additional activity-specific devices
- Applies to:
 - Commercial health insurance plans regulated by the state
 - Alaska Medicaid, as a clarification of existing benefits and nondiscriminatory administration
- Prevents denials based solely on whether a device supports activity, work, or daily function rather than basic ambulation

Why This Matters in Alaska

- Alaskans with limb loss or limb difference face inconsistent coverage, especially for:
 - Back-up devices
 - Devices for hygiene
 - Activity-specific or task-specific devices
- Inadequate prosthetic and orthotic coverage leads to:
 - Increased falls and injuries
 - Secondary joint and back conditions
 - Obesity related health complications
 - Reduced ability to work, recreate, and live independently
- Alaska's rural geography, outdoor recreation opportunities, and physically demanding jobs make functional mobility especially critical here

What This Bill Does Not Do

- Does not create a new Medicaid benefit category
 - Does not mandate unlimited devices
 - Does not appropriate funds or require a new program
 - Does not affect Veterans Administration coverage or Workman's Compensation (Both already provides robust prosthetic and orthotic benefits)
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Fiscal Impact: Evidence from Other States

Independent actuarial and regulatory data consistently show negligible cost impact.

Arkansas

- An actuarial analysis conducted by Segal found the cost impact of comprehensive prosthetic coverage to be immaterial to premiums and public programs.

Source: Klein, P. (2023, March 10). Actuarial Statement: Purpose of Bill HB1252. Atlanta, GA; Segal.

New Mexico

- Multiple carrier filings (BCBS, United, Molina, Presbyterian Health), reviewed and accepted by the New Mexico Office of Superintendent of Insurance (OSI), report that statutory prosthetic and custom orthotic coverage resulted in:
 - 0.00% to 0.001% premium impact – an actuarially negligible amount.

Sources: New Mexico ACA Rate Filing Templates, carrier submissions to the New Mexico Office of Superintendent of Insurance (OSI), Sections D–E, ‘Effect of Prior Law Changes.’

line item: Insurance Coverage for Prosthetics and Custom Orthotics

Why Alaska’s Impact Is Likely Equal or Smaller

- Alaska has a smaller overall population than Arkansas or New Mexico
- A significant portion of individuals with limb loss are already receiving the necessary devices covered by the Veteran’s Association:
 - 1 in 10 Alaskans are a Veteran
 - Alaska has a higher share of veterans than any other state

Source: <https://live.laborstats.alaska.gov/trends-magazine/2016/June/1-in-10-alaskans-is-a-veteran>

Medicaid Clarification

- The bill aligns Alaska Medicaid with:
 - Clarification of existing medical necessity standards
 - Nondiscriminatory coverage principles already applied to private plans
 - Other states (including Maryland) have included Medicaid without triggering material cost increases
 - Any utilization increase will be:
 - Small and spread across a very large Medicaid population
 - Offset by reductions in secondary medical costs (falls, injuries, complications)
 - Improved prosthetic and orthotic access will have cost savings benefits by reducing downstream Medicaid costs associated with:
 - Falls, emergency care, orthopedic, obesity, and chronic disease complications
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Why This Works in Alaska

- Narrow, targeted policy — not a broad benefit expansion
 - Strong bipartisan appeal:
 - Supports work readiness
 - Promotes independence
 - Reduces long-term health costs
 - Fiscal evidence supports a zero or immaterial fiscal note
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Bottom Line

This bill improves fairness, mobility, and health outcomes for Alaskans with limb loss and limb difference without materially increasing costs.

Independent actuarial studies and insurer rate filings from multiple states confirm the fiscal impact is negligible.