

1 SB123
2 155571-2
3 By Senators Blackwell and Orr
4 RFD: Banking and Insurance
5 First Read: 14-JAN-14

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8 SYNOPSIS: Under existing law, the Alabama Health
9 Insurance Plan was created to comply with the
10 requirements of the Health Insurance Portability
11 and Accountability Act (HIPAA) to provide
12 guaranteed-issue health insurance to eligible
13 persons in this state.

14 This bill would authorize the Alabama Health
15 Insurance Plan to cease operations if the market
16 reforms provided in the Patient Protection and
17 Affordable Care Act satisfy the guaranteed-issue
18 requirements of HIPAA.

19 The bill would also provide that, after
20 liabilities of the plan are satisfied, unspent and
21 unencumbered funds of the plan would be transferred
22 to the State General Fund.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 To amend Section 27-52-1, Code of Alabama 1975,
2 relating to health insurance; to authorize the Alabama Health
3 Insurance Plan to cease operations under certain conditions
4 upon giving time to current participants to transition out of
5 the plan; and to provide for the transfer of unspent and
6 unencumbered funds to the State General Fund.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 27-52-1, Code of Alabama 1975, is
9 amended to read as follows:

10 "§27-52-1.

11 "(a) There is hereby created the Alabama Health
12 Insurance Plan which shall, as a high risk pool in the State
13 of Alabama, provide health insurance coverage to eligible
14 individuals as an alternative to ~~federal oversight required~~
15 requiring insurers to offer guaranteed-issue policies, as
16 provided in the Health Insurance Portability and
17 Accountability Act of 1996 ~~(H.R. 3103)~~ (Pub.L. 104-191, also
18 known as ~~the Kassebaum-Kennedy Act~~ HIPAA.

19 "(b) In the event any federal mandate includes
20 market reform provisions which satisfy the guaranteed-issue
21 requirements of HIPAA, the Alabama Health Insurance Plan may
22 cease operations upon giving sufficient time for current
23 participants to transition out of the plan. After operation of
24 the Alabama Health Insurance Plan ceases and all current and
25 future liabilities of the plan have been satisfied, any
26 unspent and unencumbered funds of the plan shall be
27 transferred to the State General Fund.

1 "(c) In the event a federal mandate requires the
2 State of Alabama after the effective date of the act adding
3 this subsection to offer guaranteed-issue health coverage to
4 eligible individuals, the Alabama Health Insurance Plan shall
5 be reestablished and implemented to satisfy the requirements
6 of the federal mandate."

7 Section 2. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.