



House Insurance Reported Substitute for SB170

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A BILL
TO BE ENTITLED
AN ACT

Relating to health insurance; to create the Health Savings Account State-Federal Regulatory Coordination Act; to add Article 5 to Chapter 19, Title 27, Code of Alabama 1975, to limit application of a federal cost-sharing requirement to instances where the minimum deductible under federal law has been applied to an enrollee's plan; to ensure the enrollee's health savings account continues to qualify as a high-deductible plan under federal law; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, relating to certain health care service corporations and health maintenance organizations, to reference the new Article 5, Chapter 9, Title 27, Code of Alabama 1975, created by the new article.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Article 5 is added to Chapter 19, Title 27 of the Code of Alabama 1975, to read as follows:

Article 5. The Health Savings Account State-Federal Regulatory Coordination Act.

§27-19-180

(a) This article shall be known and may be cited as the



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29 Health Savings Account State-Federal Regulatory Coordination
30 Act.

31 (b) The purpose of this article is to protect the
32 efficacy of Health Savings Account (HSA) qualified plans via a
33 legislative exception or safe harbor from any state benefit
34 mandate or copay accumulator adjustment law due to federal
35 law, regulations, rules, or guidance regarding high deductible
36 health plans.

37 (c) For purposes of this article, the following terms
38 have the following meanings:

39 (1) ENROLLEE. An individual who is enrolled in a health
40 insurance plan, whether on an individual or group basis,
41 including any covered dependent.

42 (2) HEALTH SAVINGS ACCOUNT QUALIFIED INSURANCE PLAN or
43 HSA. A high deductible health plan that meets the specific
44 requirements of 26 U.S.C. § 223, as interpreted and
45 administered by the federal Internal Revenue Service.

46 Individuals covered by such a plan may contribute to a Health
47 Savings Account (HSA), a trust, or a custodial account for
48 qualified medical expenses. An individual may not contribute
49 to an HSA unless he or she is covered by an HSA-qualified
50 insurance plan and has no other disqualifying coverage.

51 (3) HIGH DEDUCTIBLE HEALTH PLAN. A health insurance
52 plan, as defined in 26 U.S.C. § 223(c)(2).

53 (4) PREVENTIVE CARE. Those services defined as such by
54 the U.S. Department of the Treasury and the Internal Revenue
55 Service, including preventive services recognized under the
56 Affordable Care Act, pursuant to regulation or guidance issued



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57 under the authority of Title 26 of the United States Code. In
58 general, the term does not include services that provide
59 treatment for known illnesses, diseases, or conditions.
60 However, under IRS Notice 2019-45, the term also includes
61 specified products and services provided to individuals with
62 certain defined chronic conditions including, but not limited
63 to, diabetes, asthma, and heart disease.

64 (5) ZERO COST-SHARING or COST-SHARING RESTRICTIONS.
65 Prohibition outright of any deductible, copayment, or
66 coinsurance on the part of the enrollee or certain limitations
67 on the amount of the deductible, copayment, or coinsurance.

68 (d) If under federal law, the application of any
69 cost-sharing requirement of the Insurance Code would cause the
70 enrollee's health savings account plan to no longer qualify as
71 a high-deductible health plan under 26 U.S.C. § 223, then the
72 cost-sharing requirement shall only apply to the enrollee's
73 plan once the minimum deductible under 26 U.S.C. § 223 has
74 been applied.

75 (e) The Commissioner of Insurance may adopt rules as
76 necessary to implement this section.

77 Section 2. Sections 10A-20-6.16 and 27-21A-23 of the
78 Code of Alabama 1975, are amended to read as follows:

79 "§10A-20-6.16

80 (a) No statute of this state applying to insurance
81 companies shall be applicable to any corporation organized
82 under this article ~~and amendments thereto~~ or to any contract
83 made by the corporation[†], except the corporation shall be
84 subject to the following:



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85 (1) The provisions regarding annual premium tax to be
86 paid by insurers on insurance premiums.

87 (2) Chapter 55 of Title 27.

88 (3) Article 2 and Article 3 of Chapter 19 of Title 27.

89 (4) Section 27-1-17.

90 (5) Chapter 56 of Title 27.

91 (6) Rules adopted by the Commissioner of Insurance
92 pursuant to Sections 27-7-43 and 27-7-44.

93 (7) Chapter 54 of Title 27.

94 (8) Chapter 57 of Title 27.

95 (9) Chapter 58 of Title 27.

96 (10) Chapter 59 of Title 27.

97 (11) Chapter 54A of Title 27.

98 (12) Chapter 12A of Title 27.

99 (13) Chapter 2B of Title 27.

100 (14) Chapter 29 of Title 27.

101 (15) Chapter 62 of Title 27.

102 (16) Chapter 63 of Title 27.

103 (17) Chapter 45A of Title 27.

104 (18) Article 5 of Chapter 19 of Title 27.

105 (b) The provisions in subsection (a) that require
106 specific types of coverage to be offered or provided shall not
107 apply when the corporation is administering a self-funded
108 benefit plan or similar plan, fund, or program that it does
109 not insure."

110 "§27-21A-23

111 (a) Except as otherwise provided in this chapter,
112 provisions of the insurance law and provisions of health care



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113 service plan laws shall not be applicable to any health
114 maintenance organization granted a certificate of authority
115 under this chapter. This ~~provision~~subsection shall not apply
116 to an insurer or health care service plan licensed and
117 regulated pursuant to the insurance law or the health care
118 service plan laws of this state except with respect to its
119 health maintenance organization activities authorized and
120 regulated pursuant to this chapter.

121 (b) Solicitation of enrollees by a health maintenance
122 organization granted a certificate of authority shall not be
123 construed to violate any provision of law relating to
124 solicitation or advertising by health professionals.

125 (c) Any health maintenance organization authorized
126 under this chapter shall not be deemed to be practicing
127 medicine and shall be exempt from the provisions of Section
128 34-24-310, et seq., relating to the practice of medicine.

129 (d) No person participating in the arrangements of a
130 health maintenance organization other than the actual provider
131 of health care services or supplies directly to enrollees and
132 their families shall be liable for negligence, misfeasance,
133 nonfeasance, or malpractice in connection with the furnishing
134 of such services and supplies.

135 (e) Nothing in this chapter shall be construed in any
136 way to repeal or conflict with any provision of the
137 certificate of need law.

138 (f) Notwithstanding the provisions of subsection (a), a
139 health maintenance organization shall be subject to all of the
140 following:



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- 141 (1) Section 27-1-17.
- 142 (2) Chapter 56.
- 143 (3) Chapter 54.
- 144 (4) Chapter 57.
- 145 (5) Chapter 58.
- 146 (6) Chapter 59.
- 147 (7) Rules adopted by the Commissioner of Insurance
- 148 pursuant to Sections 27-7-43 and 27-7-44.
- 149 (8) Chapter 12A.
- 150 (9) Chapter 54A.
- 151 (10) Chapter 2B.
- 152 (11) Chapter 29.
- 153 (12) Chapter 62.
- 154 (13) Chapter 63.
- 155 (14) Chapter 45A.
- 156 (15) Article 5 of Chapter 19."
- 157 Section 3. This act shall become effective on June 1,
- 158 2026.