

SB170 INTRODUCED



1 SB170
2 V7DBYLL-1
3 By Senators Roberts, Shelnutt
4 RFD: Banking and Insurance
5 First Read: 15-Jan-26



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4 SYNOPSIS:

5 This bill would create the Health Savings
6 Account State-Federal Regulatory Coordination Act to
7 protect the efficacy of Health Savings Account
8 qualified plans from any state benefit mandate or
9 federal copay accumulator adjustment law, regulation,
10 or guidance relating to high deductible health plans.

11 This bill would also authorize the Commissioner
12 of Insurance to adopt rules as necessary to implement
13 this act.

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16 A BILL

17 TO BE ENTITLED

18 AN ACT

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20 Relating to health insurance; to create the Health
21 Savings Account State-Federal Regulatory Coordination Act; to
22 add Article 5 to Chapter 19, Title 27, Code of Alabama 1975,
23 to limit application of a federal cost-sharing requirement to
24 instances where the minimum deductible under federal law has
25 been applied to an enrollee's plan; to ensure the enrollee's
26 health savings account continues to qualify as a
27 high-deductible plan under federal law; and to amend Sections
28 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, relating to

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29 certain health care service corporations and health
30 maintenance organizations, to reference the new Article 5,
31 Chapter 9, Title 27, Code of Alabama 1975, created by the new
32 article.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

38 §27-19-180

39 (a) This article shall be known and may be cited as the
40 Health Savings Account State-Federal Regulatory Coordination
41 Act.

42 (b) The purpose of this article is to protect the
43 efficacy of Health Savings Account (HSA) qualified plans via a
44 legislative exception or safe harbor from any state benefit
45 mandate or copay accumulator adjustment law due to federal
46 law, regulations, rules, or guidance regarding high deductible
47 health plans.

48 (c) For purposes of this article, the following terms
49 have the following meanings:

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

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



57 Individuals covered by such a plan may contribute to a Health
58 Savings Account (HSA), a trust, or a custodial account for
59 qualified medical expenses. An individual may not contribute
60 to an HSA unless he or she is covered by an HSA-qualified
61 insurance plan and has no other disqualifying coverage. An
62 eligible individual may deduct contributions from income
63 taxes, and employers and employees may contribute on a pre-tax
64 basis through payroll deduction. HSA owners may use deposited
65 funds tax-free for qualified medical expenses incurred by
66 themselves and eligible dependents.

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

69 (4) PREVENTIVE CARE. Those services defined as such by
70 the U.S. Department of the Treasury and the Internal Revenue
71 Service, including preventive services recognized under the
72 Affordable Care Act, pursuant to regulation or guidance issued
73 under the authority of Title 26 of the United States Code. In
74 general, the term does not include services that provide
75 treatment for known illnesses, diseases, or conditions.
76 However, under IRS Notice 2019-45, the term also includes
77 specified products and services provided to individuals with
78 certain defined chronic conditions including, but not limited
79 to, diabetes, asthma, and heart disease.

80 (5) ZERO COST-SHARING or COST-SHARING RESTRICTIONS.
81 Prohibition outright of any deductible, copayment, or
82 coinsurance on the part of the enrollee or certain limitations
83 on the amount of the deductible, copayment, or coinsurance.

84 (d) If under federal law, the application of any



85 cost-sharing requirement of the Insurance Code would cause the
86 enrollee's health savings account plan to no longer qualify as
87 a high-deductible health plan under 26 U.S.C. § 223, then the
88 cost-sharing requirement shall only apply to the enrollee's
89 plan once the minimum deductible under 26 U.S.C. § 223 has
90 been applied.

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

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

95 "§10A-20-6.16

96 (a) No statute of this state applying to insurance
97 companies shall be applicable to any corporation organized
98 under this article ~~and amendments thereto~~ or to any contract
99 made by the corporation~~is~~, except the corporation shall be
100 subject to the following:

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

103 (2) Chapter 55 of Title 27.

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

105 (4) Section 27-1-17.

106 (5) Chapter 56 of Title 27.

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

109 (7) Chapter 54 of Title 27.

110 (8) Chapter 57 of Title 27.

111 (9) Chapter 58 of Title 27.

112 (10) Chapter 59 of Title 27.



113 (11) Chapter 54A of Title 27.
114 (12) Chapter 12A of Title 27.
115 (13) Chapter 2B of Title 27.
116 (14) Chapter 29 of Title 27.
117 (15) Chapter 62 of Title 27.
118 (16) Chapter 63 of Title 27.
119 (17) Chapter 45A of Title 27.

120 **(18) Article 5 of Chapter 19 of Title 27.**

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

126 "§27-21A-23

127 (a) Except as otherwise provided in this chapter,
128 provisions of the insurance law and provisions of health care
129 service plan laws shall not be applicable to any health
130 maintenance organization granted a certificate of authority
131 under this chapter. This ~~provision~~subsection shall not apply
132 to an insurer or health care service plan licensed and
133 regulated pursuant to the insurance law or the health care
134 service plan laws of this state except with respect to its
135 health maintenance organization activities authorized and
136 regulated pursuant to this chapter.

137 (b) Solicitation of enrollees by a health maintenance
138 organization granted a certificate of authority shall not be
139 construed to violate any provision of law relating to
140 solicitation or advertising by health professionals.



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141 (c) Any health maintenance organization authorized
142 under this chapter shall not be deemed to be practicing
143 medicine and shall be exempt from the provisions of Section
144 34-24-310, et seq., relating to the practice of medicine.

145 (d) No person participating in the arrangements of a
146 health maintenance organization other than the actual provider
147 of health care services or supplies directly to enrollees and
148 their families shall be liable for negligence, misfeasance,
149 nonfeasance, or malpractice in connection with the furnishing
150 of such services and supplies.

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

154 (f) Notwithstanding the provisions of subsection (a), a
155 health maintenance organization shall be subject to all of the
156 following:

157 (1) Section 27-1-17.

158 (2) Chapter 56.

159 (3) Chapter 54.

160 (4) Chapter 57.

161 (5) Chapter 58.

162 (6) Chapter 59.

163 (7) Rules adopt

164 pursuant to Sections 27-7-43 and 27-7-44.

165 (8) Chapter 12A.

166 (9) Chapter 54A.

167 (10) Chapter 2B.

168 (11) Chapter 29.

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169 (12) Chapter 62.
170 (13) Chapter 63.
171 (14) Chapter 45A.
172 (15) Article 5 of Chapter 19."
173 Section 3. This act shall become effective on June 1,
174 2026.