



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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March 12, 2018

Senator Anna MacKinnon
Alaska State Capitol, Room 516
Juneau, Alaska 99811-1182

Subject: Support for SB 165, Comprehensive Health Insurance Fund

Dear Senator MacKinnon:

The Alaska Commission on Aging is pleased to offer our support for SB 165, a bill authored by you and co-sponsored by Senators Hoffman, Stedman, Micciche, Bishop, Costello and Meyer to extend the sunset provision for the Alaska Comprehensive Health Insurance Fund by six years from June 30, 2018 to June 30, 2024 and to allow for the receipt of federal funding. In 2018, the Centers for Medicare and Medicaid Services calculated the federal contribution to the Alaska Reinsurance Program to be approximately \$58.5 million. This federal funding was made possible thanks to implementation of the 1332 innovation waiver successfully pursued by the Division of Insurance to establish this fund.

Alaska is the state with the highest costs of health care insurance and medical care in the nation due to our low population density, high transportation costs, and complicated health care delivery system. The Alaska Comprehensive Health Insurance Fund, established in 2016 by the Legislature, created a nonpartisan, innovative solution to stabilize the individual health care market by reinsuring claims for Alaskans with high cost medical conditions separately using a combination of state and federal funds which lowers the cost of premiums for other beneficiaries. This Fund, in combination with the Section 1332 state innovation waiver, has proven to be successful in reducing health care premiums for more than 18,000 Alaskans in addition to a 22% decrease in the average individual market plan this year, according to the Office of the Governor (February 9, 2018).

Lower cost health care is most welcomed by all Alaskans especially vulnerable citizens of modest income who buy insurance in the individual market and cannot afford higher cost premiums.

We believe SB 165 is good public policy that will allow the Alaska Comprehensive Health Insurance Fund to continue providing access to affordable health care insurance for all Alaskans as well as cost savings to the state. Thank you for your leadership on SB 165.

Sincerely,

David A. Blacketer
Chair, Alaska Commission on Aging

Cc: Senator Lyman Hoffman
Senator Bert Stedman

Sincerely,

Denise Daniello
ACoA Executive Director

Senator Click Bishop
Senator Mia Costello

Senator Pete Micciche
Senator Kevin Meyer