

From: AMY LUJAN <alasbo@gci.net>
Sent: Tuesday, April 03, 2018 2:10 PM
To: Rep. Ivy Spohnholz
Cc: Bernice Nisbett
Subject: Support for HB123

Rep. Spohnholz,

I would like to add the support of my association to the record for this bill. As many legislators know well, the cost of health care in Alaska has placed a heavy burden on school district budgets in recent years. Trying to deal with "flat" funding while costs are rising eats away at resources that could be better spent on improving instruction to students.

HB123 is a step in the right direction, toward making health care patients more informed consumers. We are hopefully that fully informed, rational choices in the health care market will lower costs for both the patients themselves (often school district employees) and for the health plans we all pay into. This approach has shown promise in Anchorage and in other states.

Thank you for your careful consideration of this bill.

Amy Lujan
Executive Director
Alaska Association of School Business Officials (ALASBO)
3145 Pioneer Avenue
Juneau, AK 99801
907-723-7415
www.alasbo.org

From: Dale Fosselman <fossels@me.com>
Sent: Friday, March 16, 2018 2:17 PM
To: Senate Health and Social Services
Subject: Support for HB123

Members of the Senate Health and Social Services Committee

I am writing to urge passage of HB 123. The primary driver of Alaska's egregious cost of healthcare is the underlying cost of care. Today, it is nearly impossible to be an informed consumer because, at the most fundamental level, providers and facilities do not readily provide cost estimates to their current patients. Prospective patients comparing costs face even greater challenges.

Recently I researched costs for the ACA Silver Plan on the Kaiser Family Foundation website to find an apples to apples comparison of costs and benefits. The annual cost is \$15,499 in Seattle and \$34,027 in Wasilla. According to the website, my out of pocket maximum is \$14,700 so we are by no means looking at a lucrative plan on the benefits side of the equation. The \$18,528 annual cost differential has real consequences for Alaska businesses and families.

Alaska firms are at cost disadvantage to competitors in the Lower 48 and the high cost of health insurance is an all too real impediment to hiring new employees.

For families, the impact can also be disruptive. I have several retired or semi-retired friends who have established residency in the Lower 48 simply because of the differential in the cost of healthcare. This outmigration has a multiplier effect on the Alaska economy as their spending moves south with them.

Passage of HB 123 will help address the issue of unsustainable healthcare costs in Alaska, but it is only a first step. It is an important step, however, and I urge the Committee to pass HB 123

Thank you

Dale Fosselman

Wasilla

From: Ann Flister <[REDACTED]>
Sent: Friday, March 16, 2018 1:42 PM
To: [REDACTED]
Subject: HB 123 Comments

Dear Ms. Nisbett:

I fully support the passage of HB 123 relating to disclosure of health care services and price information. As a senior human resources professional with more than 25 years of experience in the Alaska market, I am alarmed at the rate of growth in healthcare benefits costs to Alaska businesses and its negative impact on our local economy. I am at a loss to think of any other professional service that expects its consumers to purchase services without a reasonable understanding of the cost of those services prior to purchasing them.

When I need an appliance or car repaired, or when I need professional consulting services for my business, I am able to readily obtain either fixed price or time and materials cost information to help me make an informed purchasing decision. Healthcare should be no different. Many of the employees in my company don't even attempt to obtain price information for major health services because they lack the time. Those ambitious enough to undertake the task of determining the total costs involved with a surgical procedure report spending hours, if not days, to accomplish this and are still often left with an incomplete picture of both the total cost to their employer's health plan and their own out-of-pocket expenditures. I believe this bill strikes a good balance between consumer protection and not overly burdening healthcare providers with unreasonable expectations for disclosure of their pricing and insurance network participation.

I urge the legislature to pass this bill for the benefit of all Alaskans.

Ann Flister

Senior Professional in Human Resources

Anchorage, Alaska

907-240-8113

aflister@gci.net



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of
Health and Social Services**

ALASKA COMMISSION ON AGING

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Juneau, Alaska 99811-0693
Main: 907.465.3250
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March 15, 2018

Senator David Wilson
Senate Health and Social Services Committee
Alaska State Capitol, Room 115
Juneau, AK 99801-1182

Subject: Support for CSHB 123, Disclosure of Health Care Costs and Price Information

Dear Chair Wilson:

The Alaska Commission on Aging ("the Commission") is pleased to offer support for CSHB 123, a bill authored by Representative Spohnholz that would require health care practitioners and facilities to publicly disclose medical care price information. The Commission supports price transparency as a means to promote increased consumer awareness and greater efficiency in Alaska's health care delivery system.

The Alaska Commission on Aging is a Governor-appointed board within the Department of Health and Social Services that is responsible for planning services for seniors, educating Alaskans about senior issues, and making recommendations directly to elected officials regarding policy and budget items that affect Alaska's seniors.

The aging of Alaska's population presents unique challenges for our state's health care delivery system. Such factors include the increasing numbers of people living with chronic disease and health conditions, their need for health care services to treat those conditions, workforce shortages, and the price of health care. According to the Alaska Medicare Information Office, there were 86,130 Alaskans on Medicare in 2017 with the majority of them being age 65 and older. People who are eligible for Medicare include individuals age 65 and older who have contributed to Medicare through employment; younger people with permanent disabilities who receive Social Security Disability Income payments for at least 24 months; and persons with End Stage Renal Disease. Alaska's population of people age 65 and older number 82,686 citizens in 2017 representing approximately 11.2% of the state's total population (Alaska Department of Labor, January 2018). Older Alaskans are particularly vulnerable to increases in medical costs as many live on fixed incomes. From the perspective of an older person, having access to health care price information allows patients to make informed decisions regarding their health care before they receive services and encourages meaningful conversations with their health care providers.

The need to improve transparency of medical health care pricing was a priority issue identified by seniors and other public members participating in the Medicaid Redesign community forums conducted by the Commission at senior centers in 2015. These participants identified medical price disclosure as a key factor that could lead to improved quality and more affordable health care. We believe that CSHB 123 addresses this concern head-on in a manner that is compliance manageable for health care providers.

In particular, we appreciate the addition of the *Good Faith Estimate* requirement under Article 4, Sec. 18.23.400 (g)(1) in the CS (version G) that allows the patient the right to request a cost estimate from their provider for a non-emergency health care procedure, before services are provided, that includes a reasonable breakdown of the anticipated charges sent within ten business days from receiving the request. Similar to consumers shopping for a home or other major expenditure, patients having medical price information are in a better position to make cost-benefit decisions about their health care and plan their personal budgets accordingly.

The Commission agrees in concept with the proposed legislation but is concerned about an important aspect of its implementation that affects older Alaskans. Although CSHB 123 requires health care price disclosures for undiscounted health care costs, as well as payment rates for Medicaid, there is no mention of requirements for disclosing Medicare medical costs either in the annual listing of health care costs publicly posted by health care practitioners and health care facilities or in the *Good Faith Estimate* given to patients by their providers. Seniors, more than any other age group, are consumers of health care. The majority of them are insured by Medicare. Even in situations where a person holds dual eligibility for Medicare and Medicaid, Medicare is the primary insurer. Without having knowledge of the Medicare costs for services provided by the *Good Faith Estimate*, we are concerned that Medicare beneficiaries will not fully benefit from this legislation. To address this need to know, we respectfully recommend disclosing Medicare costs for health care services in the *Good Faith Estimate* for Medicare patients. In this way, health care cost information can be made more transparent and of benefit to patients.

The Commission supports CSHB 123 and views this legislation as a positive step forward in promoting greater consumer awareness about health care costs to improve the efficiency of Alaska's health care delivery system. We appreciate your thoughtful consideration of this legislation and our proposed recommendations.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich
Representative Ivy Spohnholz

Senator David Wilson, Chair
Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich

March 15, 2018

Honorable Senators:

Healthcare consumers are increasingly seeking information about the costs of healthcare procedures. Timely, transparent disclosure of healthcare costs is essential to protecting the interests of consumers and allowing markets to function efficiently. Healthcare is currently the only industry in which consumers receive a service without being able to understand the price in advance or in a predictable manner.

Many residents in our Alaskan communities have experienced difficulties in obtaining information about the costs of healthcare services in a timely and consistent fashion. These difficulties foment a culture of mistrust and create uncertainty, billing disputes, and an increased tendency to seek medical services outside of Alaska – none of which are in the best interest of our homegrown practitioners or the health of our state as a whole.

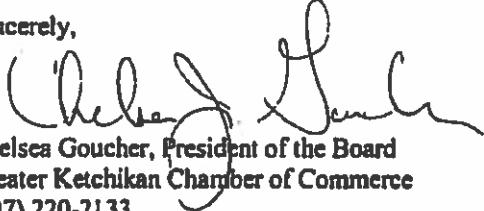
The Municipality of Anchorage has taken a proactive approach to mitigate these issues by adopting a municipal ordinance. The City of Ketchikan is currently considering a similar ordinance and is in the process of gathering public comment. These local actions prove that, across the state, there is a very real appetite to write pricing transparency standards into law.

These comments are respectfully submitted on behalf of the Board of Directors of the Greater Ketchikan Chamber of Commerce. Representing over 200 member businesses in southern southeast Alaska, we advocate for a sound business climate and work to promote a superb quality of life for our local residents. Supporting a statewide law that would alleviate many of the problems associated with opaque pricing practices in the healthcare industry is something that fits our mission perfectly.

We believe that House Bill 123, version G's requirements are reasonable and can be easily met by any reputable practitioner. While we will continue to advocate for improved healthcare transparency here in Ketchikan via municipal ordinance, we fully support this bill and understand that it would preempt local municipal code. We believe this bill in particular strikes a sound balance of protecting consumers while not placing an undue administrative burden on providers; in fact, we believe it's passage will bolster their competitive position. House Bill 123 will support community livability and resident satisfaction, helping to make Alaska a more attractive place to live, work, and do business.

Alaska deserves a standard set of requirements which are the same for all providers. The best way to achieve that would be for the Alaska State Legislature to take action to adopt House Bill 123, version G. Please consider seriously passing this piece of legislation through committee at the earliest time possible and, ultimately, passing it into law. Thank you.

Sincerely,



Chelsea Goucher, President of the Board
Greater Ketchikan Chamber of Commerce
(907) 220-2133



March 14, 2018

Transparency

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

SolstenXP Inc. supports HB 123 and urges its passage. SolstenXP Inc. and its affiliate companies employ over one hundred employees in Alaska. Many of these people have families, all of which are consumers of healthcare services.

Rising healthcare costs in Alaska make it difficult to provide competitive compensation and benefits compared with out of state organizations. The local healthcare cost escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

Medical expenses should be known by the consumer, up front, before purchase, like any other product or service.

SolstenXP Inc. urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Thomas S. Redmond II
Director of Human Resources
SolstenXP Inc.

Cc: Senator David Wilson, Chair
Senate Health and Social Services
State Capital Building, Room 115
Juneau, AK 99801

Subject: FW: Support for HB 123 - Unclass

On Mar 8, 2018, at 9:42 AM, Jenkins, Jerry <Jenkins@acmhs.com> wrote:

Good Thursday Representative Spohnholz.

First, I hope you are having a speedy recovery.

Second, I am writing to voice my support for HB 123. I have learned over the past decade to ask questions as I personally seek health care whether for primary care, dental, vision and specialty care. As a consumer of health care, I need to know what my approximate share is going to be and how am I going to pay it. Fortunately, my providers have been willing and eventually able to give me the financial information necessary to make an informed decision.

Third, as the CEO of a healthcare organization from January 2003-January 2018, we had a fee schedule for as services as well as a sliding fee schedule for individuals without insurance. This was done so everyone had access to fees and hopefully had no surprises regarding bills for service.

These are just a couple of my reasons for supporting HB 123. Let me know if I can do anything else to support it or if you have questions for me.

I am including Senator Giessel as I am in her district plus her professional experience as a healthcare provider and discussing financial matters with consumers/patients.

Warmest regards,

j2

Jerry A. Jenkins, M.Ed., MAC
Chair, National Certification Commission for Addiction Professionals (NCC AP)
President, Board of Directors, Alaska eHealth Network (AeHN)
Immediate Past President, Alaska Behavioral Health Association (ABHA)
Consultant
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Jenkins@acmhs.com

Our Vision is "wellness for everyone."

Our Mission is to promote recovery and wellness by providing consumer-driven behavioral healthcare services

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[REDACTED]

[REDACTED]

I am hoping to be able to testify at the HB 123 hearing on Friday, but in case I cannot I wanted to offer written testimony.

As a consumer and as an employer it is long overdue that price transparency become available in the medical sector. There are really no other services that any of us would engage in without some idea as to the cost of those services – from an hourly rate of a legal representative or accountant to a full estimate for work on our automobiles.

I would also encourage the requirement to disclose the insurance carriers a provider and/or facility and/or services are under contract with as an in-network preferred provider/facility/service.

I had a personal experience with this phenomenon when I asked the wrong question "Do you take "X" insurance". Well, of course they did as I was covered under a co-pay policy for the physician that covered both in and out of network providers. What I did not understand was that by not having all the facts, not only was the provider not in-network but the facility services were not in-network. So the other services and/or tests would be billed outside of my network agreements, at much higher rates than an in-network facility and with the additional 20% out of pocket over the in-network facility.

For this visit I had brought test results from an in-network provider, so it did not even occur to me that the facility would order in-house tests if they were not in-network. Well they did, I got the bill and was floored. I contacted the in-network provider and was given the procedure cost difference, it was significant. I then contacted the new provider and when I asked how they could charge so much more – the over-priced facility answer was "because we can!" That was not the response I expected.

This demonstrates that the lack of transparency not only leaves the consumer feeling completely helpless, there is no incentive for providers or facilities to consider basic customer service niceties or concessions. In other business sectors that first phone call, or certainly the two letters that followed, would likely have brought forth some form of concession and the staff in the accounting department would have been trained to better handle such a situation. But all that was offered was no response at all.

ECI

Mary Knopf, ASID, IIDA, LEED AP BD+C, ALEP
PRINCIPAL | INTERIOR DESIGNER

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