

**Alaska Mental Health Board
Advisory Board on Alcoholism and Drug Abuse
431 N. Franklin St. Suite 200
Juneau, Alaska, 99801**



June 1, 2016

To: Senate Finance Committee

Re: Support for HB 374 Reinsurance, Health Insurance Waiver

While many of the constituents of the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse rely on Medicaid for their health insurance coverage, there are just as many who rely on private insurance – through employers or through the private insurance marketplace – for their coverage. There are many working Alaskans who are ineligible for Medicaid who cannot afford the private health insurance plans available in the limited market. This results in some families incurring debt for health care services due to high deductible, co-pay, or coinsurance costs. Other families go without insurance and without preventative and therapeutic health care services.

Many behavioral health practitioners operate as small businesses, either as solo practitioners or small practices. Private behavioral health practitioners cannot always purchase for themselves or provide for employees affordable insurance, because the plans are so limited and so expensive. Even large non-profit behavioral health centers struggle with the costs of providing health insurance for their employees. The difficulty in providing health insurance benefits compromises the recruitment and retention of qualified behavioral health providers in some communities.

The number of Alaskans experiencing behavioral health conditions is significant, and so is the need for affordable health insurance to support access to necessary services. HB 374 helps to address some of the significant barriers by hopefully stabilizing the insurance market, encouraging more companies to participate in the market (thereby increasing competition), and providing the Division of Insurance with the authority to explore a 1332 waiver to design solutions specific to Alaska's needs that are currently not addressed by the Affordable Care Act.

HB 374 is an imperative first step to addressing the crisis in Alaska's private insurance market. It provides the framework for the State of Alaska and its partners to design short and long-term solutions. The Boards appreciate your careful consideration of the bill and your commitment to the ongoing effort to insure affordable access to health care for all Alaskans.

Sincerely,



J. Kate Burkhart
Executive Director

cc: Charlene Tautfest, Chairperson, AMHB
Gunnar Ebbesson, Chairperson, ABADA
Lori Wing-Heier, Director, Division of Insurance