



Alaska Nurses Association
3701 E. Tudor Road, Suite 208
Anchorage, Alaska 99507
(907) 274-0827
www.aknurse.org

March 20, 2017

We are writing on behalf of the Alaska Nurses Association in strong support of HB 123: "An Act relating to disclosure of health care services and price information." This bill will empower Alaskans to make informed decisions about their healthcare options in our state.

Supporting efforts for healthcare cost transparency is a long-standing priority of the Alaska Nurses Association. We believe that patients should have reliable, accurate information about healthcare procedures and services so that they can make informed decisions about their healthcare. House Bill 123 would give patients more control over their healthcare spending and help to drive down Alaska's high healthcare costs.

Price transparency is a cost-lowering tool. Without access to healthcare pricing information, patients have little ability to make an informed consumer choice. When armed with pricing information, patients have the ability to make those choices, and long-term, the ability to influence the cost of healthcare services.

In a recent report, the U.S. Government Accountability Office asked dozens of healthcare providers about their price for a knee replacement. The estimates given ranged from \$33,000 to \$101,000. Without HB 123, patients will face a difficult choosing the most cost-effective, high-quality option for their healthcare.

HB 123 will require healthcare providers to publish healthcare price information in public spaces and on their websites and to submit that pricing information to the Department of Health and Social Services. Individual providers would be required to disclose the total undiscounted costs of their 25 most common services, while larger facilities would be required to disclose the same information for their 50 most common services.

While much more remains to be done to lower healthcare costs for Alaskans, HB 123 is a necessary step in the right direction. Alaskans deserve to be informed decision-makers in their healthcare.

The Alaska Nurses Association certainly appreciates your support on behalf of women and families in our state.

Sincerely,

Arlene Briscoe, RN-BC
Legislative Chair
Alaska Nurses Association

Jane Erickson, RN, CCRN
President, Board of Directors
Alaska Nurses Association

The Alaska Nurses Association strongly endorses HB 123, empowering patients to take financial control of their healthcare and choose high-quality, cost-effective care.

The Alaska Nurses Association serves to advance and support the profession of nursing. The Alaska Nurses Association's core purpose includes working for improvement of health standards and promoting access to health care services for all Alaskans.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

March 10, 2017

Representative Ivy Spohnholz
Alaska State Capitol, Room 421
Juneau, AK 99801-1182

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

Dear Representative Spohnholz:

The Alaska Commission on Aging (ACoA) is pleased to offer our support for CSHB 123, a bill authored by you and co-sponsored by Representatives Chris Tuck, Harriet Drummond, Justin Parish, Les Gara, and Geran Tarr, that would require health care providers to publicly disclose medical care price information.

The aging of Alaska's population presents unique challenges for our health care delivery system. Older Alaskans are particularly vulnerable to increases in medical costs as many live on fixed incomes. From the standpoint of older citizens, having access to health care price information will allow patients to make informed decisions regarding their health care *before* they receive services as well as to encourage meaningful conversations between patients and their health care providers. We especially appreciate CS subsection added under Article 4, Sec. 18.23.400 (d) which provides health care providers with the flexibility to add a disclaimer on their postings stating that the "un-discounted price" listed may be different than the actual amount paid by patients depending on their insurance provider, eligibility for sliding scale fee services, and other factors.

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. Seniors and other public member participants viewed this item as a key factor that could lead to improved quality and more affordable health care services. We believe that HB 123 addresses this concern head-on in a manner that is compliance manageable for health care providers.

The Commission supports CSHB 123 and appreciates your leadership on this legislation. We believe that HB 123 will benefit health care consumers of all ages regardless of where they live. Seniors, more than any other age group, are consumers of health care. Recognizing that there may be other enhancements made to this bill down the road, the Commission supports CSHB 123 as a first step to promote greater consumer awareness about the cost of health care. For further information about our position, please contact Denise Daniello, ACoA's executive director (465-4879).

Sincerely,

Handwritten signature of David A. Blacketer in black ink.

David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,

Handwritten signature of Denise Daniello in black ink.

Denise Daniello
ACoA Executive Director

Cc: Representative Chris Tuck
Representative Harriet Drummond

Representative Les Gara
Representative Geran Tarr

Representative Justin Parish

[REDACTED]

From: Ashley Snodgrass [REDACTED]
Sent: Friday, March 10, 2017 3:20 PM
To: Bernice Nisbett
Subject: I Support Transparency - HB 123

Hello Bernice,

I'm writing to voice my support for the legislation regarding transparency Representative Spohnholz is proposing – HB 123. I support this legislation because this will allow patients to be educated consumers of healthcare, by knowing costs before committing to a service. In no other industry would a customer purchase a good or service without knowing the cost they must pay. This information barrier serves to hurt consumers by veiling and mystifying the costs of services the service doctors provide.

I appreciate Representative Spohnholz for introducing this legislation and supporting this change that needs to be made.

Thank you,

Ashley Snodgrass

Rep. Ivy Spohnholz

From: AMY LUJAN [REDACTED]
Sent: Thursday, March 09, 2017 5:03 PM
To: Rep. Ivy Spohnholz
Subject: Support for HB123

Representative Spohnholz and Members of the House HSS Committee,

My name is Amy Lujan, and I am Executive Director for the Alaska Association of School Business Officials (ALASBO), which represents K-12 school business staff from across the state.

I am writing in support of HB123. As you're well aware, health insurance costs are a major issue for all Alaskans. Alaskan school district staff work hard to provide health insurance to their employees that is attractive as part of the overall compensation package they provide. The overall package must be competitive nationwide in order to attract the best staff to our state.

Unfortunately, the complexity of our health care system makes it hard for even those covered by insurance to make responsible choices with regard to providers. The complexity is not unique to Alaska, but it's often compounded by the limited number of providers and high costs.

It's very discouraging to hear stories of insured individuals being saddled with medical debt, in part because the information they received from the provider was confusing. Sometimes the bad financial outcome is attributed to "bad insurance", even though the situation could have been avoided.

I am hopeful that the proposals in HB123 will help improve transparency so that school district employees and other Alaskans can make more informed decisions about their health care and avoid unnecessary medical debt.

Thank you for consideration of this bill and the opportunity to provide testimony.

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

[REDACTED]

From: Teena Applegate [REDACTED]
Sent: Thursday, March 09, 2017 4:46 PM
To: Bernice Nisbett
Subject: Support: Transparency Legislation

Hi Bernice:

I just wanted to provide my support of the Transparency Legislation. I see it as a necessary step needed in order to contain costs for Alaskans. If not contain at least allow Alaskans to be aware of what their costs of their healthcare will be. It seems a reasonable ask for any Alaskan.

Best Regards,

Teena

Teena Applegate | Employee Benefits Consultant | tapplegate@northrimbenefits.com

Northrim Benefits Group, LLC | 3111 C Street STE 500 | Anchorage AK 99503 | P: 907-263-1401 | C: 907-317-7577 | F: 907-279-6818 | www.northrimbenefits.com | Like us on [Facebook](#)

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[REDACTED]

From: Joshua Weinstein [REDACTED]
Sent: Thursday, March 09, 2017 1:33 PM
To: Bernice Nisbett
Subject: HB 123 - Support

Hi Bernice,

I'm an employee benefits consultant overseeing a firm that works with hundreds of Alaskan employers. We advise those employers on the health benefits programs they provide to their valuable employees. The lack of transparency in healthcare pricing, particularly in our state, is a driver for the rising costs of those services. I support Representative Spohnholz's bill, HB 123, as a mechanism that creates transparency regarding the pricing of healthcare services delivered in our state. From this clarity, a more competitive marketplace can be born and evolve.

Thank you for the opportunity to share my thoughts.

Joshua Weinstein, DIA
President/Employee Benefits Consultant

Certified PPACA and Self-Funding Professional
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[Schedule an appointment with me. \(Click here.\)](#)

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[REDACTED]

From: Albert Fogle [REDACTED]
Sent: Thursday, March 09, 2017 11:35 AM
To: Bernice Nisbett
Subject: HB 123

Hello Bernice,

I want to contact you to let you know that as an Employee Benefits Consultant who represents thousands of employees and residents of Alaska, I am in support of HB 123 and for that matter any legislation that brings more power to the consumer in a marketplace.

Alaska has a healthcare cost crisis and it's getting worse because the providers and facilities have control of the pricing of medical services and does not share that information with the consumer until after a service and/or procedure is completed. Then weeks pass and when a medical bill finally arrives in the mail, there is no way to "put the toothpaste back in the container", we have already completed the service/procedure and have to pay for the service without know a price for a service.

HB 123 will help residents of Alaska start to understand more about the cost of the medical goods and services they're purchasing, or that their insurance company will be purchasing for them and will be able to good consumers and good stewards of their and the insurance company's money.

Working in the Private Sector, we typically don't seek government interference or regulation, but in this case it's important the legislator and governor step in to help create a more effective market. I have all too often in my 7+ years in the health insurance industry and as a consumer of healthcare, I have seen the providers and facilities refuse to produce a cost estimate for services and unwillingness to work with the consumer to help find the prices for services.

Please use this testimony to help make your cause for medical transparency in the marketplace to protect the CONSUMER!

Please let me know if you have any questions or concerns,



[Schedule a meeting with me, just click this link!!](#)

Albert Fogle | Employee Benefits Consultant | Northrim Benefits Group

Certified PPACA Professional

3111 C Street, Suite 500 Anchorage, Alaska 99503

907-263-1401 phone | 907-279-6818 fax | afogle@northrimbenefits.com

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March 9, 2017

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

Representative Spohnholz,

Bean's Cafe supports HB 123 and urges its passage. Bean's Cafe is an employer with 35 employees in Alaska.

The current cost of healthcare in Alaska is making it difficult for our employees to afford their portion of healthcare coverage. We are second chance employer and many of our staff come from homelessness or the correctional system. These are truly some of the most vulnerable people who are trying every day to make a living. Combined with high housing costs in Anchorage many are forced to make difficult decisions about health care coverage.

In addition, the increased cost as an employer may significantly impact our operations. As the economy tightens in Alaska we, like many other non-profits, are seeing declines in donations and increased need for services. To put it in perspective, our portion of employer provided health coverage increased \$45.49 per month. We were able to keep it at this level by increasing percentage paid by employees and raising our deductible from \$500 to \$2000.

If each of our employees signed up for coverage through our plan, our increased cost in 2017 for medical insurance would be \$19,105.80. *For this same amount of money we could provide weekend food for 166 hungry children for an entire school year.*

Our support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons

difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can easily meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Bean's Cafe urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,



Lisa Sauder
Executive Director
Bean's Cafe, Inc.
PO BOX 100940
Anchorage, AK 99510
907-350-3818

[REDACTED]

From: Tiffany Stock [REDACTED]
Sent: Thursday, March 09, 2017 10:57 AM
To: Bernice Nisbett
Subject: Support of HB 123

Hi Bernice,

I just wanted to send an email showing that I fully support what HB 123 is trying to accomplish.

Transparency around the cost of healthcare services is imperative for creating a more informed consumer, encouraging competition amongst facilities and providers and aiding in creating lower cost healthcare.

I had a situation where my daughter needed surgery due to a broken thumb. The provider would not give me any estimate on the surgery and the facility gave me a quote of \$12,000-\$36,000 – both of these made it very scary to have a procedure done having no idea what my financial obligation would be.

Thank you for your attention.

Sincerely,

Tiffany

Tiffany Stock | Vice President, Sales & Marketing | Employee Benefits Consultant | Certified PPACA and Self-funding Professional | tstock@northrimbenefits.com

Northrim Benefits Group, LLC | 3111 C Street, Suite 500 | Anchorage, AK 99503 | P: 907-263-1401 | F: 907-279-6818 | www.northrimbenefits.com | Like us on [Facebook](#)

[REDACTED]

From: Rep. Ivy Spohnholz
Sent: Wednesday, March 08, 2017 7:11 PM
To: Bernice Nisbett
Subject: FW: Support of HB 123

FYI

Thanks!

Ivy

From: Marshall Pickering [REDACTED]
Sent: Wednesday, March 08, 2017 2:15 PM
To: Rep. Ivy Spohnholz <Rep.Ivy.Spohnholz@akleg.gov>
Subject: Support of HB 123

Hello Rep. Sponholz,

My name is Marshall Pickering and I am a member of AAHU (the association of health underwriters) and I believe you came by one of our meetings back in 2016 when we had the Legislative panel with other reps in Anchorage. I wanted to send you an email in support of HB 123. Transparency is extremely important for consumers in regards to healthcare and hope that my testimony can help get the support that it needs to help get this bill passed. I work in the health insurance industry and have seen how the lack of transparency from providers puts low income and normal citizens at risk of being over charged for services, or even recommended to get services done that might not be medically necessary. I myself have been a victim of this as well a couple years ago, so I know it firsthand.

Thank you,

Marshall Pickering



March 8, 2017

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

Representative Spohnholz,

Matanuska Telephone Association supports HB 123 and urges its passage. MTA is an employer with 284 employees in Alaska. Many with families, all of which are, at one time or another, a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation, including benefits. The costs escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

MTA's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases, consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities for only the 50 most common services they

provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, MTA urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

A handwritten signature in black ink that reads "Michael C. Burke". The signature is fluid and cursive, with the first name being the most prominent.

Michael C. Burke, CEO
Matanuska Telephone Association

[REDACTED]

From: Barbara Bonner [REDACTED]
Sent: Wednesday, March 08, 2017 11:02 AM
To: Rep. Ivy Spohnholz; Bernice Nisbett
Subject: HB 123

I would like to express support for HB 123. In the same way that I can check prices at the supermarket before I buy, I would like to be able to check prices for medical procedures. I have actually had to call around trying to figure out the cheapest option for having a dental procedure done, and I know how time-consuming it can be. It would be much more convenient to be able to access some kind of chart online to be able to compare prices. In addition to the dental issue, I called around trying to check prices for a medical visit and although I had to code for the visit, the doctor's office would not give me a price because I was not a patient.

Please make medical and dental prices transparent!

[REDACTED]

From: Denali Flying Service [REDACTED]
Sent: Wednesday, March 08, 2017 6:02 PM
To: Bernice Nisbett
Subject: HB 123

March 7, 2017

Representative Ivy Spohnholz, Chair

House Health and Social Services Committee

Alaska House of Representatives

State Capitol Building, Room 421

Juneau, Alaska 99801

Representative Spohnholz,

Denali Flying Service supports HB 123 and urges its passage. Denali Flying Service is a small business in Alaska. We are consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Denali Flying Service support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

5

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can easily meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Denali Flying Service urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,

Barry Stanley

Denali Flying Service



March 7, 2017

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

Representative Spohnholz,

Fosselman and Associates, CPAs, a Palmer firm with 8 employees, supports HB 123 and urges its passage.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. Our current plan is being canceled. The premium increase for a replacement plan is 21.7% higher while in-network deductibles and out of pocket maximums are also increasing.

Plans with high deductibles and high out of pocket maximums place the onus of cost control on the employee. This is an impossible task when the prices for health care are difficult, if not impossible, to obtain in advance. Obtaining cost information from multiple providers and facilities is even more problematic. The benefits of consumer driven healthcare will never be realized without price information being readily available to the healthcare consumer.

In my work as a CPA, I am seeing more couples every year who were able to retire before age 65 establish residences in other states simply to be able to afford health insurance. Our current system is, in effect, creating a growing number of healthcare exiles. If current cost trends continue I expect this phenomenon to become more prevalent over time.

For these reasons, Fosselman and Associates, CPAs urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,

Catherine Fosselman

March 7, 2017

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

Representative Spohnholz,

I support HB 123 and urges its passage. I have been in the insurance & employee benefits field for over 30 years and work with many employers in Alaska and their employees and families, all of whom are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult for individuals and families to receive and pay for care. The cost escalation is not sustainable.

Employers are making difficult decisions and increasing deductible and out of pocket amounts in the plans they offer employees and in many cases increasing the employee share of the premiums as well. Deductibles of \$2000 or more for individuals and \$4,000 or more for families have become commonplace in Alaska. In addition, families are asked to pay \$1500 or more for monthly premiums in many cases.

In order to assist employees in accessing affordable healthcare services we have been educating them on how to be a good consumer. However in order for that to happen the consumer must have the ability to access the information they need to make an informed decision. The Alaska consumer is able to research options on treatment, facilities, physicians and surgeons, and necessary testing options both in state and out of state. They are then able to discuss the options with their physician however in many cases consumers have no way to access cost information when receiving care in Alaska. Without this information the consumer is not able to make an informed decision and therefore has no idea what the financial obligation is for their treatment. Healthcare is the only type of service that functions this way.

As consumers we can shop options based on cost and quality for all other goods and services. We need to make that same information available for healthcare services.

The Municipality of Anchorage recently passed a transparency law that will help consumers here access information to shop to healthcare services. But the consumers in other areas of the state need to have the same access to information.

As cited in the Municipal Ordinance, many other states such as California, Texas, Minnesota and Ohio have passed price transparency laws that allow consumers to access cost information before consuming health services. Alaskans deserve to have access to cost information as well.

Much like the taxi industry is being changed by Uber and Airb&b is transforming the lodging industry I believe it's time for the healthcare industry to evolve and provide consumers with information they are demanding in a new and more timely way.

However with that said, Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. The information required to be provided under HB 123 is information the hospitals and medical providers have ready access to and is limited to the most common services and procedures so it should not present a burden to them to provide.

For these reasons, I urge the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Terry Allard, CEBS

Rep. Ivy Spohnholz

From: Michelle Ridgway [REDACTED]
Sent: Monday, March 06, 2017 9:11 AM
To: Rep. Ivy Spohnholz
Subject: Medical Cost Disclosure Bill

Dear Representative Spohnholz (and/or Staff):

I am THRILLED that you are putting cost transparency in the spotlight. I have thusfar only heard the KTOO radio report, and have tasked myself with reading the bill. Let me know if testimony is needed.

Briefly, I have had several experiences in which I have diligently researched treatment / procedure costs for friends, associates, family members and myself before making healthcare decisions in Alaska. I was apalled by Alaskan providers' inability and lack of willingness to provide cost estimates for most procedures. Many costs are controlled by Hospital corporations, and other entities out of State, and several community providers had no idea of the costs nor how to obtain the information. Further, I was shocked to learn of the 4.5 - 7.5 multiplier for same procedures in Alaskan coastal communities vs, say, Portland or Seattle (by the SAME corporate hospital!).

If you need public testimony with factual data exposing the cost opacity and implications to Alaskan's lives and productivity caused by this "hide the cost" practice, I will adust my work schedule, saddle up and go to the hill to testify. I am from Auke Bay.

If testimony is needed, please have a staffer email me today and let me know what time, room number and whether written or verbal testimony or both are preferred.

A pdf version of the bill would be handy as well.

Experiences in obtaining (or trying to obtain) specific cost data:

Kidney blockage removal in Juneau (cost was 4.2 x the estimate provided)

Shoulder injected MRI procedure in Kodiak (cost 5.5. X cost for same procedure in Portland or Seattle, but hospital would not / could not disclose that fact - I had to get data from Providence through 10 + calls to billing rabbit warren in Portland).

Simple eye procedure cost in Anchorage - 6 X cost range depending upon which price provider thought they could get. 7 phone calls to obtain actual cost.

Michelle Ridgway, 48-year Alaska Resident
(907) 957-2277



March 5, 2017

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

Representative Spohnholz,

Denali Federal Credit Union (Denali), a financial cooperative owned by its 72,000 members, supports HB 123 and urges its passage. Denali has more than 325 employees currently residing in the state of Alaska. We also serve more than 700 sponsor groups and nearly 1,000 member businesses, all of which are consumers of healthcare services.

The rising cost of healthcare in Alaska is the greatest challenge we face when designing a competitive compensation and benefit program for our employees. Denali has attempted to combat unsustainable healthcare cost increases with creative alternatives that include self-funded insurance plans, out-of-state medical travel benefits, a Teledoc program, a high deductible health plan option, and others. Despite all of these efforts healthcare benefit costs continue to skyrocket for Denali. Increasing healthcare costs limit the number of staff we can hire and the range of services we can provide to our members.

The effect on our employees is also dramatic and extends beyond annual rate increases paid by employees. To reduce the monthly cost of health insurance, 37.9% of our employees have selected a high deductible plan. We offer a Health Savings Account to help mitigate deductible and co-insurance costs, but the inability to easily obtain cost information impedes their ability manage their healthcare costs. Comparing costs between providers and facilities is nearly impossible. Thus, our employees are taking on additional risk through higher deductibles, but do not have the tools readily available to manage costs effectively.

In light of the health care crises all Alaskans face, we believe it is necessary for the legislature to pass HB 123 to help our employees, members and sponsor groups manage the cost of healthcare. Denali Federal Credit Union urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Dale Fosselman
Chief Corporate Development Officer

DENALI FEDERAL CREDIT UNION

440 E. 16th Avenue

Anchorage, AK 99503

907.257.7200

[REDACTED]

From: Meghan Kennedy-Brown <[REDACTED]>
Sent: Sunday, March 05, 2017 3:16 PM
To: Bernice Nisbett; Rep. Ivy Spohnholz
Subject: HB123

I appreciate what you're doing with this bill and fully support it's passage. I believe that affordable care will be achieved through transparent pricing , not through the insurance companies.

Thank you,

Meghan

Rep. Ivy Spohnholz

From: Marnie Hartill [REDACTED]
Sent: Sunday, March 05, 2017 3:15 PM
To: Rep. Ivy Spohnholz; Rep. Bryce Edgmon; Rep. Sam Kito; Rep. Geran Tarr; Rep. David Eastman; Rep. Jennifer Johnston; Rep. Colleen Sullivan-Leonard; Rep. Matt Claman; Rep. Dan Saddler
Subject: Supporting HB 123

Dear Members of the House Health and Social Services Committee,

I am writing to you in strong support of HB 123.

I intend to testify on Thursday, but I will be between two meetings at 3pm in which I will be driving across town. In case that you might miss me, here is my written testimony:

Thank you for allowing me to testify on HB 123: concerning Health Care Transparency.

I speak to you today as an individual.

I could tell you about my personal frustrations a few years ago-- hopping from one chiropractor to another and to another until learning what the prices were: one charging the same code and price for a 15 minute massage therapy session as the other that provided a 60 minute massage therapy session. I could tell you about my referral for a mammogram that charged me \$900 without my being informed beforehand; later the whole amount was waived. I could tell you about the \$3000 MRI that I had to get, but again, I didn't know I was going to be paying for it for the next two years. I was not given the chance to shop around, but sent to one place. Later I learned that I could have gone to another imaging center that charged far less. I could tell you about my former husband who was in a car wreck and experienced knee surgery but there was a monopoly in town called OPA that over charged him what was fair and customary, made mistakes in his surgery, and then held him in a physical therapy loop that continued to take advantage of the insurance claim of the other party that struck his motorcycle.

As a public school teacher and active leader in the Anchorage Education Association, I have had many moments of advocacy for members who sought my help when seeking health care benefits through our health trust. In my experience and research, I have seen a rising cost of health care due to lack of transparency law. We also have struggled with the 80th percentile clause in the insurance regulations.

Moreover, I want to ask you to consult a resource that I developed this winter. I found that it was difficult to explain to my peers what the 80th percentile regulation was about, and what health cost transparency law would mean for Alaska.

So I developed a white paper.

You can see it too at bit.ly/80thpercent

I fought hard to get two New Business Items passed in our NEA- Alaska Delegate Assembly annual meeting this January. These two items passed and are backed by the thousands of teachers and education professionals in the state of Alaska. The two items support legislation for Health Care Transparency and advocate for removal of the 80th percentile language.

I want you to know that this Transparency Law would reduce one of the largest cost drivers of our state budget. The cost of health care drives up health premiums, which drive up local school bargaining agreements, which drive up school district deficits, which drive further into our state fiscal situation. See this article from 2014 showing a graph that illustrates this problem:
<http://www.akbizmag.com/Alaska-Business-Monthly/December-2014/Alaskans-Like-to-Eat-Their-Cake-Up-to-a-Point/>

Last year, I was offended when Senator Cathy Giessel issued a newsletter that presented a bar graph showing the cost of public education increasing over the last several years while achievement allegedly dropped. What her bar graph failed to show was the astronomical percent of those public education costs which were Health care premiums and benefits packages in our state. If the legislature can get a hold on our medical care regulations and level the playing field, we can see fairness in health care charges for all Alaskans.

I am aware that many medical providers such as OPA are paying far more for lobbyists to reach out to you than I can match. But I thank you for your time, and hearing me out as a solitary concerned citizen.

Let me be clear, this is not a time for medical providers to be pointing fingers at insurance providers. No. We need to look closely at ALL variables in our health care system (not just insurance) and realize that the medical providers can be accountable too.

We are all accountable for our state fiscal crisis.

Sincerely,

Marnie Hartill
1553 A Street #323
Anchorage, AK 99501
(907)-744-6641



Alaska Chapter Mission Statement

AAHU is a state chapter of the National Association of Health Underwriters. We provide professional development, promote high ethical standards of our members, advocate responsible legislation and proactively educate Alaskans on health and financial security needs.

**President
Albert Fogle**

**Immediate Past-President
Jolene Bryant**

**President Elect
Hyo Jin Woo**

**Vice President
Tiffany Stock**

**Secretary
Johnna Golden**

**Treasurer
Rhonda Kitter**

**Executive Director
Kate Gootee**

March 2, 2017

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

Representative Spohnholz,

The Alaska Association of Health Underwriters (AAHU) supports HB 123 and urges it's passage. AAHU is an association of nearly 100 licensed health insurance agents, brokers, consultants and benefit professionals who work with private and public employers and organizations throughout Alaska.

In our work with private companies, local governments, school districts, and others, we have witnessed the effect on Alaskans when employers can't afford, or are forced to limit, health insurance for their employees and dependents because of the high cost of medical services.

Our support for HB 123 is based on three considerations – market transparency, information availability, and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are often not communicated prior to treatment. Therefore there is no agreement or understanding of price, leaving buyers unable to substitute or seek a lower price. In many cases, the outcome is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports. For facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.



Alaska Chapter Mission Statement

AAHU is a state chapter of the National Association of Health Underwriters. We provide professional development, promote high ethical standards of our members, advocate responsible legislation and proactively educate Alaskans on health and financial security needs.

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Albert Fogle

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President Elect
Hyo Jin Woo

Vice President
Tiffany Stock

Secretary
Johnna Golden

Treasurer
Rhonda Kitter

Executive Director
Kate Gootee

Alaska's medical providers and facilities are our partners in providing health care for our clients. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, AAHU urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,


AAHU President



March 1, 2017

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

Representative Spohnholz,

Alaska Permanent Capital Management Company supports HB 123 and urges its passage. Alaska Permanent Capital Management Company is an employer with 20 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Alaska Permanent Capital Management Company's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Alaska Permanent Capital Management Company urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,



Evan Rose
CEO

February 28, 2017

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

Representative Spohnholz,

I support HB 123 and urges its passage. I own and manage businesses in Alaska and would like to see the cost of healthcare and insurance in Alaska be more affordable.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

I support market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, I urge the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

/S/

Bhree Roumagoux

Taku Engineering, LLC
205 East Benson Blvd, Suite 201
Tel 907.562.147
billmott@takuengineering.com
takuengineering.com



FEBRUARY 28, 2017

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

Representative Spohnholz,

Taku Engineering, LLC supports HB 123 and urges its passage. Taku Engineering is an employer with 18 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Taku Engineering's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency – When buyers and sellers interact to exchange goods and services, a determined price and the *communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medicals goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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Role of Government – As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

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For these reasons, Taku Engineering, LLC urges the 30th Alaska Legislature to pass HB 123 this year.

Warm regards,

A handwritten signature in black ink, appearing to read 'Bill Mott', with a large, sweeping loop at the end.

Bill Mott, PE

OWNER



February 28, 2017

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

Representative Spohnholz,

Allen & Petersen Cooking & Appliance Center supports HB 123 and urges its passage. Allen & Petersen Cooking & Appliance Center is an employer with 40 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Allen & Petersen Cooking & Appliance Center support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

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Kyle D. Mirka
Owner
Allen & Petersen
3002 Seward Hwy
Anchorage, AK 99503
OFF (907) 276-0239
CEL (907) 230-7432
FAX (907) 276-7689



price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

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For these reasons, Allen & Petersen Cooking & Appliance Center urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Kyle D. Mirka
Owner
Allen & Petersen
3002 Seward Hwy
Anchorage, AK 99503
OFF (907) 276-0239
CEL (907) 230-7432
FAX (907) 276-7689



4492 E. Fairview Loop
Wasilla, AK 99654
907-376-4784 Voice
907-376-7596 Fax

February 28, 2017

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

Representative Spohnholz,

Valley Block & Concrete supports HB 123 and urges its passage. Valley Block & Concrete is an employer with 42 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Valley Block & Concrete's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

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For these reasons, Valley Block & Concrete urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Purviance". The signature is fluid and cursive, with a large initial "S" and "P".

Shawn Purviance
Operations Manager
Valley Block & Concrete



February 28, 2017

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

Representative Spohnholz,

Continental Auto Group supports HB 123 and urges its passage. Continental Auto Group is an employer with 250 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

Continental Auto Group support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

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For these reasons, Continental Auto Group urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,



Marten Martensen
Owner/Dealer
Continental Auto Group

Rep. Ivy Spohnholz

From: akhouse@belfast.servershost.net on behalf of Elizabeth Krome
<akhouse@belfast.servershost.net>
Sent: Tuesday, February 21, 2017 8:02 PM
To: Rep. Ivy Spohnholz
Subject: HB 123

From: Elizabeth Krome [REDACTED]
Subject: HB 123

Message Body:

I so appreciate this bill and fully support it. It is important that the public be aware of the cost for medical care. Only with education of consumers can change come about. Thank you.

E. C. Krome
3642 N. Sams Dr.
Wasilla, AK. 99654

--

This e-mail was sent from a contact form on Representative Ivy Spohnholz (http://akhouse.org/rep_gruenberg)

Rep. Ivy Spohnholz

From: Michael Humphrey [REDACTED]
Sent: Tuesday, February 21, 2017 10:23 AM
To: Rep. Ivy Spohnholz
Subject: HB 123

Representative Ivy Spohnholz

Wanted to let you know that I am in full support of HB123. I agree that we need to "empowers consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing."

If i can be of help, please call on me.

Mike Humphrey - Retired UA Systemwide Director of Benefits