



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 12, 2018

Chair Sam Kito  
House Labor & Commerce Committee  
Alaska State Capitol, Room 403  
Juneau, Alaska 99811-1182

Subject: Support for SB 165, Comprehensive Health Insurance Fund

Dear Representative Kito:

The Alaska Commission on Aging is pleased to offer our support for SB 165 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 hearing SB 165 in House Labor and Commerce Committee.

Sincerely,

Handwritten signature of David A. Blacketer in blue ink.

David A. Blacketer  
Chair, Alaska Commission on Aging

Sincerely,

Handwritten signature of Denise Daniello in blue ink.

Denise Daniello  
ACoA Executive Director