



February 21, 2024

Senator Wilson
State Capitol Room 121
Juneau AK, 99801
Senator.David.Wilson@akleg.gov

Dear Senator Wilson,

For 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing Alaska's hospitals, nursing homes, and other healthcare partners across the continuum of care. AHHA members play an invaluable role, both as community providers and essential employers, in cities, towns, and villages across Alaska.

AHHA supports SB 219 and its aim to limit administrative burdens placed on healthcare providers through prior authorization requirements. Prior authorization is a review process commonly used by insurers that essentially requires healthcare providers to obtain express authorization to provide a specific treatment or procedure. Some assert that prior authorization is a means of reviewing how necessary a medical treatment or medication is, and thus is a means of curbing unnecessary medical services and spending. Unfortunately, this process has become something completely different—a tool to deny valid healthcare claims and avoid making payment for services altogether. Prior authorization for services is extremely time consuming on providers, requires endless paperwork, and creates unnecessary delays for patients needing treatment.

SB 219 is a thoughtful piece of legislation because it recognizes the validity of the prior authorization process while finding a way to limit unnecessary, time-consuming administrative hurdles for proven healthcare providers. Specifically, SB 219 exempts a healthcare provider from having to complete a prior authorization if the utilization review entity has approved or would have approved at least 80 percent of the prior authorization requests submitted by the health care provider for that health care service over the most recent 12-month period.

As this bill is considered by the legislature, we respectfully request that it be amended to also apply to the Alaska Medicaid Program. Removing red tape through SB 219 will eliminate wasted time and expense, and free healthcare providers to care for their patients.

Thank you for bringing this legislation forward and your commitment to advancing healthcare for Alaska.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Wallace".

David Wallace, CEO
Mat-Su Regional Medical Center