

# Alaska State Legislature

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## Senator Shelley Hughes

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### **SB 4 Sponsor Statement**

#### **Alaska Health Care Consumer's Right to Shop Act**

Alaska's healthcare costs are among the highest in the nation and continue to rise. Through free market principles, SB 4 will bend the cost curve down over time to help relieve the disproportionate burden of healthcare costs on family budgets, seniors on fixed incomes, and employers providing insurance coverage to their employees.

Senate Bill 4 will provide Alaskans with the information they need to plan financially for their health care decisions. The bill requires healthcare insurers to provide comprehensive comparison guidance online and by phone and an online price tool to allow consumers to compare cost-sharing amounts that they would be responsible for paying.

The bill also adds a mechanism so insurance companies will provide a shared savings check incentive to policyholders who choose a provider that charges below the median in-network cost. Employers providing employee insurance coverage will also be eligible for some of the shared savings. This approach will help bring down the high cost of healthcare in Alaska by encouraging consumers to shop and providers to compete for Alaska's healthcare dollars.

Other states have passed innovative healthcare Right to Shop legislation like SB 4. New Hampshire was the first state to establish a shared incentive program, with 90 percent of enrollees using the Right to Shop program within the first three years of the program. Maine passed Right to Shop with unanimous bipartisan support in 2017. Kentucky and Utah established Right to Shop programs as part of their state employee health plans to curb growing healthcare costs to state budgets. Florida, Nebraska, Tennessee, Utah, and Virginia have also enacted Right to Shop legislation.

The Alaska Health Care Consumer's Right to Shop Act will empower Alaskans with the tools needed to make healthcare choices that fit their needs and work for their budgets while introducing a bit of competition into the healthcare market in Alaska to help nudge down the costs over time.