

March 25, 2025

Senator Jesse Bjorkman
Chair, Senate Labor & Commerce
Alaska State Legislature
State Capitol Room 427
Juneau, AK 99801

RE: Premera Supports Senate Bill 133 – Prior Authorization

Chair Bjorkman and Committee Members:

Thank you for sponsoring SB 133, Prior Authorization. Premera Blue Cross Blue Shield of Alaska engaged extensively in the efforts to negotiate a workable bill on this topic, and we commend SB 133 to you.

At Premera, we feel that efforts to promote the affordability of our products are key to continuing to be able to provide care for our customers. This is because affordability has become the highest bar a person must clear, in order to gain access to health insurance and health care services.

Prior authorization is a key component of affordability, in that it helps carriers verify that their members are getting the right care, at the right time, in the right setting and at the right price. It is well-publicized that some carriers have been exceedingly aggressive in this space, using prior authorization in as much as 20 percent of all claims. At Premera the number is about 2 percent. So we wanted to be sure that the compromise in front of you maintained the ability of health plans to use prior authorization, but with some reasonable sideboards as well as incentives that will help plans modernize and improve their prior authorization systems so that these systems optimally serve providers, patients and plans alike.

Our vision is that most prior authorizations will be approved instantaneously – improving the care for our members as well as their experience. However, this is impossible if the prior authorization request is initiated with a fax. We think this bill will help incentivize the adoption of electronic prior authorizations by providers, and for those providers that cling to their fax machines, we trust that eventually the improvements in the prior authorization system performance will be impossible to resist.

We would never suggest that HB 133 is perfect, but we commend it to you as it represents a set of reasonable compromises made by all parties.

We would also commend the process by which this legislation was crafted: considerable work among stakeholders involving lots of back and forth; give and take. There are too many controversial proposals of which this can't be said, so it is particularly deserving to be called out here.

Thank you once again, Senator Bjorkman, for sponsoring SB 133, and we urge its adoption.

Sincerely,



Gary B. Strannigan
Vice President
Congressional/Legislative Affairs