



Alaska Primary Care ASSOCIATION

April 11, 2016

Representative Kurt Olson, Chair
House Labor & Commerce Committee

Senator Mia Costello, Chair
Senate Labor & Commerce Committee

Re: SB 206/HB 374

Dear Representative Olson and Senator Costello,

The Alaska Primary Care Association (APCA) supports SB 206 and HB 374 to establish a reinsurance program using ACHIA to stabilize Alaska's individual insurance market.

APCA supports Community Health Centers throughout Alaska and serves as one of Alaska's two CMS Navigator organizations with the responsibility to perform outreach and enrollment activities for Alaska's Federally Facilitated Marketplace, the Affordable Care Act's vehicle for consumers to purchase individual health insurance. We and our member Health Centers have educated thousands of Alaskans on how to navigate healthcare.gov and examine the individual insurance plans available to them, and assisted them to understand how to enroll in an insurance plan since 2013. Our staff and partners across the state reported many more consumers at all eligible income levels choosing to forgo health insurance due to the high prices this year than last year. Unaffordable insurance premiums have led to a significant population of Alaskans who remain uninsured. Without health insurance, people with health concerns are left to seek care in the most expensive healthcare settings (emergency services) which often lead to poorer health outcomes, a lack of coordinated care, and substantial personal financial instability.

As a short-term solution, we support this legislation, as it uses the existing ACHIA mechanism to reinsure the most expensive policy holders, offers the opportunity to lessen the rate of annual policy inflation, and stabilizes the marketplace. We also support the section of the bill that authorizes the state to begin the process of applying for a 1332 waiver, under the Affordable Care Act. That process will highlight the challenges faced by our small insurance market and holds the potential to yield a plan to make Alaska's individual health insurance market more sustainable for the future.

Thank you for this opportunity to provide comment.

Sincerely,

Nancy Merriman
Executive Director