



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

DIVISION OF INSURANCE  
Juneau Office

P.O. Box 110805  
Juneau, Alaska 99811-0805  
Main: 907.465.2515  
Fax: 907.465.3422

April 30, 2025

The Honorable Forrest Dunbar  
Chair, Senate Health & Social Services Committee  
Alaska State Capitol, Room 125  
Juneau, AK 99801

Dear Chair Dunbar:

During Senate Health and Social Services Committee hearing for Senate Bill 4 on April 24, 2025, Senator Claman asked the following questions of Director Lori Wing-Heier:

- How will a consumer easily be able to determine what the procedures will cost at least location? How much time will that take? If they are in-network vs out-of-network?
- SB 4 bill makes it seem like out-of-network is cheaper than in-network. Are you aware of any procedures that are cheaper than in-network in Alaska?
- Will SB 4 require the insurance companies to post the in-network rate?

Director Wing-Heier advised that she would need to seek a response from the insurers as the division only has a rudimentary understanding of the insurer's website and its capabilities. Director Wing-Heier sent the questions to Premera and Moda.

The following is the response that was received from Mr. Gary Strannigan of Premera on April 29, 2025.

Good morning, Director.

There are many factors that can impact the actual cost of care. Premera aims to provide members with the tools and support they may need to determine the cost of their care in advance if they wish to do so. Premera's Price Comparison tool includes over 18,000 searchable billing codes since December 20, 2023. If used correctly, the tool **reflects an estimate** of consumer costs.

1. The price comparison tool requires the consumer to have a relatively high level of medical knowledge.
  - i. Medical coding terminology and familiarity with the place of service that a procedure will be rendered is essential to generate a basic estimate of cost.

- ii. Any additional medical services determined necessary by providers during a procedure that are patient specific cannot be predicted by a pricing tool.
  - iii. The complexity of information and the way it is presented can be overwhelming for many consumers.
2. Provider rates are not uniform and negotiated provider rates are proprietary.
- i. For in-network services the provider rate can either be a standard rate or a custom (negotiated) rate.
  - ii. For out-of-network services the pricing tool generates a rate determined by historical payments to, and billed charges from, out-of-network providers. Therefore, these costs are subject to change and cannot be relied upon to predict the exact cost.
3. Premera members do not experience higher costs for in-network services compared to out-of-network services.
- i. Except in some cases, out-of-network providers can balance bill members for the difference between out-of-network allowed amount and the provider's billed charges.
4. Lastly, not all hospitals have made their standard charges publicly available and sometimes fail to provide all the required data subject to Federal laws/regulations.

Thank you,

Please let us know if you have any follow up questions.

Best,  
Gary

The division is submitting the response of Premera to the Senate Health and Social Services Committee for their consideration as they continue to analyze SB 4. If we receive additional information from Moda, we will forward it to the committee.

Respectfully submitted,



Lori Wing-Heier  
Director

cc: Lizzie Kubitz, Legislative Liaison  
Jordan Shilling, Director, Governor's Legislative Office