

# SB 121

## Comparison: Then and Now

Few Providers Under Contract 2004-2013	Majority Under Contract 2014-Present (80 <sup>th</sup> percentile was BATNA - Best Alternative to a Negotiated Agreement)
Regulation determined payments for out-of-net network services	Contract terms determine payments
Without contracts providers could raise rates as needed/desired <ul style="list-style-type: none"> <li>• As rates rose, 80<sup>th</sup> rose</li> <li>• This was major criticism of regulation</li> </ul>	No ability to raise rates, contract rates flat throughout the period <ul style="list-style-type: none"> <li>• 80<sup>th</sup> no longer applied</li> <li>• Criticism became moot</li> </ul>
Practices were financially stable.	Practices struggle financially <ul style="list-style-type: none"> <li>• Costs for support personnel up 47% (AHHA)</li> <li>• Significant increases in Medicare/Medicaid population</li> <li>• Decreased Medicaid reimbursements</li> <li>• Providers' take-home pay drops to amongst lowest in the nation (MGMA 2024 Comp Survey)</li> </ul>
Many new practices opened meeting healthcare needs of Alaskans.	Practices closing or limiting Medicare/Medicaid appointments  <b>With 80<sup>th</sup> repealed, insurers demanding significant rate reductions</b>

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Office of Senator Giessel