

3.17.25

Dear Chairs, Vice Chairs and Senators,

My name is Noah Laufer. I am a private practice family physician. I write to strongly encourage you to support senate bills SB bill 121 and SB 122. With two partners, I run a 53-year-old family medicine practice in Anchorage, employing 85 people and providing Alaskans with more than 35,000 visits per year. We accept all forms of insurance including Medicare and Medicaid. My father, Dr. Ken Laufer, was also a physician in the practice. For over 50 years Medical Park Family Care patients have been able to see "Dr. Laufer". It is not uncommon for me to see third and fourth generation Alaskans. We provide exactly the kind of continuity based, cost effective, comprehensive medical care that results in healthy outcomes and high patient satisfaction. Family physicians' ability to manage a wide range of health issues reduces the need for specialist referrals, emergency room visits and hospitalizations, leading to better care and lower overall healthcare costs. Can read this over my shoulder if you want to go to send this to function Seldinger's

For the past decade we have seen flat contract reimbursements from insurance. Practice expenses in all categories have risen, typically 35 to 40%. We have experienced an increased burden of uncompensated efforts navigating denials, prior authorizations and other unnecessary hurdles to care. My income, and the income we can offer to prospective employees or partners has steadily dropped. We have worked hard to identify and address inefficiencies. We have been able to recruit physicians, nurse practitioners, and PAs with some success, but have also lost several due to low reimbursements compared to other communities, the cost of living in Anchorage and the struggles they have covering high education related debt. For the last 10 years we have had no success in bargaining for higher rates. We deeply value our long-term relationships with our patients and do not want to threaten dropping them. As a consequence, we have ZERO leverage in negotiations with monopolistic insurance companies. When they communicate with us, they have little desire to understand the impacts they have on our ability to practice good medicine.

Since opening in 1971, MPFC has seen Medicaid and Medicare. This has never been a rational business model but with flatline insurance reimbursements for the last decade it has become increasingly difficult to continue seeing Medicare patients at all. Sadly, we have been forced to limit new Medicare patients, as well as limit the number the clinic can see per day. We currently see 24-28 Medicare patients per day. This is a heavy lift and will not be sustainable in the long run.

As one of three owners, my deepest concern is that without markedly improved rates the clinic will eventually fold. I am 60 years old and will not be able to practice more than another decade. If either of my partners or I quit or retire the entire practice is likely to close. While our employed providers are willing to work for us because of the collegiality, quality, patient loyalty and warm atmosphere we have created, no one is willing to take on the burden of owning a business, even for free, in which we have no leverage over what we get paid.

Another important impact of the repeal of the 80th percentile without a replacement, has been our declining ability to refer patients to competent specialists in our community. Without question, this is a harder proposition than it has historically been. Medical specialty clinics are often overwhelmed, understaffed, less responsive or going out of business. Wait times can take weeks to months. My suspicion is that unless things change soon, a big part of my job will be quickly identifying patients who are too sick for the community and shipping them out of state. The old and recycled idea of "narrow networks" is frankly ridiculous. There are not that many of us! My list of cell phone numbers is a cherished resource. One specialist is not the same as another. Good referrals are based on training,

experience, personality and provider interests. I have been told personally by insurance executives, that even if "every provider in Alaska" were included, the entire state does not have enough providers for a "meaningful network". Narrowing the choices available for me as a referring family doctor, and for patients is bound to compromise care, undermine confidence in the community and ultimately cost more.

For most of us, the practice of medicine occurs in a largely altruistic economy. Unfortunately, this has allowed many businesses, including insurance companies to abuse the system. Most healthcare providers will bend over backwards to do whatever needs to be done to help their patient's. Our "bottom line" is the health and wellness of our patients and our community.

Over the years, I have, in addition to taking care of patients, served as president of MPFC, president of Alaska Physicians and Surgeons, a member of Governor Parnell's Healthcare Commission, served the Providence Alaska Community Board Member for three terms - 9 years, and was a all right I am sending founding member of Alaska Innovative Medicine. If you have any concerns or questions I might be able to help with, please feel free to contact me. This includes calling my cell phone or leaving a text message. I will always answer if I can. Healthcare in Alaska is very important to me and I would like to do what ever I can to help it continue to be sustainable and local.

Sincerely, Timothy Noah Laufer, MD

Medical Park Family Care
2211 E. Northern Lights blvd.
Anchorage, AK 90508

3.17.25

Senator Forrest Dunbar

Chair, Senate Health and Social Services Committee
Alaska State Legislature

Dear Senator Dunbar and Committee Members,

My name is Crystal Miner and I am writing to you as a constituent from Anchorage, Alaska. In addition to being a concerned citizen, I am a self-employed small business consultant specializing in healthcare. I am writing to express my strong support for **Senate Bill 121**, which proposes to establish the 75th percentile of charges in Alaska as the minimum allowable reimbursement for out-of-network healthcare providers.

As a healthcare business consultant with over 15 years of experience assisting Alaskan healthcare practices, I have observed firsthand the challenges that have arisen since the repeal of the 80th percentile regulation on January 1, 2024. This repeal has led insurers to adopt a "take it or leave it" stance during contract negotiations, often offering rates marginally above Medicaid levels. Consequently, clinics face the difficult choice of accepting these reduced rates or operating as out-of-network providers, thereby compelling patients to seek care elsewhere.

Simultaneously, healthcare practices in Alaska are grappling with escalating operational costs, including increased expenses for supplies, shipping, and personnel. The combination of stagnant or declining reimbursement rates and rising costs threatens the financial viability of many clinics, potentially leading to closures that would diminish healthcare access across our state.

Implementing SB 121 would restore a fair balance in negotiations between providers and insurers, ensuring that reimbursement rates more accurately reflect the actual costs of delivering care in Alaska. This measure is essential to maintain the sustainability of healthcare practices and to preserve patient access to necessary services.

I respectfully urge the committee to support SB 121 to safeguard the integrity of Alaska's healthcare system.

Crystal Miner, MBA-HSA, FACMPE
Your Helping Hand
C Business Services, LLC

3.15.25

To the Senate Health and Social services committee:

Dear Mr. Chairman Dunbar,

I am a family physician and owner of a private family medicine clinic in Anchorage, Medical Park Family Care. We are a small business providing critical primary care services to patients in Anchorage. As you are aware, primary care has a massive shortage in Alaska, and Anchorage is no exception. We provide care in the needed space serving workers with private insurance, Medicaid, and Medicare. We accept nearly all health care plans and self pay patients. To the detriment of providers and patients in Alaska, the private insurers have refused to raise contracted reimbursements for nearly a decade. While cost of living and cost of doing business has increased substantially in the past 5 years, reimbursement has not.

Private practices bear the burden of purchasing all of the supplies for IT solutions, telehealth, testing supplies, everything around covid for PPE and masking, all from the same pool of reimbursement from our insurance payors. We at Medical Park have continued to also see Medicare patients at a loss, and we have seen those patients for 50 years. The declining reimbursement from insurance companies puts critical care of seniors in the balance. No business can continue to operate without also having the money to pay staff, nurses, physicians and advanced practice providers a competitive wage.

Recruitment has been more and more difficult in the past 5 years. Providers tend to choose subsidized jobs in larger health systems due to the ability of those systems to provide higher salaries and more expansive benefits.

Alaskans need private practice primary care. It's foolish to think that the role we play can be filled by urgent cares or pop-up Express care clinics sponsored by the hospitals. We've all seen the rise and closure of hospital based primary care in Anchorage - AK Regional closed all of their outpatient operations since 2023. They are interested primarily in opening more ER space because it's profitable.

As the legislature is making policy decisions about Alaska's health care, keep in mind who stands to lose if the State continues to let insurance companies dictate the scope of health care in Alaska. Primary care offices will close and private specialty offices will close. Most people who have been patients in Anchorage recognize that the bulk of providers are in fact private.

We need to require that private health plans step up and raise reimbursement, as they have definitely raised premiums. I am also very aware, as a business owner, how much more I'm paying for my employees to have health insurance. Senate bill 121 offers a fair and productive solution to help keep our medical community working and serving Alaskans.

Please support this legislation.

Sincerely,
Jill Gaskill MD

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Jill Gaskill, MD
Medical Park Family Care, Anchorage, AK

3.13.25

Dear Senator Giessel,

I would like to strongly recommend that you support SB 121. As a solo practitioner in Anchorage for 35 years, I know all too well the games played by the Insurance companies and the tremendous influence they exert on how health care is paid for.

The 80th percentile regulation protected small physician offices like myself. Several years ago, when I signed up to be a preferred provider, I had to take a substantial cut in my reimbursements. Specifically, my most common surgical procedure was cut from \$4500 to \$1168! Blue Cross complained that they needed more “preferred providers” but in doing so, we took severe cuts in reimbursement and their insurance premiums only went higher and higher. Five years ago, my monthly premiums for me and my family were \$3600/month with a \$5,000 deductible!

Six years ago, I signed another contract with Blue Cross and since that time, there have been significant costs increases and inflation. Last year, I asked them to consider giving me a cost of living increase. Their answer was a simple, “NO”!

I’m currently paying over \$10,000/yr to provide health insurance for my healthy, young employees.

Please support SB121 to help protect the physicians who care for Alaskans. Recruiting new physicians to Alaska is already hard enough. Lower reimbursements from insurance companies will make recruiting that much more difficult. We need to be able to attract younger physicians. Currently, Anchorage has eleven Otolaryngologists (ENT’s) and all but two are older than 50 years old and several are in their 60’s.

Your support of this bill is greatly appreciated. If I can be of any assistance to you, please do not hesitate to contact me. Most sincerely yours,

Creed Mamikunian, MD
Alaska Sinus Center
2401 East 42nd Avenue
Suite 206 Anchorage, AK 99508

3.12.25

My apologies for the typo in spelling of Senator Dunbar's name. The following is my corrected letter.

Dear Senator Dunbar and Members of the HSS Committee,

I am writing to express my strong support for SB 121 and the 75th percentile rule. As a behavioral health provider and co-owner of a group practice, I have witnessed firsthand the ongoing challenges independent providers, especially those unaffiliated with large hospitals, face due to declining contract reimbursement rates. Since our last contract negotiation in 2023, the financial strain on our practice has only worsened.

Our recent negotiation process with Blue Cross Blue Shield (BCBS) exemplifies the impact of the 80/20 rule repeal. For context, Alaska Telepsychology has been a preferred provider with Premiera Blue Cross since 2018, serving 97 communities and over 347 Premiera BC patients as of March 2025. BCBS has always offered the lowest reimbursement rates (as compared to all other major insurance companies) for our two most commonly billed CPT codes—90837 (psychotherapy) and 96130 (psychological assessment).

Since the repeal of the 80/20 rule, BCBS has repeatedly delayed and obstructed our attempts to negotiate fair rates. This fall we submitted a formal request for higher reimbursement, backed by data from the Transparency in Pay Act, yet despite assurances that their economics team would review our contract within eight weeks, we waited **18 weeks** for a response.

Today, after this prolonged delay, BCBS proposed a **14.46% reduction** in reimbursement for our psychological assessment code. My partner Dr. von Hippel and I specialize in evaluating diagnostically complex individuals using a comprehensive, multi-disciplinary, and multi-reporter approach that integrates information from patients, parents or partners, primary care providers, educators, occupational therapists, speech therapists, etc. We are well-known for evaluating autism spectrum disorders in children and adults alike. We maintain a **6- to 9-month waitlist** for evaluations like these due to high demand. A reduction in reimbursement for these services only exacerbates access issues for patients who are already waiting far too long for essential care.

Additionally, after two years of attempted negotiations and stagnant rates, BCBS offered only a **4.58% increase** for psychotherapy codes. This token adjustment, following years of stagnant rates and rising operational costs, is an insult to providers who work tirelessly to serve our community.

The continued suppression of reimbursement rates threatens the viability of independent behavioral health providers and directly impacts patient care. Without SB 121, insurance companies like BCBS will continue dictating unfair rates, driving providers out of network, and making mental health care even less accessible to Alaskans.

Please help us protect patient access to critical behavioral health services by passing SB 121.

Thank you for your time and consideration.

Sincerely,

Sammy Mack, PhD
Licensed Clinical Psychologist and Co-owner
Alaska Telepsychology

3.12.25

Dear Mr. Dunbar,

I am writing in support of SB 121- Health Insurance Allowable Charges. I have been practicing medicine in Alaska since 1996, and have experienced the health care market before, during and after the 80th percentile regulation. Since that regulation was repealed it has been clear to me and my partners why that bill was felt to be necessary in the first place. Following the repeal we experienced commercial insurance carriers shifting health care costs to our patients and a significant power imbalance during contract negotiations. We have been in network with Premiera for many years, but that contract has not included any price escalation despite significant increases in practice expenses. The other major commercial insurance provider in our area has been very difficult to work with, and attempts to negotiate a contract with them resulted in offers that would not have allowed our practice to continue as a business. After the 80th percentile regulation was repealed we were forced to hire a consultant for contract negotiations and were only able to secure a contract after spending tens of thousands of dollars and almost one year of negotiations before we could secure a contract. Even then the best terms we could get are heavily weighted toward the insurance carrier due to our lack of negotiating leverage. Our practice works very hard to provide the highest level care possible while providing a stable workplace along with living wages and good benefits for our employees. Without legislation that provides support for Alaska's medical practices to negotiate with the multi billion dollar businesses that provide medical insurance coverage for our patients I doubt most practices will be able to survive in the long term and provide high level health care to our patients. I urge you to support SB 121 which will help to level the playing field and maintain high level medical care in our state. Thank-you for your work on this very important issue.

Sincerely,

John P Bursell MD

3.12.25

To Whom it may concern,

As a small privately-owned practice serving Southeast Alaska, we have been navigating the complexities of running a healthcare business in a rural area for the last 18 years. We have dedicated ourselves to enhancing access to quality healthcare, particularly specialty services in our community. The repeal of the 80th percentile in 2024 has led us to question our ability to do just that. Specifically, as out of network reimbursement rates have been drastically reduced to a mere 150-185% of Medicare allowed amounts leaving our practice revenue about 50% less than the year before.

With inflation on the rise and the costs associated with recruiting and employing surgeons and staff significantly higher than in many other states, our ability to expand services has been severely hampered. The notion of negotiating contracts with payors has become increasingly tenuous with minimal ground to stand on, leaving us unable to provide affordable care for our patients without imposing overwhelming financial burdens.

I strongly urge you to consider the passage of Senate Bill 121. This legislation presents an opportunity to restore essential services and improve access to quality healthcare for all Alaskans. By supporting this bill, you will enable us to continue our mission of delivering comprehensive and specialized care without forcing residents to seek treatment out of state as well as the ability to negotiate reasonable insurance contracts with payers.

Thank you for your attention to this vital matter.

Hannah Garity

Juneau Bone and Joint, Practice Manager
3220 Hospital Drive, Juneau, AK 99801

3.11.25

Please vote to pass Senate Bill 121. I have been in practice here in Wasilla for close to forty years and have witnessed dwindling reimbursement rates for the same services and ever-increasing overhead costs. If this legislation does not pass, I would have to consider closing my clinic. I currently have a staff that includes two Doctors of Chiropractic and twelve support personnel to include Chiropractic Assistants and Massage Therapists.

Sincerely,

Dr. James Martin-
400 N Main Street
Wasilla, AK, 99654

3.11.25

Good afternoon Senator Giessel,

I am writing to **urge your support for Senate Bill 121**, which seeks to restore fair and sustainable reimbursement standards for healthcare providers in Alaska. The repeal of the **80th percentile regulation on January 1, 2024**, has further destabilized an already fragile system, allowing insurers to impose **arbitrary reimbursement rates with no standardized minimum**.

For **years**, contract reimbursement rates have been **flat or declining**, despite the **rising costs of running a practice**. Now, with the repeal of the 80th percentile rule, insurers have **even more leverage to demand reductions**, putting **independent practices at risk of closure while larger companies can utilize their volume to continue to monopolize**. This imbalance in negotiations **threatens access to care** for Alaskans and makes it **increasingly difficult to recruit and retain providers** in our state.

Over the past decade, healthcare providers in Alaska have faced significant financial pressures, including:

- **Stagnant Reimbursement Rates** – From **2010 to 2020**, reimbursement rates **remained largely unchanged**, failing to keep pace with **rising operational costs**.
- **Rising Operational Costs** – Between **2017 and 2024**, **medical costs surged by 44%**, while reimbursement rates remained flat, creating an unsustainable financial gap.
- **Decreasing Personal Income** – The growing discrepancy between increasing operational costs and **stagnant reimbursements has drastically reduced provider income**, jeopardizing the ability to **sustain private practices and repay student loans**—especially after committing **over a decade to education and training**.
- **Recruitment and Retention Challenges** – Alaska's **high cost of living** and the **financial instability of healthcare practices** make it increasingly **difficult to attract and retain qualified providers**, further limiting patient access.
- **Increased Administrative Burdens** – Insurers **continue to impose more administrative requirements**, adding **work without additional compensation**, worsening **provider burnout** and making it harder to deliver quality care.
- **Risk of Practice Closure** – **Many independent practices are now on the verge of closing**, directly reducing **healthcare access for Alaskans**.

Burnout is at an all-time high—a 2018 report found that 29% of physicians in Alaska were experiencing burnout due to financial and administrative burdens. **Newer studies indicate this number has risen to 48% nationwide**, highlighting the urgent need for **systemic change**. Insurers continue to make **record profits** while healthcare providers struggle to keep their doors open.

Insurance Profits at the Expense of Providers and Patients

While providers face shrinking reimbursements and growing expenses, **insurance companies continue to rake in record profits**:

- **UnitedHealth Group's net income rose from \$15.4 billion in 2020 to \$20.6 billion in 2022—a 34% increase.**
- **Elevance Health (formerly Anthem) saw its net income jump from \$4.6 billion in 2020 to \$6 billion in 2022—a 30% increase.**

These **massive profits** underscore the **growing disparity** between insurance companies and both **healthcare providers and the patients they claim to serve**. While insurers **slash reimbursements to providers**, they simultaneously **raise premiums, deductibles, and copays**, making healthcare **more expensive and less accessible** for the very people they insure. At the same time, they **burden providers with excessive administrative requirements**, forcing independent practices out of business. The result? **Fewer choices, longer wait times, and reduced access to quality care**—all while insurers continue to **rake in record profits at the expense of both patients and providers**.

How SB 121 Helps

SB 121 **establishes the 75th percentile of charges as the minimum allowable reimbursement**, ensuring that **insurers can no longer arbitrarily dictate unsustainable rates**. This bill will:

Restore Fair Negotiations – Provide a **standardized baseline for reimbursements**, preventing insurers from unfairly underpaying providers.

Sustain Healthcare Practices – Allow independent practices to **remain financially viable**, ensuring continuous care for patients.

Improve Recruitment and Retention – Create a **more stable financial environment**, making Alaska a **more attractive place for healthcare providers**.

The passage of **SB 121 is essential** to maintaining a **sustainable healthcare system in Alaska**. Without action, **independent providers will continue to disappear**, leaving **fewer options for patients** and making **access to care increasingly difficult**.

I urge you to **support SB 121** to ensure **Alaskan healthcare providers receive fair compensation**, allowing them to **continue serving our communities**.

Thank you for your time and consideration. **Please let me know if I can provide any additional information.**

Sincerely,

Kyle Hanford, DC, FPSC(C), CCSP

Fellow, Primary Spine Care (Candidate)

Trauma Qualified - Cleveland University, Kansas City

MRI Interpretation Review Qualified - Cleveland University, Kansas City

Documentation and Diagnosing Qualified - Cleveland University, Kansas City

Denali Injury & Spine Center

6711 Debarr Rd, Anchorage, AK 99504

3.11.25

Dear Senator Giessel,

By reducing provider reimbursements, clinics are being forced to downsize, cut corners, or close altogether. We cannot sustain any more reductions in reimbursements for our extremely valuable services.

Alaska is facing a healthcare provider shortage due to rising inflation, reduced reimbursements, and lack of staff; especially, the small primary care practices.

Senate Bill 121 will help level the playing field and will allow providers to negotiate with carriers and opt out of networks if fee schedules are unsustainable for a business.

Alaska is quickly becoming a no-win place to provide healthcare as providers not only cannot afford an office and staff, but cannot pay employees enough to compete with hospitals and other corporate businesses. The funnel will continue to narrow for medical choice for all Alaskan citizens if this Bill fails.

Today, we encourage you to support Senate Bill 121 so that Alaska will continue to have a robust healthcare system for all Alaskans.

Sincerely, Coni Wells, 8840 Old Seward Hwy Ste E, Anchorage, AK 99515