

From: ivy ivanoff <imivanoff9@gmail.com>
Sent: Monday, March 24, 2025 5:16 PM
To: Senate Health and Social Services <Senate.HSS@akleg.gov>
Subject: SB121

March 24, 2025

Members of the Senate Health and Social Service Committee: Senate.Health.And.Social.Services@akleg.gov

Alaska State Capital

Juneau, Alaska 99801

Dear Committee members

Thank you for hearing SB 121: *“An Act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and providing for an effective date.”*

Advanced Practice Registered Nurses are vital members of the health care system in Alaska, particularly in the practice of primary care. APRN’s include Family Nurse Practitioners, Psychiatric Mental Health Nurse Practitioners, Certified Nurse Midwives, and Certified Registered Nurse Anesthetists, they are the backbone of our healthcare system. APRNs are licensed to practice independently in rural and remote communities across the state as well as in urban centers. Many have their own practices or work in group practices with physician colleagues and/or physician assistants.

Current reimbursement rates for primary care providers, especially APRNs are not sufficient to remain in business and thus health care practices are being forced to close. With reimbursement rates significantly less than physicians, the effect on APRN practices is particularly acute resulting in fewer available providers to care for those patients with primary health care needs. This is contributing to a growing crisis in accessing primary care. **Ensuring consistency of reimbursement and equal pay for equal work is critical to assuring that APRNs can continue to provide care in Alaska.**

I thank you for hearing this bill and I stand in support of uniform reimbursement standards and equal application of those standards for all health care providers. I encourage you to pass this bill out of committee in its current form.

In my experience the care I have received from Nurse Practitioners has been both thorough, holistic and high quality.

Respectfully,

Ivy Ivanoff

March 23, 2025

Members of the Senate Labor and Commerce Committee: Senate.Labor.And.Commerce@akleg.gov

Alaska State Capital
Juneau, Alaska 99801

Dear Committee members

Thank you for hearing SB 121: *“An Act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and providing for an effective date.”*

Advanced Practice Registered Nurses (APRNs) are vital to Alaska’s healthcare system, especially in the delivery of primary care. Licensed to practice independently, APRNs provide essential services in both rural and urban areas, often operating their clinics or working alongside physicians and physician assistants. In a state with vast geography and limited access to care, APRNs play a critical role in reaching underserved populations.

As a Nurse Practitioner at the Alaska Native Tribal Health Consortium (ANTHC), I work in inpatient and outpatient settings, primarily within the General Surgery and Trauma Service. I care for patients facing acute injuries and surgical emergencies, while also focusing on prevention and follow-up to reduce complications and improve long-term outcomes. I serve patients from across Alaska, many of whom travel long distances from remote communities with limited healthcare access. These patients often experience significant barriers, including geographic isolation, limited provider availability, and long wait times for follow-up care.

Despite working within a large healthcare organization, I witness daily how delayed reimbursements and complex insurance requirements strain our ability to deliver timely care. Even with dedicated billing and pre-authorization teams, the administrative burden pulls critical resources away from direct patient services. The high cost of staffing surgical and trauma care, combined with recruitment challenges driven by Alaska’s high cost of living and housing shortages, makes it even more difficult to meet patient needs—especially in rural and remote regions.

Unequal reimbursement rates further compound these issues. APRNs are reimbursed at significantly lower rates than physicians for the same services despite delivering high-quality, comprehensive care. This disparity makes it increasingly difficult to recruit and retain qualified APRNs, even at large organizations like ANTHC which contributes to a growing shortage of healthcare providers across the state. Referral lists are long, and patients with urgent needs often wait weeks or months for appointments. Many primary care practices are being forced to scale back or close altogether due to unsustainable reimbursement rates. This is contributing to a healthcare access crisis in Alaska. Ensuring fair and consistent reimbursement and equal pay for equal work is essential not only to support APRNs but also to preserve access to care for all Alaskans, especially those in rural and underserved communities.

I thank you for hearing this bill and I stand in support of uniform reimbursement standards and equal application of those standards for all health care providers. I encourage you to pass this bill out of committee in its current form.

Respectfully submitted,

Caryn Hafer DNP, FNP-BC, APRN

From: heartsandtrains@gci.net <heartsandtrains@gci.net>

Sent: Thursday, March 20, 2025 8:58 AM

To: Sen. Forrest Dunbar <Sen.Forrest.Dunbar@akleg.gov>; Sen. Jesse Bjorkman <Sen.Jesse.Bjorkman@akleg.gov>

Cc: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>; Sen. Matt Claman <Sen.Matt.Claman@akleg.gov>; Sen. Löki Tobin <Sen.Loki.Tobin@akleg.gov>; Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>; Sen. Kelly Merrick <Sen.Kelly.Merrick@akleg.gov>; Sen. Elvi Gray-Jackson <Sen.Elvi.Gray-Jackson@akleg.gov>; Sen. Robert Yundt <Sen.Robert.Yundt@akleg.gov>

Subject: Senate Bill 121 - 80th percentile Replacement

Senators Dunbar and Bjorkman;

I am writing to ask your support for SB 121 which establishes the 75th percentile of usual and customary charges for physician fees based in Alaska. As you may know, the previous 80th percentile rule established by Gov. Murkowski was cancelled by the Dunleavy administration 1/1/24. The 80th percentile rule prevented excess physician charges to patients not in insurance networks or government insurance and provided an equitable “floor” of reimbursement. Over time the stability of physician reimbursement permitted communities outside of Anchorage to attract talented physicians, broaden access to needed subspecialty care in cancer, orthopedics, radiology, and lessened the burden of out-of-town travel for rural Alaskans. During the same time in Anchorage, additional subspecialty care became available resulting in reduced need for out of state care.

Many colleagues have shared that their practice finances and viability have suffered subsequent to repeal of the 80th percentile rule. Indeed, I am aware of primary care practices that have closed or forced to close their practice to government insured patients. As was well demonstrated by my late colleague, George S. Rhyneer, M.D., an out-patient practice serving exclusively government paying patients could not sustain itself financially and after three years the Alaska Medicare Clinic got sold to HCA/Alaska Regional Clinic, which ultimately, closed the clinic. All of this demonstrates the essential need for an equitable physician reimbursement structure in order to protect patients from excess physician charges and guarantee sustainable practice reimbursement. Without the 75th percentile it is difficult to predict the effect on patient access, but I anticipate rural practices will close, subspecialty care in smaller towns will become limited, and it will become increasingly difficult to recruit physician talent in Alaska.

I understand that commercial insurance companies assert that physician reimbursement exceeds that of the lower 48. That assertion is not true when accounting for cost of care in Alaska, including rent, labor, etc, AND cost of out of state travel when patients cannot get access to care in Alaska. The insurance companies may claim that they can refer patients less expensively out of state but may not cover cost of care when those same patients need ongoing continuity of care or urgent follow up for complications of surgeries performed out of state.

Thank you for the consideration.

Respectfully,

Seth Krauss, M.D.

From: ccc.llc49@gmail.com <ccc.llc49@gmail.com>
Sent: Thursday, March 20, 2025 4:04 PM
To: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>
Subject: SB 121

Senator Giessel

I am writing in support of Senate Bill 121. My family has owned and operated a chiropractic clinic in the state of Alaska since 1970. We have employed many Alaskans and have taken care of thousand of Alaskan residents in the past 55 years. When the 80th percentile rule was put into place years ago it was placed for two very important reasons, first was to make sure that insured Alaskans knew that if their provider was out of network that at least 80% of their bill would be paid so they were not faced with excessive bills. Secondly, it also gave providers the ability to make choices on whether the offer to be in-network or out of network would allow them to continue to stay in business and also make Alaska attractive to new providers considering making it their home.

Our monopoly insurance company in Alaska use to pay a fair and reasonable reimbursement to in-network providers. That is no longer the case, I will give you two code examples for the IN-network allowed for Premera for 2013 and 2024. There are hundreds of codes for providers in Alaska that have been slashed, some half of what they use to be. Please see below:

98941 CMT 2-3 Regions	97124 Massage
2013 – Allowed \$63.20	2013 – Allowed \$120.00
<u>2024 – Allowed \$63.25</u>	<u>2024 – Allowed \$ 96.00</u>
=/- + \$.05	- \$ 24.00

Inflation has increased 30+ percent in the last 11 years. Reimbursements on average have **DECREASED by 30-40%**. It is not sustainable for medical practices in the state to continue to be able to pay the cost of doing business with the rates that Premera, who is setting in-network rates lower than 11 years ago, and out of network rates at 185% of Medicare. The ONLY leverage we had in negotiating any kind of fair reimbursements was to have a percentile rule in place that at the very least allowed providers to negotiate. That is no longer the case with the Governor eliminating this rule. The only hope left is a permanent solution for out-of-network providers with SB121.

I am urgently asking for your support. Alaska is already feeling the effects of longer waits for appointments or appointments with lessor trained provider and providers leaving, planning to leave or not being able to fill positions that are currently open. I personally am considering my options of closing in the near future. My ability to sustain employees, insurance, rent, supplies and other business responsibilities means that a family owned business of over 50 years will not be in a position to continue caring for Alaskans.

Please support SB121.

Debbie Ryan | Business Manager
Community Chiropractic Clinic LLC | 550 E. Tudor Rd., Suite 101 | Anchorage, AK 99503
Direct/Mobile: (907) 317-4486 | Fax: (907) 222-2100 | Office: (907) 222-2123
debbieryan@gci.net

From: Janice Sheufelt <drsheufelt@gmail.com>
Sent: Wednesday, March 19, 2025 2:35 PM
To: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>
Subject: SB121 Support

Dear Senator Giessel,
I am writing in strong support of SB 121.

As a family physician practicing in Juneau for over 25 years, I have seen a tremendous change in the status of medical practices in Juneau. Patients have less selection and options, as a number of independent practices have closed (or merged into the local tribal health system).

Declining reimbursement and decreasing income for physician practices are the factors causing physician practices to become nonviable.

I urge you to support SB121, to help our physicians continue to be able to provide excellent quality of care to Alaskans.

Thank you,

Janice Sheufelt, MD
Family Physician Juneau

March 18, 2025

Members of the Senate Health and Social Services Committee

Re: SB 121

Dear Committee Members,

Thank you for hearing SB 121: “An act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and for providing for an effective date”

I am a nurse practitioner in Anchorage, serving our community as a primary care provider for 27 years. I love my job and serving patients. I work in a privately owned medical office with seven nurse practitioners, all offering primary care. I am fearful if this new legislation takes place, that it may limit our ability to serve our community.

Current reimbursement rates for primary care providers, especially APRNs are not sufficient, and our business (Avante Medical Center) relies on office visits and minor procedures as the bulk of our income. If rates drop, it may force us to close or limit Premara patients we see. I work very hard to offer excellent primary care and I don't want that to change – Anchorage and all of Alaska needs APRNs.

Current reimbursement rates for primary care providers, especially APRNs are not sufficient to remain in business. With reimbursement rates significantly less than physicians, the effect on APRN practices is particularly acute.

Please help ensure consistency of reimbursement and equal pay for equal work so our office and others like it can stay in practice.

Thank you for hearing this bill! My colleagues and I stand in solidarity and support of uniform reimbursement and equal application of those standards for all health care providers.

I encourage you to pass this bill, SB 121 out of committee in its current form.

Respectfully, Bethany Buchanan, DNP, APRN, FNP-C

From: Stephen Schaffer <sschaffer@resoundent.com>

Sent: Sunday, March 16, 2025 4:41 PM

To: Sen. Jesse Bjorkman <Sen.Jesse.Bjorkman@akleg.gov>; Sen. Kelly Merrick <Sen.Kelly.Merrick@akleg.gov>; Sen. Elvi Gray-Jackson <Sen.Elvi.Gray-Jackson@akleg.gov>; Sen. Forrest Dunbar <Sen.Forrest.Dunbar@akleg.gov>; Sen. Robert Yundt <Sen.Robert.Yundt@akleg.org>; Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>; Sen. Matt Claman <Sen.Matt.Claman@akleg.gov>; Sen. Löki Tobin <Sen.Loki.Tobin@akleg.gov>; Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>

Subject: Health Care legislation

Dear Senator and Representative,

Thank you for your service to our state. I wanted to write a short note regarding healthcare legislation being considered, from my perspective...

SB 121 Allowable Charges: a consequence of a repeal of the 80% rule has been a significant change in an Alaska practice's ability to negotiate with insurers with whom they are not contracted for reimbursement, since they are prohibited from collective negotiating. I have seen this struggle in primary care, especially, and without a reasonable reimbursement for services we will see health care in the state struggle to recruit physicians and meet demand, and the legislation seems very common sense. The reimbursement issue is affecting my specialty practice, as well.

SB 122 Network Adequacy: limiting specialty providers within a network, and even a labeling of a "preferred provider", allows strongarming, in my opinion, by providers, and is certainly difficult to navigate for patients. I am pleased by the mandates requiring a **high** percentage of available providers be included in the networks.

SB 89 PA: I have worked with several midlevels in the last 10 years, and I currently work with a PA. He has been a very capable and competent addition to our practice. He has many years of experience in Orthopedics and Family Practice, but the transition to otolaryngology has been challenging for him, since it is an immense amount of specialized knowledge and experience. Most of the new patients our PA sees independently during a day are, at least, discussed at the end of the day in collaboration, which has served us well. Specifically as a surgical practice, the collaborative work is imperative before any patient is considered for the operating room. I believe a realization of the limits of knowledge/experience/training with midlevels **must** be appreciated for **every** medical specialty, to improve patient outcomes, and must be balanced with a mandate of collaboration.

Thank you for your efforts, and your consideration.

Sincerely,

Stephen B Schaffer, MD
Resound ENT (Medical Network of Alaska)

March 18, 2025

Members of the Senate Labor and Commerce Committee: Senate.Labor.And.Commerce@akleg.gov

Alaska State Capital
Juneau, Alaska 99801

Dear Committee members

Thank you for hearing SB 121: *“An Act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and providing for an effective date.”*

APRNs are vital members of the health care system in Alaska, particularly in the practice of primary care. APRNs are licensed to practice independently in rural and remote communities across the state as well as in urban centers. Many of us have our own practices or work in group practices with physician colleagues and/or physician assistants.

As a licensed Advance Practice Registered Nurse, I work as a CRNA at several different facilities in Anchorage. I have worked at Alaska Native Hospital, currently work at both Providence and Alaska Regional as well as 3 different surgery centers in Anchorage. Being an independent contractor allows me to provide services in many settings, to many different types of patients. I have often negotiated contracts and been told that I can not obtain the rates that I am seeking because of reimbursement issues or payer reimbursement. When providing the same services as physician colleagues reimbursements should be paid the same. CRNAs often provide services in under served areas which is vital to the health of communities in rural Alaska. Similarly owning and operating individual practices comes with challenges of obtaining a physical location, or hiring staff, all things that a necessary and rates should reflect such.

Current reimbursement rates for primary care providers, especially APRNs are not sufficient to remain in business and thus health care practices are being forced to close. With reimbursement rates significantly less than physicians, the effect on APRN practices is particularly acute resulting in fewer available providers to care for those patients with primary health care needs. This is contributing to a growing crisis in accessing primary care. **Ensuring consistency of reimbursement and equal pay for equal work is critical to assuring that APRNs can continue to provide care in Alaska.**

I thank you for hearing this bill and I stand in support of uniform reimbursement standards and equal application of those standards for all health care providers. I encourage you to pass this bill out of committee in its current form.

**Respectfully submitted,
Ashley Burhans**

From: Amber Michael <ambermichaelofak@gmail.com>

Sent: Tuesday, March 18, 2025 5:38 PM

To: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>

Subject: Support for SB 121

Amber Michael, CNM, APRN

ambermichaelofak@gmail.com

Anchorage, AK

March 18, 2025

Subject: Senate Bill 121

Dear Senator Giessel,

I am writing as a **Certified Nurse Midwife (CNM) and Advanced Practice Registered Nurse (APRN) licensed in Alaska** to express my **strong support for Senate Bill 121**. This letter has been submitted to the Health and Social Services committee as well as Labor and Commerce.

This legislation is critical in establishing **fair, transparent, and standardized reimbursement** for healthcare providers who practice within their full scope and bill under their own NPIN.

Why SB 121 is Necessary:

Currently, **healthcare insurers in Alaska lack clear, state-mandated reimbursement standards**, allowing them to impose inconsistent and often inadequate payment structures for providers. SB 121 would **set clear guidelines**, ensuring that **allowable charges are based on statistically credible, market-based data** from the most recent twelve months of provider charges in Alaska. This bill mandates that:

- Reimbursement rates **cannot be lower than the 75th percentile of charges statewide or 450% of the federal CMS fee schedule** for primary care services.
- Health insurers must **apply uniform and equal reimbursement rates** for providers billing under the same CPT codes, as stated on **Page 2, Line 13 of the bill**.
- The **Division of Insurance** is responsible for enforcing these fair and consistent payment standards.

Why This Matters for Alaskan Healthcare:

1. Protects the Financial Stability of Providers

- Without standardized payment requirements, **insurers are driving down contract rates**, threatening the viability of independent practices, especially in rural areas.

2. Ensures Competitive, Sustainable Reimbursement

- **Alaska healthcare providers are not among the highest-paid in the country**. The 2024 **Medical Group Management Association (MGMA) Provider Compensation Study** ranks Alaska's **family practice physicians in the bottom five states** for take-home pay. Many **non-surgical specialists are also in the bottom tier nationally**.

3. Increases Patient Access to Care

- Fair and predictable reimbursement structures will **help retain healthcare providers and reduce provider shortages**, especially in **rural and underserved areas**.

4. Aligns Alaska with Best Practices in Healthcare Reimbursement

- Establishing **market-based, statistically valid standards** prevents insurers from arbitrarily setting reimbursement rates that fail to reflect the actual cost of providing care in Alaska.

Final Thoughts:

SB 121 is a **critical step in protecting the financial stability of healthcare providers**, ensuring **fair and uniform reimbursement**, and **improving patient access to care across the state**. I strongly urge you to **support and advance this bill** to secure the future of independent practice and healthcare equity in Alaska.

Thank you for your continued support of APRNs in our state. Please do not hesitate to reach out if you require further insight into how this bill directly affects healthcare providers in Alaska.

Sincerely,

Amber Michael, CNM, APRN
ambermichaelofak@gmail.com