



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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May 9, 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 Premiera and Moda.

The following is the response that was received from Mr. Scott White on April 9, 2025..

Good Afternoon Director Wing-Heier,

I am responding on behalf of Moda Health to the questions listed below relating to AK SB 4. Let me know if you have any questions or concerns. Thank you.

Questions

- 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?

Moda Health's Response

Moda Health has a Healthcare Cost Estimator Tool that is in compliance with the current Federal requirements and can be utilized by consumers to obtain estimates of cost for healthcare items and services provided or obtained both at the in-network and out-of-network level. Once the search parameters are entered into the cost estimator tool by the consumer, the results are instantaneous. From a cost share perspective, consumers may experience higher cost share when using an out-of-network provider, from both a benefit/plan perspective, as well as balance billing by the provider. It is important to note that excepted benefit plans such as dental and vision are not included in the cost estimator tool requirements found in the current Federal rules. However, any such benefits embedded into the medical plan would be included in Moda's current cost estimator tool.

Moda's cost estimator tool provides two mechanisms for consumers to obtain cost information:

Mechanism 1

- Allows the consumer to search by procedure (by name) or by category (i.e. MRI, colonoscopy, bariatric surgery, etc.).
- Within this search parameter, the consumer receives information that is based upon pricing from actual claims cost data that is provided by Moda to the vendor that manages the cost estimator tool.
- The search is specific to a geographic area (i.e. City or Zip Code), which can be modified by the consumer.
- Once the procedure and geographic area are entered and the search is executed, the consumer is provided with a listing of providers in that area and the overall estimated cost for a given provider.
- Consumers can drill down their estimation request to a specific provider. In this scenario, the consumer is first presented with a side-by-side comparison of 3 providers:
 - The provider they have selected, and the estimated cost;
 - The Best Value provider for the service, and the estimated cost; and
 - The Next Best Value provider, and the estimated cost.
- From the list of 3 providers, the consumer can select a provider and are then provided with additional details:
 - The estimated Total Cost for the procedure;
 - The estimated cost share to the member; and
 - The estimated payment from Moda.
- Information relating to their current individual and family deductible and out of pocket maximum accumulators is also displayed to the consumer.




Mechanism 2

- Allows the consumer to search by the billing code (i.e. CPT/HCPCS), either by actual code, or a short description.

- This search mechanism requires the consumer to have more knowledge of the specific procedure(s) upon which they want to obtain an estimate than the first search option.
- All procedure codes are included in the search functionality, but not all codes may return an estimate (i.e. if they are not covered).
- The cost estimate result with this search is based on the costs calculated in Moda's MRF files, which are based on the actual terms within the pricing configured within our system.
- Generally once a procedure has been selected, the same information is returned to the consumer as listed above with the exception of a comparison of providers with lower costs.

It is important to note that while both types of cost estimates are based on actual cost data (either from historic claims, or from the provider pricing configured in Moda's system), there are still many factors that can affect the actual cost to the consumer. These can include any modifiers that may be billed, medical necessity, the diagnosis provided, and the number of services provided. For example, if a consumer wants to know the cost for OB-Care and delivery, they will receive the cost for the surgeon (OB-GYN) only, and it won't include the cost for the facility, anesthesiologist or other related services. This can be confusing for a consumer when the actual claims are finalized.

Scott White
Director, Regulatory Affairs
modahealth.com

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If you have additional questions please reach out to Lizzie Kubitz. Thank you.

Respectfully submitted,



Lori Wing-Heier
Director

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