Alaska State Legislature

Senator Matt Claman

Session: State Capitol, Rm 429 Juneau, AK 99801 Phone: 465-4919
Interim: 1500 W. Benson Blvd., Anchorage, AK 99503 Phone: 269-0130

Senate Bill 83
Sponsor Statement – Version O

"An Act relating to health care insurance; relating to insurance reimbursement for health care services provided through telehealth; relating to telehealth; providing for an effective date by repealing the effective date of secs. 9 and 10, ch. 38, SLA 2022; and providing for an effective date."

Senate Bill 83 requires that health care insurers in the State of Alaska reimburse health care services that are provided using telehealth at the same rate as in-person services. This legislation centers on the principle of pay parity, ensuring providers receive equivalent compensation for delivering comparable care regardless of whether it's provided in person or remotely using technology.

Telehealth became widely available during the COVID-19 pandemic and has since become a standard in health care services. Telehealth removes barriers to care and allows patients to receive timely and convenient care from the comfort of their own homes. In Alaska, barriers to care affect individuals in rural areas, those with disabilities, and those with limited transportation options. Telehealth is especially important for chronic disease management, mental health services, and preventative care.

Telehealth significantly improves patient access to medical care. Many physicians who have implemented telehealth in their practices continue to provide care in-person. But providers may be disincentivized to offer telehealth services without pay parity, which could limit patient choice and potentially exacerbate existing health disparities. Pay parity ensures that providers will continue to dedicate the necessary resources to deliver accessible high-quality telehealth services.

CS FOR SENATE BILL NO. 83(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 3/14/25
Referred: Finance

Sponsor(s): SENATOR CLAMAN

A BILL

FOR AN ACT ENTITLED

"An Act relating to health care insurance; relating to insurance reimbursement for health care services provided through telehealth; relating to telehealth; providing for an effective date by repealing the effective date of secs. 9 and 10, ch. 38, SLA 2022; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 21.42.422(b) is amended by adding a new paragraph to read:

(3) "health care provider" has the meaning given in AS 21.07.250.

*** Sec. 2.** AS 21.42.422 is amended by adding a new subsection to read:

(c) A health care insurer shall reimburse a health care provider for health care services, including behavioral health services, provided through telehealth on the same basis and at least at the same rate as for comparable health care services provided in person.

*** Sec. 3.** AS 29.10.200 is amended by adding a new paragraph to read:

(68) AS 29.20.420 (health care insurance plans).

*** Sec. 4.** AS 29.20 is amended by adding a new section to article 5 to read:

Sec. 29.20.420. Health care insurance plans. (a) If a municipality offers a group health care insurance plan covering municipal employees, including by means of self-insurance, the municipal health care insurance plan is subject to the requirements of AS 21.42.422(c).

(b) This section applies to home rule and general law municipalities.

(c) In this section, "health care insurance plan" has the meaning given in AS 21.54.500.

*** Sec. 5.** AS 39.30.090(a) is amended to read:

(a) The Department of Administration may obtain a policy or policies of group insurance covering state employees, persons entitled to coverage under AS 14.25.168, 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145, employees of other participating governmental units, or persons entitled to coverage under AS 23.15.136, subject to the following conditions:

(1) a group insurance policy shall provide one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audiovisual insurance, or other medical care insurance;

(2) each eligible employee of the state, the spouse and the unmarried children chiefly dependent on the eligible employee for support, and each eligible employee of another participating governmental unit shall be covered by the group policy, unless exempt under regulations adopted by the commissioner of administration;

(3) a governmental unit may participate under a group policy if

(A) its governing body adopts a resolution authorizing participation and payment of required premiums;

(B) a certified copy of the resolution is filed with the Department of Administration; and

(C) the commissioner of administration approves the participation in writing;

(4) in procuring a policy of group health or group life insurance as

provided under this section or excess loss insurance as provided in AS 39.30.091, the Department of Administration shall comply with the dual choice requirements of AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to transact business in the state under AS 21.09, a hospital or medical service corporation authorized to transact business in this state under AS 21.87, or a health maintenance organization authorized to operate in this state under AS 21.86; an excess loss insurance policy may be obtained from a life or health insurer authorized to transact business in this state under AS 21.09 or from a hospital or medical service corporation authorized to transact business in this state under AS 21.87;

(5) the Department of Administration shall make available bid specifications for desired insurance benefits or for administration of benefit claims and payments to (A) all insurance carriers authorized to transact business in this state under AS 21.09 and all hospital or medical service corporations authorized to transact business under AS 21.87 who are qualified to provide the desired benefits; and (B) insurance carriers authorized to transact business in this state under AS 21.09, hospital or medical service corporations authorized to transact business under AS 21.87, and third-party administrators licensed to transact business in this state and qualified to provide administrative services; the specifications shall be made available at least once every five years; the lowest responsible bid submitted by an insurance carrier, hospital or medical service corporation, or third-party administrator with adequate servicing facilities shall govern selection of a carrier, hospital or medical service corporation, or third-party administrator under this section or the selection of an insurance carrier or a hospital or medical service corporation to provide excess loss insurance as provided in AS 39.30.091;

(6) if the aggregate of dividends payable under the group insurance policy exceeds the governmental unit's share of the premium, the excess shall be applied by the governmental unit for the sole benefit of the employees;

(7) a person receiving benefits under AS 14.25.110, AS 22.25, AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in effect under this section at the time of termination of employment with the state or participating governmental unit;

(8) a person electing to have insurance under (7) of this subsection shall pay the cost of this insurance;

(9) for each permanent part-time employee electing coverage under this section, the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the permanent part-time employee shall contribute the other one-half;

(10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37 may obtain auditory, visual, and dental insurance for that person and eligible dependents under this section; the level of coverage for persons over 65 shall be the same as that available before reaching age 65 except that the benefits payable shall be supplemental to any benefits provided under the federal old age, survivors, and disability insurance program; a person electing to have insurance under this paragraph shall pay the cost of the insurance; the commissioner of administration shall adopt regulations implementing this paragraph;

(11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37 may obtain long-term care insurance for that person and eligible dependents under this section; a person who elects insurance under this paragraph shall pay the cost of the insurance premium; the commissioner of administration shall adopt regulations to implement this paragraph;

(12) each licensee holding a current operating agreement for a vending facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that applies to governmental units other than the state**;**

(13) a group health insurance policy covering employees of a participating governmental unit must meet the requirements of AS 21.42.422(c).

*** Sec. 6.** AS 39.30.091 is amended to read:

Sec. 39.30.091. Authorization for self-insurance and excess loss insurance. Notwithstanding AS 21.86.310 or AS 39.30.090, the Department of Administration may provide, by means of self-insurance, one or more of the benefits listed in AS 39.30.090(a)(1) for state employees eligible for the benefits by law or under a collective bargaining agreement and for persons receiving benefits under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37, and their dependents. The department shall

procure any necessary excess loss insurance under AS 39.30.090. **A self-insured group health insurance plan covering active state employees provided under this section is subject to the requirements of AS 21.42.422(c).**

*** Sec. 7.** Sections 9, 10, and 13, ch. 38, SLA 2022, are repealed.

*** Sec. 8.** Section 14, ch. 38, SLA 2022, is repealed.

*** Sec. 9.** This Act takes effect January 1, 2026.

ALASKA STATE LEGISLATURE

SENATE HEALTH & SOCIAL SERVICES COMMITTEE

Chair	Vice Chair	Senator	Senator	Senator
Sen. Forrest Dunbar	Cathy Giessel	Löki Tobin	Matt Claman	Shelley Hughes

SUMMARY OF CHANGES
CSSB 83: TELEHEALTH REIMBURSEMENT RATES
Version I to Version O

Title Changes:

- **removes "relating to health care insurance reimbursement rates" on account of removed language in prior Section 3.**
- **Expanded to include "providing for an effective date by repealing the effective date of secs. 9 and 10, ch. 38, SLA 2022;"**

Prior version Section 3 removed: required health care insurers to equally apply reimbursement rates for each health care provider; renumbers following sections.

Page 1 Line 10 following "services"

Inserts "including behavioral health services,"

Page 5 Lines 3-4

Repeals Sections 9, 10, 13, and 14 of chapter 38 of the Session Laws of Alaska 2022.

These are sections within House Bill 265, passed into law in 2022. Sections 9 and 10 would be negated by this legislation. Sections 13 and 14 have to do with the effective date of the legislation, and repealing these sections deletes the sunset date of June 30, 2030.

Page 5, Line 5

Creates an effective date of January 1st, 2026.

State Capitol Room 125
907-465-6944
Sen.Forrest.Dunbar@akleg.gov

Distributed March 12th, 2025

Alaska State Legislature

Senator Matt Claman

Session: State Capitol, Rm 429 Juneau, AK 99801 Phone: 465-4919
Interim: 1500 W. Benson Blvd., Anchorage, AK 99503 Phone: 269-0130

Senate Bill 83
Sectional Analysis Version O

Section 1
AS 21.42.422(b). Coverage for telehealth.
Adds new paragraph (3) and references the definition of "health care provider" as given in AS 21.07.250.

Section 2
AS 21.42.422. Coverage for telehealth.
Establishes a new subsection requiring health care insurers to reimburse health care providers for telehealth services, including behavioral health services, at the same rate as for in-person services.

Section 3
AS 29.10.200. Limitation of home rule powers.
Adds new paragraph (68) "AS 29.20.420 (health care insurance plans)" to the list of provisions which apply to home rule municipalities.

Section 4
AS 29.20.420. Health care insurance plans.
Establishes a new section requiring a home rule or general law municipality offering a group health care insurance plan to meet the requirements of AS 21.42.422(c) (Section 2). Provides the definition of "health care insurance plan" as given in AS 21.52.500.

Section 5
AS 39.30.090(a). Authorization for self-insurance and excess loss insurance.
Adds a new subsection (13) requiring a policy or policies of group insurance covering state employees and other specific employee groups under the Department of Administration to meet to the requirements of AS 21.42.422(c) (Section 2).

Section 6
AS 39.30.091. Authorization for self-insurance and excess loss insurance.
Amends this statute to require those employers with a self-insured group health insurance plan covering active state employees to meet the requirements of AS 21.42.422(c) (Section 2).

Section 7
Repeals Sections 9, 10, and 13 of ch. 38, SLA 2022.

Section 8
Repeals Section 14 of ch. 38, SLA 2022.

Section 9
Establishes an effective date of January 1, 2026.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 83
Fiscal Note Number:
() Publish Date:

Identifier: SB083-DCCED-DOI-01-30-26
Title: TELEHEALTH: COVERAGE, REIMBURSEMENT RATES
Sponsor: CLAMAN
Requester: (H) HEALTH & SOCIAL SERVICES

Department: Department of Commerce, Community and Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2027**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Fund Source (Operating Only)							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Updated for the SLA2026 fiscal note template.

Prepared By: Heather Carpenter, Division Director — Phone: (907)465-2518
Division: Division of Insurance — Date: 01/30/2026
Approved By: Hannah Lager, Administrative Services Director — Date: 01/30/26
Agency: Department of Commerce, Community, and Economic Development

FISCAL NOTE ANALYSIS

STATE OF ALASKA **BILL NO. SB 83**
2026 LEGISLATIVE SESSION

Analysis

This bill amends AS 21.42 by adding a new section, AS 21.42.422, so that a health care insurer shall reimburse a health care provider for health care services, including behavioral health services, provided through telehealth on the same basis or at least the same rate comparable for health care services provided in person. This bill will also require group health insurance policy or health benefit plan covering employees of a participating governmental unit or active State employees to meet the requirements of the new aforementioned section.

The Division of Insurance does not anticipate fiscal impact from this legislation.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 83
Fiscal Note Number:
() Publish Date:

Identifier: SB083-DOA-DRB-01-31-2026
Title: TELEHEALTH: COVERAGE, REIMBURSEMENT RATES
Sponsor: CLAMAN
Requester: (H) HEALTH & SOCIAL SERVICES

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2027**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/26

Why this fiscal note differs from previous version/comments:

Update to FY2026 template.

Prepared By: Chris Murray — Phone: (907)465-3225
Division: Retirement & Benefits — Date: 01/31/2026
Approved By: Stefanie Bingham, Administrative Services Director — Date: 01/31/26
Agency: Department of Administration

FISCAL NOTE ANALYSIS

STATE OF ALASKA **BILL NO. SB083**
2026 LEGISLATIVE SESSION

Analysis

This bill seeks to legislate an insurance benefit removing some discretion from plan sponsors and stakeholders. As written, this bill appears to require coverage of telemedicine services by plans that may not currently cover telemedicine services. As such, this bill may result in adding an unfunded liability to some plans in Alaska. This bill does not include specific standards for covered telemedicine services which could result in confusion between providers and payors leaving Alaskan patients in the middle. Requiring payment parity for the level of telemedicine services covered by plans, if any, would may be a viable option.

The AlaskaCare plans are already compliant with the provisions of this bill. As such, this would not represent a net change in plan costs.

The Division can't overstate the importance of not subordinating the Commissioner of the Department of Administration to the Director of the Division of Insurance and not tying the benefits provided under Title 39 to the insurance standards provided in Title 21. The standards in title 21 are intended to set boundaries for insurance companies operating in Alaska. The Commissioner of the Department of Administration is the AlaskaCare plan administrator, and the plans are self-funded, therefore the benefits provided under Title 39 are already governed by the state of Alaska and it is not necessary to subordinate them to insurance statutes to exercise state control over them.

AMA AMERICAN MEDICAL ASSOCIATION

manatt

Updated June 21, 2023

AMA issue brief: Supporting equitable payment for telehealth

Advocacy Resource Center

Issue: Since the pandemic, the use of telehealth has become embedded in the practice of medicine with patients and physicians alike overwhelmingly supportive of care via telehealth. Many physicians have found telehealth has increased both the quality of care and access to care for their patients. Many physicians have also fully implemented telehealth into their practices, moving toward a hybrid model in which they can provide both in-person and virtual care. In addition, patients have indicated strong support for telehealth with 73% expecting to continue receiving health care services virtually beyond the pandemic. However, continued access to care via telehealth is at risk if strong payment policies are not in place. This is why the American Medical Association supports fair and equitable payment for services whether the service is performed in-person or via telehealth, including audio-only and two-way video.

Description: There is a lack of robust data as to whether telehealth services cost more or less to deliver than the equivalent in-person service. This lack of data has made it challenging for policymakers, regulators and payors to set appropriate reimbursement rates for telehealth services. In the absence of robust data, many states have implemented "payment parity" for telehealth which generally require payors to reimburse for telehealth services at the same rate as the equivalent in-person service.

The need for fair and equitable payment for telehealth

Patient benefits associated with improved access to telehealth are well documented. Some of these benefits include reductions in travel, time off work and the overall ease of obtaining care via telehealth—all of which likely enhance patient satisfaction. Similarly, physicians have embraced telehealth, recognizing, when clinically appropriate, telehealth is just one way in which they can provide care to their patients. As a result, many physicians have fully implemented telehealth in their practice. These changes have been made possible by state laws requiring coverage and payment of care on the same basis as comparable in-person services. While coverage parity has been widely adopted by state laws and regulations, many states are still considering how to appropriately pay for telehealth. Given the many benefits and potential cost savings associated with telehealth, the AMA believes lawmakers should support fair and equitable payment for telehealth to ensure continued physician investment in telehealth as one modality in which they provide care to patients. To better understand the need for fair and equitable payment regardless of modality, we encourage lawmakers to consider the following:

- Several studies have shown that over the past two years, telehealth has been largely substitutive, rather than additive, for in-person care. Many physicians who have implemented telehealth in their practices continue to provide care in-person. Moving toward a hybrid practice allows physicians to meet the needs of their patients by ensuring patients have access to the right care at the right time with the right modality based on each patient's clinical needs at that time.
- Certain telehealth services may require more time to deliver care for certain diagnoses or patient populations than the equivalent in-person service (e.g., a provider needs to spend more time asking a patient to demonstrate range of motion of a shoulder rather than being able to manipulate the shoulder directly), while other telehealth services may require less time than the equivalent in-person service.
- Physicians may need to employ additional technology support staff or digital navigators to ensure that all patients are able to access and use telehealth services.

- Telehealth likely requires the same clinical effort as in-person care.
- Telehealth often utilizes the same or similar clinical and nonclinical staff to prepare a patient for their virtual visit including "rooming patient," obtaining clinical history, making appointments, etc.
- The vast majority of telehealth services will be provided by physicians who also deliver in-person services. For these "hybrid physicians," delivering services via telehealth may increase certain overhead costs, such as additional technical staff, cost of telehealth platforms, or additional costs for data privacy and security.

What are states requiring?

- Prior to the COVID-19 PHE, only 10 states had laws requiring payors to reimburse telehealth services at parity with in-person care (i.e., payment parity).
- As of May 2023, 28 states have passed laws requiring payors to implement payment parity.[1]
    - Twenty-one states require payment parity for all telehealth services on a permanent basis.
    - Seven states require payment parity with caveats (e.g., for behavioral health services, only; for established patients, only; for a time-limited basis)
- In states without a payment parity requirement, some commercial insurers are reducing telehealth reimbursement rates to some percentage of in-person rates determined by the plan.[2]
- CMS currently pays for Medicare telehealth services at the same rate as the equivalent in-person service, a policy implemented during the PHE, and one which CMS has said it will continue through the end of 2023.

AMA perspective

- The AMA is supportive of fair and equitable reimbursement rates for telehealth services. As stakeholders promote and expect access to care via telehealth, payment should be fair and equitable regardless of whether the service is performed via audio-only, two-way audio-video, or in-person.
- There is currently insufficient evidence regarding the impact of telehealth on overall health care costs to make a definitive statement regarding payment parity; however, the AMA understands that states and payors are extending payment parity as more data are collected to inform policy-making.
- The AMA supports fair and equitable payment requirements that are applied in a uniform manner across clinical services and does not support policies that apply different payment levels for select services (e.g., only behavioral health, primary care, etc.).
- The AMA is concerned that if states and payors do not offer fair and equitable payment for telehealth, physicians may no longer offer telehealth services, and patients could lose access to care.

Digital version of this resource available here.

1. J. Augenstein and J. D. Marks, "Executive Summary: Tracking Telehealth Changes State-by-State in Response to COVID-19, "Manatt Health. June 9, 2023. Available here: www.manatt.com/insights/newsletters/covid-19-update/executive-summary-tracking-telehealth-changes-stat
2. J Bartlett, "Telehealth reimbursement rules pit insurers against doctors," Boston Globe, April 11, 2022. Available here: www.bostonglobe.com/2022/04/11/metro/telehealth-reimbursement-rules-pit-insurers-against-doctors/

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304

February 2, 2026

The Honorable Matt Claman
Alaska State Senate
State Capitol Room 429
Juneau, AK 99801

RE: SB 83 "An Act relating to health care insurance"

Dear Senator Claman:

The Alaska State Medical Association (ASMA) represents physicians and physician assistants statewide and is primarily concerned with the health of all Alaskans.

ASMA would like to express support for Senate Bill 83. ASMA is concerned about the potential loss of access to care that is provided to patients via telehealth unless those telehealth services are paid at the same rate as in-person services.

Many Alaska physicians provide telehealth services as part of their regular office-based practices and incur the same overhead expenses whether providing in-person or telehealth services. Without the assurance of equal pay, physicians would not be able to continue offering the telehealth care that patients have come to value. Telehealth availability also reduces the cost and inconvenience of travel which also makes access to care so much easier for patients.

We urge the committee to support SB 83.

Thank you.

Sincerely,

Pam Ventgen
Executive Director
Alaska State Medical Association

ata ACTION
Telehealth Policy to Transform Healthcare

February 10, 2025

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

The Honorable Cathy Giessel
Vice Chair, Senate Health & Social Services Committee
The Alaska State Legislature
State Capitol Room 121
Juneau AK, 99801

RE: ATA ACTION SUPPORT OF SB 83

Dear Chair Dunbar, Vice Chair Giessel and members of the Health & Social Services Committee

On behalf of ATA Action, I am writing to you to express our support for Senate Bill 83 regarding insurance coverage of telehealth care.

ATA Action, the American Telemedicine Association's affiliated trade association focused on advocacy, advances policy to ensure all individuals have permanent access to telehealth services across the care continuum. ATA Action supports the enactment of state and federal telehealth policies to secure telehealth access for all Americans, including those in rural and underserved communities. ATA Action recognizes that telehealth and virtual care have the potential to truly transform the health care delivery system – by improving patient outcomes, enhancing safety and effectiveness of care, addressing health disparities, and reducing costs – if only allowed to flourish.

SB 83 is a crucial step forward for Alaska's telehealth policy, requiring health care insurers to reimburse health care providers for services provided thorough telehealth on the same basis as comparable health care services provided in person. ATA Action applauds the Legislature's efforts to expand Alaskan patients' access to affordable, high-quality care by ensuring insurance coverage of telehealth care. This legislation will make it easier for Alaska residents to access quality health care easily and effectively without having to worry about the potential financial burdens associated with receiving that care.

As far as the rate of reimbursement for telehealth services is concerned, ATA Action maintains that state policymakers should set rational guidelines that are both fair to the provider of such

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Info@ataaction.org

services and reflect the cost savings offered to the health care system by the effective use of telehealth technologies.

Thank you for your support for telehealth. We encourage you and your colleagues to support this legislation. Please let us know if there is anything that we can do to assist you in your efforts to adopt practical telehealth policy in Alaska. If you have any questions or would like to engage in additional discussion regarding the telehealth industry's perspective, please contact me at kzebley@ataaction.org.

Kind regards,

Kyle Zebley
Executive Director
ATA Action

ATA ACTION
901 N. Glebe Road, Ste 850 | Arlington, VA 22203
Info@ataaction.org

February 18, 2025

The Honorable Forrest Dunbar

The Honorable Matt Claman

Alaska State Senate
Alaska State Capitol
Juneau, Alaska 99801

Subject: Support for Telemedicine Payment Parity Legislation – SB 83

Dear Chair Dunbar and Senator Claman,

On behalf of the ALS Association, I am writing to express our strong support for SB 83, legislation that ensures payment parity for telemedicine services in Alaska. As an organization dedicated to improving the lives of those affected by Amyotrophic Lateral Sclerosis (ALS), we believe this legislation is essential to increasing access to care, improving health outcomes, and reducing the financial burden on individuals and families impacted by ALS across the state.

ALS is a progressive and debilitating disease that demands continuous, specialized care. Unfortunately, many patients with ALS live in remote or underserved areas, where access to specialized medical care can be limited or prohibitively expensive. For these individuals, telemedicine has become a lifeline, allowing them to consult with specialists and healthcare providers without the need for lengthy travel or the risks associated with in-person visits, particularly as their condition progresses.

However, despite the critical role that telemedicine plays in ensuring timely and accessible care for ALS patients, many face significant barriers to receiving telehealth services. These barriers are often related to reimbursement rates that do not adequately cover the costs of telemedicine visits, which can create financial challenges for both healthcare providers and patients. By ensuring payment parity between in-person and telemedicine services, we can help make telehealth a more viable option for patients with ALS, who already face immense physical, emotional, and financial challenges.

The ALS Association strongly believes that telemedicine payment parity will:

1. **Increase access to specialized care** – Telemedicine allows patients to receive expert care without the geographic and financial constraints imposed by in-person visits, which is especially important in a state like Alaska, where many residents live in rural or isolated areas.
2. **Enhance continuity of care** – For individuals with ALS, continuity of care is critical. Telemedicine enables regular follow-ups, consultations, and support without the disruptions of travel and other logistical hurdles.
3. **Reduce healthcare disparities** – Telemedicine payment parity will ensure that patients from all regions of Alaska, regardless of their location, have equal access to necessary services, helping to reduce healthcare disparities in our state.
4. **Support caregivers and families** – For ALS patients, who often experience physical limitations as the disease progresses, telemedicine provides a less physically demanding option for care. This also eases the burden on caregivers, many of whom are already stretched thin.

By supporting telemedicine payment parity, the Alaska State Senate has an opportunity to create a more inclusive, equitable healthcare system that ensures individuals with ALS are not left behind. We urge you to support this vital legislation and stand with the ALS community in expanding access to the care they need, when they need it most.

Thank you for your consideration of this important issue. We look forward to working with you to ensure that all Alaskans, regardless of where they live, have access to the best possible care.

Sincerely,

Clark Hansen
Managing Director of Advocacy – Western United States
ALS Association

From: Baker, Nadine D
To: Sen. Matt Claman
Subject: mental health parity bill
Date: Tuesday, February 25, 2025 8:15:38 AM
Attachments: Outlook-cid_image0.png

Goodmorning Senator Claman,

I am reaching out to share my support and encouragement for telehealth parity. I have seen the significant impact telehealth has had on accessibility of services across our patient population. People appreciate being able to avoid adverse weather conditions and reducing the commute from work/school to appointments. Additionally, it works well for individuals who work or live remotely in our state and individuals who are aging, medically compromised or lack transportation.

We are grateful for your efforts to advocate for the health and wellbeing of your constituents. Thank you.

N

Nadine DeMarco Baker, PhD
Clinical Psychologist/Clinical Supervisor
Providence Medical Group Alaska | Behavioral Health
Providence

Attn: Senate Health & Social Services Committee

Subject: SB 83 Telehealth Pay Parity

Wednesday, February 26, 2025

I would like to offer some thoughts in response to previous testimony at the February 11, 2025, hearing on SB 83. First, in my experience, Professor Rebitzer's observation that our current system invites "free riders" is accurate. Most commercial payers reimburse telehealth visits at in office rates, but one, who incidentally holds the greatest proportion of commercial market share in Alaska, does not, despite claims to the contrary. Furthermore, Professor Rebitzer argued that reimbursing telehealth services at in office rates encourages innovation. Although the professor did not provide an example of innovation in the Alaskan context to satisfy Senator Hughes, that does not mean the underlying idea lacks merit. For example, I periodically travel, at my own expense, to communities across Alaska to meet in office with my clients who are primarily seen via telehealth. I do this to satisfy both state and federal requirements. In doing so, I have utilized the money that I saved on some overhead costs by primarily providing telehealth services, and reinvested it in a strategy that increases consumer provider choice in not one, but multiple communities, without requiring those individuals to take on the cost of traveling to meet with a provider outside of their community. This is innovation - and is currently only possible because I'm guaranteed parity through my payer contracts in Oregon.

But why does provider choice matter? Because in mental health it is particularly important that clients have a good personality fit with their provider. A good fit contributes to increased trust, which leads to greater consistency with medication, better health outcomes, and ultimately, for the benefit of Senator Hughes, increased workforce productivity. As Senator Claman noted during the hearing, a focus on reducing provider rates, which could effectively reduce consumer choice and access, is shortsighted, as it may save costs in the short term, but contributes to worse long term health outcomes and greater future costs.

I also ask the committee to consider that while some telehealth providers may save a few hundred dollars per month on rent, they may be losing thousands of dollars of revenue per month due to remarkably low telehealth reimbursement rates. Mental health providers have different overhead costs compared to physical health providers, and therefore often have different reimbursement rates. However, with the exception of rent, primarily telehealth providers have the same costs as primarily in office providers: the cost of their education, malpractice insurance, licensing fees, the cost of attending conferences and obtaining continuing education hours, etc.

I would also argue that mandating pay parity for telehealth services ensures equity in access for consumers. Why? Because, to borrow terms from political science, health insurance is more of a representative market than a direct market. Unless patients are paying for insurance through the Alaska Health Insurance Marketplace, they have limited choice of insurance payer, as this

decision is made for them by their employer. As a private practice provider, I can choose not to contract with a particular payer because they do not reimburse adequately for telehealth services. However, this creates disparity of access to telehealth services, and leaves consumers without recourse to encourage payers to reimburse for telehealth services as they are limited in choice of what insurance company provides their coverage.

Finally, I would like to note that while I have negotiated nearly identical reimbursement rates for in office visits with BCBS in Oregon and BCBS in Alaska, I currently pay approximately $1650/month for BCBS Marketplace insurance for myself and my husband in Oregon, and would pay approximately $2800/month for a comparable BCBS Marketplace plan in Alaska (assuming we pay the full monthly premium without any tax credits). I appreciate Senator Hughes concerns about the cost of health insurance for Alaskans, however she has assumed that the high cost is due to provider reimbursement for outpatient office visits. This may be an incorrect assumption.

Mackenzie Callis, PMHNP

Aleutika Mental Health Services

503-351-5858

From: Mike Baldwin
To: Sen. Matt Claman
Cc: Sarena Hackenmiller
Subject: SB 83 Public Testimony/Letters of Support
Date: Thursday, March 13, 2025 1:22:36 PM

Senator Claman,
Please consider this a letter in support of SB83.

Alaska faces many challenges when it comes to providing healthcare, in particular behavioral health services. From high costs to parity issues, and a lack of workforce, many Alaskans do not have access to healthcare providers in their home communities. Telehealth is an obvious tool to improve access to care. Healthcare providers have reported a lack of parity of rates with in person visits - that seems to negate the advantages of increased access if they can't sustain their business. It may appear more costly in the short run, but over the long term, it reduces costs through improved health of individuals and the community. Investing now for a healthier future makes sense.

Thank you for your time and consideration.

Respectfully, Michael

Michael Baldwin
Anchorage, Alaska

22 March 2025

Senator Matt Claman
Alaska State Capitol
Room 429
Juneau AK, 99801

RE: SB83 - Act relating to health care insurance; relating to insurance reimbursement for health care services provided through telehealth.

Dear Senator Claman:

On behalf of the Alaska Psychological Association (AK-PA), I am writing to express our ***strong support*** for Senate Bill 83, which addresses reimbursement parity by requiring health care insurers in Alaska to reimburse health care providers for services delivered via telehealth at the same rate as in-person services.

AK-PA is dedicated to advancing psychology as a science and a profession, promoting human health and welfare, and maintaining high standards of practice in the field of psychology. We believe that Senate Bill 83 is a crucial step in ensuring equitable access to mental health services for all Alaskans, particularly those in underserved and rural communities.

Telehealth has been proven to be an effective and efficient method for delivering mental health services. With most mental health providers located in Anchorage, many areas of Alaska face significant barriers to accessing care. The vast geography of our state, coupled with the high costs of travel for face-to-face appointments, exacerbates the challenges faced by individuals seeking mental health support. By mandating reimbursement parity for telehealth services, this legislation will empower mental health providers to reach those who would otherwise be unable to access care.

We commend your efforts in supporting mental health services and recognize the positive impact this bill will have on the well-being of Alaskans across the state. The Alaska Psychological Association stands ready to assist you with any questions or concerns regarding mental health services, and we appreciate your commitment to improving access to care.

Thank you and please do not hesitate to reach out if we can be of further assistance.

Respectfully:
Marjorie Kyle, PsyD
AK-PA Federal and State Advocacy Coordinator

cc: senate.finance@akleg.gov

Alaska Psychological Association, 3705 Arctic Blvd #2505, Anchorage, Alaska 99503-5774

www.ak-pa.org | executivedirector@ak-pa.org

From: Tracy Fischbach
To: Senate Finance Committee
Cc: Sen. Matt Claman; Rep. Carolyn Hall
Subject: Support for SB 83 - Telehealth Pay Parity
Date: Tuesday, April 1, 2025 11:08:53 AM

My name is Tracy Fischbach, and I reside in Anchorage, AK 99517.

I am writing to express my strong support for SB 38, which advocates for telehealth pay parity. I have lived in Alaska since 1997, and during that time, I've called Bettles, Cold Bay, Kodiak, and Anchorage home. In these rural communities, where medical resources are limited, telehealth has become a critical lifeline. For example, when I lived in Cold Bay years ago, we had only a part-time nurse who was often unavailable. People feared getting sick because there was no one to turn to for care. Telehealth would have alleviated that concern, providing much-needed access to health services.

I understand that telehealth providers may not have the same overhead costs as traditional brick-and-mortar offices (although most do), but they face unique expenses, including secure software, data storage, and tech support.

It's essential that health providers are fairly compensated for the valuable support they offer through telehealth.

Please support SB83.

Tracy Fischbach

Senate Labor & Commerce - SB83 Testimony April 7, 2025

My name is James Rebitzer and I am the Peter and Deborah Wexler Professor of Economics, Management and Public Policy at the Questrom School of Business, Boston University. I am also a Research Associate at the National Bureau of Economic Research.

My research and teaching focus primarily on health economics. In addition to teaching university courses in applied microeconomics, managerial economics, and health economics, I have published numerous academic papers about the economics of the U.S. healthcare system. I also recently published a book on innovation in healthcare through Oxford University Press, titled *Why Not Better and Cheaper? Healthcare and Innovation*.

I am here to testify about a new piece of legislation regarding reimbursement for telehealth services. The bill requires a health insurer to reimburse for telehealth services on the same basis and at least at the same rate as comparable healthcare services provided in person.

Let me start with my conclusion: This legislation is reasonable and deserving of your support. However, the reasoning behind it may be of greater use to the committee than my conclusion.

As an economist studying management, I generally believe that a state legislature should not determine how much private insurers pay for services. Typically, legislatures lack essential information and incentives, and they respond too slowly to set appropriate reimbursement rates. It is better to leave this to negotiations between insurers and providers. However, telehealth might be the exception that proves the rule. Mandating equal payment can help address an economic issue that private parties cannot resolve independently.

Like every new treatment modality, telehealth requires providers to develop new capabilities for delivering care at a distance. Payers may be willing to compensate providers to encourage these costly investments, but will they pay enough on their own? Perhaps not. In our fragmented payment system, each provider treats patients from many different payers: Medicare, Medicaid, the State of Alaska, private insurers, and private employers. This diversity of payers creates an opportunity for free-riding.

Suppose a provider deals with 10 different payers, each paying $50 for a telehealth visit. Suppose providers are happy to invest adequately in telehealth capacity at this price. What would happen if one payer decided to pay $40 for a telehealth visit? Providers might still be willing to deliver telehealth care to this payer because they have already borne the cost of developing the telehealth capacity. The insurer who pays $40 would, in effect, be “free-riding” on the other payers’ generosity. That would be annoying to the other payers. If the rest followed suit, the result would be an inadequate investment in telehealth capacity or, in the extreme case, no investment at all.

You can see where this is heading. The proposed bill can be beneficial as it makes it more difficult for a single insurer to take advantage of investments in telehealth funded by other payers.

Some who object to payment parity might argue that the marginal cost of telehealth is less than in-person health, so “parity” in payments means you are overpaying for telehealth. This reasoning makes sense until you think about it for a minute. Much of the cost of delivering telehealth is determined by what else providers could do with their time. Payment parity has the advantage of not making it more expensive for providers who deliver telehealth services.

Although I am not an Alaskan, I am impressed by the vast distances healthcare providers must travel to reach all Alaskans. The cost of underinvestment in and underprovision of telehealth is especially severe for Alaska, so the proposed legislation's value is likely to be high.

Konrad Jackson

From: SUL ROSS THORWARD <srthorward@gmail.com>
Sent: Wednesday, April 09, 2025 5:09 AM
To: Sen. Matt Claman; Senate Labor and Commerce
Cc: Pam Ventgen
Subject: Senate Bill No. 83(HSS)

I wish to speak in favor of SB 83. Especially I speak for the need of

** Sec. 2. AS 21.42.422 is amended by adding a new subsection to read:*

(c) A health care insurer shall reimburse a health care provider for health care services, including behavioral health services, provided through telehealth on the same basis and at least at the same rate as for comparable health care services provided in person.

MY name is Sul Ross Thorward, MD, DLFAPA. I am a psychiatrist and have been practicing in the village of Yakutat for 2+ years at the Yakutat Community Health Center. Prior to that I lived and practiced for 13+ years in Sitka. There I served as the Medical Director for Behavioral Health of SEARHC. Thus I have been serving patients in southeast Alaska for 15+ years.

Since retiring from SEARHC, I see patients part time in Yakutat. I travel and am in Yakutat physically for face to face service for 4 day clinics about four times a year. The rest of the year I serve through telemedicine from my home in Columbus, Ohio. I am licensed in Alaska and Ohio as well as Texas and Washington State.

Since I am not in Yakutat full time, Telemedicine allows me to provide continuity of care to my patients throughout the year and between my in-village clinics. I also am able to provide consultation and support as needed to the primary care staff in the clinic as well

When I see my patients via telemedicine, it is a fully comparable service. My patients still come to the health center for our appointments. They check in and their vital signs are taken in the same manner as when I am in the village. The patients go to the same interview room in which I usually see them. I communicate with them by two way video through a laptop which is sitting at my usual desk. I communicate face to face with both the patient and support staff in live time just as if I was in the clinic.

All services and support for the visit are the same as if I was in the village. The interaction is the same. But there are actually additional costs to this service not less. In addition to normal clinic costs, there is the additional burden of needing a secure private location in Ohio, as well as additional HIPAA secure computer and internet service to empower our interaction and charting, and order entry.

Therefore, I see no justification for a discounted service which actually has increased cost. Please act affirmatively. Please pass and enact SB 83.

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Remember to hold hands when crossing rapids!!

Sul Ross Thorward, MD, DLFAPA
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Columbus, Ohio 43235
614 284 1259
srthorward@gmail.com

ALASKA MUNICIPAL LEAGUE

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Member of the National League of Cities and the National Association of Counties

April 14, 2025

Thank you for the opportunity to provide testimony in relation to SB 83, Telehealth Reimbursement Rates. The Alaska Municipal League (AML) is delivering this from two perspectives, thinking both in terms of the impact on employers and their expenses, and the broader economic impacts.

We find merit in the argument that telehealth may expand access for Alaskans, especially in rural and underserved areas. If there were a way to encourage this so that more employers and insurance providers would leverage this opportunity, that would be better than mandating that all do so.

It seems that an effective incentive for insurers would be to ensure cost savings. We note that there remains a lack of data on whether telehealth results in savings or not, but the ATA Action letter includes this feature as one of its main arguments in favor of the bill, while it defers on the pay parity. For the Senate Labor and Commerce Committee, we would expect a careful analysis of how telehealth might become a main feature in lowering costs for Alaskans.

However, the requirement that telehealth providers should be paid the equivalent of in-person services removes this advantage. If there are no savings, it could seriously disadvantage telehealth providers. We won't know, without some kind of economic analysis. It's worth nothing that even the AMA issue brief calls for equitable and not equal – states should approach this issue carefully, sensitive to the supply and demand for services.

We would encourage the Committee to ask and get answers to questions like:

- How many telehealth providers are in-state vs. out of state, and does it matter?
- If out of state, what would that transfer of Alaskans' funding look like, as we improve the economic conditions of other states?
- Does this create an incentive for more providers to move out of state, where cost of living is less and they can maximize the benefit of this payment?
    - One of the letters in support mentions the lower health insurance costs in other states, with premiums more than $1,000 a month less.
- If more providers move out of state, and supply is less in Alaska, will costs increase, compounding the incentive to provide services out of state?
- Which location is the equal payment based on? Is it a state-level average, or based on the cost experience in each community?
- If based on a community-equivalent cost, will it remain true that for those most disadvantaged, where the cost of care is likely highest, they will continue to pay more for services?

To improve access to health care, it makes sense that expanded choice would be a good thing and result in long-term health benefits. However, if we see expanded choice but don't also make it more affordable, the net benefits may be slim if any. It seems like the policy sweet spot would be both.

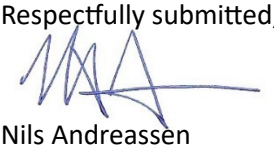
Now, on the employer side, where SB 83 requires all health care insurers to pay telehealth providers for comparable services at least at the same rate as an in-person service, and includes local governments, we worry that this should be an employer decision. In fact, these kinds of decisions are increasingly part of the benefits packages that help recruit and retain employees, and offer a kind of advantage in that marketplace. At the employer level, it could be the difference between offering a benefit or not, paying for the benefit or not, paying for the employee or extending benefits to family members, increasing the employee share or not. All these things make a difference, and are carefully evaluated based on the employer's budget, but also its overall benefits structure.

If there is demand that drives this legislation, we would expect employees to similarly communicate that to employers, who would then bring that up in their broker calls and during negotiations with insurers. In this way, the employee and employers have direct communication about the trade-offs involved. If forced by the State, with the argument being that increased access should result in long-term health benefit, and the employer has to reduce a benefit somewhere else in its benefits package, we worry again about the net benefit.

Ultimately, AML would hope that the outcomes for local governments would be lowered costs through innovative delivery of health care benefits, the ability to negotiate that cost and service so as not to disadvantage employees and employers, and economic benefits that accrue to Alaskans and in Alaska communities.

Thank you again for this opportunity to provide testimony.

Respectfully submitted,



Nils Andreassen
Executive Director