

Alaska State Legislature

House Labor & Commerce Committee – Affordability Work Session

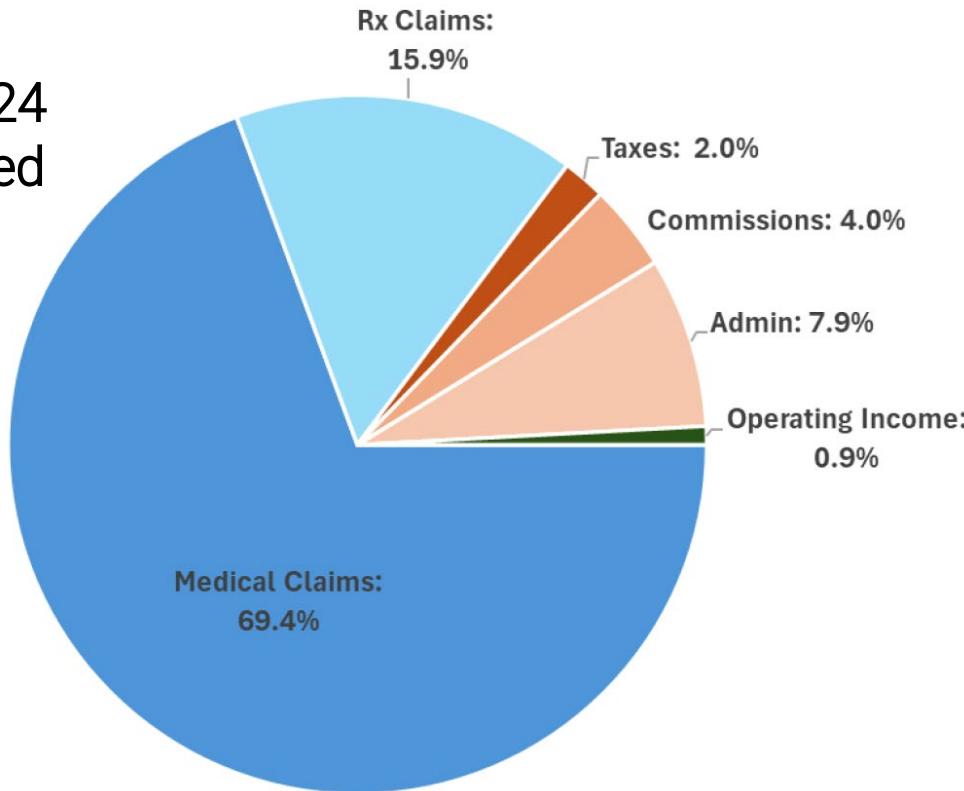


Gary Strannigan, Vice President, Congressional and Legislative Affairs

PREMERA

How Premera's Premium Dollars Are Spent

Premera's 2023-2024
Alaska Group Insured
Business



Affordability & Access: The Gateway to Care

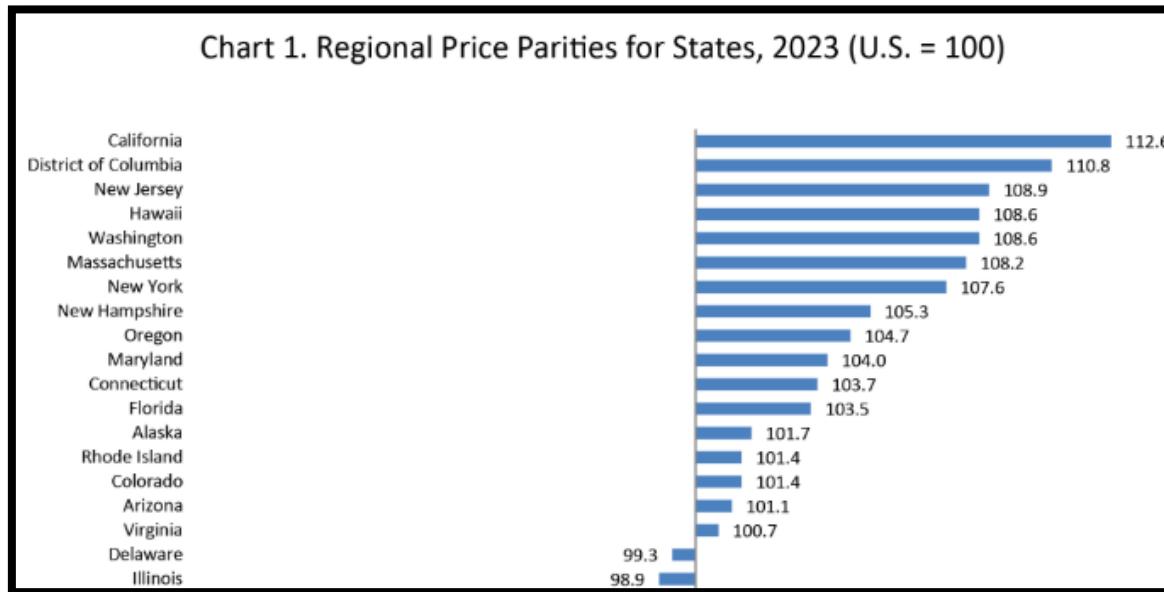
Efforts to promote affordability are essential for maintaining access to health care. High costs restrict access, making it harder for Alaskans to obtain necessary services. Price comparisons show that common procedures are significantly more expensive in Alaska than in Washington state, with some services costing over twice as much. For example:

Procedure Code	Description	% Higher in Alaska
74177	CT Scan Abdomen & Pelvis	223%
77067	Screening Mammography, Bilateral	229%
80053	Comprehensive Metabolic Panel	257%
99284	Emergency Department Visit	185%

These disparities highlight the urgent need for policies that control costs and improve affordability.

Affordability and Cost of Living

A 2024 report from the U.S. Bureau of Economic Analysis placed the cost of living in Washington State over 6% higher than in Alaska



“Real Personal Consumption Expenditures by State and Real Personal Income by State and Metropolitan Area, 2023.” U.S. Department of Commerce, Bureau of Economic Analysis – December 12, 2024

Recommendations for Sustainable Affordability

Policymakers should prioritize solutions that promote affordability, maintain broad provider networks, and ensure safe, effective, and financially sustainable care.

Key recommendations include:

- Maintain the repeal of the 80th percentile rule to prevent cost inflation and support premium reductions.
- Avoid artificial payment floors that incentivize providers to leave networks and increase costs.
- Reject overly restrictive network adequacy requirements that could destabilize the marketplace and increase costs.
- Support transparency tools that help consumers make informed choices without undermining quality or network strength.
- Promote prior authorization and other cost-control measures to ensure safe, effective, and affordable care.
- Incentivize value-based care arrangements to align provider incentives with good patient outcomes.