



AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

February 28, 2011

The Honorable Wes Keller, Chair
House Health and Social Services Committee
Alaska Capitol, Room 432
Juneau, AK 99801-1182

RE: HB 1 (Gatto and Lynn)—Oppose

Dear Chair Keller:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Health and Social Services Committee to oppose HB 1, authored by Representatives Carl Gatto and Bob Lynn and co-sponsored by Representative Peggy Wilson.

There is no doubt that there is significant disagreement about the impact of federal health care reform, in particular the individual mandate.

To date, three federal judges have found it constitutional and two have found aspects of the federal bill to be unconstitutional.

AARP advocates for the full implementation of the Affordable Care Act in every state. We believe the federal law should be implemented to best meet the needs of older Americans and their families.

If HB 1 is enacted, we believe Alaskans would face a series of unintended consequences:

- Who would pay for the health care costs of individuals who decide to opt out of coverage? Would our hospitals have to provide free care to those who choose not to obtain insurance or who have limited coverage or high deductibles? To make up for this free care, hospitals would have to charge everyone else more, resulting in higher premiums for individuals, employers, state and local government and school districts, PERS and TRS.
- Because it would allow individuals to opt out of any health care coverage, HB 1 could, for example, preclude courts from ordering one party in a divorce proceeding to maintain health insurance for his spouse and children. This would leave many without coverage and some would undoubtedly seek coverage under Medicaid and Denali KidCare or rely on uncompensated hospital care.
- We understand that HB 1 would permit the sale of insurance by out-of-state and off-shore insurance companies not subject to state laws, regulation or courts. Consumers who have problems would not be able to seek the assistance of the Alaska Division of Insurance.

AARP believes there is great uncertainty of how the legislation would be carried out. The consequences of HB 1 are, we believe, not fully known or understood.

The language is vague and will be open to so many interpretations that it can only result in costly litigation for the state.

Our health care should not end up in litigation—that's nobody's idea of freedom of choice.

HB 1 could also impact the private sector too. It could result in insurance companies raising premiums, deductibles and co-pays—driving up already skyrocketing health care costs for individuals and businesses. Physicians and other providers, including our network of community health centers, hospitals and nursing homes, would find themselves serving even more uninsured patients.

HB 1 is a risky gamble. It is more than a political gesture to Washington, DC. HB 1 raises too many unanswered questions and unintended consequences. Why bet Alaska's health care on an unproven idea?

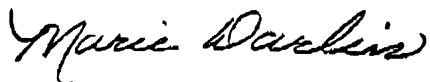
The federal health care reform implementation improves the state's ability to deliver health care for its citizens. Health care for our citizens is too important to become a turf war between the state and federal government.

AARP requests an "NAY" vote on HB 1.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Alan Dick
Representative Bob Herron
Representative Paul Seaton
Representative Sharon Cissna
Representative Bob Miller
Representative Charisse Millett
Representative Carl Gatto
Representative Bob Lynn