

Support HB 203: Payment to Health Plan Members for Out-of-Network Care

The Alaska State Legislature should pass House Bill 203 allowing payment to be made to health plan members for out-of-network care, thereby expanding access to healthcare and bringing down healthcare costs for Alaskans.

Background:

State law (AS 21.54.020) requires insurers to reimburse **non-contracted providers** directly for healthcare services and supplies. Direct payment is an incentive typically reserved for contracted providers of an insurer to encourage in-network participation of providers. Without the ability to provide this incentive, it is challenging to establish broad and robust provider networks.

Proposal:

HB 203 would provide **flexibility** by permitting insurers to make payments for out-of-network care through a joint check made out to both the provider and the member. This is the same approach taken elsewhere that balances the important provider contracting dynamic that will help **lower healthcare costs, employer and consumer premiums, and consumer out-of-pocket costs**. Under the proposal, hospitals would not be subject to this change.

A report prepared by Milliman for the Alaska Health Care Commission indicates this current law impacts an insurer's ability to establish provider networks.¹

There is nothing in the Affordable Care Act that prohibits joint payment from being made to members and providers for out-of-network care.

Why is HB 203 good for Alaskans?

- Lowers healthcare premiums
- Increases access to in-network providers
- Helps reduce exposure to high out-of-pocket costs
- Improves transparency of healthcare costs for members

¹ [Drivers of Health Care Costs in Alaska and Comparison States](#)