

March 13, 2014



Alaska Chapter Mission Statement

AAHU is a state chapter of the National Association of Health Underwriters. We provide professional development, promote high ethical standards of our members, advocate responsible legislation and proactively educate Alaskans on health and financial security needs.

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Representative Kurt Olson, Chairman
House Labor and Commerce Committee
Alaska House of Representatives
State Capitol Building, Room 24
Juneau, AK 99801

Subject: House Bill 203

Dear Chairman Olson,

The Alaska Association of Health Underwriters, a chapter of the National Association of Health Underwriters (NAHU), supports HB 203 "An Act relating to payment or reimbursement of health care insurance claims". NAHU represents licensed health insurance agents, brokers, consultants and benefit professionals who service the health insurance needs of employers and individuals seeking health insurance coverage.

The Alaska Association of Health Underwriters would like to express our support for the passage of this important legislation with the goal of reducing health care costs in Alaska. Our interest in seeing this legislation passed stems from the importance of increasing the consumer's awareness of health care costs and the reimbursement process for the insured patient. If the provider does not participate with the patient's insurer and the insured patient has made payment to the provider, the logical step is for payment to be made jointly to the insured and provider. This assures the patient is reimbursed if they paid for the services out of their own pocket, as many providers require this when they are not contracted with a carrier or payer's network.

We are concerned by the extremely high costs of healthcare in Alaska as outlined in the 2011 Milliman report "Drivers of Health Care Costs in Alaska and Comparison States". This report cites lower physician discounts in Alaska that are at least partly explained by the relative lack of competition, particularly for specialty care providers. As a result, physicians can largely dictate the fees they are paid by commercial payers. The report further offers that a state law in Alaska which requires payers to reimburse non-contracted providers directly (instead of reimbursing them through the patient) removes another incentive typically used by payers to encourage providers to join their networks.

As Alaska's benefits specialists, we believe this bill will allow individual consumers statewide to work more closely with their providers and allow them the opportunity to better understand the cost of health care and the insurance reimbursement process, as well as encourage provider cooperation within that process.

Please contact me or Jeff Logan, our registered lobbyist, if you would like to discuss further.

Sincerely,

Jason Gootee
AAHU Board President