



# Representative Ivy Spohnholz

## House Health & Social Services Committee Chair

*Serving House District 16: College Gate, Russian Jack, Nunaka Valley, & Reflection Lake  
Committee Member: Education, Energy, Military & Veterans Affairs, Legislative Budget & Audit*

### **Sponsor Statement**

#### House Bill 123

"An Act relating to disclosure of health care services and price information; and providing for an effective date."

HB 123 empowers consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing. The bill will require health care providers to publish health care price information in public spaces and on their websites and to submit that price information to the Department of Health and Social Services. Individual providers must disclose the total undiscounted costs of their 25 most commonly provided health care services and procedures. Larger medical facilities would provide the same price information for their 50 most common health care services and procedures.

Alaska has the second most expensive health care costs per person in the nation as a result of a small insurance market with limited provider competition. Health care spending in Alaska increases faster than the rate of inflation despite the fact that Alaska's use of health care services is lower than the nationwide average.<sup>1</sup> Because of the murkiness around health care prices, consumers have little power to influence the cost of desperately needed medical services.

Medical price transparency across the nation could save the U.S. \$36 billion in health care spending.<sup>2</sup> More than 30 states are pursuing legislation to increase price transparency across the nation; however, Alaska currently has no price transparency law in place. Price transparency can allow consumers to take financial control of their health care and exercise more choice in their providers. Transparency can also begin the public dialogue between stakeholders in the health care industry regarding the variation of health care costs within Alaska.

HB 123 provides a simple approach to comprehensive, consumer-friendly health care price information for consumers. It may also help reduce the price of health care spending and increase the accessibility to quality health care, while being unburdensome to health care providers and facilities. Empowering consumers with price information allows patients to compare providers and "shop" for high-value, cost-effective care. While health care prices are negotiable, health care is not. Alaskans deserve to know what health care services and procedures will cost before they step into the doctor's office.

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<sup>1</sup> 2011 (State of Alaska Health Care Commission 2011 Annual Report)

<sup>2</sup> 2012 (Truven Health Analytics)

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