

Alaska State Legislature

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Senator Shelley Hughes

Senate District F—Palmer, Chugiak, Mirror Lake, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

SB 41 Health Insurance Info.; Incentive Program Sponsor Statement

"An Act relating to health care insurers; relating to availability of payment information; relating to an incentive program for electing to receive health care services for less than the average price paid; relating to filing and reporting requirements; relating to municipal regulation of disclosure of health care services and price information; and providing for an effective date."

Alaska's health care costs are among the highest in the nation and continue to rise. Through free market principles, SB 41 will bend the cost curve down over time to help relieve the disproportionate burden of health care costs on family budgets, seniors on fixed incomes and employers providing insurance coverage to their employees.

Senate Bill 41 will provide Alaskans with the information they need to plan financially for their health care decisions. The bill requires health care provider and facilities to list meaningful cost information online and onsite. The bill also requires a health care provider and insurance company disclose full cost information within five days of request by a patient specific to their condition, including any expected out of pocket costs.

The bill also adds a mechanism so insurance companies will provide an incentive – a shared savings check – to policyholders who choose an in-network provider who charges below the average in-network cost. Employers providing insurance coverage for employees will also be eligible for some of the shared savings. This approach will help bring down the high cost of healthcare in Alaska by encouraging consumers to shop and providers to compete for Alaska's healthcare dollars.

Several states have either passed or are currently working on healthcare cost transparency legislation. SB 41 is among the most innovative approaches as a result of the incentive provision and is expected to bend the cost curve more effectively than other efforts because of this.

The Alaska Health Care Consumer's Right to Shop Act will empower Alaskans with the tools needed to make healthcare choices that fit their needs and work for their budgets while introducing a bit of competition into the healthcare market in Alaska to help nudge down the costs over time.

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