

**ALASKA STATE LEGISLATURE**  
**HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

March 9, 2017

3:01 p.m.

**MEMBERS PRESENT**

Representative Ivy Spohnholz, Chair  
Representative Bryce Edgmon, Vice Chair  
Representative Sam Kito  
Representative Geran Tarr  
Representative David Eastman  
Representative Jennifer Johnston  
Representative Colleen Sullivan-Leonard

**MEMBERS ABSENT**

Representative Matt Claman (alternate)  
Representative Dan Saddler (alternate)

**COMMITTEE CALENDAR**

HOUSE BILL NO. 25

"An Act relating to insurance coverage for contraceptives and related services; relating to medical assistance coverage for contraceptives and related services; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 123

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

- MOVED CSHB 123 (HSS) OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 3

Proclaiming April 2017 as Child Abuse Prevention Month; and proclaiming April 7, 2017, as Go Blue Friday.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 25

SHORT TITLE: INSURANCE COVERAGE FOR CONTRACEPTIVES

SPONSOR(S): REPRESENTATIVE(S) CLAMAN

01/18/17 (H) PREFILE RELEASED 1/9/17  
01/18/17 (H) READ THE FIRST TIME - REFERRALS  
01/18/17 (H) HSS, FIN  
02/28/17 (H) HSS AT 3:00 PM CAPITOL 106  
02/28/17 (H) Heard & Held  
02/28/17 (H) MINUTE (HSS)  
03/09/17 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 123

SHORT TITLE: DISCLOSURE OF HEALTH CARE COSTS

SPONSOR(S): REPRESENTATIVE(S) SPOHNHOLZ

02/13/17 (H) READ THE FIRST TIME - REFERRALS  
02/13/17 (H) HSS, JUD  
03/02/17 (H) HSS AT 3:00 PM CAPITOL 106  
03/02/17 (H) Heard & Held  
03/02/17 (H) MINUTE (HSS)  
03/09/17 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HCR 3

SHORT TITLE: APRIL 2017: CHILD ABUSE PREVENTION MONTH

SPONSOR(S): REPRESENTATIVE(S) TARR

01/23/17 (H) READ THE FIRST TIME - REFERRALS  
01/23/17 (H) HSS, FIN  
03/09/17 (H) HSS AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

LIZZIE KUBITZ, Staff  
Representative Matt Claman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 25 on behalf of the bill sponsor, Representative Claman.

JUDY ANDREE  
League of Women Voters  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 25.

CARMEN LOWRY, Executive Director  
Alaska Network on Domestic Violence and Sexual Assault  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 25.

ALYSON CURREY  
Planned Parenthood Votes Northwest and Hawaii  
Juneau, Alaska  
**POSITION STATEMENT:** Testified in support of HB 25.

ELIZABETH FIGUS, PhD Student  
University of Alaska Fairbanks  
Juneau, Alaska  
**POSITION STATEMENT:** Testified in support of HB 25.

MICHAEL PAULEY  
Alaska Family Council  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified against HB 25.

ARLENE BRISCOE, Vice President  
Legislative Chair  
Alaska Nurses Association  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified in support of HB 25.

RUDY POGLITSH  
Wasilla, Alaska  
**POSITION STATEMENT:** Testified against HB 25.

KATIE BRUGGEMAN  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified in support of HB 25.

JEANNETTE OKINCZYC  
Fairbanks, Alaska  
**POSITION STATEMENT:** Testified in support of HB 25.

ANNA LATHAM, Deputy Director  
Juneau Office  
Division of Insurance  
Department of Commerce, Community & Economic Development  
Juneau, Alaska  
**POSITION STATEMENT:** Answered questions during discussion of HB 25.

REPRESENTATIVE MATT CLAMAN  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Answered questions during discussion of HB 25, as the sponsor of the bill.

BERNICE NISBETT, Staff  
Representative Ivy Spohnholz  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the committee substitute for HB 123, on behalf of the bill sponsor, Representative Spohnholz.

JENNIFER MEYHOFF, Senior Vice President  
Marsh and McLennan Agency  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

JOSH BIEGEL  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 123.

TERRY ALLARD, Senior Benefits Advisor  
Wilson Agency  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

BECKY HULTBERG, President/CEO  
Alaska State Hospital and Nursing Home Association  
Juneau, Alaska

**POSITION STATEMENT:** Testified and answered questions during the presentation of HB 123.

GINA BOSNAKIS  
Small Business Owner  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

T.J. ALINEN, Assistant Vice President  
Human Resources  
Denali Federal Credit Union  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

KYLE MIRKA  
Business Owner  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

RHONDA KITTER, Chief Financial Officer  
Public Education Health Trust  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

SHAWN PURVIANCE, Owner  
Valley Block and Concrete  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

DENISE DANIELLO, Executive Director  
Alaska Commission on Aging  
Division of Senior and Disabilities Services  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 123.

MAGDALENA OLIVEROS, Staff  
Representative Geran Tarr  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HCR 3 on behalf of the bill sponsor, Representative Tarr.

REPRESENTATIVE GERAN TARR  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HCR 3 as the sponsor of the resolution.

PATRICK ANDERSON  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HCR 3.

#### **ACTION NARRATIVE**

[3:01:37 PM](#)

**CHAIR IVY SPOHNHOLZ** called the House Health and Social Services Standing Committee meeting to order at 3:01 p.m. Representatives Spohnholz, Sullivan-Leonard, Johnston, Eastman, and Edgmon were present at the call to order. Representatives Tarr and Kito arrived as the meeting was in progress.

#### **HB 25-INSURANCE COVERAGE FOR CONTRACEPTIVES**

[3:02:16 PM](#)

**CHAIR SPOHNHOLZ** announced that the first order of business would be HOUSE BILL NO. 25, "An Act relating to insurance coverage for contraceptives and related services; relating to medical

assistance coverage for contraceptives and related services; and providing for an effective date."

[3:03:12 PM](#)

LIZZIE KUBITZ, Staff, Representative Matt Claman, Alaska State Legislature, stated that proposed HB 25 mandated that health care insurers provide coverage for a 12-month supply of contraceptives at one time. She reported that currently, women who used prescriptive contraceptives needed to return to the pharmacy every one to three months to refill their prescriptions. She pointed to the difficulties for women who did not have access to transportation, worked multiple jobs, or lived in rural areas of the state of getting refills so often. She shared that the Centers for Disease Control and Prevention (CDC) recommended dispensing a year's supply of contraception, as missing pills was a major reason for oral contraceptive failure leading to unintended pregnancies. Greater access and availability to contraceptives reduced unintended pregnancies, with a direct cost savings to the state. She noted that hormonal contraceptives were used for reproductive health care and other medical reasons, including menstrual pain and migraines. She declared that the proposed bill sought to make prescriptive contraceptives more easily available, which made sense for Alaskan women and families.

REPRESENTATIVE SULLIVAN-LEONARD asked about testimony from those who were seeking contraceptives for a full year.

MS. KUBITZ replied that there were individuals ready to testify.

[3:06:07 PM](#)

CHAIR SPOHNHOLZ opened public testimony.

[3:06:40 PM](#)

JUDY ANDREE, League of Women Voters, stated that the League of Women Voters fully supported comprehensive affordable health care for all people, including reproductive health care, and the availability of birth control. She stated that the ability to avoid unintended pregnancies was of primary importance to a woman's health and her ability to chart her own future. She relayed that planning a pregnancy with the help of birth control could increase a woman's economic opportunities. She said that this could also lead to savings to the state, as 64 percent of pregnancies required public financing. She pointed to a letter

of support [Included in members' packets]. She added that this was the time to accept birth control as an important and normal part of women's health care, and that it should be as affordable and accessible, as possible. She reiterated support of the proposed bill.

[3:08:55 PM](#)

CARMEN LOWRY, Executive Director, Alaska Network on Domestic Violence and Sexual Assault, offered some background on the network, that it was comprised of 19 member programs which provided services to victims and survivors of domestic violence and sexual assault across Alaska, about 7,000 people during the previous year. She said that access for a 12-month supply of contraceptives allowed protection and a reduced risk of coercion from an abuser. She stated that it was a common tactic for an abuser to attempt to control access to birth control. She shared research which had shown that women were more vulnerable during pregnancies, hence their range of choices for leaving an abusive relationship became more limited. She stated that a 12-month supply offered a wider range of choices. She declared, as there was a disproportionate number of women experiencing domestic violence in rural areas, it was important to ensure full range access to contraceptives. She stated support for the proposed bill.

[3:12:21 PM](#)

ALYSON CURREY, Planned Parenthood Votes Northwest and Hawaii, stated support for the proposed bill. She declared that every woman should have full access to the birth control method that worked best for her, without any barriers to cost or availability, regardless of insurance plan. She stated that proposed HB 25 would remove any barriers, allow women more career and education opportunities, encourage healthier pregnancies, and make them less dependent on government programs. She reported that consistent use of birth control was the best way to prevent unintended pregnancy, although, one in four women stated they had missed pills because of a lack of availability. A full year supply improved consistent use, reduced the odds of an unintended pregnancy by 30 percent and was associated with a 46 percent drop in the chance of needing an abortion. She declared that this was cost effective for both public and private insurance plans, as it lowered the costs for follow up visits, pregnancy tests, and the long term costs associated with unintended pregnancy. She declared that this

was a solution that would work for women and she stated support of HB 25.

[3:14:24 PM](#)

ELIZABETH FIGUS, PhD. Student, University of Alaska Fairbanks, shared that she was a fisherperson during the summers which did not allow much time to get to doctors, and she urged support of the proposed bill. She declared that it was frustrating and an unnecessary expense to alter schedules for a pre-approved prescription pick-up. She offered her belief that this bill was about streamlining prescription medication pick-ups. She pointed out the need for economic efficiency. She stated her support for HB 25.

[3:16:13 PM](#)

MICHAEL PAULEY, Alaska Family Council, stated that the council was opposed to the proposed legislation, as it was essentially taking a health care mandate and grafting it into state law. He directed attention to written testimony [Included in members' packets]. He expanded on a few of those points, noting that the primary objection was for a sweeping one size fits all mandate which would require every insurance plan issued in Alaska to provide coverage for certain drugs and devices that "have the effect of causing very early abortions." He stated his organization's objections toward helping subsidize or facilitate this. He opined that the proposed bill defined prescription contraceptive as a drug or device as something which required a prescription and was approved by the U.S. Food and Drug Administration for the purpose of preventing pregnancy. He offered definitions for conception and pregnancy, which he opined were similar to those by numerous religious groups which had filed lawsuits objecting to the Patient Protection and Affordable Care Act (PPACA). He reiterated that the religious exemptions offered in the proposed bill "ranged from inadequate to non-existent." He offered the belief that it was a mistake to "peg the religious exemptions to federal statutes and regulations associated with [PPACA]" and that religious exemptions "should be spelled out in plain English." He suggested that the House Health and Social Services Standing Committee seek legal advice for interaction of the proposed bill with the existing statute, AS 25.20.025. He asked if a young woman could receive contraception and have her parent's health insurance pay for this. He asked that the committee review the broader economic impact of the proposed legislation, specifically on the effect of fertility on the long term

economic well-being. He referenced the "replacement level fertility rate" which addressed the average number of children born to each woman in a society in order for the population to sustain itself. He spoke about an international "demographic crisis" in developed countries.

[3:25:43 PM](#)

ARLENE BRISCOE, Vice President, Legislative Chair, Alaska Nurses Association, stated support for the proposed bill, and directed attention to a letter of support [Included in members' packets] stating the strong belief that Alaskan women and families should have an opportunity to have available, adequate birth control supplies for 12-months at a time. She declared that this would prevent unintended pregnancies which cost the state millions of dollars annually.

[3:27:15 PM](#)

RUDY POGLITSH said that the proposed bill allowed abortion and not contraception, which he deemed was "the gravest of moral issues." He stated that lawmakers should not force someone's morality on someone else. He declared his opposition to HB 25.

[3:28:15 PM](#)

KATIE BRUGGEMAN declared that the U.S Supreme Court, not advocacy groups, had decided that women could decide for themselves whether they wanted to bear and raise children. She shared that one reason to support the bill was that lower income women working several jobs and relying on public transportation would benefit from fewer trips to the pharmacy. She opined that there were also fewer administrative costs. She stated that the proposed bill made sense for women in the tourism and fishing industries who did not have access readily available to pharmacies. She declared that family planning was an essential component of economic opportunity for women, and that reproductive choice allowed for great access to education and career advancement.

[3:29:24 PM](#)

JEANNETTE OKINCZYK stated her support of the proposed bill and said that birth control was a responsible action and that family planning should be a right. She stated that the proposed bill offered families the power to make responsible decisions.

[3:31:12 PM](#)

CHAIR SPOHNHOLZ closed public testimony.

REPRESENTATIVE EASTMAN asked for the division's perspective.

[3:31:46 PM](#)

ANNA LATHAM, Deputy Director, Juneau Office, Division of Insurance, Department of Commerce, Community & Economic Development, replied that the Division of Insurance had prepared a zero-fiscal note for the proposed bill, and that the administration's stance was officially neutral. She relayed that this legislation would be processed to ensure that it adhered to Alaska statute before approval by the division.

MS. LATHAM, in response to Representative Eastman, said that self-funded plans under ERISA [Employee Retirement Income Security Act of 1974] could take this into account and any group health or individual market plans would require legislative action prior to the change.

REPRESENTATIVE EASTMAN asked what changes would need to be made for this to be done voluntarily.

MS. LATHAM replied that it would need to be driven by a change in Alaska statute.

REPRESENTATIVE EASTMAN asked what, in statute, would keep this from being changed if it was desired.

MS. LATHAM offered her belief that nothing in statute would prevent this from an insurance standpoint, although there could be another prescribing requirement or other issues.

CHAIR SPOHNHOLZ suggested that the bill sponsor could offer additional information.

MS. KUBITZ in response to Representative Eastman, said that the proposed bill was not a mandate to insurance companies, however it allowed for an option to the consumers. The proposed bill would be a mandate to make it available, as it was currently the "culture of the insurers" to only offer shorter supplies.

REPRESENTATIVE EASTMAN questioned the financially beneficial aspect as insurance companies were not currently offering it, when they usually acted in their own economic best interest.

REPRESENTATIVE MATT CLAMAN, Alaska State Legislature, offered his belief that it would be necessary to ask the insurance companies.

MS. KUBITZ cited a letter in opposition, and added that there was a general "push back" to any mandates to insurers.

REPRESENTATIVE EASTMAN asked if any insurance companies had taken this step.

MS. KUBITZ said that although a number of states had implemented this mandate, she was not aware of any insurance companies offering this on their own.

REPRESENTATIVE EASTMAN asked about a response to the concerns for claims that this was a mandate for early abortions.

MS. KUBITZ replied that emergency contraceptive pills were covered under contraceptives, and that the proposed bill was offering a safe and effective means of preventing pregnancy. She declared that emergency contraceptive pills did not terminate or interrupt an established pregnancy, hence they did not cause an abortion. She declared that the only connection to abortion was the potential to prevent the need.

REPRESENTATIVE EASTMAN asked for her definition to pregnancy.

MS. KUBITZ offered her understanding that emergency contraceptive pills prevented ovulation, and not the termination of an established pregnancy.

CHAIR SPOHNHOLZ pointed out that these were already available on the market and that the proposed bill did not specifically address them. She stated that this was a different issue, the proposed bill was for an extension to the availability of contraception.

REPRESENTATIVE JOHNSTON asked why this 12-month supply was not being offered for other prescription drugs with similar benefits to the patient.

MS. KUBITZ replied that there were a number of maintenance medications available, including birth control, high blood pressure, and heart disease, and prescribers could write prescriptions for a 90 day supply with three refills. She opined that control of the dispensation was a choice of the

insurance companies, which was different for different insurance companies.

REPRESENTATIVE JOHNSTON asked about an extension of this mandate to include other drugs, citing that "it's not broad enough" as a possible problem with the legislation.

REPRESENTATIVE CLAMAN reminded that there had been discussion in a previous meeting for "a number of medications that are prescribed up to 12-month supply." He offered his understanding that there were other medications dispensed for more than 90 days, citing some of the mail-in prescription programs, although he was unsure of the details for specific medications.

REPRESENTATIVE EASTMAN asked if anything prevented the dispensation of contraception medication through the mail.

MS. KUBITZ replied that there were mail order programs through some insurers for a 90-day supply. She pointed out that the proposed bill allowed for all of the prescription to be mailed in bulk at one time. She offered her belief that women would like access to more than what was currently available.

REPRESENTATIVE EASTMAN opined that a year was a long period of time, and that it was possible for some loss of the pills. He asked about any associated cost and impact on the insurers.

REPRESENTATIVE CLAMAN offered his belief that the risk of losing prescriptions did not depend on the length of the supply, and that there was not a significant impact to the actuarial world.

MS. KUBITZ added that the fiscal note labeled OMB 2077 provided by the Department of Health and Social Services [Included in members' packets] did take into account the potential loss of supply.

[3:46:01 PM](#)

CHAIR SPOHNHOLZ stated that the bill would be held over.

**HB 123-DISCLOSURE OF HEALTH CARE COSTS**

[3:46:26 PM](#)

CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 123, "An Act relating to disclosure of health

care services and price information; and providing for an effective date."

[3:46:48 PM](#)

REPRESENTATIVE EDGMON moved to adopt the proposed committee substitute (CS) for HB 123, labeled 30-LS0380\T, Glover, 3/9/17, as the working draft.

CHAIR SPOHNHOLZ objected for discussion.

BERNICE NISBETT, Staff, Representative Ivy Spohnholz, Alaska State Legislature, paraphrased the changes in the proposed committee substitute [Included in members' packets], which read:

Section 2, subsections (a) and (b) states that health care facilities and providers will compile a list by procedure code.

We've also changed "including a brief and easily understandable description," to "in plain language that an individual with no medical training can understand."

Line 23 we added "and" after "performed;"

Subsection (d) states that the health care provider or facility may add a disclaimer explaining that what the consumer pays may be higher or lower than the amount listed.

Subsection (g) states that if the individual is fined and wants to appeal, the individual is entitled to a hearing conducted by the office of administrative hearings.

In Subsection (h), the definition of health care facility does not include federal health a facility operated by an Alaska tribal health organization or a hospital operated by the United States Department of Veterans Affairs or the United States Department of Defense, or any other federally operated hospital or facility.

Subsection (h), number (7) - undiscounted price is defined.

[3:49:22 PM](#)

CHAIR SPOHNHOLZ opened public testimony.

[3:49:43 PM](#)

JENNIFER MEYHOFF, Senior Vice President, Marsh and McLennan Agency, stated that the agency was a global consulting firm. She added that she was the Legislative Chair for the Alaska Association of Health Underwriters, and that she had 25 years of employee benefits consulting experience and she worked with employers statewide for selection of products to the employee benefit packages. She offered a comparison for the purchase of health care to the determinations for buying coffee or gas or an airline ticket, and declared that a consumer can make a reasonable decision. She declared her support for the proposed bill, as it was time to offer this information to patient consumers, in order to allow decisions prior to receiving care. She suggested that this could contain or reduce the cost of health care.

[3:53:12 PM](#)

CHAIR SPOHNHOLZ removed her objection. There being no further objection, Version T was adopted as the working draft.

REPRESENTATIVE JOHNSTON stated that full disclosure offered choice and the knowledge of cost. She asked for the reason for the exemptions to publicly funded organizations named in the proposed bill.

MS. MEYHOFF expressed her agreement that the charges at those organizations would not affect her clients, although she offered her belief that it was "a very valid question of the information being available could be useful to the overall market."

[3:55:13 PM](#)

JOSH BIEGEL shared a saga of the medical costs after an accident in which his wife broke her arm when she fell on the ice.

[3:57:29 PM](#)

TERRY ALLARD, Senior Benefits Advisor, Wilson Agency, said that she was also a charter member of the Alaska Association of Health Underwriters and a member of the Legislative committee. She urged passage of the proposed bill. She reported that she

had been in the insurance and employee benefits field all across Alaska for more than 30 years. She reported that she spent a significant amount of time educating employees about their benefits and how to best use them, which included conversations for being a responsible consumer. She declared that it was difficult for an individual to be a responsible consumer of health care services in Alaska, as it was not always possible to get the information necessary to make an informed decision. She said that it was easier to determine the procedural options than making an informed decision for the cost and the provider. She stated that consumers could make informed decisions about almost everything except medical services. She relayed that the Municipality of Anchorage had recently passed an ordinance requiring transparency from providers within the city. She stated that this needed to be available all over the state. She cited that almost 30 other states had passed transparency bills similar to the proposed bill. She offered her belief that health care needed to evolve and provide information to the consumers in a more relevant and timely way. She stated her support of HB 123.

REPRESENTATIVE SULLIVAN-LEONARD asked if her agency had a data base available to the consumer for the cost of various procedures.

MS. ALLARD said that her firm was an independent employee benefits advisory company and did not have access to that data.

REPRESENTATIVE SULLIVAN-LEONARD asked if the proposed bill would have helped Mr. Biegel with the challenges posed by his insurance company.

MS. ALLARD opined that the proposed bill would help in some ways, although the issue for in-network providers and the charges was a separate issue. She said that the proposed bill does get to the heart of the matter, as full understanding of the insurance coverage would have allowed him to seek care from another provider.

REPRESENTATIVE SULLIVAN-LEONARD offered her belief that the variables could make it a different price for each patient.

MS. ALLARD acknowledged that the price could be different. She offered her understanding that the proposed bill would ask the providers to post the rack rate, and then the responsibility would be for the consumer to speak with the insurance company to understand the charges and how they would be covered.

REPRESENTATIVE JOHNSTON shared that this was an opportunity for collusion by the insurance companies when publishing rack rates.

MS. ALLARD said that this would put prices on the open market and allow the consumer to shop. She pointed out that there were laws against collusion among medical providers.

REPRESENTATIVE JOHNSTON asked if a public clinic should be excluded.

MS. ALLARD said that she did not know enough about the proposal for public clinics, although in a setting for health care that was being reimbursed, it would be logical to have that cost information disclosed to the consumer.

CHAIR SPOHNHOLZ pointed out that the aforementioned disclaimer information was included in Version T of the proposed bill, so that consumers were not intimidated by pricing. A community health center could mention its sliding fee schedule as well as the providers insurance accepted, and a private office could mention it was a preferred provider for certain organizations.

REPRESENTATIVE JOHNSTON asked if there was any use for an additional disclaimer stating that rates were negotiable.

CHAIR SPOHNHOLZ acknowledged that it could be written into the disclaimer as the language had intentionally been left fairly broad.

REPRESENTATIVE EASTMAN asked if insurance providers usually considered competition pricing.

MS. ALLARD said that frequently the insurance providers were aware of other charges, although she did not know how that knowledge was attained.

[4:07:23 PM](#)

BECKY HULTBERG, President/CEO, Alaska State Hospital and Nursing Home Association, said that ASHNHA supported the concept of price transparency and consumer engagement in health care decision making. She stated that the third party payment to the insurance mechanism made health care decisions much more complicated. She reported that there were many differences between typical commodities and complex health care payment and delivery systems. She stated that, although there was not an

easy solution to the problem without dismantling and rebuilding the health care system, the proposed bill was a good first step toward more transparent pricing. She said that providers to the state should aspire to transparent pricing in a way that did not add additional cost to the system. She declared that cost in the form of compliance should not outweigh the benefits, and the proposed bill would not impose significant administrative burdens that would be transferred as higher costs to the consumer. She reported that ASHNHA hospitals provided estimates, and she expressed her desire that consumers would call and ask for price estimates, to either the insurer or the hospital. She stated that the insurers had the best access to the best data, and that insurers should be required to also make transparency tools available to consumers. She declared that health care price transparency was a complex topic.

REPRESENTATIVE TARR asked if the insurer was also making the transparency tool available to allow the consumer to determine what they would owe.

MS. HULTBERG explained that she was not recommending anything directly related to the proposed bill but simply an additional way for the consumer to gain access to price information. She stated that many insurers and many self-insured employers had price transparency tools. She shared that it was possible to share information on the employee deductible and out of pocket cost. She suggested that the proposed bill focused on patients without insurance who would be paying a rate comparable to the rack rate. She declared that improvement for the provision of price information was a shared responsibility of providers and insurers.

[4:12:50 PM](#)

GINA BOSNAKIS, Small Business Owner, stated that she had worked in the insurance industry for about 30 years. She reported that she worked daily with employees and families, in addition to her employer clients, to find the best fit for health insurance. She testified in support of the proposed bill. She reported that, although coding issues or incorrect payments could be quickly fixed, the most common reason for patient calls was for procedures performed by a provider deemed as out-of-network. She explained that acceptance of insurance by a provider, and being an in-network and preferred provider were two very different things and resulted in a very different charge to the patient. She said this legislation would give patients the power to better understand what to ask, prior to incurring

unexpected expenses. She offered her belief that the proposed bill had the potential to affect the increasing cost of health care in Alaska.

[4:16:08 PM](#)

T.J. ALINEN, Assistant Vice President, Human Resources, Denali Federal Credit Union, reported that Denali Federal Credit Union was the third largest credit union in the state, and had 325 employees residing in Alaska. He declared that Denali Federal Credit Union supported the proposed bill. He stated that the escalation in cost of health care was one of the greatest challenges faced by many organizations in the state. He said that, in a free market, buyers and sellers engaged in communication in determining pricing for services and goods, yet this did not occur in the health care industry. He emphasized that market transparency and the availability of information would assist all Alaskans for being better health care consumers.

[4:19:01 PM](#)

KYLE MIRKA, Business Owner, reported that his business employed 50 people and provided an employer sponsored health care plan. He pointed out that, as premiums had risen almost 40 percent, it would have been cheaper to discontinue the plan and simply pay the PPACA fine. However, his business wanted to provide health care benefits to its employees, even though the business "shouldered the remainder of the burden." He pointed out that any additional increases would make it not affordable for an employer sponsored plan. He declared that health care costs in Alaska "are simply out of control." He opined that it was the only industry where the costs for services were unknown before the service was rendered. He shared that a standard answer from health care professionals for the high cost of health care in Alaska was that "it's expensive to practice in the state." He reported that most of his business products could be purchased in Anchorage for the same price as in Seattle, Pocatello, or Portland. He acknowledged that, although there were added freight costs to Alaska, as well as higher labor costs, it was generally agreed that health care costs in Alaska were disproportionately higher than anywhere else in the world. He offered his belief that price transparency was the first step toward solving the health care problems in Alaska. He declared his support for the proposed bill.

[4:21:17 PM](#)

RHONDA KITTER, Chief Financial Officer, Public Education Health Trust, reported that the Public Education Health Trust was a not for profit health insurance provider for public education employees in Alaska. She relayed that there were 17,000 Alaskans with health insurance through the trust. She added that she was also the Co-Chair of the Alaskans for Sustainable Health Costs, a group of employers working together to address the rising costs of health insurance premiums in Alaska. She pointed out that the question of how much does it cost was so integrated into the act of buying that consumers did not have to ask, as prices were printed, stamped, and posted. She acknowledged that there were some practices, such as car repair and home improvement, which did not usually publish prices, although most professions could not feign a "hard to say" attitude when questioned about costs. She declared support for the proposed bill. She stated that the bill "correctly requires the disclosure of fees at the provider and facility offices, placing the requirement for public disclosure ... in the offices of those organizations." She conceded that, while the proposed bill was not the silver bullet solution for sustainability, it was "one silver BB that is needed to address the rising cost."

[4:23:47 PM](#)

SHAWN PURVIANCE, Valley Block and Concrete, offered his belief that health care costs had driven health insurance premiums so high that it was difficult for his business to take care of its 40 employees. He opined that the free enterprise system required competition, which could not exist unless people knew the cost of goods, and that the health care needed "to be brought into the fold of the free enterprise system, so the consumer can decide what gets them the best value for the services they require." He declared that he was not a "huge fan of government regulation of any industries," but he felt this was an important first step for something which would happen of its own accord. He offered his belief that the cost of health care was out of proportion in Alaska, although the insurance companies did have some culpability. He offered an analogy for the increased cost of health insurance compared to the cost of concrete during the past 9 years, pointing out that that it was not possible to raise concrete prices to stay in step. He asked why health care was so expensive in Alaska, as it did not cost that much more to do business in Alaska. He noted that his business proudly posted its prices on handouts and on its website. He offered his belief that the proposed bill was an

important first step to provide affordable health care in Alaska. He declared his support for the proposed bill.

4:29:22 PM

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Division of Senior and Disabilities Services, Department of Health and Social Services (DHSS), expressed support by the commission for the proposed bill. She offered a brief overview of the commission. She referenced an earlier statewide meeting with seniors discussing the proposed bill, and added that there was an overwhelming positive response for the bill. She shared that a priority strategy was to disclose health care pricing. She acknowledged that this was a first step toward a solution for a very complicated situation. She declared support for HB 123.

4:32:20 PM

CHAIR SPOHNHOLZ closed public testimony.

REPRESENTATIVE EASTMAN asked if a cost comparison with a competitor had been considered as a means to accomplish price transparency.

CHAIR SPOHNHOLZ, as the sponsor of the bill, said that this comparison was usually required of insurance providers, and she acknowledged that this was a potential option. She said that the changes to health care costs and reform of the health care system was a marathon and that the proposed bill was only a few hundred yards into the first mile, although it was a very important first step. She offered her belief that it was very important for consumers to have the necessary information to make an informed decision at the time of service. She opined that this was a simple first movement.

REPRESENTATIVE EASTMAN said that he was in support of transparency and that the proposed bill offered modest gains. He opined that this information did not necessarily translate to the transparency he would hope to achieve. He acknowledged that he did not have an answer, but that he was not overoptimistic for success.

CHAIR SPOHNHOLZ stated that the feedback was valid, and there were more comprehensive ways to address the issue. She suggested that an all payer claims database could be the gold standard, as it would allow people to look at much more detailed

information which incorporated each individual's insurance situation. She added that it would also require a significant fiscal note, which was not feasible in the current financial situation.

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REPRESENTATIVE EDGMON moved to report CSHB 123, Version 30-LS0380\T, Glover, 3/9/17, out of committee with individual recommendations and the forthcoming fiscal notes. There being no objection, CSHB 123 (HSS) was moved from the House Health and Social Services Standing Committee.

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The committee took an at-ease from 4:37 p.m. to 4:41 p.m.

**HCR 3-APRIL 2017: CHILD ABUSE PREVENTION MONTH**

[4:41:40 PM](#)

CHAIR SPOHNHOLZ announced that the final order of business would be HOUSE CONCURRENT RESOLUTION NO. 3, Proclaiming April 2017 as Child Abuse Prevention Month; and proclaiming April 7, 2017, as Go Blue Friday.

[4:41:57 PM](#)

MAGDALENA OLIVEROS, Staff, Representative Geran Tarr, Alaska State Legislature, stated that the proposed resolution nominated the month of April to be named and recognized as "Child Abuse Prevention Month" and proclaimed April 7, 2017, to be recognized as "Go Blue Friday." She explained that "Go Blue Friday" would allow Alaskans statewide to wear blue as a symbolic gesture that child abuse would not be tolerated in Alaska. By speaking up and raising awareness, Alaskans could stand together to put an end to the violence, and be a part of the effort toward prevention. She offered a history of the national child abuse prevention month, and pointed out that it recognized a commitment and dedication to implementing and identifying solutions to ending child abuse. She stated that every year, many states recognized the month of April to stand strong in support of children. She reported that Alaska had one of the highest rates of child abuse in the country - 42 out of 1,000 children were victims of abuse - and that in 2014, the Office of Children's Services had received more than 40,000 allegations of harm. She noted that children who were subject to abuse were

more likely to become abusers and engage in criminal activity, as well as have more psychological and physiological issues. She declared that every child deserved a safe home and an opportunity to grow into a responsible member of society. She emphasized that everyone needed to work together to support the children in the state.

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REPRESENTATIVE GERAN TARR, Alaska State Legislature, directed attention to the "Alaska OCS Protective Service Reports Received During 2016" [Included in members' packets] and shared that these reports were produced monthly. She offered her opinion that these reports should be monitored closely, pointing out that the total number of alleged victims of physical abuse in this report was equal to the total number of students at Wasilla High School, at East High School, and half the students at Juneau-Douglas High School. She declared that the numbers were staggering, reporting that rates of child abuse in Alaska were six times the national average. She opined that this was a public health crisis, as well as a moral crisis. She directed attention to the handout about ACEs (Adverse Childhood Experiences) [Included in members' packets] and explained that the challenge presented by the current fiscal situation offered an opportunity to better understand the cost to society from the impact of child abuse, estimated to be in excess of \$700 million annually. She reported that these Adverse Childhood Experiences had impacts on relationships, the ability to keep jobs, and the engagement in risky behaviors. She added that there was also a physiological impact, which included obesity and diabetes. She declared that, not only was there a cost benefit to the health care system, but there was an added benefit for healthier communities, stronger individuals, and a healthier Alaska. She offered her belief that the state did not have "a handle on it enough" to not have this resolution presented for discussion each year. She stated that it was necessary to be reminded of the violence in our communities, the families that were struggling, the children that were impacted, and the ways that could be offered for a solution. She explained that "Go Blue Friday" provided a day for everyone to be a participant in the process, as everyone could wear blue or have a blue button, which could spark conversation. She expressed a strong hope that more people than ever would participate and encourage others to seek out help, which could help prevent child abuse.

REPRESENTATIVE SULLIVAN-LEONARD asked why she chose the color blue.

REPRESENTATIVE TARR explained that blue was the national color for child abuse prevention. She suggested that the House Health and Social Services Standing Committee all wear blue.

[4:51:33 PM](#)

PATRICK ANDERSON stated that he had sent in written testimony. He shared that, in 2003, he had left law practice in order to pursue "a very nebulous vision of healing." He referenced a paper he had written in 2009 in which he stated that health care costs could be reduced by 50 percent by addressing a "lean health care" management system, which would include programs that addressed child abuse and neglect. He pointed out that there was a "huge cost to childhood acquired trauma," an issue for which criminal penalties could not be legislated. He said that the original Adverse Childhood Experiences study found that 22 percent of a predominantly white, middle class, well-educated population had identified sexual abuse in their lives. He stated that the legal definition of child abuse did not take into account all the iterations of adverse childhood experiences, and did not adequately reflect these costs. He suggested that policy dialogues needed to go further to include the programs which supported the elimination of child abuse. He declared his support for HCR 3.

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CHAIR SPOHNHOLZ closed public testimony and stated that the resolution would be held over.

[4:57:28 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:57 p.m.