

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 16, 2024

3:33 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator James Kaufman, Vice Chair
Senator Löki Tobin
Senator Forrest Dunbar
Senator Cathy Giessel

MEMBERS ABSENT

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 17(HSS) AM(EFD FLD)

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

- HEARD & HELD

SENATE BILL NO. 219

"An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 17

SHORT TITLE: CONTRACEPTIVES COVERAGE:INSURE;MED ASSIST

SPONSOR(S): REPRESENTATIVE(S) CARRICK

01/19/23	(H)	PREFILE RELEASED 1/9/23
01/19/23	(H)	READ THE FIRST TIME - REFERRALS
01/19/23	(H)	HSS, CRA, L&C, FIN
02/07/23	(H)	HSS AT 3:00 PM DAVIS 106
02/07/23	(H)	Heard & Held
02/07/23	(H)	MINUTE(HSS)
02/18/23	(H)	HSS AT 3:00 PM DAVIS 106
02/18/23	(H)	-- MEETING CANCELED --

03/02/23 (H) HSS AT 3:00 PM DAVIS 106
 03/02/23 (H) Moved CSHB 17(HSS) Out of Committee
 03/02/23 (H) MINUTE(HSS)
 03/07/23 (H) HSS AT 3:00 PM DAVIS 106
 03/07/23 (H) Moved CSHB 17(HSS) Out of Committee
 03/07/23 (H) MINUTE(HSS)
 03/08/23 (H) HSS RPT CS(HSS) 3DP 2NR
 03/08/23 (H) DP: RUFFRIDGE, SUMNER, MINA
 03/08/23 (H) NR: SADDLER, PRAX
 03/16/23 (H) CRA AT 8:00 AM BARNES 124
 03/16/23 (H) Heard & Held
 03/16/23 (H) MINUTE(CRA)
 03/17/23 (H) FIN REFERRAL REMOVED
 03/17/23 (H) BILL REPRINTED
 03/21/23 (H) CRA AT 8:00 AM BARNES 124
 03/21/23 (H) Moved CSHB 17(HSS) Out of Committee
 03/21/23 (H) MINUTE(CRA)
 03/22/23 (H) CRA RPT CS(HSS) 5DP 1NR
 03/22/23 (H) DP: HIMSCHOOT, MEARS, MCKAY, RUFFRIDGE,
 MCCORMICK
 03/22/23 (H) NR: MCCABE
 03/27/23 (H) L&C AT 3:15 PM BARNES 124
 03/27/23 (H) Heard & Held
 03/27/23 (H) MINUTE(L&C)
 03/31/23 (H) L&C AT 3:15 PM BARNES 124
 03/31/23 (H) Moved CSHB 17(HSS) Out of Committee
 03/31/23 (H) MINUTE(L&C)
 04/03/23 (H) L&C RPT CS(HSS) 2DP 3NR
 04/03/23 (H) DP: CARRICK, SUMNER
 04/03/23 (H) NR: RUFFRIDGE, PRAX, WRIGHT
 05/17/23 (H) ADJOURNED - ON 1/16/2024 CALENDAR
 01/16/24 (H) RETURNED TO RLS COMMITTEE
 03/22/24 (H) CALL FOR THE QUESTION
 03/22/24 (H) TRANSMITTED TO (S)
 03/22/24 (H) VERSION: CSHB 17(HSS) AM(EFD FLD)
 03/25/24 (S) READ THE FIRST TIME - REFERRALS
 03/25/24 (S) HSS, L&C
 04/16/24 (S) HSS AT 3:30 PM BUTROVICH 205

BILL: SB 219

SHORT TITLE: PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

SPONSOR(S): SENATOR(S) WILSON

02/07/24 (S) READ THE FIRST TIME - REFERRALS
 02/07/24 (S) L&C, HSS
 03/13/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/13/24 (S) Heard & Held

03/13/24	(S)	MINUTE (L&C)
04/08/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/08/24	(S)	Heard & Held
04/08/24	(S)	MINUTE (L&C)
04/10/24	(S)	L&C WAIVED PUBLIC HEARING NOTICE, RULE 23
04/10/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/10/24	(S)	Moved SB 219 Out of Committee
04/10/24	(S)	MINUTE (L&C)
04/15/24	(S)	L&C RPT 3DP 1NR
04/15/24	(S)	DP: BJORKMAN, DUNBAR, GRAY-JACKSON
04/15/24	(S)	NR: MERRICK
04/16/24	(S)	HSS AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE ASHLEY CARRICK, District 35
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 17.

CHERIE BOWMAN, Staff
Representative Ashley Carrick
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a summary of changes for HB 17 version A to B and version B to U.

SONIA KUMAR, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 17.

ROSE TITUS, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 17.

JULIA FONOV, Staff
Senator David Wilson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Delivered the sponsor statement and sectional analysis for SB 219 on behalf of the sponsor.

LORI WING-HEIER, Director
Division of Insurance
Department of Commerce, Community
and Economic Development (DCCED)

Anchorage, Alaska

POSITION STATEMENT: Answered questions on SB 219.

JEFFERY DAVIS, Senior Vice President

Radiation Business Solutions

Joelton, Tennessee

POSITION STATEMENT: Invited testimony for SB 219.

BRENDA SNYDER, Director of State Government Affairs

CVS Health

Tacoma, Washington

POSITION STATEMENT: Testified in opposition to SB 219.

PAM VENTGEN, Executive Director

Alaska State Medical Association

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 219.

GARY STRANNIGAN, Vice President

Congressional and Legislative Affairs

Premera Blue Cross and Blue Shield of Alaska

Everett, Washington

POSITION STATEMENT: Testified in opposition to SB 219.

ACTION NARRATIVE

[3:33:17 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Dunbar, Kaufman, Tobin, and Chair Wilson.

HB 17-CONTRACEPTIVES COVERAGE:INSURE;MED ASSIST

[3:34:13 PM](#)

CHAIR WILSON announced the consideration of CS FOR HOUSE BILL NO. 17(HSS) am(efd fld) "An Act relating to insurance coverage for contraceptives and related services; and relating to medical assistance coverage for contraceptives and related services."

CHAIR WILSON stated SB 27 was the companion bill to HB 17.

[3:35:09 PM](#)

REPRESENTATIVE ASHLEY CARRICK, District 35, Alaska State Legislature, Juneau, Alaska, sponsor of HB 17 said she would provide an overview of HB 17 as it is the companion bill to SB 27 which the committee had already heard. She reiterated that HB

17 is an insurance bill mandating coverage for up to 12 months of prescription contraceptives to be dispensed at one time. She clarified that providers can already prescribe a 12-month supply, and HB 17 preserves the provider's prerogative to make that decision. The bill aims to address access issues at the pharmacy counter by ensuring insurance coverage for prescriptions already issued by providers. She emphasized that the legislation helps reduce unintended pregnancies and supports responsible family planning.

[3:36:50 PM](#)

CHERIE BOWMAN, Staff, Representative Ashley Carrick, Alaska State Legislature, Juneau, Alaska, Provided a summary of changes for HB 17 version A to B:

[Original punctuation provided.]

House Bill 17

Summary of Changes – Version A to Version B

"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."

Page 1, line 10

Following "contraceptives;", inserts "and".

Page 1, lines 11-14

Deletes Section 1(a)(B): "emergency contraception, including over-the-counter 12 emergency contraception, approved by the United States Food and Drug 13 Administration; the insurer may not require a prescription for coverage of 14 over-the-counter emergency contraception under this subparagraph; and" and reletters the following subparagraph accordingly.

Page 7, line 2 Following "dispensing;", inserts "and".

Page 7, lines 3-6

Deletes Section 6(c)(2): "emergency contraception, including over-the-counter emergency contraception, approved by the United States Food and Drug Administration; the department may not require a prescription for coverage of over-the-counter emergency contraception under this paragraph; and" and renumbers the following paragraph accordingly.

[3:37:43 PM](#)

At ease

[3:38:27 PM](#)

CHAIR WILSON reconvened the meeting.

[3:38:31 PM](#)

MS. BOWMAN said she would discuss the explanation of changes for HB 17 from version B.A to U.

[3:38:42 PM](#)

At ease

[3:38:52 PM](#)

CHAIR WILSON reconvened the meeting and opened public testimony on HB 17.

[3:39:23 PM](#)

SONIA KUMAR, representing self, Juneau, Alaska, testified in support of HB 17. She shared her experience as a former seasonal worker in remote national wildlife refuges, often relocating every three to six months. She stated that having access to a full year of birth control during fieldwork would have been immensely helpful, as remote locations often lack access to doctors or pharmacies. Missing a month of birth control disrupted her hormones and posed challenges. She emphasized that many seasonal and remote workers in Alaska, especially during summer, would greatly benefit from the ability to obtain a full year's supply of birth control.

[3:40:17 PM](#)

ROSE TITUS, representing self, Anchorage, Alaska, testified in support of HB 17. She emphasized the importance of HB 17, particularly for Alaska's rural villages, where regular medical care and mail delivery can be unreliable, sometimes delayed for weeks due to weather. She noted that consistent access to medications is crucial to avoid potential side effects caused by gaps in availability. She highlighted that even in cities, pharmacy stocking issues complicate access to medications, with delays lasting days, weeks, or months, and unexpected pharmacy closures adding to the challenges. She stated that this legislation could improve patient care statewide.

[3:41:54 PM](#)

CHAIR WILSON closed public testimony on HB 17.

[3:42:01 PM](#)

CHAIR WILSON solicited a motion.

[3:42:05 PM](#)

CHAIR TOBIN moved to adopt the senate committee substitute (SCS) for CSHB 17(HSS) am(efd fld), work order 33-LS0222\U, as the working document.

[3:42:17 PM](#)

CHAIR WILSON objected for purposes of discussion.

[3:42:24 PM](#)

MS. BOWMAN provided the explanation of changes for HB 17, version B.A to U:

**SCS CS HB 17 (HHS): CONTRACEPTIVES COVERAGE: INSURE; MED. ASSIST
EXPLANATION OF CHANGES
Version B.A to Version U**

The Senate Committee Substitute for Committee Substitute for House Bill 17, version U, makes the following changes:

- On page 3, lines 19 - 26, under newly added Section 2, version B.A. added language to clarify religious exemptions. On page 3, lines 14-21, the CS includes this language under Section 1 and removes the reference to "a person's health care" and focuses the legislation on health care insurance coverage regarding contraceptive methods. This change was requested by the bill's sponsor.

MS. BOWMAN stated the change was made due to a legal memorandum that Representative Carrick's Office received, which was distributed to committee members.

[3:43:13 PM](#)

At ease

[3:45:18 PM](#)

CHAIR WILSON reconvened the meeting and stated Senator Giessel arrived.

[3:45:30 PM](#)

MS. BOWMAN continued her summary of changes HB 17, version B.A to U and referring to the first change added that legal guidance believed the original provision was too broad. The next two changes were requested by the Department of Health:

- On page 7, lines 22, 25, 29, 31, under Section 8, regarding the conditional effective date, the CS removes the references to Section 6 and replaces them with the correct references to Section 7.
- On page 7, line 26, the CS changes the conditional effective date from January 1, 2025, to January 1, 2026.

[3:46:47 PM](#)

SENATOR GIESSEL stated that on HB 17, version U, page 7, still references Section 6 under conditional affects three times. She found reference to Section 7. She asked if she was missing something.

[3:47:54 PM](#)

REPRESENTATIVE CARRICK asked for clarification on which page and section Senator Giessel was referencing.

[3:48:00 PM](#)

SENATOR GIESSEL stated she found the reason for her confusion.

[3:48:08 PM](#)

SENATOR DUNBAR stated his belief that Senator Giessel was correct, and an error existed. He moved on and asked for clarification on the changes made to HB 17 from version A to B in simpler terms. He noted the removal of emergency contraception and inquired if that was the most significant substantive change.

[3:48:57 PM](#)

REPRESENTATIVE CARRICK replied yes, that in layman's terms HB 17, version U, removed emergency contraception language. On the floor of the House an adopted amendment added religious exemption provisions, which is reflected in version B.A. After speaking with legislative legal version B.A was broader in intent than religious exemptions for employers or insurers based on contraceptive method. The language passed on the floor was broad enough to cover all healthcare coverage. Therefore, the language was tightened to reflect the correct intent.

REPRESENTATIVE CARRICK clarified that religious exemption language already exists at the federal level. She explained that the additional state-level language was intended to ensure alignment and duplicity should federal provisions change. She noted that legislative legal staff worked to maintain the spirit and intent of the amendment adopted on the floor without broadening its original purpose.

[3:50:43 PM](#)

SENATOR DUNBAR stated that the substantive changes between HB 17, version A to B, included the removal of emergency contraception, and between version B to U, the refinement of the religious exemption. He noted that other changes were technical, leaving version U largely unchanged from the version previously reviewed by the committee. He asked if this assessment was accurate.

REPRESENTATIVE CARRICK replied that is correct. The other changes were requested by the Department of Health.

[3:51:18 PM](#)

CHAIR WILSON stated he would bring another committee substitute before the committee after drafting corrections are made by the legal department.

[3:51:46 PM](#)

REPRESENTATIVE CARRICK opined that drafting was correct and her office would make corrections to the summary of changes.

CHAIR WILSON said they could review the issue.

[3:52:02 PM](#)

CHAIR WILSON removed his objection.

[3:52:10 PM](#)

CHAIR WILSON found no further objection and SCS CSHB 17(HSS) am(efd fld) was adopted as the working document.

[3:52:22 PM](#)

CHAIR WILSON held SCS CSHB 17(HSS) am(efd fld), as amended in committee.

[3:53:09 PM](#)

REPRESENTATIVE CARRICK thanked the committee for hearing HB 17.

[3:53:40 PM](#)

At ease

SB 219-PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

[3:54:11 PM](#)

CHAIR WILSON reconvened the meeting and announced the consideration of SENATE BILL NO. 219 "An Act relating to utilization review entities; exempting certain health care

providers from making preauthorization requests for certain services; and providing for an effective date."

[3:54:48 PM](#)

JULIA FONOV, Staff, Senator David Wilson, Alaska State Legislature, Juneau, Alaska, provided the sponsor statement for SB 219 on behalf of the sponsor:

[Original punctuation provided.]

**Sponsor Statement
Senate Bill 219**

**"An Act relating to utilization review entities;
exempting certain health care providers from making
preauthorization requests for certain services; and
providing for an effective date."**

SB 219 aims to reduce the wait time for certain health care services by exempting qualified health care providers from making preauthorization requests for said services. Currently, Alaskans who need certain health care services must wait days or weeks to get preauthorized to receive health care services because of the processing time between the health care provider and insurance companies. This bill would help Alaskans receive health care services immediately, especially health care services that could save their lives.

Health care providers shall qualify for a prior authorization exemption if at least 80 percent of prior authorization requests submitted in the past 12-month period were approved for that health care service. Utilization review entities will provide exempted health care providers with a list of health care services for which the exemption applies and the duration of the exemption. This helps eliminate unnecessary delays in care by granting providers exemptions who have demonstrated consistent adherence to approval guidelines from prior authorization requirements.

Other states with prior authorization exemptions have seen increased frequency of patients who receive the health care services they need and help eliminate unnecessary delays in care. This bill will help Alaskans receive fast, efficient, and quality

healthcare when they need it without waiting for a preauthorization process that could cause their health to decline even more.

[3:56:14 PM](#)

MS. FONOV provided the sectional analysis for SB 219:

[Original punctuation provided.]

**Sectional Analysis
Senate Bill 219 v. A**

“An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date.”

Section 1: Amends AS 21 (Insurance) .07 (Patient Protections Under Health Care Insurance Policies) .005 (Regulations relating to health care insurance policies).

Page 1, line 5, through line 14: Adds processes for the Director of Insurance to adopt regulations for utilization review entities, who are individuals that perform prior authorization, as established under section 2 of this bill.

Section 2: Adds a new section .100 (Utilization review entities) to AS 21 (Insurance) .07 (Patient Protections Under Health Care Insurance Policies) Page 2, line 1 through line 7: Adds section (a) which explains a healthcare provider is not required to complete prior authorization for a covered person if at least 80 percent of prior authorization requests submitted by the provider for that health care service have been approved in the past 12 months.

Page 2, line 8 through line 12: Adds section (b) which explains a health care provider may be evaluated if they continue to qualify for an exemption not more than once every 12 months, and an existing exemption is not required to be evaluated and a longer exemption period may be established.

Page 2, line 13 through 14: Adds section (c) which explains health care providers do not have to request an exemption to qualify for an exemption.

[3:57:41 PM](#)

MS. FONOV continued the sectional analysis of SB 219, version A:

[Original punctuation provided.]

Page 2, line 15 through 20: Adds section (d) which explains if a health care provider is denied an exemption, they may request evidence once every 12 months on why they were denied an exemption and an explanation of how to appeal the denial, and the health care provider may appeal the denial.

Page 2, line 21 through line 30: Adds section (e) which explains utilization review entities may revoke an exemption after 12 months if: (1) they determine the health care provider does not meet the 80 percent approval criteria based on a review of the claims for the health care service for which the exemption applies, (2) they provide the health care provider with the information used to determine revoking the exemption, (3) they explain to the health care provider how to appeal the determination.

Page 2, line 31 through page 3, line 3: Adds section (f) which explains the exemption remains in effect until 30 days after the health care provider is notified of the decision to revoke the exemption or, if the health care provider appeals the determination, five days after the revocation is kept after appeal.

Page 3, line 4 through line 8: Adds section (g) which specifies a decision to revoke or deny an exemption by a utilization review entity must be made by a health care provider licensed in Alaska with the same or similar specialty as the health care provider being considered and must have experience providing the health care service for which the requested exemption applies.

Page 3, line 9 through 13: Adds section (h) which specifies a utilization review entity must provide a health care provider who receives an exemption of this section with a notice that includes: (1) a statement that the health care provider qualifies for an exemption from a prior authorization requirement and the duration of the exemption, (2) a list of health care services for which the exemption applies.

[3:59:34 PM](#)

MS. FONOV continued the sectional analysis of SB 219, version A:

[Original punctuation provided.]

Page 3, line 14 through line 23: Adds section (i) which specifies utilization review entities may not deny or reduce payment for a health care service exempted from prior authorization, including a health care service ordered by an exempted health care provider that is performed or supervised by another health care provider, unless the health care provider providing the health care service: (1) knowingly misrepresented the health care service in a request for payment with the specific intent to deceive and obtain an unlawful payment from a utilization review entity or, (2) failed to substantially perform the health care service.

Page 3, line 24 through page 4, line 19: Adds section (j) which defines in this section:

(1) "health care service" means: (A) the provision of pharmaceutical products, services, or durable medical equipment or, (B) a health care procedure, treatment, or service provided: (i) in a health care facility licensed in this state or, (ii) by a doctor of medicine, by a doctor of osteopathy, or within the scope of practice of a health care professional who is licensed in this state.

(2) "health maintenance organization" has the meaning given in AS 21.86.900 (means a person that undertakes to provide or arrange for basic health care services to enrollees on a prepaid basis).

(3) "prior authorization" means the process used by a utilization review entity to determine the medical necessity or medical appropriateness of a covered health care service before the health care service is provided or a requirement that a covered person or health care provider notify a health care insurer or utilization review entity before providing a health care service.

(4) "utilization review entity" means an individual or entity that performs prior authorization for: (A) an employer in Alaska with employees covered under a health benefit plan or health insurance policy, (B) a health care insurer, (C) a preferred

provider organization, (D) a health maintenance organization or, (E) an individual or entity that provides, offers to provide, or administers hospital, outpatient, medical, prescription drug, or other health care benefits to a person treated by a health care provider licensed in Alaska under a health care policy, plan, or contract.

[4:00:09 PM](#)

MS. FONOV continued the sectional analysis of SB 219, version A:

[Original punctuation provided.]

Section 3: Effective date. Provides an immediate effective date.

[4:00:22 PM](#)

SENATOR TOBIN referred to the definition section of SB 219 page 4, line 9 and sought clarification on the term "utilization review entity." She noted that the term "entity" typically suggests a group or organization but observed in the definition that it could refer to an individual or an organization. She asked for an explanation of the sponsor's intent.

[4:01:11 PM](#)

MS. FONOV deferred Chair Wilson.

CHAIR WILSON deferred to Ms. Wing-Heier.

[4:01:40 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, explained that utilization review or independent review organizations are used by the division to resolve disputes over denied claims or contested treatments. She stated that these organizations are typically peer groups with specialized knowledge of procedures and operate under a rotating contract system, with approximately 10 groups currently used. When a request is received, it is sent to these organizations for an independent determination on whether the treatment is justified, or the insurance company is correct in denying it. She emphasized that the reviewers are highly qualified, independent of the insurance companies, and not directly connected to the patients. She noted that none of the organizations are based in Alaska but offered to provide a list of the groups used.

[4:02:50 PM](#)

SENATOR TOBIN sought clarification of her understanding. She noted that the peer groups evaluate services within their expertise but raised a concern about how this aligns with prior authorization, which she associated with needing a quick response. She asked how these two processes intersect, as assembling and deploying a group appears to require time.

[4:03:20 PM](#)

MS. WING-HEIER explained that the independent review organizations are already established and operational, serving not only Alaska but other states as well. For immediate needs, the process requires a response within 24 hours, ensuring timely handling of urgent cases, while non-urgent cases follow specified time frames, which she offered to provide. She clarified that these reviews primarily address denied claims or situations where prior authorization is not granted. She noted there is no way to bypass prior authorization and emphasized reliance on these organizations to determine if the patient is entitled to the treatment under their policy.

[4:04:12 PM](#)

CHAIR WILSON announced invited testimony on SB 219.

[4:04:33 PM](#)

JEFFERY DAVIS, Senior Vice President, Radiation Business Solutions, Joelton, Tennessee, said he is a healthcare consultant with extensive experience in Alaska's healthcare industry since 1986, including as president of Blue Cross of Alaska from 1996 to 2013. He said he has worked five years on the provider side insurance and is testifying as an interested party. He stated that SB 219 is primarily about protecting patients rather than focusing on payers or providers. He emphasized that patients bear the most significant costs of delays caused by prior authorization, experiencing documented physical, emotional, and financial harms. While acknowledging that prior authorization impacts providers, he stressed that the effects on patients are paramount.

[4:05:53 PM](#)

MR. DAVIS stated that prior authorization initially aimed to reduce unnecessary care and ensure quality, but over 40 years, it has expanded unchecked and become more problematic than beneficial. He clarified that SB 219 does not eliminate prior authorization but seeks to restore balance, which has become skewed heavily in favor of payers. He explained that provider contracts universally require adherence to payer utilization

standards, including any changes imposed, leaving providers little recourse other than contract termination. He noted that this unchecked authority allows payers to add prior authorization layers without oversight, increasing burdens on patients and providers. He stated that studies show providers spend 10 to 15 percent of their time managing prior authorizations, leading to significant productivity losses and fewer opportunities to see patients, even though approval rates exceed 95 percent.

[4:07:57 PM](#)

MR. DAVIS highlighted that while current statutes require a three-day turnaround for routine prior authorization approvals, the issue arises with denials, which are not uncommon. He explained that in some specialties and with certain payers, routinely recognized treatments are denied entirely, often because payers prefer less expensive alternatives to what the provider deems best for the patient. He emphasized that initial denials could result in weeks or even months of delay before a final resolution is reached and care is provided, placing the costs of the delay on the patients.

[4:09:10 PM](#)

MR. DAVIS stated that SB 219 seeks to restore balance in the relationship between payers and providers. He explained that providers who have a history of approving particular services at least 80 percent of the time are not the intended targets of prior authorization, which is aimed at addressing unnecessary actions, fraud, or abuse. These providers have demonstrated efficiency and effectiveness and should be exempted from the burdens of prior authorization.

[4:09:52 PM](#)

MR. DAVIS further noted that some payers already implement similar programs, often referred to as Gold Card programs, which exempt providers meeting specific standards. He emphasized that SB 219 formalizes this approach into statute, eliminating the need for individual providers to pursue exemptions, a process he described as both costly and time-consuming.

[4:10:41 PM](#)

CHAIR WILSON concluded invited testimony and opened public testimony on SB 219.

[4:11:09 PM](#)

BRENDA SNYDER, Director of State Government Affairs, CVS Health, Tacoma, Washington, Testified in opposition to SB 219. She

stated that Aetna's subject matter expert, Mark Reese, was unavailable but had previously testified in the House expressing concerns. She said Aetna supports innovative approaches to increasing healthcare access but believes SB 219 disregards the benefits of prior authorization, which ensures care is necessary based on clinical guidelines. She argued that the SB 219's broad approach reduces standards without considering patient-specific needs and noted Aetna approves 85 to 90 percent of prior authorization claims. She highlighted Aetna's provider differentiation program, which automates approvals for certain high-performing providers, and expressed concern that SB 219 lowers the approval threshold without accounting for procedure volume or expertise. She urged opposition to SB 219, citing its overly broad scope and the need for better solutions.

[4:13:37 PM](#)

PAM VENTGEN, Executive Director, Alaska State Medical Association, Anchorage, Alaska, testified in support of SB 219. She shared testimony that Dr. John Kelly, an Alaska neurologist treating patients with multiple sclerosis shared on the House floor. She said his patient was a young, active veterinarian woman who was denied prior authorization for the recommended treatment and forced into step therapy with a less effective medication, risking permanent damage and severe consequences. She stated that prior authorization delays have caused significant patient harm, including vision loss, and noted physicians' frustration with educating reviewers on standard care during appeals. She argued that while prior authorization once served a purpose, it has become harmful and no longer cost-effective.

[4:16:51 PM](#)

GARY STRANNIGAN, Vice President, Congressional and Legislative Affairs, Premera Blue Cross and Blue Shield of Alaska, Everett, Washington, testified in opposition to SB 219. He explained that Premera uses prior authorization to combat waste, fraud, and abuse, which the American Medical Association estimates account for 25 percent of U.S. medical spending. He expressed concern that SB 219 would reduce the effectiveness of prior authorization, potentially increasing costs by 2 percent in affected markets, which include the individual, small group, and large group fully insured markets, covering approximately 11 percent of Alaskans. He noted that state employee health plans and Employee Retirement Income Security Act (ERISA) plans would not be impacted.

[4:18:34 PM](#)

MR. STRANNIGAN highlighted that complying with SB 219 would require significant IT investments, which would be challenging to justify in Alaska's small market. He warned that Premera might discontinue prior authorization entirely, replacing it with retrospective review, where unnecessary services would not be paid for, creating uncertainty for providers. He recommended following Washington State's approach by improving system efficiencies, such as reducing turnaround times and promoting electronic submissions to replace outdated fax methods. He noted that Premera has a gold carding program in Alaska, exempting high-performing providers from prior authorization, although some still submit unnecessarily. He shared that only 2.4 percent of claims involve prior authorization, with a 16.3 percent denial rate after appeals, underscoring its limited but impactful use. He emphasized the patient safety and cost benefits of prior authorization and expressed willingness to collaborate with the committee to improve the system.

[4:23:55 PM](#)

SENATOR DUNBAR asked for an explanation of the enforcement mechanism used in the Washington state model at both the front end of responding within the agreed upon timeframe to preauthorization requests and on the back for wrongful denials. He questioned if the Washington state model would address reversal of wrongful denials.

MR. STRANNIGAN replied that the enforcement mechanism in Washington is the Office of the Insurance Commissioner. He opined that Alaska's director of insurance could attest that these offices are very active in protecting consumers, which is how Premera is held accountable.

[4:26:08 PM](#)

CHAIR WILSON closed public testimony on SB 219.

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CHAIR WILSON stated that efforts are ongoing to collaborate with insurers on compromises for the legislation. He indicated a forthcoming committee substitute (CS) that may adjust the 80 percent threshold, raising it to 90 or 95 percent to ensure Alaska does not set the lowest standard nationally. He noted discussions about listing entities instead of individual providers. He mentioned incentives for providers to use electronic submissions while keeping fax submissions optional, as many providers find faxing simpler and more reliable.

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SENATOR TOBIN referenced the fiscal note from the division, noting that costs are expected to be absorbed. She asked for clarification on the anticipated workload to ensure it is adequately accounted for.

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MS. WING-HEIER explained that insurers currently cover the costs of independent reviews, a practice expected to continue for independent review organizations. She noted that a zero fiscal note was submitted because tasks like drafting regulations or program monitoring can be managed by existing staff.

CHAIR WILSON stated that discussions are underway with the Department of Administration to determine what is required to implement SB 219 for AlaskaCare. He deferred to Director Wing-Heier to explain why the Division of Insurance does not oversee AlaskaCare.

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MS. WING-HEIER explained that AlaskaCare operates under separate statutes, as does Medicaid, while Title 21 governs insured products. She noted that combining these areas into one bill often becomes cumbersome. The Department of Administration manages AlaskaCare for retirees, Public Employees' Retirement System (PERS), and Teachers' Retirement System (TERS). Applying Title 21 provisions to AlaskaCare could lead to costly litigation, as the retiree program is constitutionally defined. She stated that while she is not saying it cannot be done, SB 219 does not currently extend to AlaskaCare, focusing instead on the 15 percent of Alaskans covered under Title 21 programs.

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CHAIR WILSON held SB 219 in committee.

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There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 4:31 p.m.