

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

March 20, 2025

3:32 p.m.

MEMBERS PRESENT

Senator Forrest Dunbar, Chair
Senator Cathy Giessel, Vice Chair
Senator Matt Claman
Senator Löki Tobin
Senator Shelley Hughes

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Jesse Bjorkman

COMMITTEE CALENDAR

SENATE BILL NO. 90

"An Act relating to the examination and treatment of minors; relating to consent for behavioral and mental health treatment for minors 16 years of age or older; and providing for an effective date."

- MOVED SB 90 OUT OF COMMITTEE

SENATE BILL NO. 88

"An Act relating to placement of a child in need of aid; relating to adoption; relating to variances for foster care licenses; relating to the medical records of children in foster care; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 121

"An Act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 122

"An Act relating to insurance; establishing standards for health insurance provider networks; and providing for an effective date."

- BILL HEARING CANCELED

SENATE JOINT RESOLUTION NO. 15

"An Act relating to insurance; establishing standards for health insurance provider networks; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 90

SHORT TITLE: MINOR MENTAL HEALTH: AGE OF CONSENT

SPONSOR(s): SENATOR(s) GIESSEL

02/10/25	(S)	READ THE FIRST TIME - REFERRALS
02/10/25	(S)	HSS, FIN
03/04/25	(S)	HSS AT 3:30 PM BUTROVICH 205
03/04/25	(S)	Heard & Held
03/04/25	(S)	MINUTE(HSS)
03/20/25	(S)	HSS AT 3:30 PM BUTROVICH 205

BILL: SB 88

SHORT TITLE: CHILD PLACEMENT; DILIGENT SEARCH

SPONSOR(s): SENATOR(s) BJORKMAN

02/05/25	(S)	READ THE FIRST TIME - REFERRALS
02/05/25	(S)	HSS, FIN
02/27/25	(S)	HSS AT 3:30 PM BUTROVICH 205
02/27/25	(S)	Heard & Held
02/27/25	(S)	MINUTE(HSS)
03/20/25	(S)	HSS AT 3:30 PM BUTROVICH 205

BILL: SB 121

SHORT TITLE: HEALTH INSURANCE ALLOWABLE CHARGES

SPONSOR(s): SENATOR(s) GIESSEL BY REQUEST

03/05/25	(S)	READ THE FIRST TIME - REFERRALS
03/05/25	(S)	HSS, L&C
03/11/25	(S)	HSS AT 3:30 PM BUTROVICH 205
03/11/25	(S)	Heard & Held
03/11/25	(S)	MINUTE(HSS)

03/20/25

(S)

HSS AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

PAIGE BROWN, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered a recap of SB 90.

TAMAR BEN-YOSEF, Executive Director
Alaska Pediatric Partnership
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 90.

INEZ HUNTER, representing self
Bethel, Alaska

POSITION STATEMENT: Testified in support of SB 90.

LANCE JOHNSON, Chief Operating Officer
Alaska Behavioral Health Association
Talkeetna, Alaska

POSITION STATEMENT: Testified in support of SB 90.

ISAAC SMOLDON, Communications Director
My House
North Pole, Alaska

POSITION STATEMENT: Testified in support of SB 90.

LAURA ACHEE, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered a brief recap of SB 88.

KARA JOHNSTON, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 88.

ANDREA BOESHART, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 88.

DESTINEE MCCLUNG, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 88.

JOHN KULIKOWSKI, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 88 with suggestions.

KRISTEN HADDOX, representing self
North Pole, Alaska

POSITION STATEMENT: Testified in support of SB 88.

DEANNA MARTIN, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 88.

EMILY BOLANDER, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 88.

MICHELLE FUNK, representing self
Kotzebue, Alaska,

POSITION STATEMENT: Testified in support of SB 88.

JOSH FUNK, representing self
Kotzebue, Alaska

POSITION STATEMENT: Testified in support of SB 88.

JANE CONWAY, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered a recap of SB 121.

NADJA HIPSZER, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SB 121.

ELI POWELL, MD, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 121.

AMBER MICHAEL, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

LISA JACKSON, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

TARAH SWEENEY, DPT
Progressive Physical Therapy
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

BRENDA SNYDER, Director
State Government Affairs
CVS Health
Tacoma, Washington

POSITION STATEMENT: Testified in opposition to SB 121.

JENNIFER CANET, Practice Manager
Peak Neurology and Sleep Medicine
Willow, Alaska

POSITION STATEMENT: Testified in support of SB 121.

KATIE CAPOZZI, President
Alaska Chamber of Commerce
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 121.

WHITNEY WILLCUT, representing self
Eagle River, Alaska

POSITION STATEMENT: Testified in support of SB 121.

STEVEN SIVILS, DO, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

NICHIA ESTEVEZ, Practice Administrator
Valley Medical Care
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 121.

STEVE COMPTON, MD, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

CHRISTINE SAGAN, Owner
Vitae Integrative Medical Center
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

DAVID JAMISON, Owner
Talkabout Inc.
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 121.

TERESA LYON, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 121.

GARY STRANNIGAN, Vice President
Congressional and Legislative Affairs
Primera Blue Cross and Shield
Everett, Washington

POSITION STATEMENT: Testified in opposition to SB 121.

APRIL ERICKSON, representing self
Kodiak, Alaska

POSITION STATEMENT: Testified in support of SB 121.

NOAH LAUFER, Co-Owner
Medical Park Family Care
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

TIM MULLEN, Chief Executive Officer (CEO)
Ortho Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in support of 121.

JOHN MCDONAGH, President
Alaska Heart and Vascular Institute
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

JENNA SCHMIDT, MD, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 121.

GENE QUINN, Chief Executive Officer (CE)
Envoy Integrated Health
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

WADE ERICKSON, MD
Medical Network of Alaska
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 121.

GLORIA JUENEMAN, Chief Revenue Officer
Alaska Heart and Vascular Institute
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

CAMILLA SULAK, MD, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 121.

ACTION NARRATIVE

[3:32:11 PM](#)

CHAIR DUNBAR called the Senate Health and Social Services Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Tobin, Giessel, Hughes, and Chair Dunbar. Senator Claman arrived soon after.

SB 90-MINOR MENTAL HEALTH: AGE OF CONSENT

[3:33:23 PM](#)

CHAIR DUNBAR announced the consideration of SENATE BILL NO. 90 "An Act relating to the examination and treatment of minors; relating to consent for behavioral and mental health treatment for minors 16 years of age or older; and providing for an effective date."

CHAIR DUNBAR stated no amendments were received for SB 90.

[3:33:49 PM](#)

SENATOR GIESSEL, District E, speaking as sponsor of SB 90 thanked the committee for hearing the bill again and introduced her staff.

[3:34:02 PM](#)

PAIGE BROWN, Staff, Senator Giessel, Alaska State Legislature, Juneau, Alaska, offered a recap of SB 90. She stated that the legislation would lower the age of consent for mental and behavioral health services from 18 to 16, allowing up to five sessions of up to 90 minutes each. After those sessions, services must stop unless continuing without parental consent would harm the minor's well-being.

[3:34:41 PM](#)

CHAIR DUNBAR resumed public testimony on SB 90.

[3:35:23 PM](#)

TAMAR BEN-YOSEF, Executive Director, Alaska Pediatric Partnership, Anchorage, Alaska, testified in support of SB 90. She said the bill is intended to improve access to mental and behavioral health services for Alaska's youth, particularly in

rural areas where resources are already scarce. Demand for these services continues to rise, and delayed treatment leads to worse outcomes and greater strain on an overburdened system. National pediatric ethics guidance supports allowing adolescents with decision-making capacity to consent to needed care, underscoring the importance of reducing unnecessary barriers.

[3:36:05 PM](#)

SENATOR CLAMAN arrived at the meeting.

[3:40:00 PM](#)

INEZ HUNTER, representing self, Bethel, Alaska, testified in support of SB 90. She stated that 16-year-olds are mature enough to seek mental health support on their own and argued that, since 16-year-olds can already make other decisions without parental consent at that age, they should likewise be allowed to see a therapist independently.

[3:41:56 PM](#)

LANCE JOHNSON, Chief Operating Officer, Alaska Behavioral Health Association, Talkeetna, Alaska, testified in support of SB 90. He explained that many adolescents who seek behavioral health support cannot receive it because parents are unavailable or unwilling to consent. He described the distressing consequences of being unable to treat youths in need. He emphasized that older adolescents are capable of making their own health decisions and that rising suicide-related emergency visits among youth make expanded access to care essential.

[3:44:51 PM](#)

ISAAC SMOLDON, Communications Director, My House, North Pole, Alaska, testified in support of SB 90. He explained that the drop-in center serves homeless and at-risk youth ages 14 to 25 and strongly supports the language in SB 90 that would allow unaccompanied homeless minors and youth in foster care to access mental health treatment without parental consent. He noted that this aligns with existing statutes permitting these youth to obtain other essential medical and dental services. On behalf of their clients, he endorsed the amendment as necessary to ensure access to critical mental and behavioral health care.

[3:46:09 PM](#)

CHAIR DUNBAR closed public testimony on SB 90.

[3:46:21 PM](#)

CHAIR DUNBAR solicited the will of the committee.

[3:46:23 PM](#)

SENATOR GIESSEL moved to report SB 90, work order 34-LS0275\A, from committee with individual recommendations and attached fiscal note(s).

[3:46:37 PM](#)

CHAIR DUNBAR found no objection and SB 90 was reported from the Senate Health and Social Services Standing Committee.

[3:46:43 PM](#)

At ease.

SB 88-CHILD PLACEMENT; DILIGENT SEARCH

[3:48:51 PM](#)

CHAIR DUNBAR reconvened the meeting and announced the consideration of SENATE BILL NO. 88 "An Act relating to placement of a child in need of aid; relating to adoption; relating to variances for foster care licenses; relating to the medical records of children in foster care; and providing for an effective date."

[3:49:22 PM](#)

LAURA ACHEE, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, offered a brief recap of SB 88. She stated the legislation would establish clearer guidelines and deadlines for family searches to help connect foster children with relatives or family friends willing to take them in. SB 88 would also give OCS and the courts greater flexibility to place children in settings that are in their best interest.

[3:50:31 PM](#)

CHAIR DUNBAR opened public testimony on SB 88.

[3:50:48 PM](#)

KARA JOHNSTON, representing self, Soldotna, Alaska, testified in support of SB 88. She explained that after caring for a newborn since birth and being told for 15 months that no biological relatives could be found, OCS suddenly identified six family members seeking placement just as parental rights were being terminated. Her foster daughter, now 16 months old and fully bonded to them, was ordered to be moved to strangers with no meaningful transition plan, causing profound trauma for the child and family. As a result, after a decade of fostering, she decided to close their license because they believe the system is harming children and families.

[3:52:57 PM](#)

ANDREA BOESHART, representing self, Kenai, Alaska, testified in support of SB 88. She noted that her family was a licensed resource family from 2018 through 2003. She shared a personal story of a three-year-old girl that was removed from their foster care home to live with a biological family member.

[3:55:41 PM](#)

DESTINEE MCCLUNG, representing self, Anchorage, Alaska, testified in support of SB 88. She said her family fostered eight children over five years and recently closed their license, emphasizing that foster parents are frontline witnesses to serious failures within OCS. She noted that Alaska has lost 32 percent of its general foster homes, in part because foster families become discouraged when they are forced into situations that traumatize children rather than support them. She argued that SB 88's family-search requirements and judicial accountability are necessary to prioritize children's developmental needs, strengthen early attachments, and ensure OCS performs its duties effectively.

[3:58:17 PM](#)

JOHN KULIKOWSKI, representing self, Anchorage, Alaska, testified in support of SB 88. He stated that he has repeatedly witnessed delays, misinformation, and poor decision-making by OCS that have deprived their foster children of meaningful experiences and stability. He said the adoption process has stretched far beyond promised timelines, creating ongoing uncertainty for several children who have already spent many months in the system. While acknowledging SB 88 is not perfect, he said it adds needed accountability and refocuses the system on the well-being of foster children.

[4:00:33 PM](#)

KRISTEN HADDOX, representing self, North Pole, Alaska, testified in support of SB 88. She stated that after eight years as a foster and relative placement home, she has seen how children endure severe trauma and need relatives to show genuine, timely interest rather than waiting years before engaging. She described how OCS policies prevented permanency for a child in their care for five years despite extensive medical documentation, and only strong advocacy from a grandmother allowed the child to remain with them. She emphasized that the harsh realities foster parents witness underscore the need to prioritize children's stability and healing over adult preferences.

[4:03:10 PM](#)

DEANNA MARTIN, representing self, Soldotna, Alaska, testified in support of SB 88. She said that witnessing the harm done to friends and family by a foster care system lacking adequate protection has discouraged her own family from becoming foster parents. She noted foster families step in to shield vulnerable children but are too often undermined by the very system meant to support them. She argued that this dynamic must change.

[4:04:02 PM](#)

EMILY BOLANDER, representing self, Fairbanks, Alaska, testified in support of SB 88. She explained that although they never intended to be a medical-specialized foster home, they have cared for children with extremely complex medical needs and often received no prior medical history. She said foster parents are denied access to critical medical records, hindering safe and timely care. She stated that SB 88's medical-records provision is essential to protecting children by ensuring caregivers can provide rapid, informed, and comprehensive treatment.

[4:06:48 PM](#)

JOSH FUNK, representing self, Kotzebue, Alaska, testified in support of SB 88. He relayed a story of his parents and his foster brother. He said his foster brother was murdered by the biological mother after being put back in her care, despite court statements indicating she was unsafe.

CHAIR DUNBAR asked how SB 88 might have changed the case described, noting that the relatives involved appeared to have already been known to OCS. He asked whether it was an ICWA case and whether any ICWA provisions could conflict with the bill.

[4:10:18 PM](#)

MR. FUNK answered that he was unsure whether ICWA conflicts with SB 88 but confirmed the case was an ICWA case. He explained that the child, Peter, was placed with his parents at nine months and remained with them for four and a half years before being returned to his biological mother, noting that the bill would shorten timelines by requiring adoption consideration at 12 months rather than what he heard was two years. He added that Peter died at six years old and his younger sister was four.

[4:11:40 PM](#)

MICHELLE FUNK, representing self, Kotzebue, Alaska, testified in support of SB 88 and added that the bill's provision addressing long-term placements for children under six would have directly

influenced how the court weighed adoption and prevented the process from being drawn out for too long.

[4:12:18 PM](#)

CHAIR DUNBAR closed public testimony on SB 88.

[4:13:27 PM](#)

CHAIR DUNBAR held SB 88 in committee.

SB 121-HEALTH INSURANCE ALLOWABLE CHARGES

[4:13:29 PM](#)

CHAIR DUNBAR announced the consideration of SENATE BILL NO. 121 "An Act relating to settlement of health insurance claims; relating to allowable charges for health care services or supplies; and providing for an effective date."

[4:13:56 PM](#)

SENATOR GIESSEL, District E, speaking as sponsor stated her staff would give a recap of SB 121.

[4:14:07 PM](#)

JANE CONWAY, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, offered a recap of SB 121. She stated that the legislation would require out-of-network claims to be reimbursed at the 75th percentile, with a minimum payment set at 450 percent of the Medicare rate. Insurers would have to calculate allowable charges using statewide data from a 12-month period and reimburse all providers billing the same CPT code at the same rate. She said SB 121 also mandates periodic audits to ensure insurer compliance with these requirements and Title 21.

[4:15:20 PM](#)

SENATOR CLAMAN asked whether SB 121 applies only to insurers' dealings with out-of-network providers and does not address in-network rates.

[4:15:41 PM](#)

MS. CONWAY replied that is correct.

SENATOR CLAMAN asked whether insurance companies negotiate in-network rates directly with providers. he also asked for confirmation that SB 121 would not limit their ability to differentiate between a physician assistant and a physician for the same service.

[4:16:15 PM](#)

MS. CONWAY replied that the insurer could contract with providers within a network and hash out an agreed upon rate. She said doing so is separate from the 75th percentile out-of-network.

[4:16:46 PM](#)

CHAIR DUNBAR opened public testimony on SB 121.

[4:17:39 PM](#)

NADJA HIPSZER, representing self, Fairbanks, Alaska, testified in opposition to SB 121. She warned that SB 121 will raise costs for a shrinking pool of fully insured employers and individuals while failing to address Alaska's underlying health care challenges. She argued that SB 121 revives policies, like the 80th percentile rule, that previously inflated costs, and noted that providers face the same economic pressures as other businesses without guaranteed prices. She said that if provider subsidies are necessary, pressures should be shared by all Alaskans, not just commercial insurance payers.

[4:20:06 PM](#)

ELI POWELL, Orthopedic Surgeon, representing self, Fairbanks, Alaska, testified in support of SB 121. He argued that the bill protects patients and consumers by preserving leverage for providers in negotiations with insurers. Most Alaska providers have been in-network for years, but without the ability to go out-of-network, insurers could drive rates down to near-Medicare levels despite rising labor costs. He stated there is no evidence that the 80th percentile rule increased costs and noted that premiums have risen even as reimbursements have remained flat. She maintained that physicians are not the cause of rising health care costs and warned that, without SB 121, many practices could fail, making it difficult to sustain health care access in Alaska.

[4:22:27 PM](#)

SENATOR CLAMAN asked if Mr. Powell was in support or in opposition of SB 121.

CHAIR DUNBAR stated his belief that Mr. Powell was in support.

[4:23:01 PM](#)

AMBER MICHAEL, representing self, Anchorage, Alaska, testified in support of SB 121. She stated that unstable reimbursement rates allow insurers to push payments down, making it difficult for providers to sustain their practices and threatening patient access to care. In Alaska, where access is already limited, this

instability can force providers to reduce services, close, or leave the state. She argued that SB 121 is essential to establish fair, predictable reimbursement and prevent further erosion of the healthcare system.

[4:24:46 PM](#)

LISA JACKSON, representing self, Anchorage, Alaska, testified in support of SB 121. She shared her experience as an owner of a private clinic accepting Medicare and Medicaid, but rising costs and declining reimbursement made it financially unsustainable. She warned that further reimbursement cuts for nurse practitioners will force more clinic closures, shifting primary care to emergency rooms and driving up overall health care costs.

[4:28:02 PM](#)

SENATOR CLAMAN announced that Mr. Powell supports SB 121.

[4:28:29 PM](#)

TARAH SWEENEY, DPT, Progressive Physical Therapy, Anchorage, Alaska, testified in support of SB 121. She agreed with the other testifiers and stated additional challenges of owning a physical therapy practice, including difficulty recruiting and retaining therapists due to rising labor costs, administrative burdens, and declining reimbursement rates. These pressures limit her ability to offer competitive compensation and provide timely care, worsening existing provider shortages and reducing access for Medicare and Medicaid patients. She said SB 121 would help by establishing clear, fair reimbursement standards that protect both providers and patients and support continued access to care.

[4:31:41 PM](#)

BRENDA SNYDER, Director, State Government Affairs, CVS Health, Tacoma, Washington, testified in opposition to SB 121. She argued that SB 121 would increase health care costs for Alaskans without improving access by reinstating percentile-based reimbursement that previously drove unsustainable out-of-network expenses. She stated that the repeal of the 80th percentile rule and reliance on the federal No Surprises Act created a fair, market-based system that lowered premiums and out-of-pocket costs while still allowing providers to appeal payments. She warned that SB 121's 75th percentile payment floor would significantly raise consumer cost sharing and premiums and urged lawmakers to oppose the bill.

[4:34:01 PM](#)

JENNIFER CANET, Practice Manager, Peak Neurology and Sleep Medicine, Willow, Alaska, testified in support of SB 121. She said after seeking an increase following ten years without reimbursement, the payer instead proposed lower rates across all billing codes. Meanwhile, operating costs and employee expectations have risen, including a more than 20 percent increase in the cost of providing employee health benefits. She said providers now have little negotiating power, making it difficult to continue serving patients with complex and chronic conditions.

[4:35:46 PM](#)

KATIE CAPOZZI, President, Alaska Chamber of Commerce, Anchorage, Alaska, testified in opposition to SB 121. She argued that reinstating a similar 75th percentile mandate through SB 121 would increase premiums for approximately 118,000 Alaskans and undo recent, data-driven health care reforms. She emphasized that sustainable health care solutions require collaboration among stakeholders and said SB 121 was developed without that collaborative process.

[4:38:37 PM](#)

WHITNEY WILLCUT, representing self, Eagle River, Alaska, testified in support of SB 121. She said Certified Registered Nurse Anesthetist (CRNA)'s make up about half of the state's anesthesia providers and are often the sole anesthesia professionals in critical access hospitals, delivering care comparable in quality to physician colleagues. She warned that lower reimbursement for Advanced Practice Registered Nurse (APRN)'s threatens small practices and hospitals and stressed that equal pay for equal work is necessary to maintain access to care statewide.

[4:40:22 PM](#)

STEVEN SIVILS, DO, representing self, Anchorage, Alaska, testified in support of SB 121. He stated that he agrees with the previous supportive testifiers and added that its hard to recruit people to come to Alaska with the changes to insurance reimbursement. He said SB 121 provides transparency, fairness and stability.

[4:42:10 PM](#)

NICHIA ESTEVEZ, Practice Administrator, Valley Medical Care, Juneau, Alaska, testified in support of SB 121. She explained the struggles Valley Medical Care has been facing and agreed with other testifiers that the loss of the 80th percentile

equals loss of negotiating power with insurance. She stated that it's not sustainable.

[4:44:39 PM](#)

STEVE COMPTON, MD, representing self, Anchorage, Alaska, testified in support of SB 121. He argued that Alaska's health care payment system is dominated by an out-of-state insurer with excessive market power. He described the 80th percentile standard as a consumer protection created to address insurance abuses and warned that eliminating such protections reduces access to care by forcing providers out of the market.

[4:48:06 PM](#)

CHRISTINE SAGAN, Owner, Vitae Integrative Medical Center, Anchorage, Alaska, testified in support of SB 121. She said her experience shows that declining and inconsistent reimbursement rates are financially destabilizing providers and reducing patient access to care in Alaska. She argued that SB 121 would establish fair, transparent reimbursement standards through a statewide payment floor and regular audits, preventing insurers from imposing unsustainable terms. She warned that without SB 121, rising costs and falling reimbursements will force more clinics to close, worsening Alaska's health care crisis.

[4:50:07 PM](#)

DAVID JAMISON, Owner, Talkabout Inc., Fairbanks, Alaska, testified in support of SB 121. He said since the repeal of the 80th percentile rule, insurers have relied on undefined regional benchmarks based on lower-cost states, which do not reflect Alaska's operating realities. He argued that insurers now control reimbursement without bearing the cost of workforce development, making it difficult for providers to compete nationally and sustain services in Alaska.

[4:52:30 PM](#)

TERESA LYON, representing self, Fairbanks, Alaska, testified in support of SB 121. She said that she is an advanced practice registered nurse who owns a psychiatric mental health practice with three clinics and 20 employees, created to train new clinicians and meet growing demand for outpatient services. She described a fragile reimbursement system that led to layoffs of most clinical staff, long waitlists, and significant disruption from insurer actions, including midyear termination of in-network status that harmed patients. She stated that SB 121 would stabilize reimbursement, help rebuild services, and protect access to mental health care across Alaska.

[4:55:55 PM](#)

GARY STRANNIGAN, Vice President, Congressional and Legislative Affairs, Primera Blue Cross and Shield, Everett, Washington, testified in opposition to SB 121. He argued that affordability is the primary barrier to accessing health insurance and care in Alaska and that prior percentile reimbursement rules significantly worsened affordability. He warned that SB 121 would raise costs across all insurance markets, including self-insured plans, and estimated it would increase premiums for a family of four by about \$5,000 in 2026. He concluded that SB 121 would set an artificial payment floor, fuel healthcare inflation, and make care less affordable without providing corresponding consumer benefits.

[4:58:19 PM](#)

CHAIR DUNBAR asked him to repeat who would experience the \$5,000 increase and under what circumstances.

[4:58:29 PM](#)

MR. STRANNIGAN replied that a family of four in the Affordable Care Act (ACA) market would have an increase of \$5,000 in 2026.

[4:58:36 PM](#)

CHAIR DUNBAR asked whether a family of four saw a \$5,000 decrease in their premium when the 80TH percentile rule was repealed.

[4:58:52 PM](#)

MR. STRANNIGAN replied that two rate filings produced reductions of about 4 percent and 6 percent in the individual market, creating roughly 10 percent downward pressure, but rising healthcare costs offset those reductions and premiums still increased over the past two years. He said he expects this trend to reverse in 2026, with filings submitted to the insurance department in June.

[4:59:49 PM](#)

SENATOR CLAMAN asked whether premiums increased overall during the past two years and whether, due to the repeal of the 80th percentile rule, those increases were smaller than they would have been if the rule had remained in place.

[5:00:19 PM](#)

MR. STRANNIGAN replied that is correct.

[5:00:28 PM](#)

SENATOR CLAMAN asked how inflation is factored into the increase.

[5:00:37 PM](#)

MR. STRANNIGAN replied that inflation is factored into cost trend assumptions using medical inflation, which is based on service utilization and unit costs rather than general consumer inflation.

[5:01:21 PM](#)

SENATOR CLAMAN asked for confirmation that it is Mr. Strannigan's testimony that, despite inflationary cost pressures, the 2025 rate filings would reflect an overall reduction in premiums.

[5:01:43 PM](#)

MR. STRANNIGAN replied yes.

[5:02:00 PM](#)

APRIL ERICKSON, representing self, Kodiak, Alaska, testified in support of SB 121. She said the bill affects all advanced practice registered nurses, with impact on anesthesia care. CRNAs provide most anesthesia services statewide, yet insurers reimburse them at only 85 percent of physician rates for the same services. SB 121 would ensure equal pay for equal work, supporting workforce retention and access to anesthesia care across Alaska.

[5:04:24 PM](#)

NOAH LAUFER, Co-Owner, Medical Park Family Care, Anchorage, Alaska, testified in support of SB 121. He stated that his practice sees about 35,000 patient visits annually, including Medicare and Medicaid patients, despite long-standing flat reimbursement rates. He said even though his practice has served the community for over 50 years, financial instability and lack of control over reimbursement make ownership unsustainable and deters future successors. He said reduced specialist availability since the repeal of the 80th percentile rule has increased wait times and forced more out-of-state referrals, raising costs and harming patient care.

[5:07:35 PM](#)

TIM MULLEN, Chief Executive Officer (CEO), Ortho Alaska, Anchorage, Alaska, testified in support of SB 121. He stated he has worked in healthcare for over 30 years and removing the 80th percentile rule eliminates a key consumer protection based on outdated data. Rising costs have not led to higher rates,

showing the repeal hasn't lowered premiums. He warned that Alaska's unique market risks long-term damage if rates are pushed too low.

[5:10:12 PM](#)

JOHN MCDONAGH, President, Alaska Heart and Vascular Institute, Anchorage, Alaska, testified in support of SB 121. He echoed comments of others and said primary care in Alaska is struggling without protections like the 80th percentile rule, threatening recruitment, retention, and access to care. Most independent providers operate alone, and clinicians are not driving price increases. He said major cost drivers are pharmaceuticals and medical devices, not hardworking clinicians.

[5:12:00 PM](#)

JENNA SCHMIDT, MD, representing self, Juneau, Alaska, testified in support of SB 121. She criticized nonprofit insurers for high executive pay while holding providers "ransom" with premiums. Despite the 80th percentile repeal, premiums have risen and reimbursements declined. She said she supports SB 121 to restore provider bargaining power and preserve patient choice.

[5:14:03 PM](#)

GENE QUINN, Chief Executive Officer (CE), Envoy Integrated Health, Anchorage, Alaska, testified in support of SB 121. He noted that the 80th percentile had minimal impact on costs and premiums continued to rise. He emphasized that reducing healthcare costs requires collaboration with insurers on value, based care and accountable care organizations. He said he supports SB 121 for rebuilding trust with physicians and improving healthcare quality and access in Alaska.

[5:16:50 PM](#)

WADE ERICKSON, MD, Medical Network of Alaska, Wasilla, Alaska, testified in support of SB 121. He agreed with Dr. Quinn's testimony and reported that their insurance premiums rose 56 percent and 17 percent over two years, while reimbursements increased only 2 percent over seven years. A proposed 17 percent fee reduction is unsustainable, forcing consideration of going out-of-network. Such cuts would stress practices, leading to reduced services, staff, and access for Medicare, Medicaid, and self-paying patients.

[5:19:50 PM](#)

SENATOR GIESSEL asked for confirmation that she correctly heard his premiums increased 56 percent last year and 17 percent this year.

[5:20:11 PM](#)

MR. ERICKSON replied that is correct.

[5:20:13 PM](#)

SENATOR GIESSEL asked whether she also heard correctly that over the past year reimbursements increased by only 2 percent, and are now being offered a 17 percent reduction.

[5:20:35 PM](#)

MR. ERICKSON replied that reimbursements have increased only 2 percent since 2018, with no opportunity to renegotiate during that period.

[5:21:06 PM](#)

GLORIA JUENEMAN, Chief Revenue Officer, Alaska Heart and Vascular Institute, Anchorage, Alaska, testified in support of SB 121. She stated that the bill promotes provider sustainability while protecting Alaskans' care, ensuring fair negotiations with insurers whose rates often fall below actual costs, including recent Medicare cuts.

[5:22:40 PM](#)

CAMILLA SULAK, MD, representing self, Anchorage, Alaska, testified in support of SB 121. She stated that the bill will protect providers and increase transparency, noting that since the 80th percentile rule was repealed, medical bills have risen sharply. This threatens outpatient specialty and primary care, likely increasing patient visits and overcrowding in emergency departments.

[5:24:23 PM](#)

At ease.

[5:28:52 PM](#)

CHAIR DUNBAR reconvened the meeting.

[5:29:28 PM](#)

Chair Dunbar closed public testimony and held SB 121 in committee.

[5:29:42 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Health and Social Services Standing Committee meeting at 5:29 p.m.