

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

May 13, 2025

4:06 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

**COMMITTEE CALENDAR**

SENATE BILL NO. 4

"An Act relating to a health care insurance policy incentive program; relating to health care services; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 36

"An Act relating to the placement of foster children in psychiatric hospitals; relating to the care of children in state custody placed in residential facilities outside the state; and amending Rule 12.1(b), Alaska Child in Need of Aid Rules of Procedure."

- MOVED SCS HB 36 (HSS) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 4

SHORT TITLE: HEALTH CARE PRICES AND INCENTIVE PROGRAMS

SPONSOR(S): SENATOR(S) HUGHES

01/22/25	(S)	PREFILE RELEASED 1/10/25
01/22/25	(S)	READ THE FIRST TIME - REFERRALS
01/22/25	(S)	L&C, HSS
03/21/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/21/25	(S)	Heard & Held

03/21/25 (S) MINUTE(L&C)  
04/02/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
04/02/25 (S) Heard & Held  
04/02/25 (S) MINUTE(L&C)  
04/09/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
04/09/25 (S) Moved CSSB 4(L&C) Out of Committee  
04/09/25 (S) MINUTE(L&C)  
04/11/25 (S) L&C RPT CS 2DP 3NR SAME TITLE  
04/11/25 (S) DP: BJORKMAN, YUNDT  
04/11/25 (S) NR: DUNBAR, MERRICK, GRAY-JACKSON  
04/24/25 (S) HSS AT 3:30 PM BUTROVICH 205  
04/24/25 (S) Heard & Held  
04/24/25 (S) MINUTE(HSS)  
05/13/25 (S) HSS AT 3:30 PM BUTROVICH 205

BILL: HB 36

SHORT TITLE: FOSTER CHILDREN PSYCHIATRIC TREATMENT

SPONSOR(s): REPRESENTATIVE(s) GRAY

01/22/25 (H) PREFILE RELEASED 1/10/25  
01/22/25 (H) READ THE FIRST TIME - REFERRALS  
01/22/25 (H) HSS, FIN  
02/27/25 (H) HSS AT 3:15 PM DAVIS 106  
02/27/25 (H) Moved HB 36 Out of Committee  
02/27/25 (H) MINUTE(HSS)  
02/28/25 (H) HSS RPT 7DP  
02/28/25 (H) DP: PRAX, GRAY, SCHWANKE, RUFFRIDGE,  
MEARS, FIELDS, MINA  
03/11/25 (H) FIN AT 1:30 PM ADAMS 519  
03/11/25 (H) Scheduled but Not Heard  
03/12/25 (H) FIN AT 1:30 PM ADAMS 519  
03/12/25 (H) Heard & Held  
03/12/25 (H) MINUTE(FIN)  
03/20/25 (H) FIN AT 1:30 PM ADAMS 519  
03/20/25 (H) Moved HB 36 Out of Committee  
03/20/25 (H) MINUTE(FIN)  
03/21/25 (H) FIN RPT 8DP 2NR  
03/21/25 (H) DP: BYNUM, HANNAN, ALLARD, GALVIN,  
JIMMIE, TOMASZEWSKI, FOSTER, JOSEPHSON  
03/21/25 (H) NR: JOHNSON, STAPP  
03/26/25 (H) TRANSMITTED TO (S)  
03/26/25 (H) VERSION: HB 36  
03/28/25 (S) READ THE FIRST TIME - REFERRALS  
03/28/25 (S) HSS, FIN  
04/08/25 (S) HSS AT 3:30 PM BUTROVICH 205  
04/08/25 (S) Heard & Held  
04/08/25 (S) MINUTE(HSS)

05/08/25 (S) HSS AT 3:30 PM BUTROVICH 205  
05/08/25 (S) Heard & Held  
05/08/25 (S) MINUTE (HSS)  
05/13/25 (S) HSS AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

JARED KOSIN, President and Chief Executive Officer  
Alaska Hospital and Healthcare Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 4.

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

**POSITION STATEMENT:** Answered questions on SB 4.

CHRISSEY VOGLEY, Senior Policy Advisor  
Department of Family and Community Services  
Juneau, Alaska

**POSITION STATEMENT:** Provided an overview of the fiscal note for SB 36.

**ACTION NARRATIVE**

[4:06:38 PM](#)

CHAIR DUNBAR called the Senate Health and Social Services Standing Committee meeting to order at 4:06 p.m. Present at the call to order were Senators Tobin, Hughes, Claman, and Chair Dunbar. Senator Giessel arrived thereafter.

**SB 4-HEALTH CARE PRICES AND INCENTIVE PROGRAMS**

[4:07:27 PM](#)

CHAIR DUNBAR announced the consideration of SENATE BILL NO. 4 "An Act relating to a health care insurance policy incentive program; relating to health care services; and providing for an effective date."

[4:08:13 PM](#)

SENATOR HUGHES speaking as the sponsor of SB 4, provided a brief recap of SB 4 stating it is a mechanism by which people can use tools to apply free market principles in finding health care.

[4:09:38 PM](#)

SENATOR GIESSEL arrived at the meeting.

[4:10:01 PM](#)

CHAIR DUNBAR opened public testimony on SB 4.

[4:10:28 PM](#)

JARED KOSIN, President and Chief Executive Officer, Alaska Hospital and Healthcare Association, Anchorage, Alaska, testified in opposition to SB 4. He stated that he supports transparency and cost-effective care. He stated his concern that SB 4 focuses on cost without considering quality, potentially incentivizing out-of-state care and weakening Alaska's healthcare system. He stated that because insurance costs vary widely, price comparisons do not reflect what individuals actually pay. Given the complexity and administrative costs, the bill's return on investment is questionable and unlikely to meaningfully reduce costs.

[4:12:13 PM](#)

CHAIR DUNBAR closed public testimony on SB 4.

[4:12:37 PM](#)

SENATOR CLAMAN asked whether health insurance companies currently have the ability to share price information with insured individuals for cost comparison, or whether changes to law or regulation would be required to allow this.

[4:13:01 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, answered questions on SB 4. She stated that based on discussions with insurance companies, changes to current law would be required for them to openly share price differences between providers. She said insurance companies can provide median cost estimates but they cannot disclose individual data.

SENATOR CLAMAN asked for confirmation that allowing insurers to share provider information would require less than SB 4 but do more than the status quo.

[4:13:38 PM](#)

MS. WING-HEIER replied that is her understanding.

[4:13:45 PM](#)

SENATOR HUGHES noted that in SB 4, page 2, insurers are required to share the patient's cost-sharing amount, not contracted provider rates, thereby avoiding antitrust concerns. SB 4 does

not prevent insurers from recommending higher-value or higher-quality providers, and insurers like Moda already provide comparisons of selected, best-value, and next best-value providers with estimated costs. She emphasized that value reflects both quality and cost, and research consistently shows that higher cost does not necessarily mean higher quality in healthcare.

[4:15:23 PM](#)

SENATOR TOBIN noted that she doesn't see a letter from Moda on BASIS and asked for the letter to be shared.

[4:15:39 PM](#)

SENATOR HUGHES responded that the letter was in fact from Ms. Wing-Heier, Director of the Division of Insurance.

CHAIR DUNBAR noted that the letter was from DCCED, and the letter included Moda's response to questions DCCED asked.

[4:15:57 PM](#)

SENATOR GIESSEL asked whether insurance companies would be allowed to share with consumers which provider offers the lowest cost.

SENATOR HUGHES replied that insurance companies disclose the lowest patient cost-sharing amounts and base incentive payments on median contracted rates, though they do not make those contracted rates public.

[4:16:29 PM](#)

SENATOR GIESSEL asked about the possibility of referring Alaska patients to the lower 48 for lower costs.

SENATOR HUGHES replied that SB 4 is written by geographic location and referring patients would be determined by regulations.

[4:17:25 PM](#)

SENATOR HUGHES said SB 4, page 2, line 19, references payment information, which reads, "provided in the same policy year and geographic region."

[4:17:47 PM](#)

SENATOR GIESSEL asked whether Alaska is one geographic region or is it divided into four regions.

SENATOR HUGHES answered that information is not specified and deferred the question to Ms. Wing-Heier.

CHAIR DUNBAR asked how geographic regions are typically defined in these types of regulations and whether they might include cities like Seattle or Portland. He noted that Alaskans often seek medical care out of state, which may be unique compared to other states.

[4:18:43 PM](#)

MS. WING-HEIER responded that geographic regions would likely follow those already used by insurers, which may vary by state. She said if a patient seeks care out of state, the cost comparison would be based on the geographic region where the care is received, not compared to Alaska. This approach avoids cross-region comparisons between Alaska and the Lower 48 and reflects how geographic regions are defined in SB 4.

[4:19:35 PM](#)

SENATOR GIESSEL asked for confirmation that SB 4 would not restrict Alaskans from seeking care and would preserve their ability to choose lower-cost care options.

MS. WING-HEIER replied that, as the department reads the bill, it would not restrict Alaskans from seeking the lowest-cost care in Alaska.

[4:19:57 PM](#)

CHAIR DUNBAR asked if a patient is paying Alaska premiums at Alaska rates, would the care still be covered by that patient's insurance, and how would they access it. Additionally, how would reimbursement work and what costs would be covered.

[4:20:23 PM](#)

MS. WING-HEIER replied that it is difficult to determine exact savings because SB 4 focuses on patient cost-sharing, which varies by insurance plan, network status, and whether the out-of-pocket maximum has been met. These factors affect what a patient ultimately pays and whether any savings occur.

[4:20:52 PM](#)

CHAIR DUNBAR asked whether this may be done algorithmically, or would it require manual review by the Department of Insurance, or would insurers perform the calculations.

SENATOR HUGHES replied that the insurer would perform the calculations and include the information in the required annual

report on incentives and participation. The process could be supported by calculator tools or AI to improve efficiency. She explained that Alaska insurance plans do not restrict care to in-state providers. She mentioned a personal experience and said patients can and do seek major or specialized care out of state, sometimes with better coverage or lower costs, leading to significant travel outside Alaska for major medical care.

[4:22:32 PM](#)

CHAIR DUNBAR asked if an Alaskan's insurer is headquartered outside the state and directs the individual to receive care outside Alaska, would that insurer have any basis to claim this law does not apply because the relevant activity occurs outside Alaska.

[4:23:03 PM](#)

MS. WING-HEIER replied that insurers regulated by Alaska must comply with Alaska law and the policy terms purchased, regardless of whether care is received in or out of state. She said if adopted, the law would apply to those insurers, subject to the policy's cost-sharing and copayment provisions.

[4:23:57 PM](#)

CHAIR DUNBAR held SB 4 in committee.

### **HB 36-FOSTER CHILDREN PSYCHIATRIC TREATMENT**

[4:24:04 PM](#)

CHAIR DUNBAR announced the consideration of HOUSE BILL NO. 36 "An Act relating to the placement of foster children in psychiatric hospitals; relating to the care of children in state custody placed in residential facilities outside the state; and amending Rule 12.1(b), Alaska Child in Need of Aid Rules of Procedure."

SENATOR DUNBAR noted that a new fiscal note was uploaded to BASIS.

[4:25:17 PM](#)

CHRISSEY VOGLEY, Senior Policy Advisor, Department of Family and Community Services, Juneau, Alaska, provided an overview of the fiscal note for SB 36. She stated that the Department of Family and Community Services believes that increased court review hearings would reduce hospital overstays, lowering general fund expenditures and offsetting attorney costs, making HB 36 budget neutral.

[4:26:34 PM](#)

REPRESENTATIVE GRAY thanked Senator Claman for the improvements of HB 36. He stated that the Alaska Supreme Court said HB 36 is needed to ensure foster kids don't stay in psychiatric facilities for longer than needed.

[4:27:05 PM](#)

SENATOR TOBIN said she is hoping the department will provide insight on less restrictive options and address outstanding questions from the previous hearing.

[4:27:22 PM](#)

SENATOR CLAMAN said he emailed legislative legal with Senator Tobin's two questions and hasn't received a response yet. Despite awaiting Finance Committee approval, he expects HB 36 to reach the Judiciary Committee as early as tomorrow and plans to provide answers by then.

[4:27:54 PM](#)

SENATOR HUGHES verified with Senator Claman that he said HB 36 is going to the Judiciary Committee.

SENATOR CLAMAN replied that he didn't get an answer to the two questions and apologized.

[4:28:36 PM](#)

CHAIR DUNBAR solicited the will of the committee.

[4:28:37 PM](#)

SENATOR GIESSEL moved to report SCS HB 36, work order 34-LS0358\T, from committee with individual recommendations and attached fiscal note(s).

[4:28:50 PM](#)

CHAIR DUNBAR found no objection and SCS HB 36(HSS) was reported from the Senate Health and Social Services Standing Committee.

[4:29:17 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Health and Social Services Standing Committee meeting at 4:29 p.m.