

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 26, 2025

1:36 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair
Senator Elvi Gray-Jackson
Senator Robert Yundt
Senator Forrest Dunbar (via teleconference)

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 132

"An Act relating to insurance; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 133

"An Act relating to prior authorization requests for medical care covered by a health care insurer; relating to a prior authorization application programming interface; relating to step therapy; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 132

SHORT TITLE: OMNIBUS INSURANCE BILL

SPONSOR(S): LABOR & COMMERCE

03/14/25	(S)	READ THE FIRST TIME - REFERRALS
03/14/25	(S)	L&C, FIN
03/19/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/19/25	(S)	Heard & Held
03/19/25	(S)	MINUTE(L&C)
03/26/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 133

SHORT TITLE: INSURANCE; PRIOR AUTHORIZATIONS

SPONSOR(s): LABOR & COMMERCE

03/17/25	(S)	READ THE FIRST TIME - REFERRALS
03/17/25	(S)	L&C, FIN
03/19/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/19/25	(S)	Heard & Held
03/19/25	(S)	MINUTE(L&C)
03/26/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a brief recap of SB 132.

CHRISTIAN RATAJ, Senior Regional Vice President
National Association of Mutual Insurance Companies
Indianapolis, Indiana

POSITION STATEMENT: Testified with concerns on SB 132.

LYNNE SEVILLE, Vice President
IMA Insurance Brokerage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 132.

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a brief recap of SB 133.

JARED KOSIN, President
Alaska Hospital and Healthcare Association (AHHA)
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 133.

GARY STRANNIGAN, Vice President
Congressional/Legislative Affairs
Premera Blue Cross Blue Shield of Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 133.

HEATHER CARPENTER, Deputy Director

Division of Insurance
Anchorage, Alaska

POSITION STATEMENT: Presented updates regarding SB 133.

LUCY LAUBE, Manager
State Government Relations
National Psoriasis Foundation
Alexandria, Virginia

POSITION STATEMENT: Testified in support of SB 133.

BRUCE RICHARDS, Director
Government Affairs
Central Peninsula Hospital
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 133.

KATIE CAPOZZI, President
Alaska Chamber of Commerce
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 133.

ACTION NARRATIVE

[1:36:10 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:36 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Yundt, Dunbar and Chair Bjorkman.

SB 132-OMNIBUS INSURANCE BILL

[1:37:17 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 132 "An Act relating to insurance; and providing for an effective date."

[1:37:57 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented a brief recap of [SB 132] on behalf of the Senate Labor and Commerce Standing Committee, Senator Bjorkman, Chair. He stated that SB 132 is the omnibus insurance bill that updates Alaska's insurance laws, in AS 21. He said SB 132 aligns state statutes with Alaska National Insurance Company (NAIC) standards, updates terminology, and refreshes references to federal laws to keep pace with changes in the insurance industry.

[1:39:05 PM](#)

CHAIR BJORKMAN opened public testimony on SB 132.

[1:39:41 PM](#)

CHRISTIAN RATAJ, Senior Regional Vice President, National Association of Mutual Insurance Companies (NAMIC), Indianapolis, Indiana, testified with concerns on SB 132. He stated that SB 132 provisions on labor depreciation are unnecessary and is not what's best for the consumer. Currently, Alaskans can choose between two types of insurance: actual cash value policies (which consider depreciation and cost less) and replacement cost policies (which cover full repairs). He said critics argue SB 132 would remove consumer choice by limiting access to the lower-cost option, even though most states allow both. He questioned why the law should be changed when the current system already gives consumers flexibility based on their financial needs.

[1:42:45 PM](#)

LYNNE SEVILLE, Vice President, IMA Insurance Brokerage, Anchorage, Alaska, testified in support of SB 132, Section 40, AS 21.36.475(b). She explained that a small language fix is needed to restore the use of Controlled Insurance Programs (CIPs) in Alaska. CIPs are widely used in the lower 48 to manage risk and reduce costs on large or hard-to-insure construction projects. Alaska had successfully used them in the past, but unclear legal language recently blocked their use. She suggested the committee adds an amendment to SB 132 to lower the current \$50 million project threshold so CIPs may be used for smaller but still costly projects, like condominiums, which are becoming harder and more expensive to insure.

[1:46:13 PM](#)

At ease.

[1:47:41 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:47:58 PM](#)

CHAIR BJORKMAN held SB 133 in committee.

[1:48:01 PM](#)

At ease

SB 133-INSURANCE; PRIOR AUTHORIZATIONS

[1:50:11 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 133 "An Act relating to prior authorization requests for medical care covered by a health care insurer; relating to a prior authorization application programming interface; relating to step therapy; and providing for an effective date."

[1:50:44 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented a brief recap of SB 133, on behalf of the Senate Labor and Commerce Standing Committee, Senator Bjorkman, Chair. He stated that SB 133 sets clear rules for the prior authorization process in healthcare. The bill requires insurers to follow set timelines, improve communication with providers, and use secure electronic systems to protect patient privacy and speed up approvals. SB 133 gives the Division of Insurance authority to oversee and enforce compliance.

[1:52:44 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 133.

[1:53:00 PM](#)

JARED KOSIN, President, Alaska Hospital and Healthcare Association (AHHA) Anchorage, Alaska, testified by invitation on SB 133. He paraphrased the following statement:

[Original punctuation provided.]

Prior authorization is a review process commonly used by insurers that essentially requires healthcare providers to obtain express authorization to provide a specific treatment or procedure for their patients. While prior authorization can be useful for reviewing the appropriateness of medical care, it can also cause significant delays in necessary, urgent patient treatment.

We hear story after story about time-consuming appeals, endless paperwork, lack of consistency and transparency, and needless interruptions to treatment when patients are at their most vulnerable. This has contributed to a contentious relationship between providers and insurers in Alaska and across the country.

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MR. KOSIN continued with his testimony:

SB 133 is the result of this collaborative effort. The bill has the strong backing of Alaska's hospitals through AHHA, physicians via the Alaska State Medical Association, and the state's major health insurers. The bill prioritizes system automation and injects a new level of transparency for prior authorization, including policies, peer review and appeals, enforcement, and accountability.

SB 133 also includes the following reforms that will have an immediate and positive impact on patients:

- Faster turnaround times for prior authorization decisions - from five working days to 72 hours
- Long-term approval for treatment plans concerning chronic conditions
- Automatic approval for key therapies for Stage Four Advanced Metastatic Cancer
- A clear process for requesting exceptions to step therapy requirements

Finally, AHHA is proud of the work that went into SB 133 and is grateful to Senator Bjorkman for bringing this legislation forward. This bill exemplifies effective, stakeholder-driven reform that will create lasting improvements in patient care. We strongly support SB 133 and urge the committee to swiftly consider and pass this bill.

[1:56:31 PM](#)

CHAIR BJORKMAN stated that SB 133 grants automatic prior authorization for individuals with chronic conditions while shortening authorization timelines for other services. He asked what factors may be considered to eliminate waiting times entirely for those other treatments, rather than requiring one to three days.

[1:57:22 PM](#)

MR. KOSIN replied that SB 133 focuses on modernizing the prior authorization process by requiring insurers to use integrated online portals instead of outdated methods like faxing. By prioritizing automation and transparency, many authorizations are expected to be processed instantly, with faster turnaround times overall—sometimes with no wait time at all, even though the law allows up to 72 hours.

1:59:15 PM

GARY STRANNIGAN, Vice President, Congressional/Legislative Affairs, Premera Blue Cross Blue Shield of Alaska, Anchorage, Alaska, testified by invitation on SB 133:

[Original punctuation provided.]

Thank you for sponsoring SB 133, Prior Authorization. Premera Blue Cross Blue Shield of Alaska engaged extensively in the efforts to negotiate a workable bill on this topic, and we commend SB 133 to you

At Premera, we feel that efforts to promote the affordability of our products are key to continuing to be able to provide care for our customers. This is because affordability has become the highest bar a person must clear, in order to gain access to health insurance and health care services.

Prior authorization is a key component of affordability, in that it helps carriers verify that their members are getting the right care, at the right time, in the right setting and at the right price. It is well-publicized that some carriers have been exceedingly aggressive in this space, using prior authorization in as much as 20 percent of all claims. At Premera the number is about 2 percent. So we wanted to be sure that the compromise in front of you maintained the ability of health plans to use prior authorization, but with some reasonable sideboards as well as incentives that will help plans modernize and improve their prior authorization systems so that these systems optimally serve providers, patients and plans alike.

Our vision is that most prior authorizations will be approved instantaneously - improving the care for our members as well as their experience. However, this is impossible if the prior authorization request is initiated with a fax. We think this bill will help incentivize the adoption of electronic prior authorizations by providers, and for those providers that cling to their fax machines, we trust that eventually the improvements in the prior authorization system performance will be impossible to resist.

We would never suggest that HB 133 is perfect, but we commend it to you as it represents a set of reasonable compromises made by all parties.

We would also commend the process by which this legislation was crafted: considerable work among stakeholders involving lots of back and forth; give and take. There are too many controversial proposals of which this can't be said, so it is particularly deserving to be called out here.

[2:02:41 PM](#)

HEATHER CARPENTER, Deputy Director, Division of Insurance, Anchorage, Alaska, presented updates regarding SB 133. She stated that the Division worked collaboratively with hospitals, insurers, and other stakeholders to craft SB 133, aiming to avoid the problems seen with prior authorization last year. The process was widely supported, and one insurer even suggested the bill could serve as a national model for legislation.

[2:03:53 PM](#)

CHAIR BJORKMAN opened public testimony on SB 133.

[2:04:28 PM](#)

LUCY LAUBE, Manager, State Government Relations, National Psoriasis Foundation, Alexandria, Virginia, testified in support of SB 133. She highlighted the bill's therapy protection provision, which addresses step therapy, when insurers require patients to try and fail on cheaper drugs before covering the medication prescribed by their doctor. She argued this practice harms patients with chronic conditions like psoriasis or psoriatic arthritis, sometimes causing irreversible damage and higher long-term costs. Studies show 92 percent of patients report negative health impacts from such delays, and the practice costs the U.S. health system an estimated \$93.3 billion annually. She said similar protections have already been adopted federally and in over 36 states.

[2:07:15 PM](#)

BRUCE RICHARDS, Director, Government Affairs, Central Peninsula Hospital, Soldotna, Alaska, testified in support of SB 133 and stated that this legislation was developed collaboratively with all stakeholders and represents a true compromise. The goal is to put patients first by reducing harmful delays in prior authorization, which can prevent timely access to needed treatments. He said by setting clear timelines, requiring

evidence-based decisions, and modernizing outdated processes like faxing, the bill aims to ensure faster, more transparent approvals, lessen administrative burdens, and prevent patients—such as those with cancer or chronic pain from suffering unnecessary delays in care.

[2:10:03 PM](#)

KATIE CAPOZZI, President, Alaska Chamber of Commerce, Anchorage, Alaska, testified in support of SB 133 and stated that the Chamber has formally endorsed a compromise approach to prior authorization reform, recognizing the ongoing challenges members and providers face in navigating healthcare utilization. Over the past year, hospitals, insurers, and regulators collaborated to create practical solutions, which culminated in SB 133. She said the key elements of SB 133 include faster decision turnaround times, extended approvals for chronic condition treatments, automatic approval of essential cancer therapies, and a clear process for step therapy exceptions. Backed by hospitals, physicians, and major insurers, the bill advances automation, transparency, and accountability in prior authorization practices.

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SENATOR BJORKMAN held public testimony open on SB 133.

[2:12:06 PM](#)

CHAIR BJORKMAN held SB 133 in committee.

[2:12:19 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:12 p.m.