

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 7, 2025

1:32 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 83

"An Act relating to health care insurance; relating to insurance reimbursement for health care services provided through telehealth; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 21

"An Act establishing the Alaska Work and Save Program; establishing the Alaska Retirement Savings Board; and providing for an effective date."

- MOVED CSSB 21(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 83

SHORT TITLE: TELEHEALTH REIMBURSEMENT RATES

SPONSOR(s): SENATOR(s) CLAMAN

01/31/25	(S)	READ THE FIRST TIME - REFERRALS
01/31/25	(S)	HSS, FIN
02/11/25	(S)	HSS AT 3:30 PM BUTROVICH 205
02/11/25	(S)	Heard & Held
02/11/25	(S)	MINUTE(HSS)
02/25/25	(S)	HSS AT 3:30 PM BUTROVICH 205
02/25/25	(S)	Heard & Held

02/25/25 (S) MINUTE (HSS)
 03/13/25 (S) HSS AT 3:30 PM BUTROVICH 205
 03/13/25 (S) Moved CSSB 83 (HSS) Out of Committee
 03/13/25 (S) MINUTE (HSS)
 03/14/25 (S) HSS RPT CS 2DP 1DNP 1AM NEW TITLE
 03/14/25 (S) DP: DUNBAR, CLAMAN
 03/14/25 (S) DNP: HUGHES
 03/14/25 (S) AM: GIESSEL
 03/26/25 (S) FIN REFERRAL WAIVED
 03/26/25 (S) L&C REFERRAL ADDED AFTER HSS
 04/07/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 21

SHORT TITLE: AK WORK & SAVE PROGRAM; RETIRE. SAVINGS BD
 SPONSOR(S): SENATOR(S) WIELECHOWSKI

01/10/25 (S) PREFILE RELEASED 1/10/25
 01/22/25 (S) READ THE FIRST TIME - REFERRALS
 01/22/25 (S) L&C, FIN
 03/31/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/31/25 (S) Heard & Held
 03/31/25 (S) MINUTE (L&C)
 04/07/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR MATT CLAMAN, District H
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 83.

SARENA HACKENMILLER, Staff
 Senator Matt Claman
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Provided the sectional analysis SB 83.

JIM REBITZER, Economist
 Boston University
 Boston, Massachusetts
POSITION STATEMENT: Testified by invitation on SB 83.

HOWARD DETWILER, Owner
 Arctic Behavior Health LLC
 Anchorage, Alaska
POSITION STATEMENT: Testified by invitation on SB 83.

SENATOR BILL WIELECHOWSKI, District K
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a recap of SB 21.

MARGE STONEKING, State Advocacy Director
American Association of Retired Persons (AARP)
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 21.

DAVE YOUNG, Treasurer
Colorado Department of Treasury
Denver, Colorado

POSITION STATEMENT: Testified by invitation on SB 21.

JAYNE ANDREW, representing self
Douglas, Alaska

POSITION STATEMENT: Testified in support of SB 21.

ACTION NARRATIVE

[1:32:40 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Dunbar, Yundt and Chair Bjorkman.

SB 83-TELEHEALTH REIMBURSEMENT RATES

[CSSB 83(HSS)was before the committee.]

[1:33:38 PM](#)

CHAIR BJORKMAN announced the consideration of CS FOR SENATE BILL NO. 83(HSS) "An Act relating to health care insurance; relating to insurance reimbursement for health care services provided through telehealth; relating to telehealth; providing for an effective date by repealing the effective date of secs. 9 and 10, ch. 38, SLA 2022; and providing for an effective date."

[1:34:02 PM](#)

SENATOR MATT CLAMAN, District H, Alaska State Legislature, Juneau, Alaska, as the sponsor of SB 83, he the bill:

[Original punctuation provided.]

Senate Bill 83 was brought forward by health care providers in my district who provide both in-person

and telehealth services to Alaskans across the state. SB 83 will ensure pay parity for telehealth, requiring health care insurers to reimburse at the same payment rate for telehealth services as in-person care.

[1:34:31 PM](#)

SENATOR CLAMAN continued with his presentation:

Telehealth reduces barriers to care and allows patients to receive timely and convenient care from the comfort of their own homes. In Alaska, barriers to care affect individuals in rural areas, those with disabilities, and those with limited transportation options. Telehealth is especially important for chronic disease management, mental health services, and preventative care.

The COVID-19 pandemic highlighted the critical need for telehealth access, prompting the Centers for Medicare & Medicaid Services (CMS) to temporarily implement telehealth parity. While this federal mandate has expired, some telehealth provisions remain in place. What was once a temporary need is now standard practice, and many states have made efforts to solidify permanent access to these services. Over 33 states have enacted similar legislation to SB 83 to ensure fair reimbursement for telehealth services.

Alaska's Medicaid program already has telehealth pay parity. This legislation builds upon that existing framework to require the same parity by private insurers. In our previous committee, we amended to remove the sunset language in Alaska's Medicaid telehealth statutes, ensuring that it will remain in law.

Passage of this legislation will expand access to care, improve and maintain quality of care, and incentivize continued telehealth utilization.

[1:36:13 PM](#)

SARENA HACKENMILLER, Staff, Senator Matt Claman, Alaska State Legislature, Juneau, Alaska, provided the sectional analysis for SB 83:

[Original punctuation provided.]

Sectional Analysis Version 0

Section 1

AS 21.42.422(b). Coverage for telehealth. Adds new paragraph (3) and references the definition of "health care provider" as given in AS 21.07.250.

[1:36:38 PM](#)

MS. HACKENMILLER continued with the sectional analysis of SB 83, version 0:

Section 2

AS 21.42.422. Coverage for telehealth. Establishes a new subsection requiring health care insurers to reimburse health care providers for telehealth services, including behavioral health services, at the same rate as for in-person services.

Section 3

AS 29.10.200. Limitation of home rule powers. Adds new paragraph (68) "AS 29.20.420 (health care insurance plans)" to the list of provisions which apply to home rule municipalities

Section 4

AS 29.20.420. Health care insurance plans. Establishes a new section requiring a home rule or general law municipality offering a group health care insurance plan to meet the requirements of AS 21.42.422(c) (Section 2). Provides the definition of "health care insurance plan" as given in AS 21.52.500.

Section 5

AS 39.30.090(a). Authorization for self-insurance and excess loss insurance. Adds a new subsection (13) requiring a policy or policies of group insurance covering state employees and other specific employee groups under the Department of Administration to meet to the requirements of AS 21.42.422(c) (Section 2).

Section 6

AS 39.30.091. Authorization for self-insurance and excess loss insurance. Amends this statute to require those employers with a self-insured group health insurance plan covering active state employees to meet the requirements of AS 21.42.422(c) (Section 2).

Section 7

Repeals Sections 9, 10, and 13 of ch. 38, SLA 2022.

Section 8

Repeals Section 14 of ch. 38, SLA 2022.

Section 9

Establishes an effective date of January 1, 2026.

[1:38:22 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 83.

[1:38:40 PM](#)

JIM REBITZER, Economist, Boston University, Boston, Massachusetts, testified by invitation on SB 83:

[Original punctuation provided.]

I am here to testify about a new piece of legislation regarding reimbursement for telehealth services. The bill requires a health insurer to reimburse for telehealth services on the same basis and at least at the same rate as comparable healthcare services provided in person.

Let me start with my conclusion: This legislation is reasonable and deserving of your support. However, the reasoning behind it may be of greater use to the committee than my conclusion.

As an economist studying management, I generally believe that a state legislature should not determine how much private insurers pay for services. Typically, legislatures lack essential information and incentives, and they respond too slowly to set appropriate reimbursement rates. It is better to leave this to negotiations between insurers and providers. However, telehealth might be the exception that proves the rule. Mandating equal payment can help address an economic issue that private parties cannot resolve independently.

Like every new treatment modality, telehealth requires providers to develop new capabilities for delivering care at a distance. Payers may be willing to compensate providers to encourage these costly investments, but will they pay enough on their own?

Perhaps not. In our fragmented payment system, each provider treats patients from many different payers: Medicare, Medicaid, the State of Alaska, private insurers, and private employers. This diversity of payers creates an opportunity for free riding.

[1:41:27 PM](#)

MR. REBITZER continued with his testimony on SB 83:

Suppose a provider deals with 10 different payers, each paying \$50 for a telehealth visit. Suppose providers are happy to invest adequately in telehealth capacity at this price. What would happen if one payer decided to pay \$40 for a telehealth visit? Providers might still be willing to deliver telehealth care to this payer because they have already borne the cost of developing the telehealth capacity. The insurer who pays \$40 would, in effect, be "free riding" on the other payers' generosity. That would be annoying to the other payers. If the rest followed suit, the result would be an inadequate investment in telehealth capacity or, in the extreme case, no investment at all.

You can see where this is heading. The proposed bill can be beneficial as it makes it more difficult for a single insurer to take advantage of investments in telehealth funded by other payers.

Some who object to payment parity might argue that the marginal cost of telehealth is less than in-person health, so "parity" in payments means you are overpaying for telehealth. This reasoning makes sense until you think about it for a minute. Much of the cost of delivering telehealth is determined by what else providers could do with their time. Payment parity has the advantage of not making it more expensive for providers who deliver telehealth services.

Although I am not an Alaskan, I am impressed by the vast distances' healthcare providers must travel to reach all Alaskans. The cost of underinvestment in and under provision of telehealth is especially severe for Alaska, so the proposed legislation's value is likely to be high.

[1:44:25 PM](#)

HOWARD DETWILER, Owner, Arctic Behavior Health LLC, Anchorage, Alaska, testified by invitation on SB 83 and gave an example of when a snowstorm, in Anchorage, prevented two clients from visiting the office, requiring remote consultations for medication management. The technological costs and system failures for telehealth can equal or exceed in-person visits and may increase the risk of emergency consultations. He emphasized an experience of developing military telehealth systems in Iraq and Afghanistan, emphasizing that telehealth is essential for healthcare delivery in Alaska.

[1:46:43 PM](#)

CHAIR BJORKMAN asked Mr. Detwiler to give examples of how SB 83 would directly affect his business.

[1:46:58 PM](#)

MR. DETWILER replied that a snowstorm prevented two clients from visiting the office for restricted medications, making in-person evaluation and prescription continuation impossible. He said telehealth is essential to maintain continuity of care, especially given Alaska's distances and challenging climate.

[CHAIR BJORKMAN held SB 83 in committee.]

[1:49:18 PM](#)

At ease.

SB 21-AK WORK & SAVE PROGRM; RETIRE. SAVINGS BD

[1:51:38 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 21 "An Act establishing the Alaska Work and Save Program; establishing the Alaska Retirement Savings Board; and providing for an effective date." CHAIR BJORKMAN stated that a committee substitute (CS) for SB 21 was adopted during the first hearing of the bill.

[1:52:18 PM](#)

SENATOR BILL WIELECHOWSKI, District K, Alaska State Legislature, Juneau, Alaska, presented a recap of SB 21 and stated that the Alaska Work and Save bill establishes an auto-IRA program for all Alaskan employees, addressing the lack of retirement savings, with over half of American households that do not have a retirement, especially among small businesses, 64 percent of which currently offer no retirement plan. He said the program provides an affordable, simplified savings option, helping small

businesses compete for quality talent, supporting Alaskans' financial security, and improving long-term quality of life. He said 70 percent of small businesses would support a savings plan if there were reasonable options. Similar programs exist in 17 other states.

[1:53:58 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 21.

[1:54:10 PM](#)

MARGE STONEKING, State Advocacy Director, American Association of Retired Persons (AARP), Anchorage, Alaska, testified by invitation on SB 21:

[Original punctuation provided.]

AARP is the largest nonprofit, nonpartisan membership organization in Alaska and in the country. Financial security is a key component of our advocacy agenda for Alaskans 50+ and that begins with saving for retirement throughout one's working years. AARP's mission is to empower people to choose how they live as they age.

Retirement readiness is a big part of having choices for how one lives in retirement, and Social Security is not enough to live on. Retirement readiness is good for Alaskans and for Alaska.

The less retirement income you have the more likely you are to have to rely on public programs like Medicaid, Senior Benefits, and SNAP to meet basic needs.

Retirement readiness for the private sector requires a workplace savings option for all employees.

The retirement crisis in this country is not a new challenge but one that has persisted for several decades. Today, over half of the nation's households are at risk of not having enough money to maintain their standard of living in retirement and being unable to afford necessities such as food, utilities, and healthcare.

Although some individuals are merely not saving enough, a vast number are not saving at all. 20

percent of adults age 30 and older have no retirement savings at all and 14 percent have less than \$10,000 saved for retirement.

[1:56:07 PM](#)

MS. STONEKING continued with her testimony of SB 21:

A critical reason for this shortage of savings is that a lack of access to workplace savings plans has remained low for decades. Roughly just half of private-sector workers have access to a way to save from their regular paycheck at work. Employers, particularly small business owners, often cannot provide a retirement plan to their employees due to their confusing, costly, and time-consuming nature.

Without access to a retirement savings plan at work, nearly all workers fail to save. AARP Research has found that Americans are about 15 times more likely to save for retirement when they have can do so at work. Work and Save is designed to address the retirement savings gap using tools, such as payroll deduction and automatic enrollment, that are proven to work.

Work and Save programs are changing the landscape on retirement readiness by giving businesses an easy, no-cost retirement program and giving workers a portable retirement savings program allowing workers to build the savings they need to be retirement ready. And according to the National Institute on Retirement Security's research on Americans' Views of State-Facilitated Retirement Programs, the vast majority of Americans agree that state-facilitated, privately managed retirement savings programs are a good idea.

That support holds across party lines and across generations. This policy has consistent bi-partisan support in polling among the public and small-business owners across the country and across time.

And, we know from instate polling that that across political ideology, Alaska small businesses also support a public-private retirement savings option.

Seven in ten Alaska small business owners support a privately managed, ready-to-go retirement savings option that would help small businesses offer

employees a way to save for retirement (Republican: 71 percent; Democrat: 70 percent; Independent: 76 percent). Additionally, most small business owners agree that state legislators should support a bill to make it easier for small business owners to access a retirement savings option for their employees and themselves, such as SB21 does.

AARP stands ready to work with the Alaska Legislature to pass Alaska Work and Save so that generations of Alaskans can save and become retirement ready.

2:00:13 PM

DAVE YOUNG, Treasurer, Colorado Department of Treasury, Denver, Colorado, testified by invitation on SB 21 and stated that he wanted to focus on page 7, line 14 of the bill which allows through legislation the ability to enter into an agreement with other states to provide services related to retirement age programs. He said Colorado's Secure Savings Program, established by legislation in 2020 and launched in 2023, is a state-run auto-IRA program designed to expand retirement savings. He said Colorado's IRA program created the "Partnership for a Dignified Retirement" to help other states launch programs quickly by leveraging Colorado's procurement work for fund managers, program managers, and consultants. Partner states benefit from reduced costs, shared resources, and lower fees for savers due to negotiated price breaks based on assets under management. He said the program has grown to 75,000 funded accounts and over \$100 million in assets, and early partner states are beginning to be successful. The program is designed to complement, not compete with, private sector plans, allowing businesses to choose either option. The goal is to increase regular retirement savings participation, providing a scalable, collaborative model for states struggling to establish their own programs.

2:05:37 PM

CHAIR BJORKMAN asked whether participants in Colorado generally keep their funds in their IRA accounts to let them grow long term or do more people withdraw their money early for short-term needs and how has that trend played out.

2:06:07 PM

MR. YOUNG replied that since launching in 2023, Colorado's program shows growing average account balances, indicating participants are keeping funds invested rather than withdrawing early. As a Roth IRA, penalties discourage premature withdrawals, and many savers are using automatic contribution

increases while retaining flexibility to adjust or opt out. He said overall, the trend suggests people are leaving their money in and letting it grow.

[2:08:28 PM](#)

CHAIR BJORKMAN asked what is the opt out rate in Colorado.

[2:08:33 PM](#)

MR. YOUNG replied he will need to consult with his staff on what the opt-out rate is.

CHAIR BJORKMAN asked how have employers responded to the program, and what level of time or effort is typically required from employers when processing payroll.

MR. YOUNG replied that every potential saver must go through a process called Know Your Customer (KYC), of the people that are cleared by the KYC process, 20 percent of them opt out of the program. He said employers report that the program is quick and simple to use. He said the program was intentionally designed as the "easy button" to reduce administrative burden. Small businesses especially value being able to offer retirement savings as part of compensation, and many employees are excited to save for the first time. While some busy businesses find it challenging to add new tasks, the program has generally been well-received and easy to maintain.

[2:11:56 PM](#)

SENATOR YUNDT asked if the contributions would be on a pre-tax basis.

[2:12:13 PM](#)

MR. YOUNG replied that the contributions would be post tax because this program is Roth IRA.

[2:12:24 PM](#)

SENATOR YUNDT asked if the plan provides different investment options such as low, medium, or high risk, so participants can choose the strategy that best fits their stage of life.

[2:12:41 PM](#)

MR. YOUNG replied that his office did some research on the different types of options to offer and found that too many investment choices can discourage saving, as people often find the options confusing. He said to simplify, the program provides a default target date fund for long-term growth, while offering

limited additional options based on saver feedback to ensure the lineup meets actual demand without overwhelming participants.

[2:14:16 PM](#)

SENATOR YUNDT asked if there was an employer match option.

[2:14:30 PM](#)

MR. YOUNG responded that the program is structured as a Roth IRA, so employer matches aren't allowed. While Congress is considering fixes of the SECURE 2.0 legislation through the "saver's match", many small businesses prefer the current setup since they aren't fiduciaries or responsible for matching contributions. He said employers who want to offer matching can instead choose private plans like 401(k)s. Meanwhile, Colorado's plan offers a simple investment lineup, including capital preservation, fixed income, domestic and international equity, and target-date funds.

[2:17:08 PM](#)

SENATOR YUNDT asked since the fund was created, how has its performance compared to major benchmarks like the Dow Jones or the S&P 500.

[2:17:32 PM](#)

MR. YOUNG replied that the program is designed for long-term sustainable performance, with fund managers guided by benchmarks developed with investment consultants, while also being measured against major indexes. He stated that the focus of Colorado's retirement programs is long-term investing, not short-term trading. By diversifying portfolios and managing risk, he aims to provide sustainable, reliable returns that people can depend on in retirement.

[2:19:28 PM](#)

CHAIR BJORKMAN opened public testimony on SB 21.

[2:19:44 PM](#)

JAYNE ANDREW, representing self, Douglas, Alaska, testified in support of SB 21 and stated that she didn't start retirement planning until her late 30s, having previously worked in small businesses and nonprofits that offered little beyond basic savings options. She emphasized the importance of providing retirement opportunities, recalling how even modest savings were valued by employees. Drawing on family history of financial hardship and reliance on Social Security, she stressed the need to ensure today's workers have secure retirement options as the aging population grows.

[2:21:57 PM](#)

CHAIR BJORKMAN closed public testimony on SB 21.

[2:22:10 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[2:22:13 PM](#)

SENATOR MERRICK moved to report CSSB 21, work order 34-LS0254\N, from committee with individual recommendations and attached fiscal note(s).

[2:22:28 PM](#)

CHAIR BJORKMAN found no objection and CSSB 21(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:22:59 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:22 p.m.