

HB

123

<TARGET><BILL>HB 123</BILL><SUBJECT>HB
123</SUBJECT><COMM>SJUD30</COMM></TARGET>



Representative Ivy Spohnholz

House Health & Social Services Committee Chair

*Serving House District 16: College Gate, Russian Jack, Nunaka Valley, & Reflection Lake
Committee Member: Education, Energy, Military & Veterans Affairs, Legislative Budget & Audit*

Sponsor Statement

House Bill 123

"An Act relating to disclosure of health care services and price information; and providing for an effective date."

HB 123 empowers consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing. The bill will require health care providers to publish health care price information in public spaces and on their websites and to submit that price information to the Department of Health and Social Services. Individual providers must disclose the total undiscounted costs of their 25 most commonly provided health care services and procedures. Larger medical facilities would provide the same price information for their 50 most common health care services and procedures.

Alaska has the second most expensive health care costs per person in the nation as a result of a small insurance market with limited provider competition. Health care spending in Alaska increases faster than the rate of inflation despite the fact that Alaska's use of health care services is lower than the nationwide average.¹ Because of the murkiness around health care prices, consumers have little power to influence the cost of desperately needed medical services.

Medical price transparency across the nation could save the U.S. \$36 billion in health care spending.² More than 30 states are pursuing legislation to increase price transparency across the nation; however, Alaska currently has no price transparency law in place. Price transparency can allow consumers to take financial control of their health care and exercise more choice in their providers. Transparency can also begin the public dialogue between stakeholders in the health care industry regarding the variation of health care costs within Alaska.

HB 123 provides a simple approach to comprehensive, consumer-friendly health care price information for consumers. It may also help reduce the price of health care spending and increase the accessibility to quality health care, while being unburdensome to health care providers and facilities. Empowering consumers with price information allows patients to compare providers and "shop" for high-value, cost-effective care. While health care prices are negotiable, health care is not. Alaskans deserve to know what health care services and procedures will cost before they step into the doctor's office.

¹ 2011 (State of Alaska Health Care Commission 2011 Annual Report)

² 2012 (Truven Health Analytics)

Session (January-April):
State Capitol
Juneau, AK 99801
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SENATE CS for CS HOUSE BILL 123 30-LS0380\B
 Explanation of Changes: version O to version B

Statute	Provision	Section	(H) HSS v. O		(S) HSS v. B	
AS 18.15.360	Data collection	1	a	Department of Health and Social Services (DHSS) will expand their data collection to include health care services and price information.	No change	
AS 18.23.400	Disclosure and reporting of health care services and price information	2	a	A health care provider will annually compile by procedure and diagnosis code the 25 health care services most commonly performed and the undiscounted price from the previous year.	Delete diagnosis code. Add: facility fees and the Medicaid payment rate under AS 47.07 and AS 47.05.	
			b	A health care facility will annually compile by procedure code and diagnosis code the 50 health care services most commonly performed and the undiscounted price from the previous year.	Delete diagnosis code. Add: facility fees and the Medicaid payment rate under AS 47.07 and AS 47.05.	
			e	If a provider performs less than 25 services, or if a facility performs less than 50 services, during the annual reporting period, the provider or facility will provide a list of all the services they performed. <i>(provision was moved to subsection (c), and language was expanded).</i>	Add: the list will include the information required in subsection (a) and (b).	
			No provision		A provider in a group practice is not required to compile and publish a list if the group practice already compiles and publishes a price list, and the prices of the provider are reflected in the list.	
			c	The provider and facility will publish the lists under subsection (a) and (b) by January 31st each year and provide the list to DHSS. The lists will also be posted in the public reception area of the provider's clinic or facility. The lists will also be posted on the website of the provider or facility, if they have one. <i>(provision was moved to subsection (e), and language was expanded).</i>	Add: the name and location of the provider or facility, and DHSS's internet website, font size no smaller than 20, a written statement, "You will be provided with an estimate of the anticipated charges for your nonemergency care upon request. Please do not hesitate to ask for information;" a list of health care insurers in-network with the provider or facility.	
			d	DHSS will compile and annually update the lists provided by the health care providers and facilities with their names and addresses, and post this information on DHSS's website, and enter this information into their database maintained under AS 18.15.360. <i>(provision was moved to subsection (f), but language wasn't expanded).</i>		

SENATE CS for CS HOUSE BILL 123 30-LS0390\B
 Explanation of Changes: version O to version B

Statute	Provision	Section	(H) HSS v. O	(S) HSS v. B		
AS 18.23.400 (continued)	Disclosure and reporting of health care services and price information (continued)	2	No provision	<p>Upon request of a good faith estimate (GFE), a provider, facility, or insurer has 10 days to provide the GFE or before the service is provided. The GFE will be given verbally, in writing, or electronically. If the GFE is given to the patient verbally, the provider or facility will keep a record of the request. The GFE must include a portion of the total charges or a reasonable range of the anticipated charges.</p>	g	
			No provision	<p>The GFE, in plain language that an individual can understand, will include: health care services, products, procedures, and supplies, the in-network and out-of-network providers, procedure code, facility fees, and the identity of other agencies that may charge for a service or product in connection to the health care service.</p>	h	
			No provision	<p>A health care provider, facility, or insurer that provides a GFE is not liable for damages if the estimate differs than the amount charged to the patient.</p>	i	
			No provision	<p>A health care facility that is an emergency department is not required to provide a GFE for nonemergency care.</p>	j	
			f	<p>A provider or facility that does not comply with posting the price information, DHSS will fine them \$50 a day for each day after March 31st. Not to exceed \$2,500. An aggrieved person may file an appeal with the superior court for judicial review of the penalty under AS 44.62.560. (provision was moved to subsection (k) and (l), and language was expanded).</p>	<p>A provider or facility that does not comply with subsections (a)-(e) and (g)-(h), DHSS will fine them \$100 a day for each day after March 31st. Not to exceed \$10,000. An insurer that does not comply with subsections (g)-(h) is liable for a civil penalty not to exceed \$10,000.</p>	k
			No provision	<p>A health care provider, facility, or insurer penalized under subsection (k) is entitled to a hearing conducted by the office of administrative hearings under AS 44.64.</p>	l	
			No provision	<p>A municipality may not enforce an ordinance that imposes health care price disclosure requirements.</p>	m	
g	<p>Department, health care facility and exemptions, health care provider, health care service, price, recipient, and third party are defined. (provision was moved to subsection (n), and language was expanded).</p>	<p>Add: facility fee, tribal health organizations, health care insurer, nonemergency health care service, patient, and undiscounted price.</p>	n			

SENATE CS for CS HOUSE BILL 123 30-LS0380\B
 Explanation of Changes: version O to version B

Statute	Provision	Section	(H) HSS v. O	(S) HSS v. B
AS 21.96.200	Good faith estimate	3	No provision	A person who has insurance can request a GFE of nonemergency health care services. The health care insurer will provide a GFE of the amount of the reasonably anticipated charges under subsections (g) and (h).
Transition and Effective Dates		4		DHSS may adopt regulations necessary to implement the changes in this Act and will take effect under AS 44.62 but not before the effective date.
		5		Section 4 will take effect immediately.
		6		January 1, 2019
			January 1, 2018	



**FRESENIUS
MEDICAL CARE**

April 3, 2018

**Senator David Wilson, Chairman
Senate Health & Social Services Committee
State Capital Building
Juneau, Alaska**

Subject: HB123, relating to disclosure of health care costs

Dear Senator Wilson:

Thank you for this opportunity to offer comments on House Bill 123, which relates to the disclosure of health care costs.

Fresenius Medical Care operates 9 outpatient dialysis facilities in Alaska, serving approximately 300 dialysis patients with hemodialysis and home dialysis training in Anchorage, Fairbanks, Juneau, Soldotna, and Wasilla.

While we fully understand and appreciate HB123's goal of providing health care price information for consumers, there are some circumstances related to dialysis services that warrant your consideration.

Of our 300 Alaska dialysis patients, only 11% have commercial coverage as their primary insurance. All others are Medicare, Medicaid, or VA primary. At any given time, a good portion of our commercial patients are in the process of waiting to become Medicare eligible. Most patients under age 65 move to Medicare after 90 days of starting dialysis because that's when they are eligible for Medicare due to End Stage Renal Disease, unless they have an Employer Group Health Plan. An EGHP is primary for 30 months and then Medicare becomes primary after that (Medicare Secondary Payer Rule).

Unless there's some reason that prohibits someone from qualifying for Medicare (i.e., not enough work quarters) or Medicaid, commercial insurers have a relatively short amount of time to pay for dialysis. Costs may, therefore, appear high if there is no opportunity to explain that commercial insurers will only temporarily pay primary. Once coverage switches to secondary, thereafter over the long term patients pay the 20% Medicare doesn't cover.



Posting price information for dialysis services provides little, if any, useful or relevant information to the patient. Further, posting price information to a web site prohibits an opportunity for dialogue or explanation of the likelihood that almost all dialysis patients will eventually convert to secondary coverage within a relatively short period of time.

Given that such a relatively small percentage of dialysis patients have commercial payer coverage, we believe the best outcome would be to be exempted from the bill.

To the extent we will be required to disclose price information, we are concerned about posting to a web site that offers minimal opportunity for dialogue with the patient. We would ask for consideration for removal from internet requirements in order to allow for interaction and communication with the patient in order that they can understand and consider the likely payment methodology before making decisions about their treatment.

Thank you for considering this request.

Sincerely

Wendy Funk Schrag

**Wendy Funk Schrag, LMSW, ACSW
Vice President State Government Affairs
316.841.5245
Wendy.schrag@fmc-na.com**

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 30, 2017

The Honorable Ivy Spohnholz
Alaska House of Representatives
State Capitol, Room 421
Juneau, Alaska 99801

RE: SB 123 -- Disclosure of Health Care Costs

Dear Representative Spohnholz:

The Alaska State Medical Association ("ASMA") is strongly in favor of increased transparency in the provision of healthcare services. We believe that improved transparency is one of a large number of changes to the healthcare system that are needed in order to improve the "value" of care the patients receive. We feel strongly that transparency should extend not only to providers and hospitals but also to insurance companies, the pharmaceutical industry and the medical device industry.

We know that it may take several steps to "get this right" but we would like to be as helpful as possible during this legislature in developing Alaska's first version of transparency legislation. Unfortunately, we think that the Anchorage ordinance and House Bill 123, although well intended, actually does very little to provide patients with actionable meaningful information. In the case of the Anchorage ordinance at a high cost.

For almost all patients, knowing the "rack rate" or "cash rate" for medical care would be very misleading as to what the actual charge would be or the patients actual cost. The foundation of the bill's concept is to create transparency and empower the patient/consumer to make informed decisions. However, the "rack rate" will almost never provide price transparency and will almost always provide misleading information to the consumer. While one provider could have a significantly lower "rack rate" than another provider, the higher "rack rate" might be significantly cheaper for a patient than the "lower rack rate" for that insured due to differing contractual payment rates. For example, one provider may charge \$500 dollars for an office visit and another provider may charge \$400. The seemingly more expensive provider may have a contract with Premera in which the negotiated rate is only \$350 while the seemingly "cheaper provider may have a contract with Premera in which the negotiated rate is actually \$380. Another concern is the unintended consequence of impacting patient choice due to the fear of high "rack rates" when a review of benefits may show there is no charge (some preventive care) or very low copays.

You asked that if ASMA believed HB 123 was insufficient or ineffective we provide suggestions on how to improve it. This is a fair request. We suggest the following structure would have a good chance of meeting the transparency goals in HB 123 by providing patients with good faith estimates that would be more closely aligned to a patients likely costs, both for the procedure and patient out of pocket. We suggest the following three steps:

- 1) All invoices, payment requests, hospital bills and explanation of benefits statements must be required to have CPT codes, HCPCS codes or equivalent codes on them. Currently they are often vague and will list "line items" like "doctor visit" and "knee surgery" which makes comparison very difficult. All health care providers (including services such as durable medical equipment, physical therapy, chiropractic care etc.) should be required to do this, as should all insurance companies. While this step is "post" receiving care it creates a culture of using CPT codes in documents that will over time increase the ability to pre-inform patients of costs and provide better actionable data for future decisions. Without specified codes, patients may compare "different levels" of office visits inappropriately instead of comparing a 99214 to a 99214 for example.
- 2) A Good Faith Estimate form should be created by the State with a requirement that patients have the right to review a Good Faith Estimate with an office or hospital before receiving care. The Good Faith Estimate would list the expected CPT or billing codes and a good faith estimate of likely charges. While these might be the "rack rates," providers will be able to explain what those mean and what they don't mean. We believe that most providers would be able to go deeper than a "rack rate" and provide patient specific estimates based on their insurance coverage. It would need to be clear that this is not a "promise" but a good faith attempt to provide fair pricing information to the patient. There would need to be an explanation that it is impossible to know everything in advance (if a patient is expecting to have a sleep study but ends up having chest pain and an urgent cardiac work up that is completely unexpected, we would not want this to be "binding" for all services or charges.)
- 3) Insurance companies would be required to work from the Good Faith Estimate form and give the expected rates of actual payment experience based on the contract with that provider that the insurance company has negotiated along with information about how much deductible is met and expected copay. That information should be required to be made available to the patient and the medical practice/hospital so that false or misinformation can be clarified. A timeframe that is reasonable should be established for this, maybe three days.

With the combination of a Good Faith Estimate and disclosure of CPT or billing codes on a standardized form the patient would have the ability to either rely on the Good Faith Estimate comparison or seek actual information from their insurance company.

An additional thought would be to allow a provider to either elect to post the information as your bill currently provides or instead elect to post information that the provider will provide Good Faith Estimates on charges and how to obtain them. This would provide a competitive advantage to providers who engage patients and try to provide them with more accurate information.

We are happy to discuss our ideas by phone or in person, but strongly feel that efforts to move toward transparency need to be ones that provide meaningful benefit to consumers while not creating false competition in the community based on anticipated costs that don't reflect the true amount a patient would end up paying.

Sincerely,



Graham A. Glass, M.D. President
Alaska State Medical Association



April 9, 2018

Dear Senate Judiciary Committee:

RE: SUPPORT FOR HB 123 - DISCLOSURE OF HEALTH CARE COSTS

The Greater Fairbanks Chamber of Commerce and its Cost of Health Care Insurance Committee is dedicated to understanding and advocating for policy changes like the support for HB 123: Disclosure of Health Care Costs. This legislation allows the state to collect health care related price information, requires health care providers to publish a list of their procedures and costs, and makes the information available in a public database. To provide cost information to consumers will arm them with the information they need to make cost effective health care decisions and encourage competition that would reduce the cost of health care in Alaska.

Support for HB 123 is based on three considerations: market transparency, information availability, and appropriate role of government.

Market Transparency – A predetermined price and the communication of that price is essential for a functional market. Part of the reason that Alaska’s health care market is so dysfunctional is that prices for medical goods and services are often not communicated prior to treatment. Therefore there is no agreement or understanding of price, leaving consumers in the dark and unable to make informed decisions.

There are challenges to developing a transparent market. There are differentiations in price structures and services offered by different providers and facilities which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, when consumers have the information they need to make informed market decisions they will seek the highest quality at the lowest price, which ultimately establishes a more competitive market and lower prices for health services.

Information Availability - HB 123 is reasonable and limited in scope, which requires medical providers to publish procedures and prices for the top 25 most common procedures they perform, and for medical facilities to publish procedures and prices for the top 50 most common procedures they perform.

EXECUTIVE PARTNERS

DIAMOND

- Alaska Airlines
- Foundation Health Partners
- Lockheed Martin
- Mt. McKinley Bank
- Ravn Alaska
- Vivamore Companies

PLATINUM

- Alyeska Pipeline Service Co.
- ConocoPhillips
- Denali State Bank
- Doyon, Limited
- Fred Meyer Stores
- GCI
- Golden Heart Utilities
- Kinross Fort Knox Mine
- MAC Federal Credit Union

GOLD

- BP Exploration
- Carlson Center
- Design Alaska
- Doyon Utilities LLC
- ExxonMobil
- First National Bank Alaska
- Sumitomo Metal Mining Pogo LLC
- TOTE Maritime Alaska
- Usibelli Coal Mine
- WAL-MART Stores, Inc.
- Wells Fargo Bank Alaska
- Westmark Fairbanks Hotel & Fairbanks Princess Riverside Lodge

SILVER

- Alaska USA
- Alaska Railroad
- Everts Air Cargo, Everts Air AK
- Exclusive Paving/University Redi-Mix
- Fairbanks Daily News-Miner
- Fairbanks Natural Gas
- Flowline Alaska
- Gene’s Chrysler, Jeep & Dodge
- Golden Valley Electric Association
- Hale & Associates, Inc.
- Hilcorp Alaska, LLC
- JL Properties, Inc.
- Key Bank
- Lynden
- Matson Alaska
- McDonald’s of Fairbanks
- Northrim Bank
- Personnel Plus
- Seekins Ford Lincoln
- Sourdough Fuel
- Spirit of Alaska Federal Credit Union
- TDL Staffing
- Tower Hill Mines-Livengood Gold Project
- University of Alaska Fairbanks
- Verizon Wireless
- Yukon Title Company



Role of Government - The health care market is distorted and the legislature must act to help balance the market. Ideally, consumers would have the information they need to compare procedures and prices to make informed decisions, and providers and facilities would be accustomed to provide the cost information needed for a transparent and functional market. However, this health care related cost information remains elusive to the public, which reinforces a vicious cycle of purchasing services and procedures without a quality or cost reference point. We are hard-pressed to name any product or service for which we would procure without before knowing the quality or cost of such a good or service.

The Greater Fairbanks Chamber of Commerce represents over 700 business members throughout Interior Alaska. We work to advocate for the best business environment, promote economic strength and growth for Interior Alaska, and to develop the resources and networks enterprising people use to share knowledge.

Sincerely,

A handwritten signature in black ink that reads "Marisa Sharrah".

Marisa Sharrah
President & CEO
Greater Fairbanks Chamber of Commerce

A handwritten signature in black ink that reads "Tiffany Van Horn".

Tiffany Van Horn
Board Chair
Greater Fairbanks Chamber of Commerce

From: AMY LUJAN <alaso@gci.net>
Sent: Tuesday, April 03, 2018 2:10 PM
To: Rep. Ivy Spohnholz
Cc: Bernice Nisbett
Subject: Support for HB123

Rep. Spohnholz,

I would like to add the support of my association to the record for this bill. As many legislators know well, the cost of health care in Alaska has placed a heavy burden on school district budgets in recent years. Trying to deal with "flat" funding while costs are rising eats away at resources that could be better spent on improving instruction to students.

HB123 is a step in the right direction, toward making health care patients more informed consumers. We are hopefully that fully informed, rational choices in the health care market will lower costs for both the patients themselves (often school district employees) and for the health plans we all pay into. This approach has shown promise in Anchorage and in other states.

Thank you for your careful consideration of this bill.

Amy Lujan
Executive Director
Alaska Association of School Business Officials (ALASBO)
3145 Pioneer Avenue
Juneau, AK 99801
907-723-7415
www.alasbo.org

From: Dale Fosselman <fossels@me.com>
Sent: Friday, March 16, 2018 2:17 PM
To: Senate Health and Social Services
Subject: Support for HB123

Members of the Senate Health and Social Services Committee

I am writing to urge passage of HB 123. The primary driver of Alaska's egregious cost of healthcare is the underlying cost of care. Today, it is nearly impossible to be an informed consumer because, at the most fundamental level, providers and facilities do not readily provide cost estimates to their current patients. Prospective patients comparing costs face even greater challenges.

Recently I researched costs for the ACA Silver Plan on the Kaiser Family Foundation website to find an apples to apples comparison of costs and benefits. The annual cost is \$15,499 in Seattle and \$34,027 in Wasilla. According to the website, my out of pocket maximum is \$14,700 so we are by no means looking at a lucrative plan on the benefits side of the equation. The \$18,528 annual cost differential has real consequences for Alaska businesses and families.

Alaska firms are at cost disadvantage to competitors in the Lower 48 and the high cost of health insurance is an all too real impediment to hiring new employees.

For families, the impact can also be disruptive. I have several retired or semi-retired friends who have established residency in the Lower 48 simply because of the differential in the cost of healthcare. This outmigration has a multiplier effect on the Alaska economy as their spending moves south with them.

Passage of HB 123 will help address the issue of unsustainable healthcare costs in Alaska, but it is only a first step. It is an important step, however, and I urge the Committee to pass HB 123

Thank you

Dale Fosselman

Wasilla

[REDACTED]

From: Ann Flister <[REDACTED]>
Sent: Friday, March 16, 2018 1:42 PM
To: [REDACTED]
Subject: HB 123 Comments

Dear Ms. Nisbett:

I fully support the passage of HB 123 relating to disclosure of health care services and price information. As a senior human resources professional with more than 25 years of experience in the Alaska market, I am alarmed at the rate of growth in healthcare benefits costs to Alaska businesses and its negative impact on our local economy. I am at a loss to think of any other professional service that expects its consumers to purchase services without a reasonable understanding of the cost of those services prior to purchasing them.

When I need an appliance or car repaired, or when I need professional consulting services for my business, I am able to readily obtain either fixed price or time and materials cost information to help me make an informed purchasing decision. Healthcare should be no different. Many of the employees in my company don't even attempt to obtain price information for major health services because they lack the time. Those ambitious enough to undertake the task of determining the total costs involved with a surgical procedure report spending hours, if not days, to accomplish this and are still often left with an incomplete picture of both the total cost to their employer's health plan and their own out-of-pocket expenditures. I believe this bill strikes a good balance between consumer protection and not overly burdening healthcare providers with unreasonable expectations for disclosure of their pricing and insurance network participation.

I urge the legislature to pass this bill for the benefit of all Alaskans.

Ann Flister

Senior Professional in Human Resources

Anchorage, Alaska

907-240-8113

afflister@gci.net



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

March 15, 2018

Senator David Wilson
Senate Health and Social Services Committee
Alaska State Capitol, Room 115
Juneau, AK 99801-1182

Subject: Support for CSHB 123, Disclosure of Health Care Costs and Price Information

Dear Chair Wilson:

The Alaska Commission on Aging ("the Commission") is pleased to offer support for CSHB 123, a bill authored by Representative Spohnholz that would require health care practitioners and facilities to publicly disclose medical care price information. The Commission supports price transparency as a means to promote increased consumer awareness and greater efficiency in Alaska's health care delivery system.

The Alaska Commission on Aging is a Governor-appointed board within the Department of Health and Social Services that is responsible for planning services for seniors, educating Alaskans about senior issues, and making recommendations directly to elected officials regarding policy and budget items that affect Alaska's seniors.

The aging of Alaska's population presents unique challenges for our state's health care delivery system. Such factors include the increasing numbers of people living with chronic disease and health conditions, their need for health care services to treat those conditions, workforce shortages, and the price of health care. According to the Alaska Medicare Information Office, there were 86,130 Alaskans on Medicare in 2017 with the majority of them being age 65 and older. People who are eligible for Medicare include individuals age 65 and older who have contributed to Medicare through employment; younger people with permanent disabilities who receive Social Security Disability Income payments for at least 24 months; and persons with End Stage Renal Disease. Alaska's population of people age 65 and older number 82,686 citizens in 2017 representing approximately 11.2% of the state's total population (Alaska Department of Labor, January 2018). Older Alaskans are particularly vulnerable to increases in medical costs as many live on fixed incomes. From the perspective of an older person, having access to health care price information allows patients to make informed decisions regarding their health care *before* they receive services and encourages meaningful conversations with their health care providers.

The *need to improve transparency of medical health care pricing* was a priority issue identified by seniors and other public members participating in the Medicaid Redesign community forums conducted by the Commission at senior centers in 2015. These participants identified medical price disclosure as a key factor that could lead to improved quality and more affordable health care. We believe that CSHB 123 addresses this concern head-on in a manner that is compliance manageable for health care providers.

In particular, we appreciate the addition of the *Good Faith Estimate* requirement under Article 4, Sec. 18.23.400 (g)(1) in the CS (version G) that allows the patient the right to request a cost estimate from their provider for a non-emergency health care procedure, before services are provided, that includes a reasonable breakdown of the anticipated charges sent within ten business days from receiving the request. Similar to consumers shopping for a home or other major expenditure, patients having medical price information are in a better position to make cost-benefit decisions about their health care and plan their personal budgets accordingly.

The Commission agrees in concept with the proposed legislation but is concerned about an important aspect of its implementation that affects older Alaskans. Although CSHB 123 requires health care price disclosures for undiscounted health care costs, as well as payment rates for Medicaid, there is no mention of requirements for disclosing Medicare medical costs either in the annual listing of health care costs publicly posted by health care practitioners and health care facilities or in the Good Faith Estimate given to patients by their providers. Seniors, more than any other age group, are consumers of health care. The majority of them are insured by Medicare. Even in situations where a person holds dual eligibility for Medicare and Medicaid, Medicare is the primary insurer. Without having knowledge of the Medicare costs for services provided by the Good Faith Estimate, we are concerned that Medicare beneficiaries will not fully benefit from this legislation. To address this need to know, we respectfully recommend disclosing Medicare costs for health care services in the Good Faith Estimate for Medicare patients. In this way, health care cost information can be made more transparent and of benefit to patients.

The Commission supports CSHB 123 and views this legislation as a positive step forward in promoting greater consumer awareness about health care costs to improve the efficiency of Alaska's health care delivery system. We appreciate your thoughtful consideration of this legislation and our proposed recommendations.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Danielelo
ACoA Executive Director

Cc: Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich
Representative Ivy Spohnholz

Senator David Wilson, Chair
Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich

March 15, 2018

Honorable Senators:

Healthcare consumers are increasingly seeking information about the costs of healthcare procedures. Timely, transparent disclosure of healthcare costs is essential to protecting the interests of consumers and allowing markets to function efficiently. Healthcare is currently the only industry in which consumers receive a service without being able to understand the price in advance or in a predictable manner.

Many residents in our Alaskan communities have experienced difficulties in obtaining information about the costs of healthcare services in a timely and consistent fashion. These difficulties foment a culture of mistrust and create uncertainty, billing disputes, and an increased tendency to seek medical services outside of Alaska – none of which are in the best interest of our homegrown practitioners or the health of our state as a whole.

The Municipality of Anchorage has taken a proactive approach to mitigate these issues by adopting a municipal ordinance. The City of Ketchikan is currently considering a similar ordinance and is in the process of gathering public comment. These local actions prove that, across the state, there is a very real appetite to write pricing transparency standards into law.

These comments are respectfully submitted on behalf of the Board of Directors of the Greater Ketchikan Chamber of Commerce. Representing over 200 member businesses in southern southeast Alaska, we advocate for a sound business climate and work to promote a superb quality of life for our local residents. Supporting a statewide law that would alleviate many of the problems associated with opaque pricing practices in the healthcare industry is something that fits our mission perfectly.

We believe that House Bill 123, version G's requirements are reasonable and can be easily met by any reputable practitioner. While we will continue to advocate for improved healthcare transparency here in Ketchikan via municipal ordinance, we fully support this bill and understand that it would preempt local municipal code. We believe this bill in particular strikes a sound balance of protecting consumers while not placing an undue administrative burden on providers; in fact, we believe it's passage will bolster their competitive position. House Bill 123 will support community livability and resident satisfaction, helping to make Alaska a more attractive place to live, work, and do business.

Alaska deserves a standard set of requirements which are the same for all providers. The best way to achieve that would be for the Alaska State Legislature to take action to adopt House Bill 123, version G. Please consider seriously passing this piece of legislation through committee at the earliest time possible and, ultimately, passing it into law. Thank you.

Sincerely,



Chelsea Goucher, President of the Board
Greater Ketchikan Chamber of Commerce
(907) 220-2133



March 14, 2018

Transparency

**Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801**

Representative Spohnholz,

SolstenXP Inc. supports HB 123 and urges its passage. SolstenXP Inc. and its affiliate companies employ over one hundred employees in Alaska. Many of these people have families, all of which are consumers of healthcare services.

Rising healthcare costs in Alaska make it difficult to provide competitive compensation and benefits compared with out of state organizations. The local healthcare cost escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

Medical expenses should be known by the consumer, up front, before purchase, like any other product or service.

SolstenXP Inc. urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.S. Redmond II", is written over a white background.

**Thomas S. Redmond II
Director of Human Resources
SolstenXP Inc.**

**Cc: Senator David Wilson, Chair
Senate Health and Social Services
State Capital Building, Room 115
Juneau, AK 99801**

Subject:

FW: Support for HB 123 - Unclass

On Mar 8, 2018, at 9:42 AM, Jenkins, Jerry <Jenkins@acmhs.com> wrote:

Good Thursday Representative Spohnholz.

First, I hope you are having a speedy recovery.

Second, I am writing to voice my support for HB 123. I have learned over the past decade to ask questions as I personally seek health care whether for primary care, dental, vision and specialty care. As a consumer of health care, I need to know what my approximate share is going to be and how am I going to pay it. Fortunately, my providers have been willing and eventually able to give me the financial information necessary to make an informed decision.

Third, as the CEO of a healthcare organization from January 2003-January 2018, we had a fee schedule for as services as well as a sliding fee schedule for individuals without insurance. This was done so everyone had access to fees and hopefully had no surprises regarding bills for service.

These are just a couple of my reasons for supporting HB 123. Let me know if I can do anything else to support it or if you have questions for me.

I am including Senator Giessel as I am in her district plus her professional experience as a healthcare provider and discussing financial matters with consumers/patients.

Warmest regards,

j2

**Jerry A. Jenkins, M.Ed., MAC
Chair, National Certification Commission for Addiction Professionals (NCC AP)
President, Board of Directors, Alaska eHealth Network (AeHN)
Immediate Past President, Alaska Behavioral Health Association (ABHA)
Consultant
Anchorage Community Mental Health Services
Fairbanks Community Mental Health Services
4020 Folker Street
Anchorage, AK 99508**

907-261-5310- Office

Jenkins@acmhs.com

Our Vision is "wellness for everyone."

Our Mission is to promote recovery and wellness by providing consumer-driven behavioral healthcare services

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[REDACTED]

I am hoping to be able to testify at the HB 123 hearing on Friday, but in case I cannot I wanted to offer written testimony.

As a consumer and as an employer it is long overdue that price transparency become available in the medical sector. There are really no other services that any of us would engage in without some idea as to the cost of those services – from an hourly rate of a legal representative or accountant to a full estimate for work on our automobiles.

I would also encourage the requirement to disclose the insurance carriers a provider and/or facility and/or services are under contract with as an in-network preferred provider/facility/service.

I had a personal experience with this phenomenon when I asked the wrong question “Do you take “X” insurance”. Well, of course they did as I was covered under a co-pay policy for the physician that covered both in and out of network providers. What I did not understand was that by not having all the facts, not only was the provider not in-network but the facility services were not in-network. So the other services and/or tests would be billed outside of my network agreements, at much higher rates than an in-network facility and with the additional 20% out of pocket over the in-network facility.

For this visit I had brought test results from an in-network provider, so it did not even occur to me that the facility would order in-house tests if they were not in-network. Well they did, I got the bill and was floored. I contacted the in-network provider and was given the procedure cost difference, it was significant. I then contacted the new provider and when I asked how they could charge so much more – the over-priced facility answer was “because we can!” That was not the response I expected.

This demonstrates that the lack of transparency not only leaves the consumer feeling completely helpless, there is no incentive for providers or facilities to consider basic customer service niceties or concessions. In other business sectors that first phone call, or certainly the two letters that followed, would likely have brought forth some form of concession and the staff in the accounting department would have been trained to better handle such a situation. But all that was offered was no response at all.

ECI

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Representative Ivy Spohnholz

House Health & Social Services Committee Chair

Serving House District 16: College Gate, Russian Jack, Nunaka Valley, & Reflection Lake

Committee Member: Education, Energy, Military & Veterans Affairs, Legislative Budget & Audit

Sectional Analysis: 30-LS0380\B

House Bill 123

"An Act relating to disclosure of health care services and price information; relating to health care insurer; and providing for an effective date."

Section 1

AS 18.15.360.

Subsection (a) (p. 1, line 14, p. 2, line 1): has been amended to authorize the Department of Health and Social Services (DHSS) to collect, analyze, and maintain databases of information related to health care services and price information collected under AS 18.23.400.

Section 2

AS 18.23.400. (p. 2, line 4): this is a new section that mandates the disclosure and reporting of health care services and price information.

Subsection (a) (p. 2, lines 7-16): providers will compile a list of the 25 most commonly performed health care services from the previous year and for each of the services state the procedure code, the undiscounted price, facility fees, and the payment rates for Medicaid.

Subsection (b) (p. 2, lines 17-25): facilities will compile a list of the 50 most commonly performed health care services from the previous year and for each of the services state the procedure code, the undiscounted price, facility fees, and the payment rates for Medicaid.

Subsection (c) (p. 2, line 26-31): if a provider or facility has fewer than 25 or 50 health care services performed, respectively, the provider or facility will compile a list of all health care services performed with the procedure code, undiscounted price, facility fees, and the payment rates for Medicaid.

Subsection (d) (p. 3, lines 1-7): a provider in a group practice is not required to compile and publish a price information list if the group practice compiles and publishes a list, and the prices and fees that the provider charges are reflected in the list published by the group practice.

Subsection (e) (p. 3, lines 8-30): providers and facilities will publish their list each year by January 31st and submit the list to DHSS along with their name and location. The lists will be posted in font size no smaller than 20, in a public area with the DHSS website address listed, and a statement explaining that the prices posted may be higher or lower than the amount paid by the

patient. The list will also include a statement that says the patient will be provided an estimate upon request, and the provider or facilities' in-network preferred provider. Lastly, the lists will be posted on the website of the facility or provider if they have one.

Subsection (f) (p. 3, line 31, p. 4, lines 1-4): once a year, DHSS will gather the compiled lists from the health care providers and facilities and post the information on their website. The lists will also be entered into the DHSS database under AS. 18.15.360(a).

Subsection (g) (p. 4, lines 5-25): when a patient requests a good faith estimate (GFE) of nonemergency health care services, the provider, facility, or insurer will have 10 days to provide the GFE verbally, in writing, or by electronic means. If the GFE is received verbally, the provider, facility, or insurer will keep a record of that GFE. The provider, facility, or insurer is not required to disclose the total charges for the anticipated course of treatment but should provide a portion of the total charges of the course of treatment, or a range of the charges for the anticipated service if the provider or facility cannot reasonably assess what the services should be.

Subsection (h) (p. 4, lines 26-31, p. 5, lines 1-17): a GFE must include a brief description in plain language of the health care services, products, procedures, and supplies, the in-network preferred providers, the procedure code, facility fees, and the suspected identity of others that may charge for a service, product, procedure or supply in connection with the nonemergent health care service, along with an explanation of whether the charges are included in the GFE.

Subsection (i) (p. 5, lines 18-21): a provider, facility, or insurer that provides an GFE will not be liable for damages if the GFE is different from the amount charged to the patient.

Subsection (j) (p. 5, lines 22-25): a facility that is an emergency department will not be required to provide a GFE or post that they will provide GFE upon request.

Subsection (k) (p. 5, lines 26-31, p. 6 lines 1-2): Civil penalties for providers and facilities that do not comply with posting the price information in subsections (a) through (e) will be \$100 a day after March 31st. This amount will not exceed \$10,000. Civil penalties for providers, facilities, or insurers who do not provide a GFE upon request in subsections (g) and (h) after 10 business days will be \$100 a day but will not exceed \$10,000.

Subsection (l) (p. 6, lines 3-5): providers and facilities that are penalized are entitled to a hearing conducted by the office of administrative hearings.

Subsection (m) (p. 6, lines 6-8): municipalities may not enforce an ordinance that imposes health care price disclosure requirements inconsistent with the regulations in Section 2.

Subsection (n) (p. 6, lines 9-31, p. 7, lines 1-21): health care facility excludes the Alaska Pioneers' Home, the Alaska Veterans' Home, an assisted living home, a long-term care nursing facility licensed by the department, a hospital operated by the United States Department of Veterans Affairs, the United States Department of Defense, or any other federal institution are described. Department, facility fee, health care facility, health care insurer, health care provider, health care service, nonemergency health care service, patient, third party, and undiscounted price are also defined.

Section 3

(p. 7, lines 22-26): An individual who has health insurance can request a GFE of nonemergency health care services and receive the same information listed in subsection (g) and (h).

Section 4

(p. 7, lines 27-31, p. 8 line 1): The DHSS can adopt regulations to implement the changes in this Act.

Section 5

(p. 8, line 2): Section 4 of this Act will take effective immediately.

Section 6

(p. 8, line 3): Except for Section 5 of this Act, the effective date is January 1, 2019.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill – the bill itself is the best statement of its contents.

ANCHORAGE DAILY NEWS

Health

Following Anchorage, Ketchikan eyes health care cost transparency rules

 Author: Naomi Klouda, Alaska Journal of Commerce  Updated: December 31, 2017

 Published December 31, 2017

Officials say they've seen benefits of a health care cost transparency ordinance passed by the Anchorage Assembly last February, and now Ketchikan is exploring a similar measure to receive price tags for care.

At its Dec. 21 meeting, the Ketchikan City Council heard from PeaceHealth Ketchikan Medical Center, its main local provider, on questions of price transparency.

In a statement, Chamber of Commerce President Chelsea Goucher called for an ordinance that would require health care practitioners to disclose estimated medical costs to patients prior to receiving treatment.

[A new Anchorage law is aimed at improving transparency in health care pricing. Here's how it works.]

The Ketchikan Chamber advocates an ordinance similar to Anchorage's to help create better market conditions for consumers, increase consumer satisfaction and to help mitigate the increasing trend of "medical tourism" to access services in other locations.

The Nov. 28 letter stated that the chamber believes the Anchorage ordinance's requirements are reasonable and can be easily met by any reputable practitioner.

"The Anchorage ordinance has been implemented successfully, and is being adhered to by a wide range of service providers, both large and small," wrote Goucher.

Another problem in Ketchikan was that, until recently, the hospital's billing questions had to be addressed in a time zone four hours away at the other end of an 800 number. That meant additional lag time in getting billing questions answered and lack of transparency, council member Janalee Gage said at the meeting.

"Then when you get the bill, it doesn't tell you what the procedure was for. They don't send receipts to verify you paid. Billing comes from various places around the country," Gage said at the Dec. 21 meeting.

PeaceHealth is a nonprofit health care system, similar to Providence Hospital, with Catholic medical centers in Washington, Oregon and Alaska.

Ed Freysinger, the new chief administrative officer for PeaceHealth Ketchikan, told the council the hospital has undergone several changes in billing since he took over in August, including relocating billing tasks to Ketchikan. He told the council he'd like to see a broad debate between all stakeholders before the council adopts a new ordinance.

No action was taken by the Ketchikan City Council at the Dec. 21 meeting, but the ordinance, proposed by member Judy Zenge, came at numerous public requests, Gage said.

"A lot of people go south for their medical; when it's cheaper to fly south and see a doctor than it is to stay in town, that tells you it's expensive," Gage said.

Gage predicts an ordinance will come.

"People in the city really want it. Many in Anchorage posted their price lists, but we haven't had anything like that in Ketchikan," she said.

Providing care for public workers brings extra pressure to bear, Gage said. The City of Ketchikan employs 50 people and pays about \$1.5 million annually for health insurance.

[Alaskans seek relief from high health care costs with medical tourism]

Powerful spotlight

DJ Wilson, executive director of State of Reform, which tracks developments in health care legislation in the Pacific Northwest and Alaska, noted that statewide legislation to create better transparency is stalled. He speculated that local ordinances would also put a powerful spotlight on transparency.

But short of a statewide law, what can municipalities achieve?

So far, the Anchorage Department of Health and Human Services hasn't levied any fines on doctors or facilities, said Melinda Freemon, director of DHHS. The ordinance went into effect on April 29 and carries with it a \$100 a day fine for non-compliance by doctors or facilities.

The Municipality of Anchorage spent \$54.5 million on health care in 2016. As one of the muni's biggest expenses, it paid that amount to insure 5,130 employees and their dependents, said Karen Norsworthy, acting employee relations director.

A big motivator for the Assembly to pass its ordinance was bringing down costs, City Manager Bill Falsey said at the time.

Employees request this information directly from their medical providers, so the MOA doesn't have data, on how many employees are requesting the pricing prior to receiving health services, Norsworthy said.

Soon after its passage, Falsey said the hope was that standard economic theory would take over. That's the theory that when price transparency is introduced, prices correspondingly go down.

And people might shop around, he added.

The ordinance requires health care practitioners and facilities in Anchorage to provide cost estimates to patients who request such information. Upon request by a patient, and within 10 business days from receiving the request, it requires health care practitioners and facilities to provide a written or electronic estimate of reasonably anticipated health care charges to treat the patient's condition when receiving non-emergency medical services.

It also requires health care practitioners and facilities to post a sign in patient waiting areas with specific language regarding requesting cost estimates.

[Anchorage looks to on-site health care clinic to drive down costs]

It's meant to help everyone in Anchorage, not just municipal employees, a resolution accompanying the ordinance stated. Providence and Alaska Regional hospitals said they are in compliance with the law by having the notice posted at sites around the hospital, according to their websites.

Then, to really put a few sharp teeth into the concept, the assembly added a notice that must be posted by at all medical facilities stating the possible fines of \$100 per day up to \$1,000 total.

Upcoming transparency bills

Wasilla Republican Sen. Shelley Hughes' Senate Bill 119 has a ways to travel, as it is currently still in the Labor and Commerce Committee where it was sent April 24 after being introduced. But SB 119 generated enthusiasm among constituents who testified for the need to enact the "Alaska Health Care Consumer's Right to Shop Act."

The bill would create a department authorized to collect, analyze and maintain databases of information related to pricing, but also risk factors for certain conditions, morbidity and mortality rates, and other public health functions.

It also seeks a price transparency requirement from medical practitioners and facilities. Hughes is hoping to see this bill advance when the Legislature reconvenes in January.

House Bill 123 made it further along, passing 34-6 in the House and it is now in the Senate Health and Social Services and Judiciary committees. That bill would require health care providers to "annually compile a list, by procedure code, including a brief description, in plain language that an individual with no medical training can understand of the 25 health care services most commonly performed by the provider in the state in the previous calendar year and the undiscounted price charged for each of those health care services."

SB 119 carries some of the same wording.

Rep. Ivy Spohnholz, D-Anchorage, sponsor of HB 123, hopes the legislation moves on to the Senate floor this session.

"It's the top of my priority list," Spohnholz said. "Health care costs make up 18 percent of the GDP (Gross Domestic Product) and it's even higher in Alaska. It's something we really need to get a handle on. This will help consumers make choices for themselves."

Comments

Menu

RESEARCH & COMMENTARY: HEALTH CARE PRICE TRANSPARENCY LAWS COULD HELP ALASKA PATIENTS

FEBRUARY 22, 2017

By Matthew Glans

In this Research & Commentary, Matthew Glans examines health care price transparency and how it promotes competition and helps ensure product quality.



Access to transparent health care prices remains elusive for consumers who are often insulated from the billing system through ineffective third-party payment systems which leave patients unaware of the cost of the treatments they receive. Patients are not given an incentive to shop around; they pay the same copay regardless of the services they choose and are not penalized for ineffective choices. Extra costs are passed on to the insurer, and the overall cost of premiums increases along with the cost of care.

According to the *Alaska Dispatch News* (ADN), the cost of health care in Alaska is considerably higher than in most parts of the United States: "Alaskans spend thousands more on health care annually than the average American, and medical specialists in the state sometimes charge 10 times prices found in Seattle," wrote Laurel Andrews.

In Alaska, state and local legislators are considering proposals that would make health care price information more transparent for patients, thereby helping to manage costs.

The first proposal would require health care providers to list prices for their most commonly used procedures, posting them both in their offices and online. Smaller providers would be required to post prices for their top 25 procedures. Larger providers would need to post price information for their top 50 procedures. These lists would be required to be kept up-to-date and reviewed annually.

Another effort, this time at the local level, is under consideration in Anchorage, where according to the *Alaska Dispatch News*, the mayor plans to introduce an ordinance that would allow patients to request a price estimate of medical services and impose penalties on those providers that do not comply. The proposed ordinance would require health care providers to offer an estimate within seven business days. The estimate would include all procedures that are likely to be administered and their costs. Billing codes would also be given in the estimate so patients would be able to follow up with their insurers should coverage questions arise. Failure to post information about these lists or to provide a prompt estimate would lead to a fine of up to \$1,000.

While it is important to consider the potential costs these plans might create for providers, both plans would be a positive step toward empowering consumers and creating real competition in the state's health care market.

A recent report card from the Health Care Incentives Improvement Institute (HCI3) and Catalyst for Payment Reform's (CPR) examined state price transparency laws and found very little progress being made by state to improve health care price transparency. The report card found "45 of 50 states fail when it comes to disclosing health care price information to the public."

Price transparency laws do work. In a 2013 study published in the *Journal of the American Medical Association*, researchers looked at the medical claims paid by employers after a price transparency tool was made available. The study was extensive, covering 500,000 individuals in 253,000 households between 2010 and 2013 while examining three basic medical services:

laboratory tests, advanced imaging services, and clinician office visits. The results were positive, costs for consumers using the price transparency tool were "14 percent lower for lab tests and 13 percent lower for imaging services compared to those who did not use the tool. Costs associated with office visits declined by 1 percent." The money saved by the patients was also noteworthy; as an example, the consumers using the price transparency tool for imaging services saw a reduction of \$124.74 per service.

Price transparency promotes competition and helps ensure product quality. When consumers are able to actively shop and compare prices, market pressures encourage providers to produce a more affordable, higher quality product or risk losing out to their competitors. State legislators should pursue efforts to ensure health care price transparency efforts in their state.

The following documents examine health care price transparency in greater detail.

Ten Principles of Health Care Policy

<http://heartland.org/policy-documents/ten-principles-health-care-policy>

This pamphlet in The Heartland Institute's *Legislative Principles* series describes the proper role of government in financing and delivering health care and provides reform suggestions to remedy current health care policy problems.

Price Transparency in Health Care: Will it Bend the Cost Curve?

<http://dailysignal.com/2010/06/28/price-transparency-in-health-care-will-it-bend-the-cost-curve/>

Kathryn Nix writes in the Daily Signal about a new trend toward greater price transparency in medicine due to new companies aiming to make health care price more available. "Lack of transparency regarding pricing of medical services has often been attributed as one of the factors contributing to skyrocketing spending in the health care system, a concern which drew considerable attention during the recent debate over health care reform."

Transparency in Health Care: What Consumers Need to Know

<http://www.heritage.org/research/lecture/transparency-in-health-care-what-consumers-need-to-know>

In this 2007 lecture from the Heritage Foundation, the Honorable Alex M. Azar II, Thomas P. Miller, David B. Kendall, and Walton Francis discuss transparency in health care and how it effects choice and pricing. "In a free market, where consumers make their own decisions, technology and techniques rapidly improve. Quality rises and prices drop. In short, freedom fosters prosperity."

Empowering Patients as Key Decision Makers in the Face of Rising Health Care Costs

<http://www.heritage.org/research/reports/2011/12/empowering-patients-as-key-decision-makers>

The current trend of rapidly rising health care costs is unsustainable. Many proposed reforms to curb spending rely on some type of rationing imposed by an unaccountable government body. A better alternative would be to allow individual consumers to make their own decisions about care, including the self-rationing of medical services, based on cost and their own desires. Such a policy is compatible with American values of limited government and individual liberty and responsibility. State and federal policymakers should adopt measures to facilitate personal control of health care decisions.

Transparency and Disclosure of Health Costs and Provider Payments: State Actions

<http://www.ncsl.org/research/health/transparency-and-disclosure-health-costs.aspx>

This report from the National Conference of State Legislatures describes a number of state actions over the past two decades which promote efforts to improve transparency in health charges and provider payments.

Study: Price Transparency Benefits Consumers

<http://news.heartland.org/newspaper-article/2015/01/16/study-price-transparency-benefits-consumers>

Kenneth Artz writes in the *Heartlander* about a new study from the Journal of the American Medical Association which found as price transparency lowered total claims payments for common medical services.

Health Care Prices Remain a Secret in Most States

<http://news.heartland.org/newspaper-article/2015/07/08/health-care-prices-remain-secret-most-states>

Only five states adequately make health care prices available to the public, says a new report about health care price transparency. Kenneth Artz writes in the *Heartlander* about the Health Care Incentives Improvement Institute (HCII) and Catalyst for Payment Reform's (CPR) third annual Report Card on State Price Transparency Laws which shows little progress being made despite what seems to be more activity in state legislatures discussing the need for price information, particularly at a time when more Americans are gaining health coverage under Obamacare. However, 45 of 50 states fail when it comes to disclosing health care price information to the public.

Healthcare Prices for Common Procedures Are Hard for Consumers to Obtain

<http://pioneerinstitute.org/healthcare/national-survey-finds-limited-access-to-price-estimates-for-routine-hospital-procedure/>

A survey of 54 hospitals in six metropolitan areas across the United States reveals consumers seeking a price estimate for a routine medical procedure face a difficult and frustrating task, despite price transparency provisions in the Affordable Care Act and five of the six states, according to this Pioneer Institute Policy Brief.

Price Transparency in Health Care Report from the HFMA Price Transparency Task Force

<https://www.heartland.org/policy-documents/price-transparency-health-care-report-hfma-price-transparency-task-force>

In this paper, a multi-organizational task force develops guiding principles and recommendations for price transparency which highlight how hospitals, physicians, and health plans can share reliable information on healthcare prices with consumers.

Nothing in this *Research & Commentary* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this subject, visit *Health Care News*, The Heartland Institute's website, and *PolicyBot*, Heartland's free online research database.

If you have any questions about this issue or The Heartland Institute's website, contact John Nothdurft, The Heartland Institute's government relations director, at john@heartland.org or 312/377-4000.

ARTICLE TAGS

HEALTH CARE

AUTHOR



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Matthew Glans joined the staff of The Heartland Institute in November 2007 as legislative specialist for insurance and finance. In 2012, Glans was named senior policy analyst.

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How Price Transparency Can Control the Cost of Health Care

Photo: Matt Meyer

Top Takeaways

Health care spending will total nearly 20 percent of the country's gross domestic product (GDP) in the next five years. This snapshot delves into policies that may help curb the price of health care over time and make insurance and treatment more widely accessible.

Price transparency might have the single biggest effect in informing the public about health care costs and could support a more efficient health care delivery system in the United States.

More and more people are becoming increasingly curious about the price of their health care, and understand that more expensive does not necessarily mean better. But people still do not realize that health care prices vary significantly between providers for the same services.

Key Facts

National health care spending amounted to

\$2.7 trillion

in 2011 and will approach

20% of GDP

by 2020 if trends persist.

69%

of people want insurance companies to disclose what they pay physicians and hospitals for procedures.

82%

of people who have compared health care prices say they will do so again.

Price Transparency as a Cost-Lowering Tool

Understanding the price of health care services can be confusing. Rates vary depending on where the service is provided, what kind of insurance the patient has, and other factors. It's difficult, therefore, for patients to determine the amount they will pay for a given test or procedure. Many people are calling for greater price transparency in health care, where patients can clearly see the price of a treatment and determine how much they will pay out-of-pocket before receiving care.

Experts have long agreed that price transparency in the health care industry has a number of positive consequences. It is an important information gathering tool for consumers who want to compare prices so they can make more informed decisions about their health care. Most people in America want greater price transparency and would compare health care prices if given the option, [according to Public Agenda](#).

However, price transparency does not only serve an educational purpose—it actually lowers the cost of health care. According to an [article in Health Affairs](#), both price transparency and reference pricing—the cost consumers can anticipate paying for a given procedure or health

Rising costs can't be controlled until the price of health care is made transparent and consumers know the price of services being provided to them.

service—have helped reduce costs in the long run. “The historical opacity of health care prices is widely believed to be a major factor inhibiting the more efficient functioning of the delivery system,” [according to the Robert Wood Johnson Foundation](#). “Health economists and other experts are convinced that significant cost containment cannot occur without widespread and sustained transparency in provider prices.”

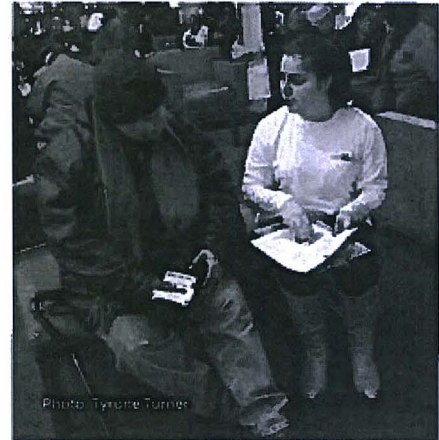
The average health insurance premium in America has increased by 69 percent in the past decade, according to the [Kaiser Family Foundation](#). With premiums increasing, families have to make more educated purchasing decisions in the health marketplace to save money, especially those families with higher deductibles. But accurate price information is hard to come by considering the default price opacity in most states. The Healthcare Financial Management Association [cites a recent report](#) where the U.S. Government Accountability Office asked dozens of health care providers about their price for a knee replacement. The estimates given ranged from \$33,000 to \$101,000. This wide range in prices is difficult to account for, and without more comprehensive price transparency, consumers face a difficult time choosing the most cost-efficient option.

Price Transparency is Smart Policy

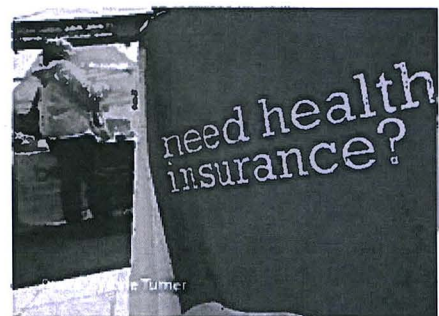
Catalyst for Payment Reform, a group that ranks states based on the sophistication of their price transparency policies, gave 45 states an “F” grade this year when it came to health care price transparency.

More than half of people in America say they have tried to find out about the price of health care before getting care, [according to Public Agenda](#). And the ones who have found out about health care prices are looking for value. A majority believes that more expensive care does not equate to better care. This demonstrates the demand for transparency among consumers, and the recognition among consumers that price variation in health care is often an arbitrary divide that does not necessarily reflect quality of care.

All-Payer Claims Databases (APCDs), according to the Robert Wood Johnson Foundation, are online databases that comprehensively collect medical and pharmacy claims across the state to create a full picture of price data. New Hampshire established an APCD in 2008, which gives its residents an opportunity to evaluate price differences across multiple settings and providers. Recent improvements to New Hampshire’s system garnered it the only “A” rating in this year’s Catalyst for Payment Reform ranking. APCDs, however, have recently experienced



Price transparency does not only serve an educational purpose—it actually lowers the cost of health care.



a setback due to a [Supreme Court ruling](#) in March 2016 that states can no longer mandate insurers to submit claims data that is at odds with the softer requirements laid out in the 1974 Employee Retirement Income Security Act.

In addition to public ACPDs, the Healthcare Financial Management Association highlights a number of other tools that can be used to increase price [transparency](#). These include tools from the insurance company, like Member Payment Estimator by Aetna®, similar tools from hospital associations and provider organizations, as well as crowd sourced platforms like ClearHealthCosts. Price transparency tools can be both public and private, but in order to free up the data currently locked in by non-disclosure agreements and contractual limits, states must pass legislation that mandates increased price sharing across providers, hospital networks, physicians and consumers. Increased price transparency combined with reference pricing, the price consumers can expect to pay for services, has shown to put pressure on providers to lower their prices.

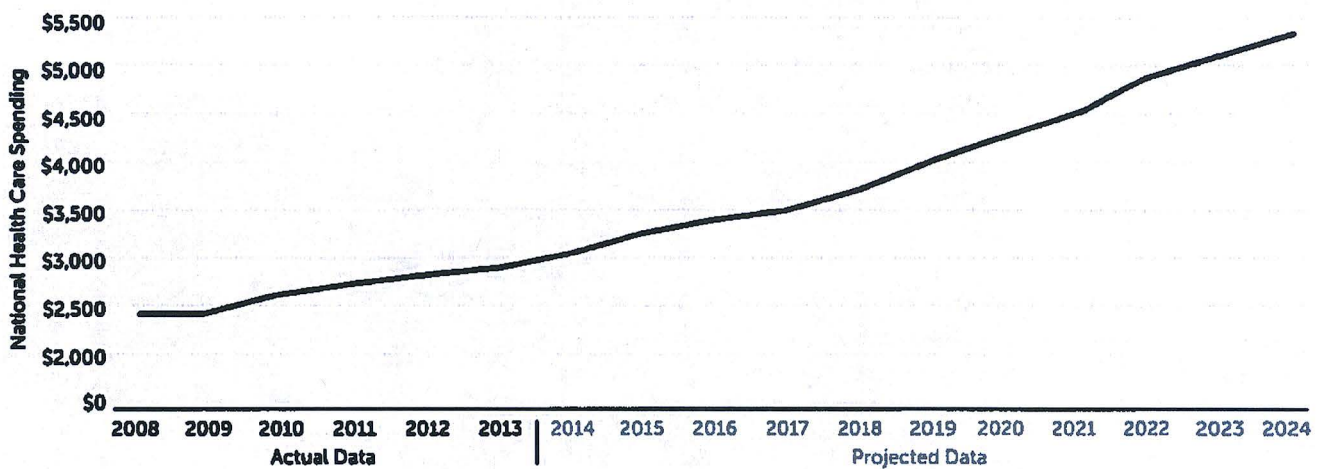
More than half of people say they have tried to find out about the price of health care before getting care.

The cost of health care is expected to rise by more than

85%

over the next
20 years.

Projected Annual Cost of Health Care in the United States
Dollars in Billions



SOURCE: Centers for Medicare and Medicaid Services, 2015

The Agenda

- One way state governments can combat price opacity is by empowering providers and insurance personnel to talk about pricing, as well as guiding people toward reliable price information and explaining to them how prices vary across providers, according to Public Agenda.
- The Catalyst for Payment Reform says states can fight price opacity through legislation and litigation.

Many providers and insurance companies have succeeded in keeping health care prices opaque using non-disclosure agreements and restrictive gag clauses in contracts. Because of this, a majority of states have been unsuccessful in achieving greater price transparency to help consumers make educated choices about their health care.

However, a greater push from local governments and advocacy groups for greater price transparency has led to establishing online databases and passing legislation that calls for greater disclosure from providers.

Want to Know More?

[Understanding Healthcare Prices: A Consumer Guide](#)

[Kaiser Family Foundation Health Benefits Survey, 2014](#)

[Health Care Price Transparency From the U.S. Government Accountability Office](#)

[The Basics of All-Payer Claims Databases](#)

Background

After the U.S. government passed the Patient Protection and Affordable Care Act (ACA) in 2010, millions of previously uninsured people became consumers in the health insurance market. Many of these consumers bought basic health care plans, which means that their new insurance would cover most but not all of their health care expenses. With such a plan, a patient could pay anywhere between \$458 or \$56,000 for an appendectomy, [according](#) to George Washington University.

This enormous price disparity for insured people under the ACA has sparked recent conversations about the importance of price transparency as a cost containment mechanism, as well as a valuable source of consumer information.

[REDACTED]

From: Rep. Ivy Spohnholz
Sent: Tuesday, April 17, 2018 9:59 AM
To: [REDACTED]
Subject: FW: Support for House Bill 123: Disclosure of Health Care Costs

From: Hannah Claugus <hbclaugus@gmail.com>
Sent: Monday, April 16, 2018 5:37 PM
To: Rep. Ivy Spohnholz <Rep.Ivy.Spohnholz@akleg.gov>
Subject: Support for House Bill 123: Disclosure of Health Care Costs

Dear Representative Ivy Spohnholz,

My name is Hannah Claugus and I'm currently a Master of Social Work student at UAA. I am writing you as a concerned student and community member in regards to House Bill 123: Disclosure of Health Care Costs. I would like to express my support for the passing of House Bill 123 and also thank you for your role in developing this legislation.

My family has been impacted by the lack of price transparency in our current health care system. Shortly after my son was born in 2016, we went through a period of being uninsured due to my husband starting a new job. After he started his new job there was a three month waiting period before he was eligible for coverage. One night, during this waiting period, my son had a high fever and was inconsolable. We didn't want to take him to the emergency room during the middle of the night because we were unsure of what it would cost and figured it would be very expensive. We waited until the morning to start calling pediatricians to find out how much a walk in visit would cost. This took about 45 minutes to call around and compare prices before deciding where to go. Thankfully, we found out he just had his first ear infection. I have other examples of how my family has been impacted by the lack of price transparency that I could explain in more detail if we correspond later.

I'm able to somewhat navigate our complicated health care system but there are many individuals that aren't able to do that. Anchorage is a very diverse city and many community members are limited English proficient. It would be even more difficult for them to call around to compare prices. In the case of a situation that required more urgent medical attention people wouldn't have time to call around. The reason I support House Bill 123 is because I think it in those cases, along with many other types of situations, it would be helpful to have a website that you could quickly and easily access to compare prices.

I fully support House Bill 123 and I hope you continue to support the passing of this bill as well. Again, I would like to express my appreciation for the service and leadership you have provided for House Bill 123. If you have any questions for me I can be contacted via email or phone. Thank you for your time.

Respectfully,

Hannah Claugus

907-854-8208

hbclaugus@gmail.com or hbclaugus@alaska.edu

Subject:

FW: HB123

From: Shaun Lewis

Sent: Tuesday, April 17, 2018 11:23 AM

To: sen.john.coghill@akleg.gov

Cc: sen.pete.kelly@akleg.gov

Subject: HB123

To the Honorable Sen. John Coghill and Sen Pete Kelly

RE: A request that you Please put forward the bill of HB123 back on the docket as to be able to have a hearing on it.

As a constituent, concerned citizen and a businessman in the health insurance industry here in the FNSB, I've been working with businesses on a daily bases for the last 20+ years. Almost all of my client are in favor of this bill. It will be good for businesses to have each of their covered employees as well as themselves having a little skin in the game. This Bill will help initiate patient to have a conversation with their Doctors, as to what services they are paying for and why they might be charging more than say XYZ doctor down the street.

I know in most business out there, including myself, WE THE PEOPLE have to show bids on competitive pricing but also be able to explain why and what one is getting for their dollar. Competition is good. And this will give the consumer something to use as a way to be invested in the process.

In looking at this bill it is quite a simple process working with the physicians to only list their top 25 procedures not all of them.

To the Physicians concern about this bill. I am well aware that this bill, is not a silver bullet that is magically going to suddenly drive down costs but, it is a good start. As you know Healthcare reform is a marathon, and a marathon is 26 miles, this is just miles HB 1, 2, 3.

I'm a committee member of the Greater Fairbanks Chamber of Commerce, focused on the health care concerns of the rising costs and what we can do about them. This was a very popular issue that got a lot of support from a wide variety of people. I believe you should have received a letter that was sent in to both of you from our Chamber of Commerce recently, showing our support.

I believe in short that you would be shorting your constituents if you didn't at least let the bill have a hearing, and not pull it and tuck it away because of a couple of doctors who oppose this bill. It is kind of ironic that the most expensive physicians in the state typically are in Fairbanks and they are the ones that oppose this bill. There are more insured's here that support this bill than those that would oppose it by a large margin.

So please reconsider putting it back on the docket. I would be more than happy to speak to either of you if you have any questions or concerns.

Thank you for your time and consideration

**Respectfully
Shaun Lewis**

**Alaska Employee Benefits
700 3rd Ave, Suite 1
Fairbanks, AK 99701
Phone: 907-457-2363
www.alaskaemployeebenefits.net
Fax: 907-457-2364**



April 9, 2018

Dear Senate Judiciary Committee:

RE: SUPPORT FOR HB 123 - DISCLOSURE OF HEALTH CARE COSTS

The Greater Fairbanks Chamber of Commerce and its Cost of Health Care Insurance Committee is dedicated to understanding and advocating for policy changes like the support for HB 123: Disclosure of Health Care Costs. This legislation allows the state to collect health care related price information, requires health care providers to publish a list of their procedures and costs, and makes the information available in a public database. To provide cost information to consumers will arm them with the information they need to make cost effective health care decisions and encourage competition that would reduce the cost of health care in Alaska.

Support for HB 123 is based on three considerations: market transparency, information availability, and appropriate role of government.

Market Transparency – A predetermined price and the communication of that price is essential for a functional market. Part of the reason that Alaska's health care market is so dysfunctional is that prices for medical goods and services are often not communicated prior to treatment. Therefore there is no agreement or understanding of price, leaving consumers in the dark and unable to make informed decisions.

There are challenges to developing a transparent market. There are differentiations in price structures and services offered by different providers and facilities which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, when consumers have the information they need to make informed market decisions they will seek the highest quality at the lowest price, which ultimately establishes a more competitive market and lower prices for health services.

Information Availability - HB 123 is reasonable and limited in scope, which requires medical providers to publish procedures and prices for the top 25 most common procedures they perform, and for medical facilities to publish procedures and prices for the top 50 most common procedures they perform.

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University of Alaska Fairbanks
Verizon Wireless
Yukon Title Company



Role of Government - The health care market is distorted and the legislature must act to help balance the market. Ideally, consumers would have the information they need to compare procedures and prices to make informed decisions, and providers and facilities would be accustomed to provide the cost information needed for a transparent and functional market. However, this health care related cost information remains elusive to the public, which reinforces a vicious cycle of purchasing services and procedures without a quality or cost reference point. We are hard-pressed to name any product or service for which we would procure without before knowing the quality or cost of such a good or service.

The Greater Fairbanks Chamber of Commerce represents over 700 business members throughout Interior Alaska. We work to advocate for the best business environment, promote economic strength and growth for Interior Alaska, and to develop the resources and networks enterprising people use to share knowledge.

Sincerely,

A handwritten signature in black ink that reads "Marisa Sharrah".

Marisa Sharrah
President & CEO
Greater Fairbanks Chamber of Commerce

A handwritten signature in black ink that reads "Tiffany Van Horn".

Tiffany Van Horn
Board Chair
Greater Fairbanks Chamber of Commerce

From: AMY LUJAN <alaso@gci.net>
Sent: Tuesday, April 03, 2018 2:10 PM
To: Rep. Ivy Spohnholz
Cc: Bernice Nisbett
Subject: Support for HB123

Rep. Spohnholz,

I would like to add the support of my association to the record for this bill. As many legislators know well, the cost of health care in Alaska has placed a heavy burden on school district budgets in recent years. Trying to deal with "flat" funding while costs are rising eats away at resources that could be better spent on improving instruction to students.

HB123 is a step in the right direction, toward making health care patients more informed consumers. We are hopefully that fully informed, rational choices in the health care market will lower costs for both the patients themselves (often school district employees) and for the health plans we all pay into. This approach has shown promise in Anchorage and in other states.

Thank you for your careful consideration of this bill.

Amy Lujan
Executive Director
Alaska Association of School Business Officials (ALASBO)
3145 Pioneer Avenue
Juneau, AK 99801
907-723-7415
www.alasbo.org

From: Dale Fosselman <fossels@me.com>
Sent: Friday, March 16, 2018 2:17 PM
To: Senate Health and Social Services
Subject: Support for HB123

Members of the Senate Health and Social Services Committee

I am writing to urge passage of HB 123. The primary driver of Alaska's egregious cost of healthcare is the underlying cost of care. Today, it is nearly impossible to be an informed consumer because, at the most fundamental level, providers and facilities do not readily provide cost estimates to their current patients. Prospective patients comparing costs face even greater challenges.

Recently I researched costs for the ACA Silver Plan on the Kaiser Family Foundation website to find an apples to apples comparison of costs and benefits. The annual cost is \$15,499 in Seattle and \$34,027 in Wasilla. According to the website, my out of pocket maximum is \$14,700 so we are by no means looking at a lucrative plan on the benefits side of the equation. The \$18,528 annual cost differential has real consequences for Alaska businesses and families.

Alaska firms are at cost disadvantage to competitors in the Lower 48 and the high cost of health insurance is an all too real impediment to hiring new employees.

For families, the impact can also be disruptive. I have several retired or semi-retired friends who have established residency in the Lower 48 simply because of the differential in the cost of healthcare. This outmigration has a multiplier effect on the Alaska economy as their spending moves south with them.

Passage of HB 123 will help address the issue of unsustainable healthcare costs in Alaska, but it is only a first step. It is an important step, however, and I urge the Committee to pass HB 123

Thank you

Dale Fosselman

Wasilla

[REDACTED]

From: Ann Flister <[REDACTED]>
Sent: Friday, March 16, 2018 1:42 PM
To: [REDACTED]
Subject: HB 123 Comments

Dear Ms. Nisbett:

I fully support the passage of HB 123 relating to disclosure of health care services and price information. As a senior human resources professional with more than 25 years of experience in the Alaska market, I am alarmed at the rate of growth in healthcare benefits costs to Alaska businesses and its negative impact on our local economy. I am at a loss to think of any other professional service that expects its consumers to purchase services without a reasonable understanding of the cost of those services prior to purchasing them.

When I need an appliance or car repaired, or when I need professional consulting services for my business, I am able to readily obtain either fixed price or time and materials cost information to help me make an informed purchasing decision. Healthcare should be no different. Many of the employees in my company don't even attempt to obtain price information for major health services because they lack the time. Those ambitious enough to undertake the task of determining the total costs involved with a surgical procedure report spending hours, if not days, to accomplish this and are still often left with an incomplete picture of both the total cost to their employer's health plan and their own out-of-pocket expenditures. I believe this bill strikes a good balance between consumer protection and not overly burdening healthcare providers with unreasonable expectations for disclosure of their pricing and insurance network participation.

I urge the legislature to pass this bill for the benefit of all Alaskans.

Ann Flister

Senior Professional in Human Resources

Anchorage, Alaska

907-240-8113

aflister@gci.net



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

March 15, 2018

Senator David Wilson
Senate Health and Social Services Committee
Alaska State Capitol, Room 115
Juneau, AK 99801-1182

Subject: Support for CSHB 123, Disclosure of Health Care Costs and Price Information

Dear Chair Wilson:

The Alaska Commission on Aging ("the Commission") is pleased to offer support for CSHB 123, a bill authored by Representative Spohnholz that would require health care practitioners and facilities to publicly disclose medical care price information. The Commission supports price transparency as a means to promote increased consumer awareness and greater efficiency in Alaska's health care delivery system.

The Alaska Commission on Aging is a Governor-appointed board within the Department of Health and Social Services that is responsible for planning services for seniors, educating Alaskans about senior issues, and making recommendations directly to elected officials regarding policy and budget items that affect Alaska's seniors.

The aging of Alaska's population presents unique challenges for our state's health care delivery system. Such factors include the increasing numbers of people living with chronic disease and health conditions, their need for health care services to treat those conditions, workforce shortages, and the price of health care. According to the Alaska Medicare Information Office, there were 86,130 Alaskans on Medicare in 2017 with the majority of them being age 65 and older. People who are eligible for Medicare include individuals age 65 and older who have contributed to Medicare through employment; younger people with permanent disabilities who receive Social Security Disability Income payments for at least 24 months; and persons with End Stage Renal Disease. Alaska's population of people age 65 and older number 82,686 citizens in 2017 representing approximately 11.2% of the state's total population (Alaska Department of Labor, January 2018). Older Alaskans are particularly vulnerable to increases in medical costs as many live on fixed incomes. From the perspective of an older person, having access to health care price information allows patients to make informed decisions regarding their health care *before* they receive services and encourages meaningful conversations with their health care providers.

The need to improve transparency of medical health care pricing was a priority issue identified by seniors and other public members participating in the Medicaid Redesign community forums conducted by the Commission at senior centers in 2015. These participants identified medical price disclosure as a key factor that could lead to improved quality and more affordable health care. We believe that CSHB 123 addresses this concern head-on in a manner that is compliance manageable for health care providers.

In particular, we appreciate the addition of the *Good Faith Estimate* requirement under Article 4, Sec. 18.23.400 (g)(1) in the CS (version G) that allows the patient the right to request a cost estimate from their provider for a non-emergency health care procedure, before services are provided, that includes a reasonable breakdown of the anticipated charges sent within ten business days from receiving the request. Similar to consumers shopping for a home or other major expenditure, patients having medical price information are in a better position to make cost-benefit decisions about their health care and plan their personal budgets accordingly.

The Commission agrees in concept with the proposed legislation but is concerned about an important aspect of its implementation that affects older Alaskans. Although CSHB 123 requires health care price disclosures for undiscounted health care costs, as well as payment rates for Medicaid, there is no mention of requirements for disclosing Medicare medical costs either in the annual listing of health care costs publicly posted by health care practitioners and health care facilities or in the Good Faith Estimate given to patients by their providers. Seniors, more than any other age group, are consumers of health care. The majority of them are insured by Medicare. Even in situations where a person holds dual eligibility for Medicare and Medicaid, Medicare is the primary insurer. Without having knowledge of the Medicare costs for services provided by the Good Faith Estimate, we are concerned that Medicare beneficiaries will not fully benefit from this legislation. To address this need to know, we respectfully recommend disclosing Medicare costs for health care services in the Good Faith Estimate for Medicare patients. In this way, health care cost information can be made more transparent and of benefit to patients.

The Commission supports CSHB 123 and views this legislation as a positive step forward in promoting greater consumer awareness about health care costs to improve the efficiency of Alaska's health care delivery system. We appreciate your thoughtful consideration of this legislation and our proposed recommendations.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich
Representative Ivy Spohnholz

Senator David Wilson, Chair
Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich

March 15, 2018

Honorable Senators:

Healthcare consumers are increasingly seeking information about the costs of healthcare procedures. Timely, transparent disclosure of healthcare costs is essential to protecting the interests of consumers and allowing markets to function efficiently. Healthcare is currently the only industry in which consumers receive a service without being able to understand the price in advance or in a predictable manner.

Many residents in our Alaskan communities have experienced difficulties in obtaining information about the costs of healthcare services in a timely and consistent fashion. These difficulties foment a culture of mistrust and create uncertainty, billing disputes, and an increased tendency to seek medical services outside of Alaska – none of which are in the best interest of our homegrown practitioners or the health of our state as a whole.

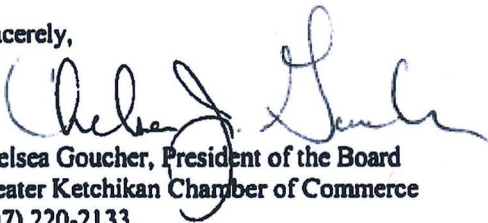
The Municipality of Anchorage has taken a proactive approach to mitigate these issues by adopting a municipal ordinance. The City of Ketchikan is currently considering a similar ordinance and is in the process of gathering public comment. These local actions prove that, across the state, there is a very real appetite to write pricing transparency standards into law.

These comments are respectfully submitted on behalf of the Board of Directors of the Greater Ketchikan Chamber of Commerce. Representing over 200 member businesses in southern southeast Alaska, we advocate for a sound business climate and work to promote a superb quality of life for our local residents. Supporting a statewide law that would alleviate many of the problems associated with opaque pricing practices in the healthcare industry is something that fits our mission perfectly.

We believe that House Bill 123, version G's requirements are reasonable and can be easily met by any reputable practitioner. While we will continue to advocate for improved healthcare transparency here in Ketchikan via municipal ordinance, we fully support this bill and understand that it would preempt local municipal code. We believe this bill in particular strikes a sound balance of protecting consumers while not placing an undue administrative burden on providers; in fact, we believe it's passage will bolster their competitive position. House Bill 123 will support community livability and resident satisfaction, helping to make Alaska a more attractive place to live, work, and do business.

Alaska deserves a standard set of requirements which are the same for all providers. The best way to achieve that would be for the Alaska State Legislature to take action to adopt House Bill 123, version G. Please consider seriously passing this piece of legislation through committee at the earliest time possible and, ultimately, passing it into law. Thank you.

Sincerely,



Chelsea Goucher, President of the Board
Greater Ketchikan Chamber of Commerce
(907) 220-2133



March 14, 2018

Transparency

**Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801**

Representative Spohnholz,

SolstenXP Inc. supports HB 123 and urges its passage. SolstenXP Inc. and its affiliate companies employ over one hundred employees in Alaska. Many of these people have families, all of which are consumers of healthcare services.

Rising healthcare costs in Alaska make it difficult to provide competitive compensation and benefits compared with out of state organizations. The local healthcare cost escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

Medical expenses should be known by the consumer, up front, before purchase, like any other product or service.

SolstenXP Inc. urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.S. Redmond II".

**Thomas S. Redmond II
Director of Human Resources
SolstenXP Inc.**

**Cc: Senator David Wilson, Chair
Senate Health and Social Services
State Capital Building, Room 115
Juneau, AK 99801**

Subject:

FW: Support for HB 123 - Unclass

On Mar 8, 2018, at 9:42 AM, Jenkins, Jerry <JJenkins@acmhs.com> wrote:

Good Thursday Representative Spohnholz.

First, I hope you are having a speedy recovery.

Second, I am writing to voice my support for HB 123. I have learned over the past decade to ask questions as I personally seek health care whether for primary care, dental, vision and specialty care. As a consumer of health care, I need to know what my approximate share is going to be and how am I going to pay it. Fortunately, my providers have been willing and eventually able to give me the financial information necessary to make an informed decision.

Third, as the CEO of a healthcare organization from January 2003-January 2018, we had a fee schedule for as services as well as a sliding fee schedule for individuals without insurance. This was done so everyone had access to fees and hopefully had no surprises regarding bills for service.

These are just a couple of my reasons for supporting HB 123. Let me know if I can do anything else to support it or if you have questions for me.

I am including Senator Giessel as I am in her district plus her professional experience as a healthcare provider and discussing financial matters with consumers/patients.

Warmest regards,

j2

Jerry A. Jenkins, M.Ed., MAC
Chair, National Certification Commission for Addiction Professionals (NCC AP)
President, Board of Directors, Alaska eHealth Network (AeHN)
Immediate Past President, Alaska Behavioral Health Association (ABHA)
Consultant
Anchorage Community Mental Health Services
Fairbanks Community Mental Health Services
4020 Folker Street
Anchorage, AK 99508

907-261-5310- Office

jjenkins@acmhs.com

Our Vision is "wellness for everyone."

Our Mission is to promote recovery and wellness by providing consumer-driven behavioral healthcare services.

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[REDACTED]

I am hoping to be able to testify at the HB 123 hearing on Friday, but in case I cannot I wanted to offer written testimony.

As a consumer and as an employer it is long overdue that price transparency become available in the medical sector. There are really no other services that any of us would engage in without some idea as to the cost of those services – from an hourly rate of a legal representative or accountant to a full estimate for work on our automobiles.

I would also encourage the requirement to disclose the insurance carriers a provider and/or facility and/or services are under contract with as an in-network preferred provider/facility/service.

I had a personal experience with this phenomenon when I asked the wrong question “Do you take “X” insurance”. Well, of course they did as I was covered under a co-pay policy for the physician that covered both in and out of network providers. What I did not understand was that by not having all the facts, not only was the provider not in-network but the facility services were not in-network. So the other services and/or tests would be billed outside of my network agreements, at much higher rates than an in-network facility and with the additional 20% out of pocket over the in-network facility.

For this visit I had brought test results from an in-network provider, so it did not even occur to me that the facility would order in-house tests if they were not in-network. Well they did, I got the bill and was floored. I contacted the in-network provider and was given the procedure cost difference, it was significant. I then contacted the new provider and when I asked how they could charge so much more – the over-priced facility answer was “because we can!” That was not the response I expected.

This demonstrates that the lack of transparency not only leaves the consumer feeling completely helpless, there is no incentive for providers or facilities to consider basic customer service niceties or concessions. In other business sectors that first phone call, or certainly the two letters that followed, would likely have brought forth some form of concession and the staff in the accounting department would have been trained to better handle such a situation. But all that was offered was no response at all.

ECI

Mary Knopf, ASID, IIDA, LEED AP BD+C, ALEP
PRINCIPAL | INTERIOR DESIGNER

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ALASKA PROFESSIONAL FIRE FIGHTERS ASSOCIATION

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www.alaskapffa.org



March 23, 2017

Representative Ivy Spohnholz
State Capital room 421
Juneau, AK 99801

Representative Spohnholz:

I am writing you today in support of HB 123 the medical pricing disclosure bill. HB 123 is a good first step in tackling the high prices Alaskans pay for health care. It will start to allow those seeking medical treatment to begin to act like rational consumers because of the increased pricing information it will make available. As an elected union official I have worked on healthcare for over a decade now. I understand the strain it places on individuals and the strain the high cost places on employers who provide coverage. As a large employer going through difficult financial times the State of Alaska has a real vested interest in bringing the cost of health care down in our state.

If I told you we were going to eat out at a different kind restaurant and order a simple hamburger, you might be interested in trying something new. But then you learn there are no prices on the menu. You order anyways because you must eat in order to maintain your energy to lead a productive life. The meal is good and you are overall satisfied with what you ate and the service. Then something unusual happens, you receive several bills for the meal. The hostess, busser, cook, server, facility and the dishwashers all issue separate bills. On top of that some of the bills are several times higher than what you are used to paying. By the time you pay all of them you have paid six times what a hamburger costs in other locations. Had you been armed with the pricing information of this particular restaurant you would have acted as a rational consumer and made an alternative choice. If enough consumers made rational choices the practice of charging six times what a hamburger costs in other areas would have to stop or their business would fail.

The above scenario is similar to how health care works in Alaska. We lack the information to make rational choices and the problem is compounded by our geographic isolation. Many fire fighters and their families in Alaska are covered by a health trust out of Washington State. We pay 30% more for similar coverage and last year we spent a nearly a million dollars more than we put into the trust. None of this is related to higher usage. If we don't correct this we will see another round massive premium increases or be dropped by the trust altogether.

Since we have been in the trust we have had our eyes opened to the price differences across many states. It is not uncommon for a procedure in Alaska to cost significantly more than Washington State. We are talking ACL repair, shoulder surgery, breast cancer treatment costing 3 or 4 times what the same treatment costs in Washington State. It should be noted that we are not saying Washington State is the cheapest, it is just the information we have available by comparing claims.

I don't need to explain to you that all Alaskans share in the burden of high priced health care. I commend you in taking on this very important issue. I believe this legislation is the first step of many that need to be taken to help lower the cost of health care and empower individuals to act as rational consumers. I look forward to helping see medical pricing transparency become the norm in the State of Alaska.

Thomas A Wescott
President Alaska Professional Fire Fighters



Alaska Nurses Association
3701 E. Tudor Road, Suite 208
Anchorage, Alaska 99507
(907) 274-0827
www.aknurse.org

March 20, 2017

We are writing on behalf of the Alaska Nurses Association in strong support of HB 123: "An Act relating to disclosure of health care services and price information." This bill will empower Alaskans to make informed decisions about their healthcare options in our state.

Supporting efforts for healthcare cost transparency is a long-standing priority of the Alaska Nurses Association. We believe that patients should have reliable, accurate information about healthcare procedures and services so that they can make informed decisions about their healthcare. House Bill 123 would give patients more control over their healthcare spending and help to drive down Alaska's high healthcare costs.

Price transparency is a cost-lowering tool. Without access to healthcare pricing information, patients have little ability to make an informed consumer choice. When armed with pricing information, patients have the ability to make those choices, and long-term, the ability to influence the cost of healthcare services.

In a recent report, the U.S. Government Accountability Office asked dozens of healthcare providers about their price for a knee replacement. The estimates given ranged from \$33,000 to \$101,000. Without HB 123, patients will face a difficult choosing the most cost-effective, high-quality option for their healthcare.

HB 123 will require healthcare providers to publish healthcare price information in public spaces and on their websites and to submit that pricing information to the Department of Health and Social Services. Individual providers would be required to disclose the total undiscounted costs of their 25 most common services, while larger facilities would be required to disclose the same information for their 50 most common services.

While much more remains to be done to lower healthcare costs for Alaskans, HB 123 is a necessary step in the right direction. Alaskans deserve to be informed decision-makers in their healthcare.

The Alaska Nurses Association certainly appreciates your support on behalf of women and families in our state.

Sincerely,

Arlene Briscoe, RN-BC
Legislative Chair
Alaska Nurses Association

Jane Erickson, RN, CCRN
President, Board of Directors
Alaska Nurses Association

The Alaska Nurses Association strongly endorses HB 123, empowering patients to take financial control of their healthcare and choose high-quality, cost-effective care.

The Alaska Nurses Association serves to advance and support the profession of nursing. The Alaska Nurses Association's core purpose includes working for improvement of health standards and promoting access to health care services for all Alaskans.

[REDACTED]

From: Ashley Snodgrass [REDACTED]
Sent: Friday, March 10, 2017 3:20 PM
To: Bernice Nisbett
Subject: I Support Transparency - HB 123

Hello Bernice,

I'm writing to voice my support for the legislation regarding transparency Representative Spohnholz is proposing – HB 123. I support this legislation because this will allow patients to be educated consumers of healthcare, by knowing costs before committing to a service. In no other industry would a customer purchase a good or service without knowing the cost they must pay. This information barrier serves to hurt consumers by veiling and mystifying the costs of services the service doctors provide.

I appreciate Representative Spohnholz for introducing this legislation and supporting this change that needs to be made.

Thank you,

Ashley Snodgrass

[REDACTED]

From: Teena Applegate [REDACTED]
Sent: Thursday, March 09, 2017 4:46 PM
To: Bernice Nisbett
Subject: Support: Transparency Legislation

Hi Bernice:

I just wanted to provide my support of the Transparency Legislation. I see it as a necessary step needed in order to contain costs for Alaskans. If not contain at least allow Alaskans to be aware of what their costs of their healthcare will be. It seems a reasonable ask for any Alaskan.

Best Regards,

Teena

Teena Applegate | Employee Benefits Consultant | tapplegate@northrimbenefits.com

Northrim Benefits Group, LLC | 3111 C Street STE 500 | Anchorage AK 99503 | P: 907-263-1401 | C: 907-317-7577 | F: 907-279-6818 | www.northrimbenefits.com | Like us on [Facebook](#)

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From: Joshua Weinstein
Sent: Thursday, March 09, 2017 1:33 PM
To: Bernice Nisbett
Subject: HB 123 - Support

Hi Bernice,

I'm an employee benefits consultant overseeing a firm that works with hundreds of Alaskan employers. We advise those employers on the health benefits programs they provide to their valuable employees. The lack of transparency in healthcare pricing, particularly in our state, is a driver for the rising costs of those services. I support Representative Spohnholz's bill, HB 123, as a mechanism that creates transparency regarding the pricing of healthcare services delivered in our state. From this clarity, a more competitive marketplace can be born and evolve.

Thank you for the opportunity to share my thoughts.

Joshua Weinstein, DIA
President/Employee Benefits Consultant

Certified PPACA and Self-Funding Professional
Northrim Benefits Group, LLC
3111 C Street, Suite 500
Anchorage, AK 99503
907-263-1401 Phone
907-279-6818 Fax
907-830-2658 Cell
jweinstein@northrimbenefits.com

www.northrimbenefits.com

[Schedule an appointment with me. \(Click here.\)](#)

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[REDACTED]

From: Albert Fogle [REDACTED]
Sent: Thursday, March 09, 2017 11:35 AM
To: Bernice Nisbett
Subject: HB 123

Hello Bernice,

I want to contact you to let you know that as an Employee Benefits Consultant who represents thousands of employees and residents of Alaska, I am in support of HB 123 and for that matter any legislation that brings more power to the consumer in a marketplace.

Alaska has a healthcare cost crisis and it's getting worse because the providers and facilities have control of the pricing of medical services and does not share that information with the consumer until after a service and/or procedure is completed. Then weeks pass and when a medical bill finally arrives in the mail, there is no way to "put the toothpaste back in the container", we have already completed the service/procedure and have to pay for the service without know a price for a service.

HB 123 will help residents of Alaska start to understand more about the cost of the medical goods and services they're purchasing, or that their insurance company will be purchasing for them and will be able to good consumers and good stewards of their and the insurance company's money.

Working in the Private Sector, we typically don't seek government interference or regulation, but in this case it's important the legislator and governor step in to help create a more effective market. I have all too often in my 7+ years in the health insurance industry and as a consumer of healthcare, I have seen the providers and facilities refuse to produce a cost estimate for services and unwillingness to work with the consumer to help find the prices for services.

Please use this testimony to help make your cause for medical transparency in the marketplace to protect the CONSUMER!

Please let me know if you have any questions or concerns,



2.

[Schedule a meeting with me. just click this link!!](#)

Albert Fogle | Employee Benefits Consultant | Northrim Benefits Group

Certified PPACA Professional

3111 C Street, Suite 500 Anchorage, Alaska 99503

907-263-1401 phone | 907-279-6818 fax | afogle@northrimbenefits.com

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March 9, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Bean's Cafe supports HB 123 and urges its passage. Bean's Cafe is an employer with 35 employees in Alaska.

The current cost of healthcare in Alaska is making it difficult for our employees to afford their portion of healthcare coverage. We are second chance employer and many of our staff come from homelessness or the correctional system. These are truly some of the most vulnerable people who are trying every day to make a living. Combined with high housing costs in Anchorage many are forced to make difficult decisions about health care coverage.

In addition, the increased cost as an employer may significantly impact our operations. As the economy tightens in Alaska we, like many other non-profits, are seeing declines in donations and increased need for services. To put it in perspective, our portion of employer provided health coverage increased \$45.49 per month. We were able to keep it at this level by increasing percentage paid by employees and raising our deductible from \$500 to \$2000.

If each of our employees signed up for coverage through our plan, our increased cost in 2017 for medical insurance would be \$19,105.80. *For this same amount of money we could provide weekend food for 166 hungry children for an entire school year.*

Our support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons

difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can easily meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Bean's Cafe urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,



Lisa Sauder
Executive Director
Bean's Cafe, Inc.
PO BOX 100940
Anchorage, AK 99510
907-350-3818

[REDACTED]

From: Tiffany Stock [REDACTED]
Sent: Thursday, March 09, 2017 10:57 AM
To: Bernice Nisbett
Subject: Support of HB 123

Hi Bernice,

I just wanted to send an email showing that I fully support what HB 123 is trying to accomplish.

Transparency around the cost of healthcare services is imperative for creating a more informed consumer, encouraging competition amongst facilities and providers and aiding in creating lower cost healthcare.

I had a situation where my daughter needed surgery due to a broken thumb. The provider would not give me any estimate on the surgery and the facility gave me a quote of \$12,000-\$36,000 – both of these made it very scary to have a procedure done having no idea what my financial obligation would be.

Thank you for your attention.

Sincerely,

Tiffany

Tiffany Stock | Vice President, Sales & Marketing | Employee Benefits Consultant | Certified PPACA and Self-funding Professional | tstock@northrimbenefits.com

Northrim Benefits Group, LLC | 3111 C Street, Suite 500 | Anchorage, AK 99503 | P: 907-263-1401 | F: 907-279-6818 | www.northrimbenefits.com | Like us on [Facebook](#)

[REDACTED]

From: Rep. Ivy Spohnholz
Sent: Wednesday, March 08, 2017 7:11 PM
To: Bernice Nisbett
Subject: FW: Support of HB 123

FYI

Thanks!

Ivy

From: Marshall Pickering [REDACTED]
Sent: Wednesday, March 08, 2017 2:15 PM
To: Rep. Ivy Spohnholz <Rep.Ivy.Spohnholz@akleg.gov>
Subject: Support of HB 123

Hello Rep. Spohnholz,

My name is Marshall Pickering and I am a member of AAHU (the association of health underwriters) and I believe you came by one of our meetings back in 2016 when we had the Legislative panel with other reps in Anchorage. I wanted to send you an email in support of HB 123. Transparency is extremely important for consumers in regards to healthcare and hope that my testimony can help get the support that it needs to help get this bill passed. I work in the health insurance industry and have seen how the lack of transparency from providers puts low income and normal citizens at risk of being over charged for services, or even recommended to get services done that might not be medically necessary. I myself have been a victim of this as well a couple years ago, so I know it firsthand.

Thank you,

Marshall Pickering



March 8, 2017

**Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801**

Representative Spohnholz,

Matanuska Telephone Association supports HB 123 and urges its passage. MTA is an employer with 284 employees in Alaska. Many with families, all of which are, at one time or another, a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation, including benefits. The costs escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

MTA's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases, consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities for only the 50 most common services they

provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, MTA urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,



Michael C. Burke, CEO
Matanuska Telephone Association

[REDACTED]

From: Barbara Bonner [REDACTED]
Sent: Wednesday, March 08, 2017 11:02 AM
To: Rep. Ivy Spohnholz; Bernice Nisbett
Subject: HB 123

I would like to express support for HB 123. In the same way that I can check prices at the supermarket before I buy, I would like to be able to check prices for medical procedures. I have actually had to call around trying to figure out the cheapest option for having a dental procedure done, and I know how time-consuming it can be. It would be much more convenient to be able to access some kind of chart online to be able to compare prices. In addition to the dental issue, I called around trying to check prices for a medical visit and although I had to code for the visit, the doctor's office would not give me a price because I was not a patient.

Please make medical and dental prices transparent!

[REDACTED]

From: Denali Flying Service [REDACTED]
Sent: Wednesday, March 08, 2017 6:02 PM
To: Bernice Nisbett
Subject: HB 123

March 7, 2017

Representative Ivy Spohnholz, Chair

House Health and Social Services Committee

Alaska House of Representatives

State Capitol Building, Room 421

Juneau, Alaska 99801

Representative Spohnholz,

Denali Flying Service supports HB 123 and urges its passage. Denali Flying Service is a small business in Alaska. We are consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Denali Flying Service support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

5

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can easily meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Denali Flying Service urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,

Barry Stanley

Denali Flying Service

March 7, 2017

**Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801**

Representative Spohnholz,

I support HB 123 and urges its passage. I have been in the insurance & employee benefits field for over 30 years and work with many employers in Alaska and their employees and families, all of whom are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult for individuals and families to receive and pay for care. The cost escalation is not sustainable.

Employers are making difficult decisions and increasing deductible and out of pocket amounts in the plans they offer employees and in many cases increasing the employee share of the premiums as well. Deductibles of \$2000 or more for individuals and \$4,000 or more for families have become commonplace in Alaska. In addition, families are asked to pay \$1500 or more for monthly premiums in many cases.

In order to assist employees in accessing affordable healthcare services we have been educating them on how to be a good consumer. However in order for that to happen the consumer must have the ability to access the information they need to make an informed decision. The Alaska consumer is able to research options on treatment, facilities, physicians and surgeons, and necessary testing options both in state and out of state. They are then able to discuss the options with their physician however in many cases consumers have no way to access cost information when receiving care in Alaska. Without this information the consumer is not able to make an informed decision and therefore has no idea what the financial obligation is for their treatment. Healthcare is the only type of service that functions this way.

As consumers we can shop options based on cost and quality for all other goods and services. We need to make that same information available for healthcare services.

The Municipality of Anchorage recently passed a transparency law that will help consumers here access information to shop to healthcare services. But the consumers in other areas of the state need to have the same access to information.

As cited in the Municipal Ordinance, many other states such as California, Texas, Minnesota and Ohio have passed price transparency laws that allow consumers to access cost information before consuming health services. Alaskans deserve to have access to cost information as well.

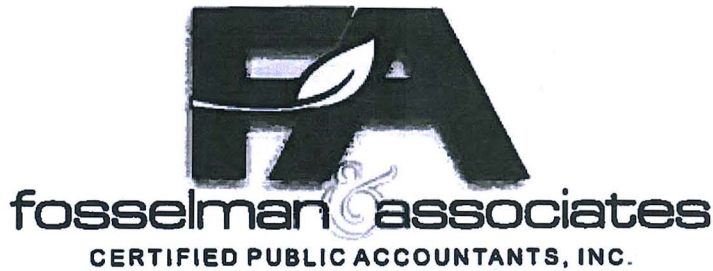
Much like the taxi industry is being changed by Uber and Airb&b is transforming the lodging industry I believe it's time for the healthcare industry to evolve and provide consumers with information they are demanding in a new and more timely way.

However with that said, Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients. The information required to be provided under HB 123 is information the hospitals and medical providers have ready access to and is limited to the most common services and procedures so it should not present a burden to them to provide.

For these reasons, I urge the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Terry Allard, CEBS



March 7, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Fosselman and Associates, CPAs, a Palmer firm with 8 employees, supports HB 123 and urges its passage.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. Our current plan is being canceled. The premium increase for a replacement plan is 21.7% higher while in-network deductibles and out of pocket maximums are also increasing.

Plans with high deductibles and high out of pocket maximums place the onus of cost control on the employee. This is an impossible task when the prices for health care are difficult, if not impossible, to obtain in advance. Obtaining cost information from multiple providers and facilities is even more problematic. The benefits of consumer driven healthcare will never be realized without price information being readily available to the healthcare consumer.

In my work as a CPA, I am seeing more couples every year who were able to retire before age 65 establish residences in other states simply to be able to afford health insurance. Our current system is, in effect, creating a growing number of healthcare exiles. If current cost trends continue I expect this phenomenon to become more prevalent over time.

For these reasons, Fosselman and Associates, CPAs urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,

Catherine Fosselman

907.745.0135 • FAX 907.746.0135
610 S. BAILEY STREET • PALMER, ALASKA 99845
www.alaska-cpas.com

Rep. Ivy Spohnholz

From: Michelle Ridgway [REDACTED]
Sent: Monday, March 06, 2017 9:11 AM
To: Rep. Ivy Spohnholz
Subject: Medical Cost Disclosure Bill

Dear Representative Spohnholz (and/or Staff):

I am THRILLED that you are putting cost transparency in the spotlight. I have thusfar only heard the KTOO radio report, and have tasked myself with reading the bill. Let me know if testimony is needed.

Briefly, I have had several experiences in which I have diligently researched treatment / procedure costs for friends, associates, family members and myself before making healthcare decisions in Alaska. I was apalled by Alaskan providers' inability and lack of willingness to provide cost estimates for most procedures. Many costs are controlled by Hospital corporations, and other entities out of State, and several community providers had no idea of the costs nor how to obtain the information. Further, I was shocked to learn of the 4.5 - 7.5 multiplier for same procedures in Alaskan coastal communities vs, say, Portland or Seattle (by the SAME corporate hospital!).

If you need public testimony with factual data exposing the cost opacity and implications to Alaskan's lives and productivity caused by this "hide the cost" practice, I will adust my work schedule, saddle up and go to the hill to testify. I am from Auke Bay.

If testimony is needed, please have a staffer email me today and let me know what time, room number and whether written or verbal testimony or both are preferred.

A pdf version of the bill would be handy as well.

Experiences in obtaining (or trying to obtain) specific cost data:

Kidney blockage removal in Juneau (cost was 4.2 x the estimate provided)

Shoulder injected MRI procedure in Kodiak (cost 5.5. X cost for same procedure in Portland or Seattle, but hospital would not / could not disclose that fact - I had to get data from Providence through 10 + calls to billing rabbit warren in Portland).

Simple eye procedure cost in Anchorage - 6 X cost range depending upon which price provider thought they could get. 7 phone calls to obtain actual cost.

Michelle Ridgway, 48-year Alaska Resident
(907) 957-2277



March 5, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Denali Federal Credit Union (Denali), a financial cooperative owned by its 72,000 members, supports HB 123 and urges its passage. Denali has more than 325 employees currently residing in the state of Alaska. We also serve more than 700 sponsor groups and nearly 1,000 member businesses, all of which are consumers of healthcare services.

The rising cost of healthcare in Alaska is the greatest challenge we face when designing a competitive compensation and benefit program for our employees. Denali has attempted to combat unsustainable healthcare cost increases with creative alternatives that include self-funded insurance plans, out-of-state medical travel benefits, a Teledoc program, a high deductible health plan option, and others. Despite all of these efforts healthcare benefit costs continue to skyrocket for Denali. Increasing healthcare costs limit the number of staff we can hire and the range of services we can provide to our members.

The effect on our employees is also dramatic and extends beyond annual rate increases paid by employees. To reduce the monthly cost of health insurance, 37.9% of our employees have selected a high deductible plan. We offer a Health Savings Account to help mitigate deductible and co-insurance costs, but the inability to easily obtain cost information impedes their ability manage their healthcare costs. Comparing costs between providers and facilities is nearly impossible. Thus, our employees are taking on additional risk through higher deductibles, but do not have the tools readily available to manage costs effectively.

In light of the health care crises all Alaskans face, we believe it is necessary for the legislature to pass HB 123 to help our employees, members and sponsor groups manage the cost of healthcare. Denali Federal Credit Union urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Dale Fosselman
Chief Corporate Development Officer

DENALI FEDERAL CREDIT UNION

From: Meghan Kennedy-Brown <[REDACTED]>
Sent: Sunday, March 05, 2017 3:16 PM
To: Bernice Nisbett; Rep. Ivy Spohnholz
Subject: HB123

I appreciate what you're doing with this bill and fully support it's passage. I believe that affordable care will be achieved through transparent pricing , not through the insurance companies.

Thank you,

Meghan

Rep. Ivy Spohnholz

From: Marnie Hartill [REDACTED]
Sent: Sunday, March 05, 2017 3:15 PM
To: Rep. Ivy Spohnholz; Rep. Bryce Edgmon; Rep. Sam Kito; Rep. Geran Tarr; Rep. David Eastman; Rep. Jennifer Johnston; Rep. Colleen Sullivan-Leonard; Rep. Matt Claman; Rep. Dan Saddler
Subject: Supporting HB 123

Dear Members of the House Health and Social Services Committee,

I am writing to you in strong support of HB 123.

I intend to testify on Thursday, but I will be between two meetings at 3pm in which I will be driving across town. In case that you might miss me, here is my written testimony:

Thank you for allowing me to testify on HB 123: concerning Health Care Transparency.

I speak to you today as an individual.

I could tell you about my personal frustrations a few years ago-- hopping from one chiropractor to another and to another until learning what the prices were: one charging the same code and price for a 15 minute massage therapy session as the other that provided a 60 minute massage therapy session. I could tell you about my referral for a mammogram that charged me \$900 without my being informed beforehand; later the whole amount was waived. I could tell you about the \$3000 MRI that I had to get, but again, I didn't know I was going to be paying for it for the next two years. I was not given the chance to shop around, but sent to one place. Later I learned that I could have gone to another imaging center that charged far less. I could tell you about my former husband who was in a car wreck and experienced knee surgery but there was a monopoly in town called OPA that over charged him what was fair and customary, made mistakes in his surgery, and then held him in a physical therapy loop that continued to take advantage of the insurance claim of the other party that struck his motorcycle.

As a public school teacher and active leader in the Anchorage Education Association, I have had many moments of advocacy for members who sought my help when seeking health care benefits through our health trust. In my experience and research, I have seen a rising cost of health care due to lack of transparency law. We also have struggled with the 80th percentile clause in the insurance regulations.

Moreover, I want to ask you to consult a resource that I developed this winter. I found that it was difficult to explain to my peers what the 80th percentile regulation was about, and what health cost transparency law would mean for Alaska.

So I developed a white paper.

You can see it too at bit.ly/80thpercent

I fought hard to get two New Business Items passed in our NEA- Alaska Delegate Assembly annual meeting this January. These two items passed and are backed by the thousands of teachers and education professionals in the state of Alaska. The two items support legislation for Health Care Transparency and advocate for removal of the 80thpercentile language.

I want you to know that this Transparency Law would reduce one of the largest cost drivers of our state budget. The cost of health care drives up health premiums, which drive up local school bargaining agreements, which drive up school district deficits, which drive further into our state fiscal situation. See this article from 2014 showing a graph that illustrates this problem:
<http://www.akbizmag.com/Alaska-Business-Monthly/December-2014/Alaskans-Like-to-Eat-Their-Cake-Up-to-a-Point/>

Last year, I was offended when Senator Cathy Giessel issued a newsletter that presented a bar graph showing the cost of public education increasing over the last several years while achievement allegedly dropped. What her bar graph failed to show was the astronomical percent of those public education costs which were Health care premiums and benefits packages in our state. If the legislature can get a hold on our medical care regulations and level the playing field, we can see fairness in health care charges for all Alaskans.

I am aware that many medical providers such as OPA are paying far more for lobbyists to reach out to you than I can match. But I thank you for your time, and hearing me out as a solitary concerned citizen.

Let me be clear, this is not a time for medical providers to be pointing fingers at insurance providers. No. We need to look closely at ALL variables in our health care system (not just insurance) and realize that the medical providers can be accountable too.

We are all accountable for our state fiscal crisis.

Sincerely,

Marnie Hartill
1553 A Street #323
Anchorage, AK 99501
(907)-744-6641



**Alaska Chapter
Mission Statement**

AAHU is a state chapter of the National Association of Health Underwriters. We provide professional development, promote high ethical standards of our members, advocate responsible legislation and proactively educate Alaskans on health and financial security needs.

**President
Albert Fogle**

**Immediate Past-President
Jolene Bryant**

**President Elect
Hyo Jin Woo**

**Vice President
Tiffany Stock**

**Secretary
Johnna Golden**

**Treasurer
Rhonda Kitter**

**Executive Director
Kate Gootee**

March 2, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

The Alaska Association of Health Underwriters (AAHU) supports HB 123 and urges it's passage. AAHU is an association of nearly 100 licensed health insurance agents, brokers, consultants and benefit professionals who work with private and public employers and organizations throughout Alaska.

In our work with private companies, local governments, school districts, and others, we have witnessed the effect on Alaskans when employers can't afford, or are forced to limit, health insurance for their employees and dependents because of the high cost of medical services.

Our support for HB 123 is based on three considerations – market transparency, information availability, and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are often not communicated prior to treatment. Therefore there is no agreement or understanding of price, leaving buyers unable to substitute or seek a lower price. In many cases, the outcome is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports. For facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

P. O. Box 244065, Anchorage, AK 99524 – (907) 644-1466



**Alaska Chapter
Mission Statement**

AAHU is a state chapter of the National Association of Health Underwriters. We provide professional development, promote high ethical standards of our members, advocate responsible legislation and proactively educate Alaskans on health and financial security needs.

**President
Albert Fogle**

**Immediate Past-
President
Jolene Bryant**

**President Elect
Hyo Jin Woo**

**Vice President
Tiffany Stock**

**Secretary
Johnna Golden**

**Treasurer
Rhonda Kitter**

**Executive Director
Kate Gootee**

Alaska's medical providers and facilities are our partners in providing health care for our clients. We don't want to see them burdened or forced to direct their attention away from patients. Based on our expertise, we are convinced that they can meet the requirements of HB 123.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, AAHU urges the 30th Alaska Legislature to pass HB 123 this year. Please call on us for any information that may help you do so.

Sincerely,


AAHU President



**ALASKA PERMANENT
CAPITAL MANAGEMENT**

Registered Investment Adviser

March 1, 2017

**Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801**

Representative Spohnholz,

Alaska Permanent Capital Management Company supports HB 123 and urges its passage. Alaska Permanent Capital Management Company is an employer with 20 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Alaska Permanent Capital Management Company's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

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907.272.7575 • 900 West 5th Avenue, Suite 601, Anchorage, AK 99501 • www.apcm.net

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

Information Availability - HB 123 is quite limited in scope. It requires medical providers to make known the prices for only the top 25 most common procedures they perform, and medical facilities only the 50 most common services they provide. This information is readily available, in some cases already disclosed in reports, and with facilities it is established on their chargemaster. The bill does not compel anyone to produce or generate anything that is not already known and used internally.

Alaska's medical providers and facilities are needed in our community. We don't want to see them burdened or forced to direct their attention away from patients.

Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Alaska Permanent Capital Management Company urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,



Evan Rose
CEO

February 28, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

I support HB 123 and urges its passage. I own and manage businesses in Alaska and would like to see the cost of healthcare and insurance in Alaska be more affordable.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

I support market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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Role of government - As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crises gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, I urge the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

/S/

Bhree Roumagoux

Taku Engineering, LLC
205 East Benson Blvd, Suite 201
Tel 907.562.147
billmott@takuengineering.com
takuengineering.com



FEBRUARY 28, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representative
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Taku Engineering, LLC supports HB 123 and urges its passage. Taku Engineering is an employer with 18 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Taku Engineering's support for HB 123 is based on three considerations - market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and the communication of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

We are aware there are challenges to developing a transparent market. There are differentiations in price structures and services offered which make true comparisons difficult. In some cases consumers may even opt for higher priced services, believing they are higher quality. However, generally we believe that when consumers have the information they need to make informed market decisions they will seek the best, lowest price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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Role of Government – As businesspeople, the irony of supporting government intervention in a market is not lost on us, and we are understandably hesitant to do so. However, the market is so distorted that we fear unless something changes, it will fail.

Ideally, HB 123 would be unnecessary. We would much rather see consumers of health services and facilities already have the information they need to compare prices, and after considering other information about providers and facilities, make an informed market decision. We look forward to a time when, after providers and facilities become more accustomed to providing the transparency necessary for a functional market, and consumers expect and demand such information, HB 123 would be unnecessary and could be repealed. However, in light of the health care crisis gripping Alaskans, we believe it is appropriate, and necessary, for the legislature to pass HB 123 to help balance the market.

For these reasons, Taku Engineering, LLC urges the 30th Alaska Legislature to pass HB 123 this year.

Warm regards,

A handwritten signature in black ink, appearing to read 'Bill Mott', with a large, sweeping flourish extending to the right.

Bill Mott, PE

OWNER



allen & petersen
cooking & appliance center

February 28, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Allen & Petersen Cooking & Appliance Center supports HB 123 and urges its passage. Allen & Petersen Cooking & Appliance Center is an employer with 40 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Allen & Petersen Cooking & Appliance Center support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand, this information.

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Kyle D. Mirka
Owner
Allen & Petersen
3002 Seward Hwy
Anchorage, AK 99503
OFF (907) 276-0239
CEL (907) 230-7432
FAX (907) 276-7689



allen & petersen
cooking & appliance center

price, ultimately establishing a more competitive market. Over time, we believe this will lead to lower prices for services for Alaskans.

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For these reasons, Allen & Petersen Cooking & Appliance Center urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

Kyle D. Mirka
Owner
Allen & Petersen
3002 Seward Hwy
Anchorage, AK 99503
OFF (907) 276-0239
CEL (907) 230-7432
FAX (907) 276-7689



February 28, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Continental Auto Group supports HB 123 and urges its passage. Continental Auto Group is an employer with 250 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising cost of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers starts with the price of the product.

Continental Auto Group support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

Market Transparency - When buyers and sellers interact to exchange goods and services, a determined price and *the communication* of that price is essential for a functional market. Part of the reason Alaska's health care market is so dysfunctional is that prices for medical goods and services are not communicated during the process leading to an agreement, leaving buyers unable to substitute or seek a lower price. This situation is not because consumers of medical goods and services have failed to request, even demand this information.

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For these reasons, Continental Auto Group urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,



Marten Martensen

Owner/Dealer

Continental Auto Group

Rep. Ivy Spohnholz

From: Michael Humphrey [REDACTED]
Sent: Tuesday, February 21, 2017 10:23 AM
To: Rep. Ivy Spohnholz
Subject: HB 123

Representative Ivy Spohnholz

Wanted to let you know that I am in full support of HB123. I agree that we need to "empowers consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing."

If i can be of help, please call on me.

Mike Humphrey - Retired UA Systemwide Director of Benefits



4492 E. Fairview Loop
Wasilla, AK 99654
907-376-4784 Voice
907-376-7596 Fax

February 28, 2017

Representative Ivy Spohnholz, Chair
House Health and Social Services Committee
Alaska House of Representatives
State Capitol Building, Room 421
Juneau, Alaska 99801

Representative Spohnholz,

Valley Block & Concrete supports HB 123 and urges its passage. Valley Block & Concrete is an employer with 42 employees in Alaska. Many with families, all of which are at one time or another a consumer of healthcare services.

The rising costs of healthcare in Alaska is making it difficult to provide reasonable compensation including benefits. The costs escalation is not sustainable. The ability to identify cost drivers, starts with the price of the product.

Valley Block & Concrete's support for HB 123 is based on three considerations – market transparency, information availability and appropriate role of government.

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For these reasons, Valley Block & Concrete urges the 30th Alaska Legislature to pass HB 123 this year.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Purviance". The signature is stylized with a large initial "S" and a long horizontal stroke at the end.

Shawn Purviance
Operations Manager
Valley Block & Concrete

Rep. Ivy Spohnholz

From: akhouse@belfast.servershost.net on behalf of Elizabeth Krome
<akhouse@belfast.servershost.net>
Sent: Tuesday, February 21, 2017 8:02 PM
To: Rep. Ivy Spohnholz
Subject: HB 123

From: Elizabeth Krome [REDACTED]
Subject: HB 123

Message Body:

I so appreciate this bill and fully support it. It is important that the public be aware of the cost for medical care. Only with education of consumers can change come about. Thank you.

E. C. Krome
3642 N. Sams Dr.
Wasilla, AK. 99654

--
This e-mail was sent from a contact form on Representative Ivy Spohnholz (http://akhouse.org/rep_gruenberg)

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR COGHILL

TO: SCS CSHB 123(JUD), Draft Version "Q"

1 Page 2, line 9:

2 Delete "25"

3 Insert "10"

4

5 Page 2, line 10, following "year":

6 Insert "from each of the six sections of Category I, Current Procedural Terminology,
7 adopted by the American Medical Association"

8

9 Page 2, line 17:

10 Delete "25"

11 Insert "10"

12

13 Page 2, line 18, following "year":

14 Insert "from each of the six sections of Category I, Current Procedural Terminology,
15 adopted by the American Medical Association"

16

17 Page 2, lines 22 - 27:

18 Delete all material and insert:

19 "(c) If, in the annual reporting period under this section, fewer than the
20 number of health care services described under (a) or (b) of this section are performed
21 by a health care provider or at a health care facility in the state, the provider or facility
22 shall include in the list required under this section all of the health care services
23 performed by the provider or at the facility from each of the six sections described