

January XX, 2017

Ms. Lori Wing-Heier, Director
Division of Insurance
Department of Commerce, Community
and Economic Development
P.O. Box 110805
Juneau, AK 99811-0805

Via email: chip.wagoner@alaska.gov

Dear Director Wing-Heier:

[First Paragraph – State the purpose for your letter]

(On behalf of _____,) I am submitting this letter in strong support of retaining 3 AAC 26.110(a) commonly known as the “80th percentile” rule for determining “usual and customary” charges for healthcare services provided to Alaskan consumers.

—OR—

(On behalf of _____,) I am submitting this letter in strong opposition of repealing or amending 3 AAC 26.110(a) commonly known as the “80th percentile” rule for determining “usual and customary” charges for healthcare services provided to Alaskan consumers.

[Second Paragraph – Introduce yourself, describe a little bit about who you are and why you came to, or remain in, Alaska to practice. Is there a unique reason or purpose? Describe what you do in the field of healthcare, maybe what you have invested in your business and/or community. (May want to mention amount of charity care/bad debt you provide.)

[Third Paragraph – Describe why you oppose repealing the 80th percentile rule – how the loss of on-call specialist coverage resulting from payment reductions will it impact you and your patients.

Choose a few of the following points to illustrate or explain how it is an important consumer protection and how repealing it will negatively impact your patients and your business. Letters are not meant to be all-inclusive of these points. Please choose an issue or issues you feel strongly about to include in your narrative. A single issue with a well thought out narrative can be more impactful than a list of issues without a narrative. These are suggested talking points, please feel free to add any additional points you believe are important to patient care.]

- Describe whether you would support a ban on balance billing (charges above the 80th percentile for the region) if, and only if, the DOI kept the existing 80th rule.
- State why EMTALA obligated providers must be exempt from any potential balance billing ban if the DOI significantly changes the 80th percentile rule.
- Describe how eliminating or reducing the 80th percentile rule will give insurance companies undue leverage in payer negotiations because there will be no public standard for fair payment. Diminishing providers' ability to negotiate will result in more providers remaining out of networks and ultimately drive costs up.
- Describe how your ability to provide care to Tri-Care, Medicare, Medicaid, and uninsured patients will still be required by EMTALA but without any hope of being paid fairly for this public service. All EMTALA obligated providers protect these vulnerable patient populations by assuring access to emergency care.
- In general how will repealing the rule diminish access to quality care in Alaska?
- How will it impact your business – incurring 24/7 coverage costs even in many EDs when patients aren't present and to maintain surge capacity? Will you have to charge more for care and services you provide? Reducing compensation requires a lifestyle change that alters whether providers will remain in Alaska.
- By allowing insurance companies to reimburse for services at less than the 80th percentile will Alaskan's out-of-pocket patient costs increase?
- Describe how it will diminish your ability to refer your patients to local specialists or subspecialists if fewer exist, not just the reduced or eliminated on-call specialists. Lack of access to timely specialty care increases costs as health status declines.
- Describe how costly it is for you to recruit and retain physicians at your practice.
- Describe how the rule has allowed you to grow, expand, and invest in infrastructure for your practice resulting in the ability to provide more consumers with better quality care.
- Comment on the uncertainty of the future of ACA at the federal level following the November 2016 elections. It may not be wise to start making significant structural changes to Alaska's system before clearly understanding the future of the ACA.
- Given that Premera now has a functional monopoly (57% of all health policies written in 2015) in the Alaska market should the State increase its regulatory oversight of Premera? Request the State study the impacts of a single market participant on insured before making changes?

[Fourth Paragraph – Restate your opposition to repealing the rule and request the Division to retain the regulation as is for the protection of patients and providers.]

Sincerely,

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