



Insurance companies are trying to undo Alaska's consumer protections by pushing for SB 129, a bill that will shift more costs to patients and doctors, and set off alarming consequences throughout the healthcare system, including undermining access to care and threatening healthcare jobs.

Patients and Doctors Say No to SB 129

SB 129 would dismantle current Alaska laws that protect patients

In 2004, Alaska put in place a strong consumer protection regulation that requires insurers to cover a fair portion of these costs, indexed to the 80th percentile of market-based charges. This regulation has protected consumers from high surprise bills for nearly 15 years. Insurance companies are trying to dismantle these protections. SB 129 will allow insurers to pay less, shifting even more costs to patients and doctors.

- **Alaska's current 80th percentile standard is a national best practice that other states are adopting.** While Alaska has protected consumers through this regulation for years, patients in states without similar protections are facing increasingly large surprise bills. New York and Connecticut currently have this standard in place, and Georgia, Tennessee, Kentucky, Rhode Island and others are working to put this standard in place this year.
- **SB 129 leverages Medicare rates set by politicians in Washington DC specifically for senior care - a total mismatch for Alaska's local market.** SB 129 would switch the payment insurers are required to make from the 80th percentile of local market charges to 300% of Medicare. This means the Alaska state government would set private market rates and pin them to rates set by politicians in Washington, DC, with no regard for Alaska's patients, doctors and market. Medicare rates already don't keep up with inflation, which can lead to reduced access to care. At the same time, Medicare is an age-specific program, with no established rates for family services like pediatrics and obstetrics.
- **Alaska's current 80th percentile standard leverages local Alaska market data.** Using market-based data ensures that prices aren't manipulated by politicians, insurance companies or service providers. Data from New York and Connecticut shows that for common emergency visit codes, prices remained relatively constant between 2015 and 2017 with the 80th percentile standard in place.

SB 129 would shift more costs to patients and doctors

Patients receive surprise medical bills when they receive care they thought was covered by their insurance, but was unexpectedly provided by an out-of-network doctor. Surprise bills can happen any time, but they frequently happen during emergency services, when patients and doctors have no way of knowing who is in and out-of-network.

- **Insurance companies are shifting hundreds of millions of dollars in costs to patients and doctors.** Insurance premiums, deductibles, and patient cost shares are higher than ever, yet plans are covering fewer providers and services. Patients frequently have difficulty affording even their insurance cost-sharing requirements. SB 129 would make this problem worse, shifting even more costs from insurance plans to patients and doctors.
- **Alaska health insurance companies are narrowing their networks, leaving patients without choices.** A 2015 study found that 50% of Alaska marketplace plans offer narrow networks, leaving patients with few in-network choices, and exposing them to surprise bills. SB 129 would make this problem worse by incentivizing narrow networks.

SB 129 would threaten access to healthcare throughout Alaska and kill jobs

SB 129 would have alarming unintended consequences for patients and doctors throughout the state.

- **SB 129 would undermine access to and quality of care, especially in struggling rural areas.** Alaska's healthcare safety net is fragile. In emergencies, patients too often need to be sent to Seattle to receive specialist care. By setting artificially low reimbursement rates, SB 129 will mean fewer healthcare providers in Alaska.
- **SB 129 would threaten medical jobs, and make it hard to recruit new doctors across Alaska.** Faced with an unsustainable business environment, practices, which are often small businesses, will face staff reductions and closures. This will mean an overall loss of jobs on top of a reduction in access to healthcare.
- **SB 129 creates perverse incentives for insurers, making it beneficial to contract with fewer providers and limit access to care.** Insurers will have less reason to negotiate with doctors, leading to fewer choices for patients.