



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
Health and Social Services

ALASKA COMMISSION ON AGING

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March 28, 2018

Senator Shelly Hughes  
Alaska State Capitol, Room 125  
Juneau, AK 99801-1182

**Subject: Qualified Support for SB 119, Health Care Costs; Disclosures; Insurers**

Dear Senator Hughes:

The Alaska Commission on Aging (ACoA) is pleased to offer comments in support of SB 119, a bill authored by you, that would require health care providers and insurers to publicly disclose medical care price information in addition to providing for an incentive program. The Commission supports price transparency as an effective means to promote greater consumer control in the choice of health care services which will lead to improved quality of care and slow the rising cost of health care over time.

The aging of Alaska's population presents unique challenges for our health care delivery system. Older Alaskans are particularly vulnerable to increases in medical costs as many live on fixed incomes. From the standpoint of older citizens, having access to health care price information will allow patients to make informed decisions regarding their health care *before* they receive services as well as to encourage meaningful conversations between patients and their health care providers. In fact, 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. Seniors and other public member participants viewed this item as a key factor that could lead to improved quality and more affordable health care services. In particular, we support the bill's proposed good faith estimate that empowers the consumer with the right to request a personalized cost estimate for a non-emergency procedure that takes into account their insurance provider including Medicare, VA, Tri-care, Medicaid, private insurance or other insurance as well as those who private pay having no insurance.

We have concerns about the proposed incentive program and possible consequences for Alaskans living in rural and remote areas of the state. Health care is more expensive in rural communities, due in part, to the low number of patients, high transportation costs, and a complicated health care delivery system. However, access to health care is just as important for rural consumers as it is for people who live in urban areas. Besides transit costs often not being reimbursed by insurance, people usually respond better living and receiving treatment in their home environment with their own local support system. For a senior who is being treated for cancer, for example, getting the monthly treatment in one's home town is better than having to commute monthly to Seattle for treatment, even though the treatment may be less costly. In addition, Alaska's older citizens are more likely to have a chronic health condition. If local services are not available in their community, they may experience difficulties enduring long travel times having to go to another location that offers services. If we incentivize health care services and encourage patients to seek

health care outside of their home communities, then we risk losing services being available locally to respond to persons in emergency, life-threatening situations as well as providing ongoing care to those with chronic health needs. For these reasons, the Commission recommends investing more time engaging with stakeholders and consumers on the incentive program to be sure consumer preferences are addressed and to avoid possible erosion of Alaska's rural health care system.

The Commission supports SB 119 and appreciates your leadership on this legislation. We believe SB 119 will benefit health care consumers of all ages. Seniors, more than any other age group, are consumers of health care. Recognizing that there may be other enhancements made to this bill down the road, the Commission supports SB 119 as an important step forward to promote greater consumer awareness about the cost of health care. For further information about our position, please contact Denise Daniello, ACoA's executive director (465-4879).

Sincerely,

David A. Blacketer  
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello  
ACoA Executive Director