

Spotlight on State: Alaska

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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According to data from the Council for Community and Economic Research, health services in Alaska are 70 – 200 percent more expensive than the national average. Many pressures influence Alaska's health-care costs. They include expenses related to recruiting providers from out of state, lack of competition, the state's small population.

In 2016, Alaska passed a law which set up a \$55 million fund for the Alaska Reinsurance Program (ARP), financed through an existing tax on all insurance companies, to subsidize enrollees' costs as the state struggles with Obamacare price spikes. Alaska Governor Bill Walker said the program would ensure that the 23,000 Alaskans enrolled in exchange plans would not suddenly lose their insurance. The state also received CMS approval for federal passthrough to partially finance the ARP, which would fully or partially reimburse insurers for incurred claims for high-risk enrollees diagnosed with certain health conditions.

In recent legislative terms, Alaska sought legislative solutions to skyrocketing healthcare costs in terms of price transparency and cost containment. Most notably, the legislature made repeated attempts to establish an all-payer claims database (APCD). The legislature also continued to introduced bills that would create a shared savings incentive program that encourages patients to become active consumers and to actively shop for the most competitive prices for care. Other price transparency measures propose to limit how much an

insurance company must reimburse an out-of-network provider for covered services and would require providers and medical facilities to disclose the undiscounted costs of their most common procedures.