



FOR IMMEDIATE RELEASE

No. 17-110

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Alaska to Receive \$332 Million in Federal Funds to Lower Health Insurance Premiums
State approved for insurance waiver to lower premiums for individual health insurance market

July 11, 2017 ANCHORAGE—Governor Bill Walker announced today that the Centers for Medicare and Medicaid Services [approved Alaska’s State Innovation Waiver](#). The waiver stabilizes Alaska’s individual health insurance market, bringing in approximately \$332 million to the [Alaska Reinsurance Program](#) over the next five years.

“Health care costs are increasingly unaffordable for a growing number of Alaskans,” Governor Walker said. “This waiver provides relief from large premium hikes for 23,000 Alaskans who are currently insured through the individual market. I thank the Trump Administration, members of the legislature, and the congressional delegation for their efforts. I especially thank Division of Insurance Director Lori Wing-Heier for proposing this innovation for Alaska, which has also served as a model for other states.”

The [Alaska Reinsurance Program](#) uses federal money to re-insure claims for Alaskans with high-cost medical conditions, which reduces premiums for all of the roughly 23,000 Alaskans in the individual market. This, in turn, reduces federal subsidies across the market. The federal innovation waiver passes the savings from reduced federal tax credits back to the state government. Essentially, federal funds offset the price of insuring those with high-cost medical conditions.

Premiums in the individual market are expected to decrease by approximately 20 percent as a result of this program. With recent announcements of double-digit premium hikes and insurers exiting individual markets across the nation, many states have expressed interest in adopting Alaska’s model to stabilize their individual health insurance markets.

“Alaska has among the highest health care premiums in the nation, and I’m pleased that the federal government has worked with the state to pursue innovative solutions for stabilizing our market,” said Alaska Division of Insurance Director Lori Wing-Heier.

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