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Governor Walker Signs Bill Safeguarding Alaskans' Healthcare Access
HB374 ensures 23,000 Alaskans will not lose health insurance coverage

July 18, 2016 ANCHORAGE—Governor Bill Walker signed into law today House Bill 374, which the governor introduced to ensure Alaskans do not have to pay more in health insurance premiums. It passed last month with the 29th Alaska Legislature's near-unanimous support.

"Hundreds of Alaskans have reached out to my administration saying health care costs are increasingly unaffordable," Governor Walker said. "This law will provide relief from large premium hikes for 23,000 Alaskans who are insured through the private marketplace as we continue work to bring more insurers into the state. I thank the legislature for working with my team to preserve the individual healthcare market in Alaska."

In the past two years, insurance premiums in the individual market have increased almost 80 percent—the equivalent of an additional mortgage for many families. Three health care insurers have left Alaska since 2015. The remaining insurer told the state it cannot commit to continuing in the market, due to the high cost of providing care for a small population with rare and costly medical conditions. Without relief, the insurer would have had to pass on the cost to 23,000 Alaskans—or would have had to pull out of the state altogether, leaving those Alaskans without healthcare insurance options.

Premera announced that as a result of the bill's passage, rates will increase about 10 percent in 2017—down significantly from a 37-percent increase in 2015 and a 39-percent increase in 2016.

HB 374 establishes a state health insurance fund through the Alaska Comprehensive Health Insurance Association to stabilize rates, and aims to convince additional insurers to serve Alaskans in the individual healthcare market. Instead of spreading the cost of the claims to the

23,000 Alaskans enrolled in the market, the cost would be paid through the insurance premium tax all insurance companies operating in the state already pay.

HB 374 also authorizes the Division of Insurance to seek a Section 1332 waiver from the federal government in order to administer the Affordable Care Act differently in Alaska.

“Without this fix, this problem would have cost the state more than \$200 million next year,” said Lori Wing-Heier, Division of Insurance Director. “Even with the two-year sunset provision, we will work on other sources of funding to raise the money needed for the reinsurance program.”

Consumers with questions can contact the Division of Insurance consumer service specialists at (907) 269-7900 or 1-800-INSURAK or by email at insurance@alaska.gov.

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