January 5, 2017

Lori Wing-Heir, Director
Division of Insurance
PO Box 110805
Juneau, AK 99811

Dear Director Wing-Heir,

The Alaska State Chamber of Commerce (Alaska Chamber) would like to express its support for amending the provisions under 3 AAC 26.110, or as more commonly referred to as the 80th percentile rule.

The mission of the Alaska Chamber is to promote a positive business environment in Alaska. We represent hundreds of businesses, manufacturers and local chambers from across Alaska. It is imperative that efficiencies and cost effective measures be implemented to curb the increasing burden of rising healthcare costs on employers and their employees.

The cost of healthcare in Alaska is one of the highest in the nation with Alaska having the highest average annual costs for employee health benefits. Under the existing 80th percentile rule we see a lack of competition among some provider categories. In addition, the State of Alaska health plan pays out of network providers at the 90th percentile, contributing to the ever increasing charges for care. Moving to a model that creates a ceiling and a floor for the charges of care, which would be a part of the solution to the rising cost of healthcare in Alaska while protecting consumers.

Thank you for the opportunity to comment on this regulatory change that will hopefully have a positive impact on the cost of healthcare in Alaska.

Sincerely,

Curtis W. Thayer
President & CEO

Cc: Chip Wagoner, Division of Insurance