



March 20, 2025

Senate Health and Social Services Committee

Senate Bill 121 Public Testimony

Chair Dunbar, vice-chair Giessel and members of the Senate Health and Social Services Committee,

Thank you for the opportunity to testify. My name is Kati Capozzi, and I proudly serve as the President & CEO for the Alaska Chamber of Commerce. I'm calling in today in opposition to Senate Bill 121.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska.

Each year, the Chamber membership researches, debates, and ultimately votes on our policy positions and priorities moving forward. Repeal or reform of the 80th percentile rule was a policy position of the Chamber's for more than six years, through its ultimate repeal in May of 2023. Less than two years ago. The reason the Chamber adopted this position was directly tied to its contribution to the soaring costs of healthcare in Alaska. The economic instability caused by out-of-control healthcare costs has negatively impacted business across Alaska, as they grapple with soaring costs in nearly every aspect of their operations.

The Chamber recognizes that the high cost of care in Alaska is a multi-faceted issue, and there is no single cause that can be attributed to the crisis. However, research has shown that the 80th percentile rule is unequivocally one of the contributing factors to the high costs of care in Alaska, and reinstating a 75th percentile rule would roll back the incremental positive changes we've seen since the repeal.

Senate Bill 121 would impact approximately 118,000 Alaskans. By mandating reimbursement at the 75th percentile for all out-of-network care, even if a provider charges less, the bill will drive up premiums and health care costs for those Alaskans.

The bill also undermines recent health care reforms introduced alongside the repeal of the 80th percentile rule, including Medicaid rate review and primary care reimbursement studies aimed at addressing cost concerns in a data-driven manner. Moving forward with a reimbursement mandate at this level would disrupt ongoing efforts to create a more sustainable and competitive health care system. Health care reforms are complex, and most successful when approached through collaboration in addressing both access and affordability. This includes working with providers, payers, patients, and stakeholders. Unfortunately, collaboration did not take place in the crafting of SB121.

For these reasons, we oppose SB121 and urge lawmakers to consider policies that reduce health care costs without placing additional financial burdens on consumers and businesses. Thank you for considering the Alaska Chamber's comments.

Thank you.



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