

October 18, 2023

Jennifer Hoppins, Director, Provider Network Management
Premera Insurance
7001 220th St SW
Mountlake Terrace, WA 98043

Transmitted by email: Jennifer.hoppins@premera.com

Subject: Urgent Concerns Regarding Premera's Proposed Policy Changes

Dear Ms. Hoppins,

For 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing Alaska's hospitals, nursing homes, and other healthcare partners across the continuum of care. AHHA members play an invaluable role, both as community providers and essential employers, in cities, towns, and villages across Alaska. Our mission is to advance the shared interests of Alaska healthcare to build an innovative, sustainable system for all Alaskans.

On behalf of our members, we are writing to express our collective concerns regarding the recent policy changes announced by Premera regarding "Modifier 90 Reference/Outside Laboratory Policy Expansion to Include Facility Claims". These changes are of particular concern due to their potential impact on our member hospitals and, by extension, the healthcare services provided to our communities.

We wish to underscore that Medicare permits hospitals to bill for laboratory services with Modifier 90 as long as the number of labs referred out remains below a certain threshold. This practice has, for years, ensured that patients receive laboratory services without unnecessary confusion. The proposed shift away from this practice, as outlined in the new policy, will lead to patients receiving bills from reference labs for some of their lab work, and separate bills from our hospitals for labs performed in-house and possible other services performed during the same encounter. In an already complex healthcare system, such a situation is far from ideal. Patients will not be expecting bills from reference labs, and may not even recognize them as such since they were never physically present in the reference lab location.

The ability to provide patients with seamless access to all necessary lab services, including rapid turnaround results available around the clock, is of paramount importance to us. The proposed policy appears to unfairly target healthcare facilities, particularly those in rural communities, that depend on reference labs to supplement the range of tests required to fully serve our patients. There could be significant health impacts on the patients if test results are delayed due to local capacity constraints. Attempting to perform every test in-house would result in a substantial increase in the overall cost of testing for all patients while potentially impacting patient access to care.



We would like to remind Premera of the extremely rural nature of Alaska. Approximately 60% of the population lives outside of Anchorage and about 75% of hospitals lack road links to other communities. We are providing a map of Alaska with this letter to show the location of our hospitals and nursing homes to illustrate the distance between facilities.

We would like to bring to your attention the fact that Premera has previously granted Alaska an exemption, recognizing the unique circumstances in our state. This exemption is crucial to maintaining accessibility and quality of healthcare services across Alaska. We earnestly request that you consider the implications of this policy shift on our member hospitals' ability to provide essential healthcare services and, if possible, work with us to develop an alternative solution that avoids any unnecessary hardships.

Thank you for your time and consideration.

Sincerely,

Jared C. Kosin, JD, MBA
President & CEO

CC:

Lori Wing-Heier, Director Division of Insurance, lori.wing-heier@alaska.gov

Kim Wolfe, Senior Manager, Alaska Provider Network Management, Kim.Wolfe@premera.com



Alaska Hospitals and Nursing Homes