



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of
Health and Social Services**

OFFICE OF THE COMMISSIONER

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April 13, 2015

Dear Medical Provider:

Recently some misinformation was distributed to medical providers across the state about Governor Walker's Medicaid Expansion and Reform legislation regarding provider taxes and other policies. Please allow me to provide the facts.

First, the Governor's Medicaid Expansion and Reform bill (SB78/HB148) does not impose a provider tax. It only directs the Department of Health and Social Services to consult with stakeholders and submit a proposal to the Legislature for a provider tax. No tax can be imposed upon providers without separate legislation next year. Per language in the bill, the Department will hire a consultant to work with its staff and health care providers across the state to develop this proposal over the remainder of the year.

Although federal law allows for such taxes on different provider groups, they are typically assessed on hospitals and nursing homes. This is the approach we expect to see from the study done by a contractor with national expertise. Additionally, the Medicaid provider reimbursement rates are usually increased to reduce the impact of such a tax. Alaska is the only state in the nation without a provider tax, so there is plenty of information from other states to inform the discussion we will have with you. As noted above, any proposal that comes out of this process will be thoroughly vetted through the legislative process next year. It is not up to the discretion of the Department to unilaterally impose a tax.

Please be assured that neither the Department nor Governor Walker would propose any tax that would result in a loss of medical providers in Alaska. It would be counter to all our guiding values.

This is only one example of the misinformation being circulated in an effort to sabotage the Governor's legislation to provide coverage to working Alaskans with low incomes – legislation that now has the support of over 150 groups and thousands of individual Alaskans. Do not be misled by the incendiary rhetoric. Please look at the factual information we have put forward on the Department's web site at <http://dhss.alaska.gov/HealthyAlaska/Pages/default.aspx> and Governor Walker's site at <http://gov.alaska.gov/Walker/priorities/accessible-healthcare.html>.

If you have further questions, please contact my staff member Chris Ashenbrenner at chris.ashenbrenner@alaska.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Valarie Davidson".

Valarie Davidson
Commissioner