

She Received Chemo in Two States. Why Did It Cost So Much More in Alaska?

For those living in remote areas, higher prices can put medical care further out of reach.

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Emily Gebel was trying to figure out why she was having trouble breastfeeding. That's when she felt a lump.

Gebel, a mother of two, went to her primary care doctor in Juneau, Alaska, who referred her for testing, she said.

Her 9-month-old was asleep in her arms when she got the results.

"I got the call from my primary care nurse telling me it was cancer. And I remember I just sat there for probably at least another half an hour or so and cried," Gebel said.

Juneau, the state capital, has about 31,700 residents, who are served by the city-owned Bartlett Regional Hospital. But Gebel said she has several friends who have also had cancer, all of whom recommended she seek treatment out of town because they felt bigger cities would have better care.

She opted for treatment in Seattle, the closest major American city to Alaska. She underwent surgery at Virginia Mason Medical Center in September 2022. In January, she began chemotherapy at Lifespring Cancer Treatment Center, a stand-alone clinic that she said she selected because it offers a lower-dose chemotherapy.

During chemo, she learned she had stage 4 breast cancer, she said.

Commuting to Seattle for chemo every week — nonstop flights that lasted as long as two hours and 45 minutes — became tiring. So Gebel began treatment at Bartlett Regional Hospital after her Seattle doctor taught hospital staffers there how to administer her chemo regimen.

Then the bill came. [See the bill online at

<https://kffhealthnews.org/news/article/chemo-chemotherapy-cancer-price-disparity-alaska/>]

The Patient: Emily Gebel, 37, insured through her husband's employer by Premera Blue Cross. She was previously covered by Moda Health.

Medical Service: One round of metronomic chemotherapy, which involves regular infusions at lower but more frequent doses and over a longer period than traditional chemotherapy.

Service Provider: Bartlett Regional Hospital and Lifespring Cancer Treatment Center. The hospital is a tax-exempt facility owned by the city and borough of Juneau, though most of its revenue comes from the services it provides, according to hospital officials. Lifespring is a stand-alone, doctor-owned cancer clinic in Seattle.

Total Bill: The prices for Gebel's chemo infusions at Bartlett Regional Hospital varied week to week. A hospital bill showed one infusion in July was listed at \$5,077.28 — more than three times the price for a similar mix of drugs at the Seattle clinic, \$1,611.24.

What Gives: In the United States, the price for the same medical service can vary based on where it is received. And for those living in remote areas like Alaska, the price difference can put care further out of reach.

Gebel's firsthand experience with this disparity began after her husband, Jered, requested a cost estimate from Bartlett Regional Hospital. It said Gebel's chemo would cost around \$7,500 per weekly infusion, more than four and a half times what she had been charged in Seattle.

"The email came through with the bill estimate, and it's like, 'Oh my goodness, this has to be wrong,'" Jered said.

Jered said Emily had met her annual out-of-pocket maximum, meaning her insurance would cover the costs of her treatment, but from the start, the disparity just bothered him.

When Emily received a bill for a few rounds of her weekly chemo treatments, it showed the hospital charged more than triple what the Seattle clinic did for a round of chemo, asking higher prices for every related service and medication she received that week.

The hospital charged about \$1,000 for the first hour of chemo infusion, which is more than twice the rate at the Seattle clinic. One of the drugs cost \$714, more than three times the price at the clinic.

It was even the tiniest things: The hospital charged \$19.15 for Benadryl, about 22 times the clinic's price of 87 cents.

Staff at Lifespring Cancer Treatment Center, the Seattle clinic, did not reply to requests for comment.

Sam Muse, the hospital's former chief financial officer, [who no longer works there](#), said Bartlett Regional Hospital officials determined prices by looking at average wholesale prices and what

other facilities in the region charge. Muse said the hospital had to account for high operating costs.

“Anything that we charge certainly has to take into consideration ... the cost of just supplying health care in a rural setting like Juneau,” Muse said. “We’re not accessible by road at all, only ferry or plane.”

Juneau’s isolated geography makes reaching many resources a challenge. The city is part of the Alaska Panhandle, a narrow, island-speckled sliver of the state wedged between Canada, the Pacific Ocean, and Glacier Bay National Park & Preserve. Neither Anchorage nor Vancouver, its nearest major cities, is close by.

The hospital — the only one in the city and largest in the panhandle — treats a small number of cancer patients, at least a few hundred last year, Muse said. Its two oncologists live outside the city and fly into Juneau six times a month, said Erin Hardin, a hospital spokesperson.

Bartlett spent nearly \$11 million last year to pay and fly in nurses, doctors, and other staffers who live outside the city, Muse said.

We’re “trying to find that happy medium between keeping care here and [keeping costs down](#) and how do we do that in a sustainable way for the long term,” Muse said.

Even though research shows Alaskans [seek emergency care](#) and [are admitted to the hospital](#) less often than many Americans, they had the [third-highest](#) health care expenditures per capita in 2020.

“Alaska is special in that it’s small, it’s remote, therefore it’s more expensive,” said Mouhcine Guettabi, an associate professor of economics at the University of North Carolina-Wilmington who studied health care costs in Alaska when he taught there.

Guettabi said hospitals often need to [offer higher wages](#) to recruit doctors and nurses willing to live in Alaska, which has a [higher cost of living](#) than that of most states.

Towns or entire regions may have few specialists and only one hospital, creating a dearth of competition that may drive up costs, Guettabi said. It’s also more expensive to ship items there, including medical supplies.

But Alaska’s costs are higher even when taking all those factors into account, Guettabi said. In Anchorage, for instance, prices for medical items [increased nearly three times as fast](#) from 1991 through 2017 than prices overall.

Alaska also has a unique policy that may be increasing prices. Its “80th percentile rule” was enacted in 2004 to limit the amount of money patients pay when treated by providers outside their health insurers’ network. But like many experiments meant to rein in costs, the rule has instead been increasing health care spending, [according to a study by Guettabi](#).

“Critics think the rule may be adding to that soaring spending, partly because over time providers could increase their charges — and insurance payments would have to keep pace,” the study noted.

The Resolution: Emily received a bill from the hospital in September, more than five months after beginning treatment there.

It said Emily owed about \$3,100 even though a previous explanation of benefits said she’d met her out-of-pocket limit.

Jered said he contacted hospital billing officials, who discovered that a medicine had been incorrectly coded and told Jered that Emily’s charge was zero.

“We know how hard it is to pay these ridiculous medical bills,” Jered said. “If I’m able to push back a little bit against this massive system, well, hey, maybe other people can, too. And who knows, maybe eventually health care prices can come down.”

Emily said she’s glad Jered knows how to handle the financial aspects of her care. Like many Americans, she could have just paid or ignored the incorrect bills, risking being sent to collections.

“I can’t imagine the amount of time I would have to spend on it while juggling parenting and also dealing with completing treatment, going through the sickness that goes along with that, and just generally feeling very run down,” she said.

The Takeaway: Alaska government officials, nonprofits, and experts have suggested methods to lower the cost of health care. The state is considering [repealing the 80th percentile rule](#) and [implementing value-based care](#), which emphasizes paying providers based on health outcomes.

But what should Alaskans and other patients do in the meantime? If you live in a high-cost state, you might check out prices at a health care system in a state next door.

In any case, get ready to advocate for yourself.

Jered learned about medical billing by following the [Bill of the Month series](#) and reading “Never Pay the First Bill,” a book by Marshall Allen, a former ProPublica reporter.

Request itemized bills and make sure the codes match the services you received, Jered said. Note any prices that seem outrageous. If you have concerns, arrange an in-person meeting with an official in the provider’s finance department. If that’s not possible, a phone call is better than email. Make sure to document all conversations, so you have a record.

Come prepared with your documents and evidence, including the rate paid by Medicare, the federal insurance system for those 65 and older. Ask the official to explain the reasons for the codes and pricing before contesting anything. You can sometimes negotiate high-priced services down. And remember that the person you’re speaking with isn’t to blame for your health care

costs.

“Don’t come at them angry, don’t come at them as viewing them as the enemy — because they’re not,” Jered said. “They are working within the same broken system.”

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