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**To: Senate Finance Committee Members**

**From: Paul Sherry, President  
Alaska 3Health Network**

**Date: March 19, 2009**

**Re: SB 75 – FY 2010 Capital Budget – Public Testimony  
Alaska e-Health Network \$1.3 million  
State Match to Federal Stimulus Funding**

On behalf of the Alaska eHealth Network, we request your support for an appropriation of \$1.3 million in FY2010 as state match for \$13 million in federal stimulus funds to continue the build out of a health information exchange for Alaska.

The objective of the Alaska eHealth Network is to unify separate electronic health care networks that are being developed throughout the state and supply rural health providers with connectivity to referral providers both in Alaska and in the lower 48 states. This coordinated network will facilitate the exchange of critical health information between health providers. It will also support telemedicine services, the transfer of high resolution images for patient care, as well as videoconferencing and Voice-over-Internet applications.

Overall, an Alaska health information exchange network will improve patient's access to care, reduce unnecessary testing and procedures, improve patient safety, reduce health agency administrative costs, and enhance rapid response to public health emergencies.

In 2006 the Alaska Telehealth Advisory Council funded an effort to evaluate and recommend solutions for the electronic health information exchange for Alaska health care providers. Primary partners of this effort, now called the Alaska eHealth Network (AeHN), include the Alaska Federal Health Care Partnership, the Alaska Primary Care Association, the Alaska Native Tribal Health Consortium, the Alaska State Hospital and Nursing Homes Association, the Alaska Mental Health Trust Authority, Premera Blue Cross/Blue Shield, the University of Alaska, AARP Alaska, the State Department of Health and Social Services, and the EHR Alliance.

A business plan developed by the partners anticipates a total project cost of \$35M for development of a health information exchange for Alaska over the next five years. The plan addresses the connectivity of Alaska's separate health care networks and the exchange of health information across Alaska's health care community. The plan calls for the generation of revenue through facility and provider user fees and a personal health record subscription fee. Break-even point for this extensive coordination of Alaska's health care information systems will occur in Year 6.



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In August 2008, the Alaska eHealth Network partners elected to form a 501(c)(3) corporation. A list of the initial board members is enclosed. ANTHC has been designated by the partners to act as interim project manager for development of the Alaska eHealth Network.

The Alaska eHealth Network has as its mission: *To improve the safety, cost effectiveness, and quality of healthcare in Alaska through the promotion and facilitation of widespread implementation and use of secure and confidential electronic clinical information systems, including electronic health records, medical decision support, clinical data exchange capabilities and reimbursement mechanisms.*

To date we have secured \$11.5 million in support of this initiative, primarily from federal sources (the Federal Communications Commission and the Alaska Federal Health Care Partnership). In FY2009 we received an appropriation of \$500,000 in this year's capital budget. This funding has allowed the Alaska eHealth Network to proceed with planning and design of a statewide health information exchange initiative.

For FY2010 we are requesting that the State of Alaska include an appropriation of \$1.3M for the state share of costs for the Alaska e-Health Network. We will be requesting an additional \$1M in FY2011. We anticipate this funding will provide the match for the federal stimulus and will allow us to complete the infrastructure build out for health information exchange without any additional capital requests for FY2012 and beyond.

Please contact me at 907-230-5572 or at [psherry@anthc.org](mailto:psherry@anthc.org) if you have questions or require additional information. You may also contact project director Rebecca Madison at 907-729-3934 or at [rebccam@akrivertracks.com](mailto:rebccam@akrivertracks.com).

## **Verbal Testimony by Kathy Morgan of Tok, Alaska**

### **Presented via teleconference to the Senate Finance Committee on SB75, FY2010 Capital Budget**

My name is Kathy Morgan, and I'm representing the Tok Community Umbrella Corporation. I'd like to ask your support for the capital improvement projects that the community of Tok is requesting this year. First, though, thank you very much for the grant the legislature awarded us last session for purchase of a giant wood chipper to reduce our wildfire fuel stands of trees to a safe form that can heat the school and hopefully other public buildings in the community. That chipper should be delivered tomorrow.

This year we are requesting funding for 7 much smaller projects. All of them are intended either to make our community safer from wildfires, or to use wood to reduce heating costs for public buildings, which also indirectly helps to make the community safer, since it provides a market for the wildfire fuels we want to remove. Some of them involve hiring workers and equipment to remove wildfire fuel, which will also boost the local economy while making the community safer.

One project is the Senior's Defensible Space: we'd like to remove the wildfire fuels from around the homes of the seniors, veterans, and disabled who are not able to accomplish the removal themselves. [\$150,000]

We want to build a fire lookout off the Eagle Trail, south of the community, at a location that overlooks the communities of Tok, Tanacross, and Tetlin. A fire spotter at that location could provide several hours of additional lead time for

fighting a wildfire and/or evacuating people from threatened areas before it's too late to escape. [\$98,000]

We'd like \$86,000 to move a couple of buildings belonging to Div of Forestry and set them up as a firefighting academy with a bunkhouse and shower facility, so that residents of surrounding villages would have a place to live and train for brief periods of time to upgrade their firefighting skills and certifications. That's a really small sum to make our communities safer as a result of having well-trained crews while also improving economic opportunities for the villagers who take advantage of the new fire fighting academy.

We're asking for \$47,500 to install 5 wood pellet heating stoves in community buildings, including the Tok Volunteer Fire Department. These could heat the buildings for less than the cost of fuel oil, while keeping the money within the community instead of sending it out of state to the big oil companies.

The most expensive project that we're asking funding for is for a wood chip boiler to heat the DOT&PF facility. This would be \$1,500,000 but would in the long run save the State a great deal on heating costs, while also providing a use for the chips that result from the wildfire fuel reduction projects.

We'd like money to purchase a small tractors or similar equipment to help in fighting fires and in removing wildfire fuels to prevent fires. [\$295,000]

Finally, we'd like to upgrade our collection and processing area for wood chip storage and handling. We're asking for \$190,000 to grade and pave a small area and put in a pole-supported roof structure to keep chips clean and dry.

Copies of our requests have been sent to Senator Kookesh and Rep. Salmon; I'd be glad to email copies to anyone else who is interested, and would be happy to send you a copy of my testimony tonight.

Thank you very much for the opportunity to testify. I'd be glad to answer questions if you have any.



## Establish funding for Coordinated Community Transportation

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, the Alaska Brain Injury Network and the Alaska Suicide Prevention Council, have identified as one of their joint priorities the establishment of an Alaska Community Transportation Trust Fund, as well as capital appropriations for coordinated community transportation and operating appropriations for community transportation providers.

### Overview

The lack of accessible, affordable transportation is a major barrier to the employment and community participation of Alaskans with disabilities, seniors, Alaska Mental Health Trust Authority beneficiaries, youth, low-income Alaskans and the general public. Even with an adequate infrastructure of roads and bridges, many of these individuals still won't have affordable, accessible community transportation.

There are generally two ways community transportation is provided in Alaska: 1) public transit systems (buses and Americans with Disabilities Act paratransit services) and 2) coordinated transportation systems operated by local nonprofits. However, in many communities in Alaska, there are no community transportation systems. Some non-profit organizations, churches, senior centers and civic groups may help their community members get a few rides, but the need far exceeds the availability. Some seniors and persons with disabilities are forced to move to communities that can support their transportation needs. It is no surprise that transportation is one of the top statewide needs identified in surveys of seniors, people with disabilities and beneficiaries of the Alaska Mental Health Trust Authority.

Most funding comes from federal formula grants, the Alaska Mental Health Trust Authority, fare box collections, fees for service and local government. Despite increased levels of federal funding, Alaska's community transportation systems are under constant financial pressure to keep up with the demand for services, particularly given increases in the number of rides and fuel and vehicle costs.

Rising fuel costs are putting all Alaska transportation systems into financial peril, forcing systems to cut back on hours, levels of services and raise fees beyond that which low income riders can support – at a time when demand for services is at its highest ever. In June 2008, the Alaska Mobility Coalition surveyed community transportation systems across the state. The number of rides increased by 5-7% (325,000 rides) and demand has remained high despite the recent drop in gas prices. However, fuel costs increased by 30% over the past 12 months.

We support the Governor's FY10 capital budget request which includes \$800,000 (GF) and \$300,000 (MHTAAR).

March 19, 2009

State of Alaska Legislature  
Senate Finance Committee

Attn: Committee Members

Re: University of Alaska Capital Budget

Dear Finance Committee:

It is my understanding you are currently reviewing and taking public testimony on the FY10 University of Alaska Capital Budget. I have reviewed the capital budget request and would like to offer my input for your consideration.

The capital budget request includes significant budget requests for Renewal & Replacement projects, Deferred Maintenance projects and a number of specific facility projects.

While the capital request is significant, and Alaska is currently in a period of significantly reduced revenues, I believe the proposed request represents a critical investment in the long term health and viability of the University of Alaska and the residents of Alaska. Such investments now will both reduce future operating and maintenance costs at the University (through R&R and Deferred Maintenance funding) and reduce future energy costs for all Alaskans (through infrastructure and programs focused on energy and technology research).

But beyond that, improved and expanded facilities will ensure the University of Alaska will continue to recruit and retain Alaska's young adults for higher education here in Alaska. And it will ensure the University of Alaska maintains its status as a premier national and international research institution in the critical areas of, among others, Cold Regions Engineering, Climate Change, and Energy and Sustainability.

I encourage the committee to give high priority to the University of Alaska capital budget request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Theno', written over the word 'Sincerely,'.

Steve Theno, PE  
Professional Mechanical Engineer ME-5134