

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES  
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## MEMORANDUM

**DATE:** April 1, 2009

**TO:** Senator Joe Paskvan  
Senator Bettye Davis, Chair Senate Health & Social Services Committee  
Senator Donald Olson

**FROM:** Commissioner Bill Hogan 

**SUBJECT:** Questions regarding SB 139

**Administration response to questions posed by Senator Paskvan during the 3/25/2009 Senate HSS hearing on SB 139**

**Question 1. I understand the administration does not support this bill. Does the administration recognize the need for attracting health care workers, or is the administration rejecting recognition of the need?**

**Response:**

Yes, the administration recognizes the need for recruiting and retaining health care workers. The Alaska Dept. of Health and Social Services (DHSS) provided statements during the 3/25/2009 Senate HSS hearing that the department has prepared documents and conducted projects that recognize health care workforce shortages and strategies to resolve these shortages. Specifically, the department referenced the Physician Supply Task Force Report that was prepared in 2006, which was staffed by DHSS and funded by the University of Alaska. This report includes documentation of need for additional physicians as well as recommended strategies, such as loan repayment (p. 55), for addressing these shortages.

In addition, DHSS is working with the Alaska Mental Health Trust Authority and the University of Alaska to address shortages in the social services workforce (including behavioral health, developmental disabilities, senior services, etc.). In addition, DHSS, along with the Alaska Dental Action Coalition, is undertaking various needs assessments and developing strategies to address the oral health workforce shortages. DHSS has also participated in an analysis of health care workforce recruitment efforts across Alaska. DHSS has participated in researching and documenting strategies that are effective in attracting and retaining health care professionals, such as loan repayment and direct incentives (<http://hss.state.ak.us/dph/Healthplanning/publications>).

Finally, DHSS prepares health professional shortage area (HPSA) applications on behalf of communities/boroughs and submits them to U.S. Department of Health and Human Services Health Resources and Services Administration. Designation of a borough as a health professional

shortage area allows providers in that area to apply for National Health Service Corps loan repayment.

**Question 2. Does the administration oppose the bill because it wants to reject certain fields as covered under the bills? Is there the recognition that some fields should be supported, and is there some lesser number of positions the administration would support? Or is it that, despite any recognition of need, the administration opposes spending the money?**

**Response:** The administration's opposition to SB139 is not related to rejection of certain professional fields covered under the bill. The concerns of the administration are related to the fiscal note and the funding that would be required to place 90 professionals.

The department assumed 90 positions when developing the fiscal note in order to make a substantial impact on the workforce shortages. SB 139 cites the level of funding provided to each type of professional. The bill does not identify the number of professionals to be funded each year. Thus, the bill allows for placement of fewer than 90 professionals per year if the annual funding for the loan repayment and employment incentive program were made at a lesser total amount.

At this point, the administration cannot commit to supporting a loan repayment program, even for a reduced number of loans. Because of current economic conditions, the administration has recently introduced two other bills, SB 140 and HB 172, that would allow the Department of Revenue to enter into a bond purchase agreement and take other measures necessary to avoid a disruption in education loan services provided by the Alaska Student Loan Corporation. These measures are necessary to ensure the viability of the ASLC, and take precedence over creating additional obligations.