



Testimony for the Record by Verné Boerner
Submitted to the
State of Alaska House Health & Social Services
Committee
Hearing on
HB 148 on Medical Assistance Coverage; Reform
March 26, 2015

Honorable Representative Seaton and Members of the Committee:

Thank you for the opportunity to provide input for this hearing on House Bill 148, "An Act relating to medical assistance reform measures; relating to eligibility for medical assistance coverage; relating to medical assistance cost containment measures by the Department of Health and Social Services; and providing for an effective date."

The Alaska Native Health Board serves as the statewide organization for the Alaska Tribal Health System (ATHS), working with State and federal agencies to strengthen the government-to-government relationship through timely communication and meaningful consultation throughout the policy-forming process. The ATHS serves over 145,000 Alaska Natives and American Indians (ANAI) and thousands more non-Natives as an integral part of Alaska's statewide public health system.

It is frequent that the Alaska tribal health system or the Indian Health Service (commonly referred to as IHS, the federal agency which provides core funding for tribal and Indian health programs) is equated with health insurance for tribal people in Alaska and nationwide. However the ATHS is not (nor is the IHS) health insurance or health coverage for individuals; there is not a guaranteed set of benefits for premium paid. In fact the ATHS and IHS have been chronically underfunded since their inception and most tribal programs across the state must ration care. Not expanding Medicaid carries incredible opportunity costs that will not only impede economic growth, but more importantly will result in higher costs to the statewide system and, sadly, higher morbidity and mortality.

A critical example of the chronic underfunding is the Village Built Clinics (VBCs). Alaska has approximately 170 VBCs across the state. They are funded through the VBC Lease Program, which are administered by the IHS. They are used to fund facility operation and maintenance of health clinics in rural Alaska. VBCs are the sole health care facilities of their communities in the vast, predominately road-less regions of rural Alaska. Current funding levels for VBC leases provide only a fraction of the operations costs (utilities, fuel, etc.) resulting in deteriorating clinic buildings, reduced operations, deferred building maintenance, accreditation compliance problems and ultimately a threat to the provision of safe patient care in the villages. In some cases, there is no running water to the clinic. Can you imagine it's a reality

that there are instructions on how to provide a urine sample in an outhouse. Reality it is.

The IHS sources of funding are indeed below the level of need and finite. Tribes have been innovative in designing and developing programs that increase resources and just like our non-Tribal counterparts depend on third-party billings to extend their capacity to provide care. Heartbreakingly, however, ANAIs suffer the highest rates of uninsurance and poverty and our programs are forced to ration care.

The impacts are real. One personal story I have is that of my uncle's. In Kiana jobs are scarce, but there are more opportunities in the summer. My uncle was a seasonal worker and spent much of the rest of the year volunteering at the church and high school and engaged in subsistence hunting. The food he caught did not just feed our family, but fed community elders and poor families. I was extremely proud of him.

Some years back, he flew to Kotzebue with a stomach ailment. He was sent home with some medication to ease his discomfort. One month later, he returned not having improved and after losing considerable weight. He was referred on to the Alaska Native Medical Center, where he was diagnosed with stomach and colon cancer. However, he had become so emaciated, beyond the point of recognition, and had been so weakened that the treatment itself would likely cause death.

He was given the choice to remain in Anchorage and attempt treatment or start palliative care and go home. My uncle chose the latter. Before he left, he went to the Oncology department to shake the hands of the doctors and nurses that so wished to help him. He passed three weeks later at home on Christmas Eve. He was 47.

Rationing care means that diagnosis and treatments are delayed, disease is further progressed, and treatment is more costly and outcomes are poorer. Medicaid expansion will alleviate pressure on the health system and allow for more resources to be dedicated to capacity building and innovations.

Another opportunity cost is in the area of behavioral health. Behavioral health is one that does not have a domino effect, one affects the next, but rather has the impact of a boulder thrown in a pond. The waves and ripples affect all around, those nearest and afar. A recent series of articles published by the Alaska Dispatch News highlighted the far-reaching impacts (described as an endless loop) and high costs (in the millions of dollars to the public) of homelessness and substance dependence in Anchorage. These costs and impacts are borne throughout the state.

Tribes have developed innovative and evidence-based approaches but are limited again by finite funding sources, and cannot address the true need, as many of those who are in need of such services fall in the Medicaid gap. Medicaid expansion would provide coverage for these individuals and thus allowing tribal programs to grow their capacity to treat and address these issues.

In collaboration between the State of Alaska and the AHS, there are true opportunities to develop savings. The AHS has an enhanced Medicaid federal match of 100%. Medicaid Recipient-Tribal members accessing care through the AHS are fully covered by the federal government. However, in federal fiscal year 2012, though ANAIs made up nearly 40% of Alaska's Medicaid Recipients, payments to tribal programs only made up 16.38% Alaska's Medicaid total payments that year. If the percentage was pushed up to 20% or 30% the dollar savings to Alaska's general fund would have been \$25.8 million dollars and \$97.3 million respectively.

Tribes are ready to work with the State and the federal government on developing ways to better utilize the AHS. The ability and extent for the Alaska tribal health system to innovate and demonstrate new programs is impacted by the fact that the system suffers from underfunding and fiscal pressures. It is in a state of rationed care that does result in delays of diagnoses and treatment, which then leads to higher costs, poorer outcomes and death.

Leaving the Medicaid expansion dollars on the table is costing lives. That is on your and my shoulders as leaders. It limits our ability to innovate and develop sustainable programs to help improve the health status and quality of life for Alaskans, and we collectively as leaders have to own that. I present here before you imploring you to pass HB 148.