



# *Alaskans Working For Alaska!*

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March 27, 2019

Dear Co-Chairs Rep. Spohnholz and Zulkosky  
and Committee Members:

My name is Jake Metcalfe. I'm a life-long Alaskan and lucky to serve as the Executive Director of the Alaska State Employees Association (ASEA), AFSCME Local 52. ASEA represents approximately 8,000 hard-working public servants across Alaska, of which 200 work at the Alaska Psychiatric Institute (API).

I write today as a citizen and as ASEA Executive Director. In those capacities, and on behalf of ASEA membership, I urge that this Committee pass House Bill 86. The Alaska Constitution states the Legislature *shall* provide for public health and welfare. House Bill 86 ensures that Alaska continues to deliver accountable and compassionate mental health treatment for Alaskans that need care, by Alaskans. This bill reinforces public trust through responsible public management of Alaska's mental health hospital, and preserves the rights of patients whose interests are paramount in the public process. Importantly, HB 86 provides that the rights and interests of Alaskans will never take a back seat to corporate profits.

Prior to API, in territorial and early statehood days, Alaska engaged in privatized mental health services and treatment. The territory and early State government sent our mental health patients "outside" to Morningside Hospital in Portland, Oregon. That privatized care system didn't work well for Alaska. As a territory and young state, we had little control or regulation over the treatment of Alaskans at Morningside. Alaskans resented the fact that treatment and care was conducted by an out-of-state entity. Allegations of financial impropriety by the privately-owned Morningside hospital made matters worse.

Rightfully, Alaska took back the responsibility of providing mental health treatment to our residents. API opened in 1962. Since then, Alaska's kept that public trust in good times and bad. We've always known that this trust and services are costly and problematic. Unfortunately, we have not funded, staffed or provided consistent leadership at API for many years. Numerous studies funded by the Alaska Department of Health and Social Services (DHSS) confirm that API problems are due to chronic underfunding and understaffing. These studies also found that problems at API exist because of a lack of consistent leadership (seven CEOs in six years).

The Legislature and Governor addressed the much needed funding and staff issues last session. In 2018, for the first time in years, the Legislature made a specific appropriation for more staffing at API. DHSS, in the summer and fall of 2018, began the work of fixing API. Governor Walker's 2020 budget reflected the continuing effort to fix the problems at API, including a funding request for 80 additional API staff. Unfortunately, the effort to adequately fund and staff API was suspended in December 2018, when the new administration took over and multiple API leaders quit, resigned or were reassigned as the new Administration moved to privatize API.

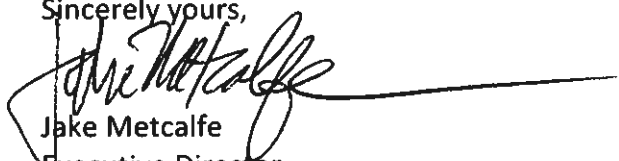
Privatizing mental health service was a failure years ago and it won't work now. There is abundant evidence that privatizing API's mental health services is costly, bad for patients and risky for Alaska. In 2017, at the direction of the DHSS, and through an appropriation of the Legislature, the Public Consulting Group conducted an API privatization feasibility study. The study set out to determine whether privatization of the facility could serve as a viable means for improving service delivery and generated cost savings. PCG's study concluded that full privatization of API would be more expensive to Alaska over a likely 5-year contact period. The summary explained, "the additional staff reductions needed for budget neutrality would likely diminish the quality of service delivery."

Finally, privatization of medical services has not worked elsewhere. In order to make profit in providing medical service, private companies have demonstrated they underfund equipment and resources, increase treatment or increase prices for treatment, engage in litigation against patients, and leave states and communities holding the bag if they go bankrupt.

Privatization won't save Alaska money or improve patient care at API. We know this from DHSS's own studies. We also know from the Ombudsman report that the quality of care at API is outstanding. The Alaska Ombudsman, in a March 2019 investigative report stated, "the Ombudsman met many API health care providers who showed immense compassion for their patients, and a commitment to providing the best care possible –with the resources they are allowed. Good work happens at API, evidenced by the many patient encounters reviewed where staff responded to patients in need using best practices, kindness and creative problem solving."

Passage of HB 86 will make sure we keep our public trust, continue to provide the safest, best and humane care for our most vulnerable residents, and avoid the mistake of privatizing mental health care. Please support HB 86.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jake Metcalfe", with a long horizontal line extending to the right.

Jake Metcalfe  
Executive Director

Alaska State Employees Association, Local 52

cc: Representative Zack Fields