

House Bill 39

Sectional

Section 1

This section includes legislative findings and intent language which states that we can prevent disease by lowering the incidence of disease, and that preventing disease will slow the rate of health care cost to the State.

Section 2

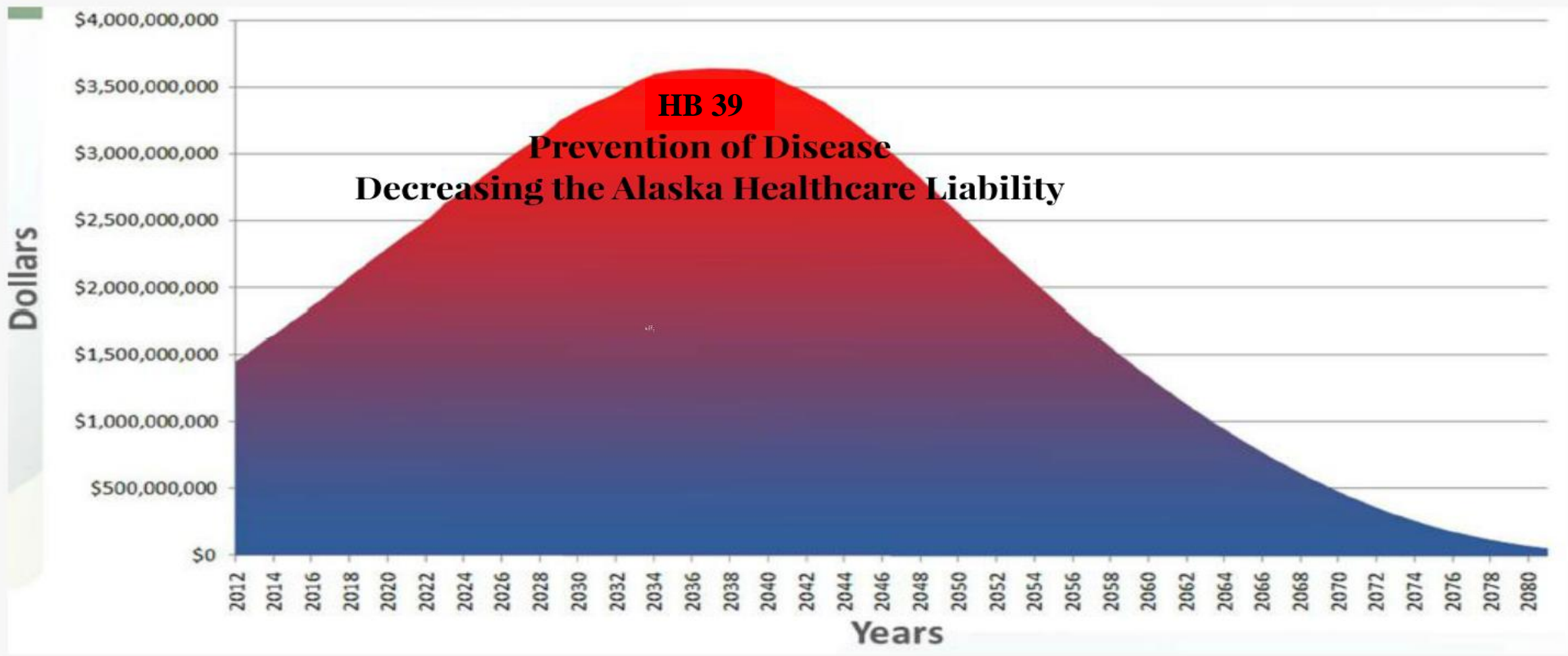
This section requires the Department of Administration, to the extent legal and reasonably practicable, to implement the recommendations of the Advisory Committee on Wellness and reduce the escalation of health care costs. This section of statute applies to state life and health insurance plans.

Section 3

This section requires the Department of Administration, to the extent legal and reasonably practicable, to implement the recommendations of the Advisory Committee on Wellness and reduce the escalation of health care costs. This section of statute applies to self-insurance and excess loss insurance.

Section 4

This section establishes the Advisory Committee on Wellness in the Department of Administration, outlines the appointment and roles of committee members, and requires the commissioner of administration to respond to the committee within six months.



\$3.8 BILLION

\$3.8 Billion is the amount of our PERS/TRS unfunded liability attributable to healthcare according to the Department of Administration.

The old estimate for a 2% annual, out-year, healthcare cost increase was used for setting the contribution rates to fully cover anticipated liabilities.

So this \$3.8 billion represents the healthcare cost inflation above 2%.



Why are we here?

The State of Alaska is a significant health care consumer.

Active plan	17,144 members (includes dependents)	\$111 million total spend in FY13
Retiree plan	64,237 members (includes dependents) 40% live outside Alaska	\$492 million total spend in FY13
Medicaid	145,279 Alaskans covered (2013) 58% children, 36% adults, 6% seniors	\$1.6 billion total spend in 2013

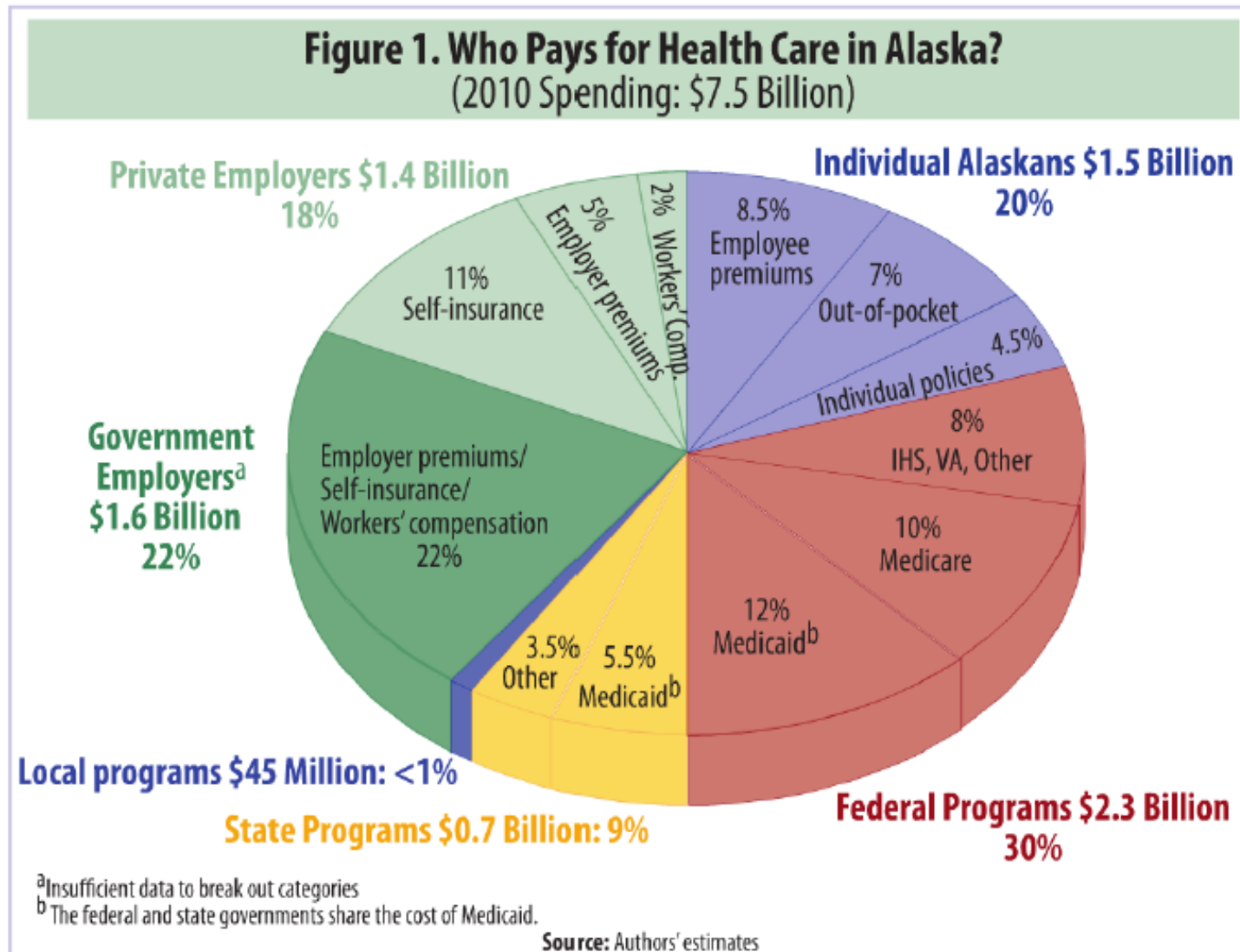
The state also spends money on health care for inmates, state employees who are members of union health trusts and for state workers' compensation claims.

Alaska's Health-Care Bill: \$7.5 Billion and Climbing

By Mark A. Foster and Scott Goldsmith

UA Research Summary No. 18 • August 2011

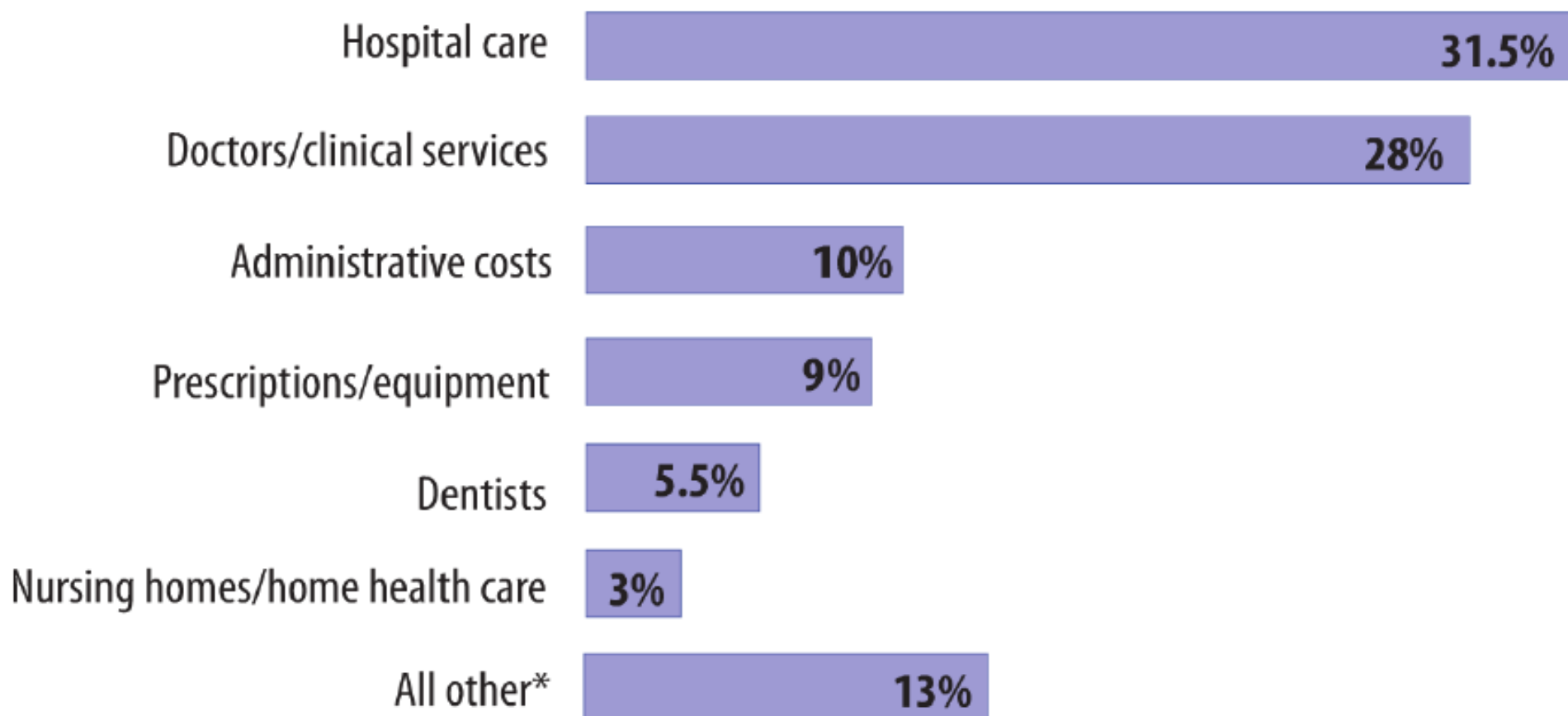
Institute of Social and Economic Research • University of Alaska Anchorage



Health-care spending for Alaskans reached about \$7.5 billion in 2010. For comparison, that's close to half the wellhead value of all the oil produced in Alaska that year. It's also roughly equal to half the wages Alaskans collected in 2010.

Figure 7. What Do Alaska's Health-Care Dollars Buy?

(2010 Spending: \$7.5 Billion)



*Other personal and professional care and public health activities.


Source: Mark A. Foster and Associates estimates, based on Centers for Medicare and Medicaid Services, National Health Expenditure accounts



The Question:

How CAN WE AVOID diseases and PREVENT illness instead of just reacting to and paying for SICKCARE?

The following slides demonstrate that we can reduce healthcare costs by initiating policies to avoid diseases with scientifically documented strategies.



4th Quarter Report 2013

ACTIVE PLAN

Aggregate Risk Profile

Member Information			
Member Count	17338	Avg Forecasted Cost	\$6,670
Avg Age	35	Avg Total Cost	\$6,774
Percent Female	51%	Avg Forecasted Risk Index	1.09
Avg Months Enrolled	11	%/w Acute Impact Score >= 95	1.06%
		%/w Chronic Impact Score >= 95	5.38%
		%/w Motivation Rank >= 95	4.83%

Aggregate Risk Summary					
Risk Drivers	# Members	Avg Risk Contribution	Contribution to Forecast	Risk Contribution	
Demographics	17338	SENIORS SKIN, FRACTURES, FALLS \$345	\$5,987,784	5.18%	X
Acute Respiratory Disorders	2880	TUBERCULOSIS \$1,129	\$3,251,578	2.81%	X
Arrhythmia Disorders	220		\$744,142	0.64%	
CHF Conditions	673	CHRONIC HEART FAILURE \$3,181	\$2,140,732	1.85%	X
Cerebral Vascular Disorder	247		\$1,037,177	0.90%	
Chronic Respiratory Disorders	1728	UPPER RESPIRATORY TRACT \$2,318	\$4,005,542	3.46%	X
Coronary Artery Related Conditions	1655	CORONARY HEART DISEASE \$2,958	\$4,895,538	4.23%	X
Dermatological Disorder	3075		\$3,911,805	3.38%	
Diabetic Disorders	882	TYPE 1 AND TYPE 2 \$5,932	\$5,231,998	4.52%	X
Female Reproductive Conditions	341	PRETERM BIRTHS \$2,510	\$856,045	0.74%	X
Gastrointestinal Disorders	2351	COLORECTAL CANCER \$2,011	\$4,728,854	4.09%	X
Heart Related Conditions	180		\$1,013,046	0.88%	
Hypertension	1527	BLOOD PRESSURE \$1,983	\$3,028,315	2.62%	X
Hypotensive Drugs	1784		\$3,937,924	3.41%	
Major Infection Related Conditions	2950	MRSA \$2,023	\$5,968,497	5.16%	X
Metabolic Conditions	3077	FIBROMYALGIA \$2,680	\$8,247,421	7.13%	X
Minor Infection Related Conditions	3704		\$4,965,037	4.29%	
Miscellaneous Conditions	4750		\$10,940,696	9.46%	
Musculo-skeletal Disorders	5173	INFANT MUSCLE, SENIOR FALLS \$2,206	\$11,409,047	9.87%	X
Myocardial Infarction Related Conditions	271		\$1,440,328	1.25%	
Neonatal Issues	255	AUTISM, HEART PROGRAMMING \$935	\$238,299	0.21%	X
Neoplastic Related Conditions	638		\$2,763,900	2.39%	
Neurological Disorder	3770	ALZHEIMER'S \$1,435	\$5,409,047	4.68%	X
Non-specific condition	5561		\$780,877	0.68%	
Pneumonia	243	UPPER RESPIRATORY TRACT \$3,822	\$928,744	0.80%	X
Psychological Disorder	2688	S.A.D. AND DEPRESSION \$2,771	\$7,447,883	6.44%	X
Renal Disorders	309		\$4,679,794	4.05%	
Trauma Related Condition	1822	TRAUMATIC BRAIN INJURY \$1,455	\$2,651,019	2.29%	X
Urinary Disorders	1381		\$2,996,360	2.59%	

% total diseases directly related to Vitamin D status = 66.08 %

RETIREE PLAN

4th Quarter Report 2013

Aggregate Risk Profile

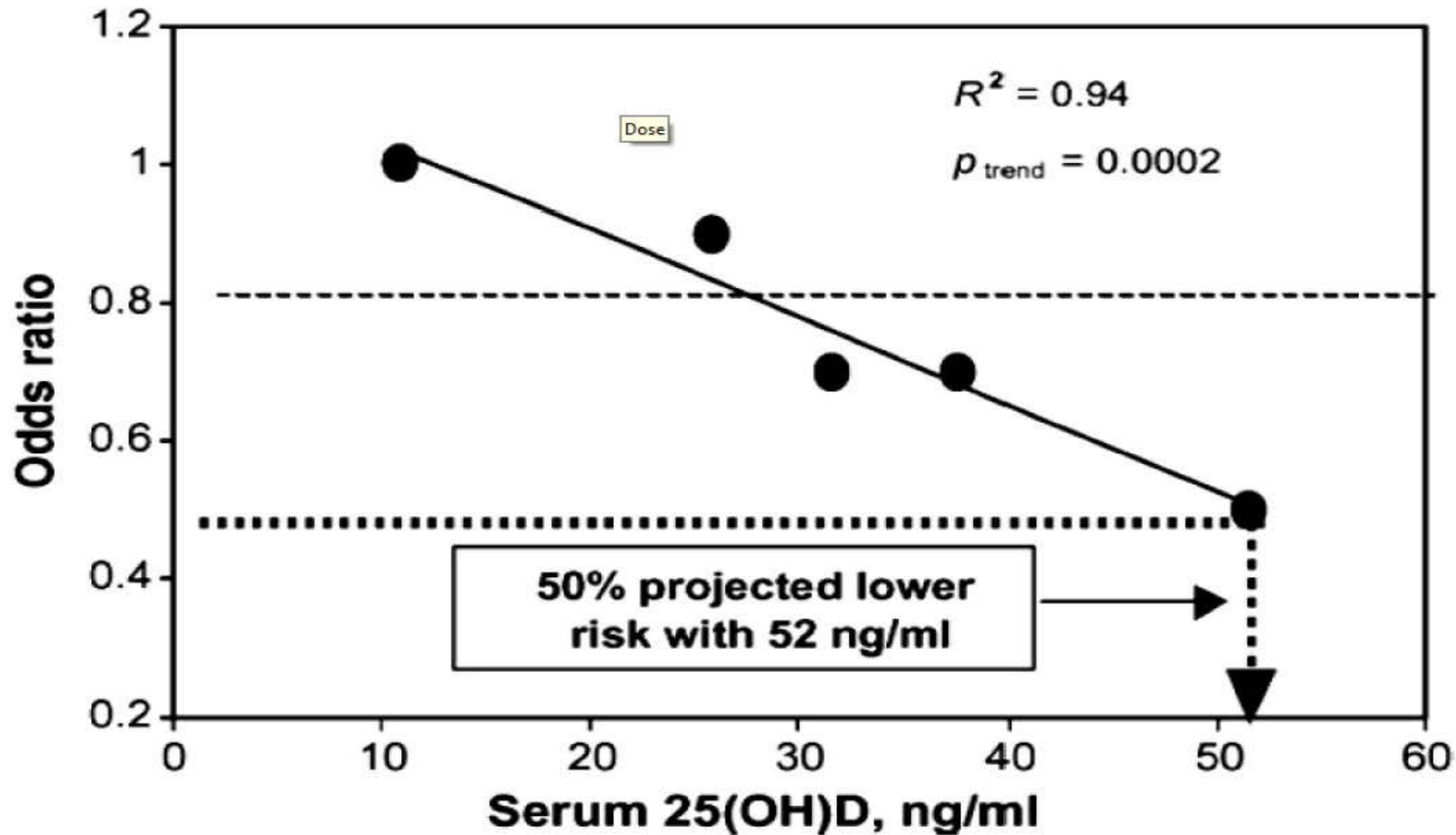
Member Information				
Member Count	65376	Avg Forecasted Cost	\$15,666	
Avg Age	63	Avg Total Cost	\$17,726	
Percent Female	54%	Avg Forecasted Risk Index	2.56	
Avg Months Enrolled	12	% /w Acute Impact Score >= 95	5.47%	
		% /w Chronic Impact Score >= 95	16.63%	
		% /w Motivation Rank >= 95	9.70%	
Aggregate Risk Summary				
Risk Drivers	# Members	Avg Risk Contribution	Contribution to Forecast	Risk Contribution
Demographics	65376	SENIORS SKIN, FRACTURES, FALLS \$454	\$29,702,943	2.90% X
Acute Respiratory Disorders	9520	TUBERCULOSIS \$1,669	\$15,893,121	1.55% X
Arrhythmia Disorders	5170	\$2,860	\$14,786,038	1.44%
CHF Conditions	10658	CHRONIC HEART FAILURE \$2,758	\$29,389,999	2.87% X
Cerebral Vascular Disorder	5021	\$3,726	\$18,710,595	1.83%
Chronic Respiratory Disorders	11241	UPPER RESPIRATORY TRACT \$3,093	\$34,763,411	3.39% X
Coronary Artery Related Conditions	24057	CORONARY HEART DISEASE \$2,900	\$69,776,210	6.81% X
Dermatological Disorder	15979	\$1,958	\$31,281,265	3.05%
Diabetic Disorders	10689	TYPE 1 AND TYPE 2 \$5,966	\$63,771,119	6.23% X
Female Reproductive Conditions	103	PRETERM BIRTHS \$1,489	\$153,413	0.01% X
Gastrointestinal Disorders	18753	COLORECTAL CANCER \$2,146	\$40,246,314	3.93% X
Heart Related Conditions	4346	\$4,374	\$19,007,254	1.86%
Hypertension	21394	BLOOD PRESSURE \$1,623	\$34,713,887	3.39% X
Hypotensive Drugs	21282	\$1,869	\$39,772,355	3.88%
Major Infection Related Conditions	13879	MRSA \$3,007	\$41,731,745	4.07% X
Metabolic Conditions	28763	FIBROMYALGIA \$2,545	\$73,213,862	7.15% X
Minor Infection Related Conditions	14339	\$1,726	\$24,754,410	2.42%
Miscellaneous Conditions	32888	\$2,762	\$90,833,634	8.87%
Musculo-skeletal Disorders	32886	INFANT MUSCLE, SENIOR FALLS \$2,498	\$82,154,255	8.02% X
Myocardial Infarction Related Conditions	5796	\$3,424	\$19,844,208	1.94%
Neonatal Issues	63	AUTISM, HEART PROGRAMMING \$1,504	\$94,751	0.01% X
Neoplastic Related Conditions	7447	\$3,928	\$29,253,071	2.86%
Neurological Disorder	27775	ALZHEIMER'S \$1,561	\$43,366,164	4.23% X
Non-specific condition	12687	\$113	\$1,429,752	0.14%
Pneumonia	1619	UPPER RESPIRATORY TRACT \$5,098	\$8,254,358	0.81% X
Psychological Disorder	16031	S.A.D. AND DEPRESSION \$2,659	\$42,623,390	4.16% X
Renal Disorders	4750	\$16,668	\$79,174,484	7.73%
Trauma Related Condition	8749	TRAUMATIC BRAIN INJURY \$1,904	\$16,660,268	1.63% X
Urinary Disorders	11515	\$2,504	\$28,836,425	2.82%

% total diseases directly related to Vitamin D status = 61.16%

AlaskaCare Retiree Plan - 4th Quarter Report 2013

Notes in red by office of Rep. Seaton

Meta-analysis of breast cancer risk



Dose-response gradient of risk of breast cancer according to serum 25-hydroxyvitamin D concentration, pooled analysis.

Active State Of Alaska employees, Retirees and dependents - **83,000**

Female percentage of AK employees and retirees: 53% = 43,990

Incidence of Breast Cancer per year in AK - **125 per 100,000 (.0125)**

Average cost of annual medical expenditures directly attributable to Breast
Cancer - **\$11,000**

=

Per year AK State Cost for Breast Cancer: **\$6,048,625**

50% reduction with vitamin D
Per Year Savings with vitamin D:

\$3,024,312

72% reduction with vitamin D (2014 GRH study)

Per Year Savings with Vitamin D:

\$4,355,010

Meta-analysis

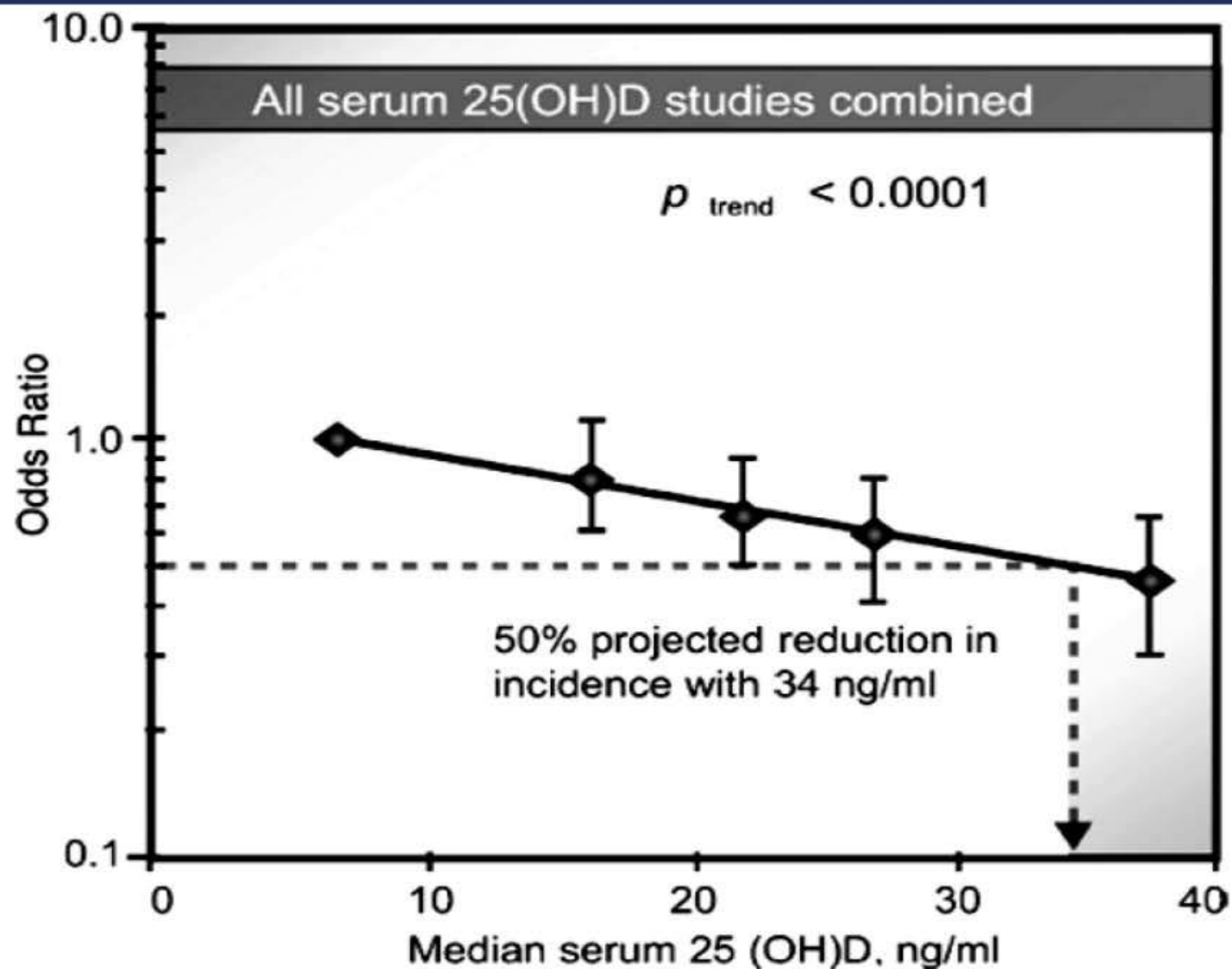


Figure 1. Dose–response gradient for colorectal cancer according to serum 25(OH)D concentration, all five studies combined.^{1,4–7} The five points are the odds ratios for each quintile of 25(OH)D based on combined data from the five studies.

Active State Of Alaska employees, Retirees and dependents - **83,000**

Incidence of Colorectal Cancer per year in AK - **43 per 100,000 (.0043)**

Average cost of annual medical expenditures directly attributable to Colon Cancer
- **\$ 11,000**

AK State Cost for Colorectal Cancer per year **\$ 3,925,900**

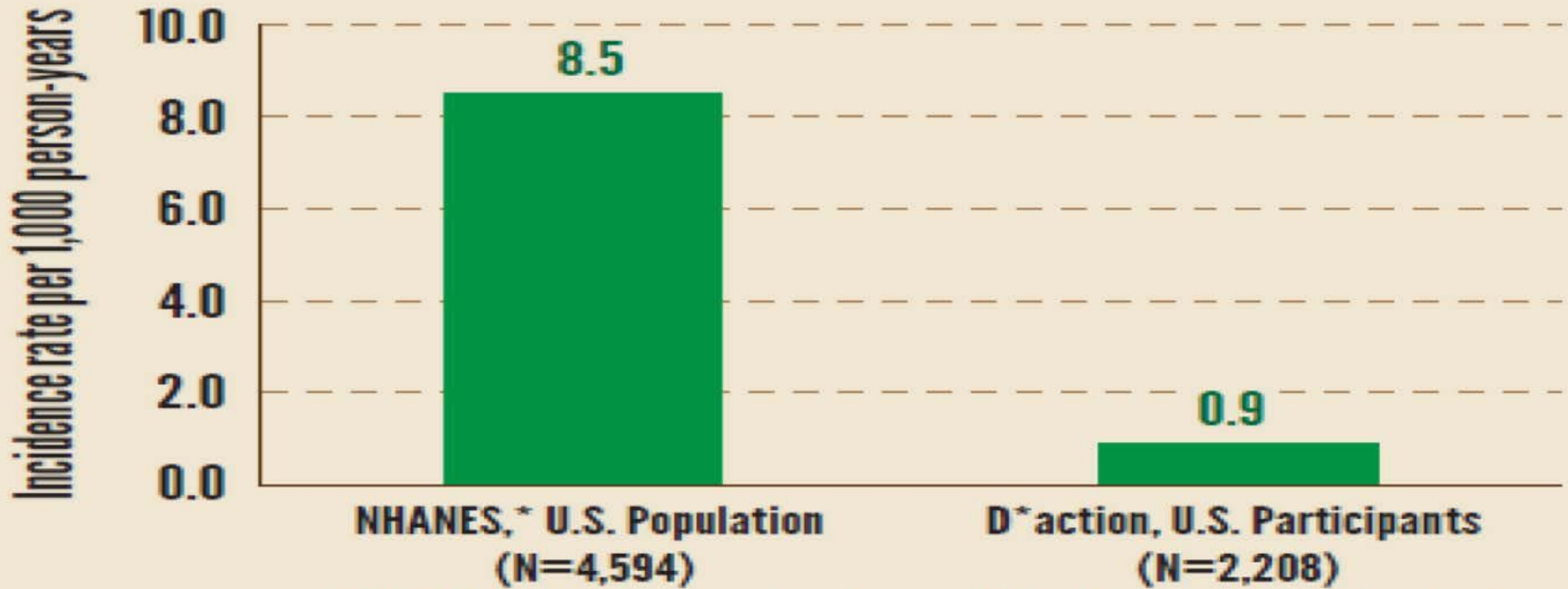
50% per year savings with vitamin D

\$1,962,950

(meta-analysis Gorham et . al.)

TYPE 2 DIABETES

Diabetes Incidence:
Comparing NHANES* and D*action (18+ years)



NHANES Average 21 ng/ml

D*Action Average 48 ng/ml

*DATA SOURCE: NATIONAL HEALTH AND NUTRITION EXAMINATION SURVEY (NHANES), 2005-2006

**RATE RATIO = 9.7 (P=0.0002)

Chart Date 8/6/13

© 2013 GrassrootsHealth

Preliminary data, not yet published.

Vitamin **D*action**



GrassrootsHealth
A Public Health Promotion Organization

www.grassrootshealth.net

Active State Of Alaska employees, Retirees and dependents – 83,000

Employees, Retirees and dependents minus those with Diabetes already – 71,143

New incidences of diabetes per year – 8.5 per 1,000 per year (.0085)

Average cost of annual medical expenditures directly attributable to diabetes – \$7,900

=

Current Diabetes Cost per year= **\$4,777,252**

Per year Savings at 90% reduction = **\$4,299,527**

(GrassrootsHealth D*Action study)

Per year Savings at 38% reduction = **\$1,815,356**

(Meta-analysis of prospective studies - Song et.al.)

March of Dimes 2020 Goal

- Reduce preterm births to no more than 9.6% of live births.
- For more information, see [here](#).

← **7% has already been achieved**

Alaska

Find maternal and infant health data on a state level, or by county or city. Narrow your results or compare with another region.

Location: Alaska [edit](#)

Topic: Preterm by race/ethnicity [edit](#)

Format: Bar Graph [edit](#)

[search](#) [reset](#)

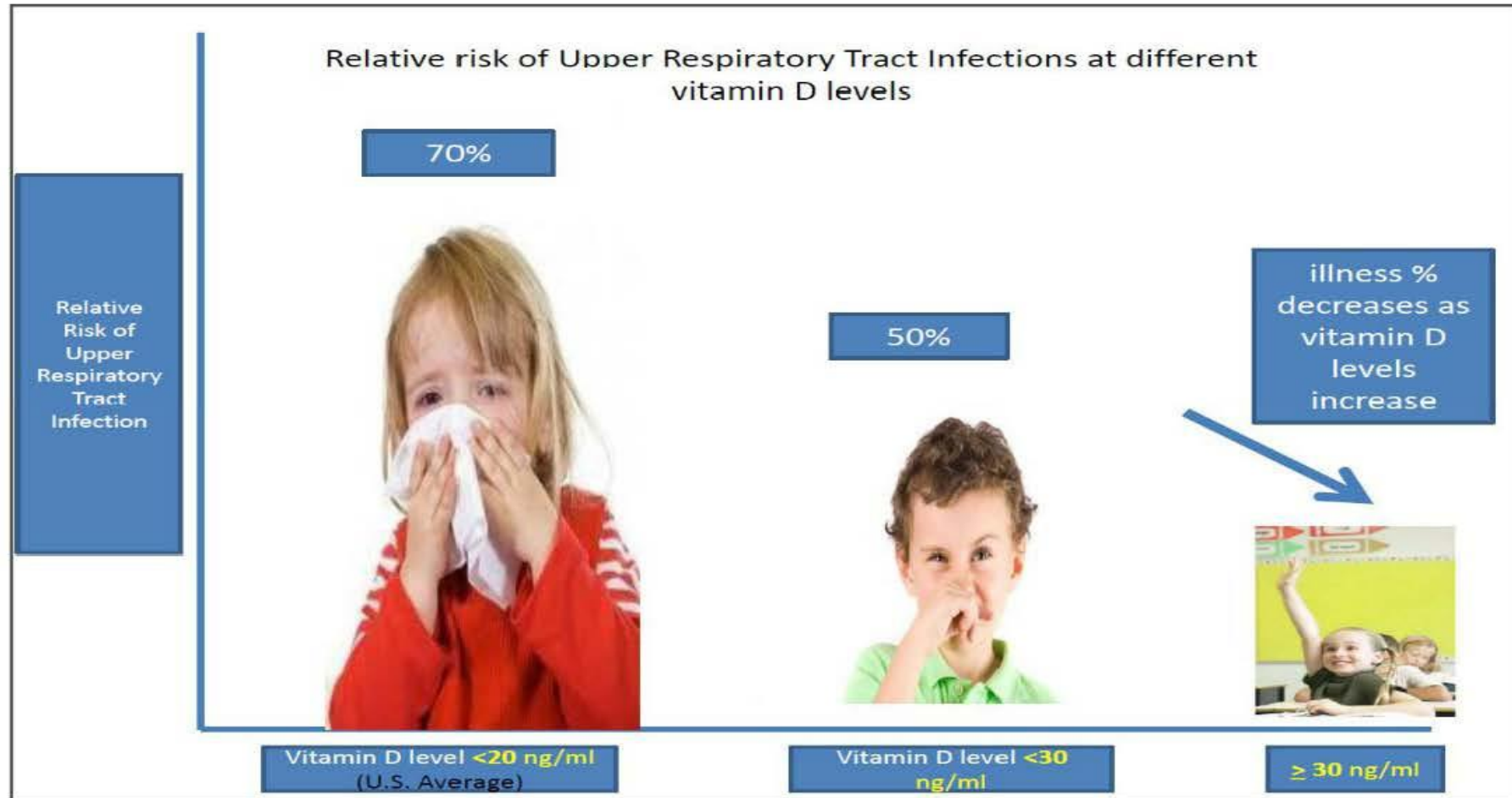
[view tray](#) slides (0)



- Approximate number of births per year in Alaska = 11,000
- Assumption: 500 births per year to State of Alaska Employees, Retirees and Dependents
- For each 500 pregnancies in the Alaska insured and dependent category with vitamin D sufficiency 25 preterm births avoided
- Savings to the state by avoiding 25 preterm births = \$1,375,000

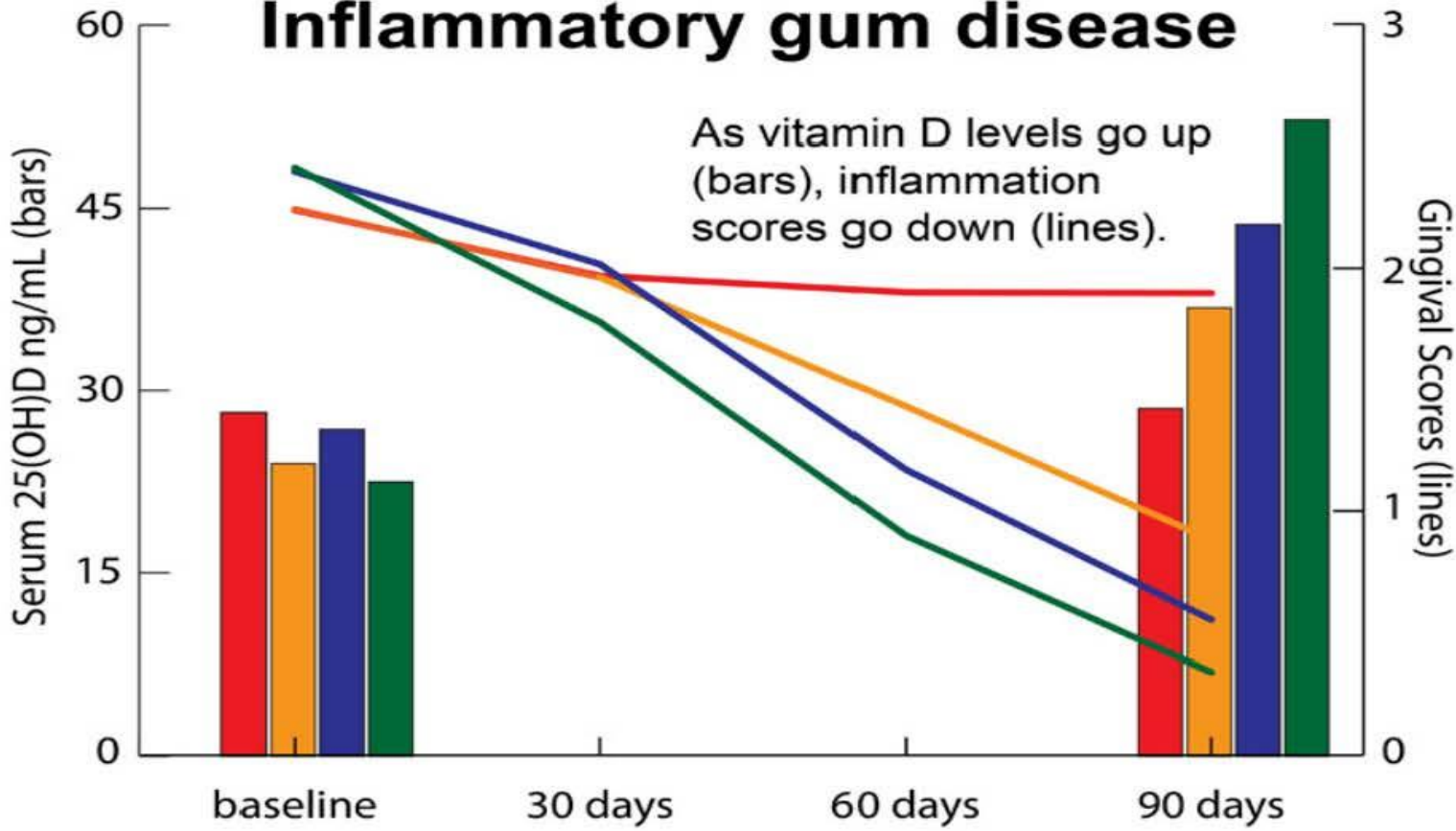
Upper Respiratory Tract Infections

Recently, a study was conducted with seven hundred forty-three children ages 3-15 in a Canadian Hutterite Community. **The findings of the study show that children with higher vitamin D blood levels had a 50% lower relative risk of contracting an Upper Respiratory Tract infection.** Those children at the United States national average of 21 ng/ml vitamin D levels were at a 70% greater risk of contracting respiratory infections. Illnesses such as RTI's are commonly a factor in children's absences from school. Making sure your child has sufficient vitamin D will not only increase their health, but will lead to less school absences due to illness.



Low Serum 25 Hydroxyvitamin D level and Risk of Upper Respiratory tract infection in Children and Adolescents Science et. al. Journal of Clinical Infectious Diseases, August 2013 volume 57.

Inflammatory gum disease



- 0 IU (placebo) After 3 months
- 500 IU/day More than 50% reduction
- 1000 IU/day More than 65% reduction
- 2000 IU/day More than 80% reduction

Hiremath VP, Rao CB, Naik V, Prasad KVV. Anti-inflammatory Effect of Vitamin D on Gingivitis: A Dose-Response Randomised Control Trial. Oral Health Prev. Dent. 2013; 11(1):61-69. (notes by Seaton)

HOUSE BILL NO. 39

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE SEATON

Introduced: 1/9/15
Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Advisory Committee on Wellness; and relating to the**
2 **administration of state group health insurance policies."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that

7 (1) individual Alaskans and the state share the burden of increasing health care
8 and insurance costs resulting from avoidable disease in humans;

9 (2) state policy should focus more on avoiding disease and maintaining good
10 health in the state's population;

11 (3) the state relies partly on federal one-size-fits-all human health policy
12 recommendations, creating federal overreach into the state's administration of health policy;

13 (4) the state's human health policies should incorporate peer-reviewed
14 scientific studies that illustrate health-related differences between the population of the state

11 providing health care benefits to persons who are covered by a policy of group health
12 insurance obtained under AS 39.30.090(a) or 39.30.091(a) to a rate that does not exceed two
13 percent annually.

14 * **Sec. 2.** AS 39.30.090(a) is amended by adding a new paragraph to read:

15 (13) To the greatest extent legally and reasonably practicable, the
16 Department of Administration shall work to hold the escalation of health care costs to
17 less than two percent annually by administering policies of group health insurance
18 obtained under this subsection in a manner that is likely to reduce the incidence of
19 disease in the state's population and that facilitates implementation of the
20 recommendations of the Advisory Committee on Wellness established under
21 AS 39.30.093.

22 * **Sec. 3.** AS 39.30.091 is amended by adding a new subsection to read:

23 (b) To the greatest extent legally and reasonably practicable, the Department
24 of Administration shall work to hold the escalation of health care costs to less than two
25 percent annually by administering policies of group health insurance obtained under