

**ALASKA STATE LEGISLATURE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES
STANDING COMMITTEE**

February 21, 2002

3:04 p.m.

MEMBERS PRESENT

Representative Fred Dyson, Chair
Representative Peggy Wilson, Vice Chair
Representative John Coghill
Representative Gary Stevens
Representative Vic Kohring
Representative Sharon Cissna
Representative Reggie Joule

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 411

"An Act relating to physician assistants; providing that a physician assistant is a health care provider covered by certain laws relating to medical malpractice actions; adding physician assistants to the list of providers against whom unfair discrimination relating to health care insurance is prohibited and to the list of providers who can provide proof of disablement or handicap for the purpose of motor vehicle registration or for the purpose of obtaining a special license plate or a special parking permit; and providing for an effective date."

- MOVED HB 411 OUT OF COMMITTEE

HOUSE BILL NO. 352

"An Act extending the dates for assignment of performance designations of public schools and the dates for reports and monitoring based on those designations; and providing for an effective date."

- HEARD AND HELD

OVERVIEW: SEPARATE AGENCY FOR THE BLIND

- HEARD [See 4:10 p.m. minutes for this date]

HOUSE BILL NO. 252

"An Act relating to the construction of certain statutes relating to children; relating to the scope of duty and standard of care for persons who provide services to certain children and families; and providing for an effective date."

- MOVED CSHB 252(HES) OUT OF COMMITTEE

HOUSE BILL NO. 367

"An Act relating to coverage of children and pregnant women under the medical assistance program; and providing for an effective date."

- BILL HEARING POSTPONED [but testimony taken]

HOUSE BILL NO. 309

"An Act relating to the Interstate Compact on Placement of Children."

- SCHEDULED BUT NOT HEARD

PREVIOUS ACTION

BILL: HB 411

SHORT TITLE:PHYSICIAN ASSISTANTS
SPONSOR(S): REPRESENTATIVE(S)FATE

Jrn-Date	Jrn-Page		Action
02/13/02	2233	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2233	(H)	HES, L&C
02/21/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 352

SHORT TITLE:SCHOOL PERFORMANCE REPORTS
SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
01/23/02	2042	(H)	READ THE FIRST TIME - REFERRALS
01/23/02	2042	(H)	EDU, HES
01/23/02	2042	(H)	FN1: ZERO(EED)
01/23/02	2042	(H)	GOVERNOR'S TRANSMITTAL LETTER
02/13/02		(H)	EDU AT 8:00 AM CAPITOL 120
02/13/02		(H)	Moved Out of Committee MINUTE(EDU)

02/13/02	2230	(H)	EDU RPT 4DP 3NR
02/13/02	2230	(H)	DP: GUESS, JOULE, STEVENS, WILSON;
02/13/02	2230	(H)	NR: PORTER, GREEN, BUNDE
02/13/02	2230	(H)	FN1: ZERO(EED)
02/21/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 252

SHORT TITLE: STANDARD OF CARE FOR CINA SERVICES

SPONSOR(S): REPRESENTATIVE(S) COGHILL

Jrn-Date	Jrn-Page		Action
04/23/01	1136	(H)	READ THE FIRST TIME - REFERRALS
04/23/01	1136	(H)	HES
01/17/02		(H)	MINUTE(HES)
01/17/02		(H)	HES AT 3:00 PM CAPITOL 106
01/17/02		(H)	Heard & Held MINUTE(HES)
02/07/02		(H)	HES AT 3:00 PM CAPITOL 106
02/07/02		(H)	<Bill Canceled>
02/12/02		(H)	HES AT 3:00 PM CAPITOL 106
02/12/02		(H)	Heard & Held MINUTE(HES)
02/13/02	2257	(H)	COSPONSOR(S): DYSON
02/14/02		(H)	HES AT 3:00 PM CAPITOL 106
02/14/02		(H)	Heard & Held MINUTE(HES)
02/21/02		(H)	HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE HUGH FATE

Alaska State Legislature
Capitol Building, Room 416
Juneau, Alaska 99801

POSITION STATEMENT: Presented HB 411 as the bill's sponsor.

ED HALL, Physician Assistant

Alaska Academy of Physician Assistants
13601 Windward Circle
Anchorage, Alaska 99516

POSITION STATEMENT: Briefed members on resolutions passed by the academy in support of provisions in HB 411.

MARY MARSHBURN, Director

Division of Motor Vehicles

Department of Administration
3300B Fairbanks Street
Anchorage, Alaska 99503

POSITION STATEMENT: During hearing on HB 411, testified in support of the inclusion of physician assistants in the list of practitioners eligible to sign certificates of disability.

SUSAN MASON-BOUTERSE, Executive Director
Sunshine Clinic
P.O. Box 787

Talkeetna, Alaska 99676

POSITION STATEMENT: Testified in support of HB 411.

JESSICA STEVENS, Medical Director
Physician Assistant
Sunshine Clinic

P.O. Box 787

Talkeetna, Alaska 99676

POSITION STATEMENT: Testified in support of HB 411.

ED McLAIN, Ph.D., Deputy Commissioner of Education
Office of the Commissioner

Department of Education and Early Development

801 West Tenth Street, Suite 320

Juneau, Alaska 99801-1894

POSITION STATEMENT: Presented HB 352 to the committee.

MARK LEAL, Director of Assessment

Teaching and Learning Support

Department of Education and Early Development

801 West Tenth Street, Suite 200

Juneau, Alaska 99801-1894

POSITION STATEMENT: Provided information on HB 352 to the committee.

SUSAN COX, Chief Assistant Attorney General

Civil Division (Juneau)

Department of Law

P.O. Box 110300

Juneau, Alaska 99811-0300

POSITION STATEMENT: Testified briefly on HB 352 and HB 252.

NATE MOHATT, Staff

to Representative Sharon Cissna

Alaska State Legislature

Capitol Building, Room 420

Juneau, Alaska 99801

POSITION STATEMENT: Presented rationale for and answered questions pertaining to amendments to HB 252.

LYNNE KORRAL, President
Alaska Independent Blind
(Address not provided)

POSITION STATEMENT: Presented information during overview.

ELMER LINDSTROM, Deputy Commissioner
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

POSITION STATEMENT: Presented information during overview; testified on the fiscal note accompanying the proposed committee substitute for HB 252.

WILLIAM CRAIG
Alaska Independent Blind
(Address not provided)

POSITION STATEMENT: Presented information during overview.

SANDY SANDERSON
Alaska Independent Blind
(Address not provided)

POSITION STATEMENT: Presented information during overview.

CHRIS DEVLIN, Executive Director
Eastern Aleutian Tribes
1600 A Street
Anchorage, Alaska 99501

POSITION STATEMENT: Testified in opposition to HB 367.

ACTION NARRATIVE

TAPE 02-14, SIDE A
Number 0001

CHAIR FRED DYSON called the House Health, Education and Social Services Standing Committee meeting to order at 3:04 p.m. Representatives Dyson, Wilson, Coghill, Stevens, and Kohring were present at the call to order. Representatives Cissna and Joule arrived as the meeting was in progress.

HB 411-PHYSICIAN ASSISTANTS

Number 0186

CHAIR DYSON announced that the first order of business would be HOUSE BILL NO. 411, "An Act relating to physician assistants; providing that a physician assistant is a health care provider covered by certain laws relating to medical malpractice actions; adding physician assistants to the list of providers against whom unfair discrimination relating to health care insurance is prohibited and to the list of providers who can provide proof of disablement or handicap for the purpose of motor vehicle registration or for the purpose of obtaining a special license plate or a special parking permit; and providing for an effective date."

Number 0190

REPRESENTATIVE HUGH FATE, Alaska State Legislature, presented HB 411 as its sponsor. He indicated HB 411 was introduced upon request of the [Alaska Academy of Physician Assistants]. The bill provides equity to the physician assistants (PAs); he stated that when the list of medical health providers was established in statute, PAs were not listed. He attributed this omission to the small numbers of PAs in practice when this list was established; he noted the growing numbers of PAs as health providers in the state.

REPRESENTATIVE FATE offered that HB 411 seeks to accomplish three things. First, it places PAs on the list of health care providers in statute. Second, it gives PAs equal footing under insurance programs for both payment and liability purposes. Third, HB 411 allows PAs to authorize license plates for disabled veterans or handicapped persons. Presently, physicians and nurses can authorize these plates, but PAs cannot, he explained. In both urban and rural Alaska, PAs fill an important role for disabled veterans and disabled persons.

REPRESENTATIVE FATE noted that the [Division of Insurance, Department of Community & Economic Development] is neutral on HB 411. He offered that the Division of Insurance had made a point about which office the [insurance] payment is sent to. He indicated he'd responded to the Division of Insurance that the receipt location is determined by either the office under which the PA works or by regulation of the Division of Insurance. He also indicated Division of Insurance personnel would concur with this statement.

Number 0380

CHAIR DYSON offered his understanding that PAs work under the supervision of a medical doctor (MD).

REPRESENTATIVE FATE explained that this supervision by a physician need not be direct; this physician needs to be licensed in Alaska. In response to a further question from Chair Dyson, he indicated that under certain circumstances, insurance payments could go directly [to the supervising physician's office]; this is determined by the office and the insurance company, or by Division of Insurance regulations.

CHAIR DYSON drew attention to a proposed amendment to HB 411 that defines "unfair discrimination" in existing law. [The amendment had been provided by Jerry Reinwand, Lobbyist for Blue Cross Blue Shield of Alaska.] The amendment read [original punctuation provided]:

Page 2, Line 12, replace current language with the following:

*Sec. 2. AS 21.36.090(d) is amended to read:

"(d) Except to the extent necessary to comply with AS 21.42.365 and AS 21.56, a person may not practice or permit unfair discrimination against a person who provides a service covered under a group health insurance policy that extends coverage on an expense incurred basis, or under a group service or indemnity type contract issued by a nonprofit corporation, if the service is within the scope of the provider's occupational license. In this subsection,

(1) "provider" means a state licensed physician, physician assistant, dentist, osteopath, optometrist, chiropractor, nurse midwife, advanced nurse practitioner, naturopath, physical therapist, psychologist, psychological associate, or licensed clinical social worker, or direct-entry midwife.

(2) "unfair discrimination" does not include requirements imposed by a health insurer for purposes of utilization review, cost containment and medically recognized standards of clinically appropriate health care services."

REPRESENTATIVE FATE declared that he hadn't read the amendment. He said he didn't object to cleaning up language in legislation by using a "rider" attached to HB 411. He pointed out that an opportunity for a committee substitute will exist in the House Labor and Commerce Standing Committee hearing on the bill, and

he said he'd like time to review the proposed amendment. He offered that his first impression of the amendment was that he didn't anticipate objecting to it.

CHAIR DYSON indicated his wish to receive input from Department of Law personnel.

Number 0559

ED HALL, Physician Assistant, Alaska Academy of Physician Assistants, testified via teleconference. He stated that his goal in testifying was threefold. First, he wanted to elaborate on the academy's resolution[s], but he said Representative Fate had sufficiently spoken to the issues. Second, he wanted to respond to members' questions. And third, he offered assurance that it isn't the goal of the Alaska Academy of Physician Assistants to seek independence [from physicians].

MR. HALL noted that by definition, PAs are required to work with a collaborative physician. The State of Alaska upholds laws pertaining to this. This physician is usually responsible for billing issues when the PA and supervising MD work in the same office, he offered. If a PA establishes a clinic under the direction of a collaborating MD, however, billing becomes the responsibility of the PA. That may give the appearance that PAs are independent, Mr. Hall noted, but this is not the case.

MR. HALL referred to Section 1 of the bill and said:

This was brought to our attention a couple of years ago by an attorney who indicated that they had had problems in the past whenever they were involved with any litigation with a physician assistant. ... An arbitration board can appoint an expert advisory panel, ... [which] usually consists of ... the [providers] that are defined in this section.

Number 0803

MR. HALL pointed out that the list of health care providers in AS 09.55.560 doesn't include PAs; therefore, they don't have the ability to serve on the advisory panel or be assessed by their peers. He referenced the second resolution, titled "Resolution to Amend AS 21.36.090(d) to Protect Physician Assistants From Unfair Discrimination." He offered that a clinic in Healy has several examples of cases for which it was not reimbursed by an insurance company. While this doesn't happen frequently, one

instance of nonpayment because a PA is not a recognized provider in the state is too often, he offered.

MR. HALL noted that the third resolution pertains to the [Division] of Motor Vehicles; because PAs are not specified in statute, patients have been denied temporary or permanent disability parking permits due to the signature of a PA on the application. He offered his opinion that these state laws were not created to exclude PAs; rather, the laws were written before PAs were numerous in the state. Noting that he had a copy of the aforementioned amendment, he said, "Because it's going to probably change the language in the law, ... it may very well be that this ... would not pass. And I would hate for that to hinder what seems ... to be a straightforward parity." He noted his preference for the amendment to be part of a separate bill.

Number 0898

CHAIR DYSON inquired how PAs practicing in a remote location know when they are getting beyond the procedures they are authorized by law to perform. He asked, "Do you have a spelled-out protocol for what you can do and what you can't?"

MR. HALL replied that PAs are trained to recognize their limitations. In the collaborative agreement between the physician and the PA, the law allows PAs to do whatever the supervising physician feels comfortable with, based on the skills the PA has developed. For example, a family-practitioner PA is not typically skilled in surgery; PAs are trained in surgical procedures, but most do not practice these skills frequently enough. Whereas minor procedures can be done in an office, general surgery cannot be performed unless the PA has been trained by a general surgeon up to a level of competence to which the PA would be authorized. This is not to say that a PA is performing surgeries in rural areas, Mr. Hall added; most PAs in rural areas are in a family-practice setting.

Number 0999

CHAIR DYSON queried, if a medical emergency occurs and a PA is the only medical practitioner in town, whether a PA can give the situation his/her best effort.

MR. HALL answered, "Absolutely." Physician assistants go through extensive training programs, so they are prepared to handle acute emergencies. Like physicians, PAs practice with the intent to do no harm.

Number 1054

MARY MARSHBURN, Director, Division of Motor Vehicles (DMV), Department of Administration, testified via teleconference. She pointed out that Section 3 affects the division; it will allow PAs to sign the certificates of disability. She concluded that this is a good addition.

Number 1080

SUSAN MASON-BOUTERSE, Executive Director, Sunshine Clinic, testified via teleconference. She explained that Sunshine Clinic is a midlevel clinic with four PAs who provide primary care. These PAs work under a collaborative agreement with a physician in Wasilla. She said:

These providers are critical to the ongoing health care of residents in the community we serve, as well as to the ongoing functioning of this health center. Because our current state statutes ... do not include [physician] assistants in the listing of health care providers, we periodically have our billing for medical services denied by third-party payers

MS. MASON-BOUTERSE stated that anytime this happens to rural clinics that are struggling to maximize revenues, it becomes a problem. She added that it also becomes a significant barrier to health care for individuals with health insurance; they have to drive somewhere else to receive health care. Small, rural health clinics need to be able to explore every potential revenue source to support clinic operations. She urged members to support HB 411.

Number 1177

JESSICA STEVENS, Medical Director, Physician Assistant, Sunshine Clinic, testified via teleconference. She emphasized her support for HB 411. She pointed out that this is a huge issue for rural communities that struggle to provide comprehensive health care. Often PAs are providing this care instead of physicians; the compensation and living situations are often not conducive to physicians moving into rural Alaska.

MS. STEVENS mentioned the importance of having health care in rural areas in emergencies. She offered her belief that the exclusion of PAs was not deliberate, but an oversight that does

great damage to the PA-patient relationship in the community. She noted that the many disabled veterans in her area have full faith in PAs' ability to provide health care; they expect that PAs will be able to sign disabled parking permits. Sometimes these patients have to drive two hours to repeat an exam to get someone to sign the forms. She added that insurance companies have, relatively frequently, denied [payment for services provided by PAs]. She urged members to pass HB 411.

Number 1297

[Chair Dyson asked Jerry Reinwand, Lobbyist for Blue Cross Blue Shield of Alaska, if he was comfortable dealing with the amendment in the House Labor and Commerce Standing Committee; he received confirmation from Mr. Reinwand that he was amenable to this proposal.]

REPRESENTATIVE WILSON commented that having worked in a small, rural clinic, she has experienced the difficulties encountered in recruiting and retaining a physician. Advanced nurse practitioners and PAs worked in this clinic; without these practitioners, people would have been required to drive 250 miles to Fairbanks for health care. She emphasized the importance of [mid-level care providers] in rural areas. She added that she is a registered nurse (RN); if RNs can sign the handicapped parking permits, then surely PAs should be able to.

REPRESENTATIVE WILSON moved to report HB 411 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 411 was reported out of the House Health, Education and Social Services Standing Committee.

HB 352-SCHOOL PERFORMANCE REPORTS

CHAIR DYSON announced the next order of business to be HOUSE BILL NO. 352, "An Act extending the dates for assignment of performance designations of public schools and the dates for reports and monitoring based on those designations; and providing for an effective date."

Number 1392

ED McLAIN, Ph.D., Deputy Commissioner of Education, Office of the Commissioner, Department of Education and Early Development (EED), presented HB 352 to the committee. He offered that HB 352 changes the effective date for the school [designations]. He noted that HB 352 had been heard by the [House Special

Committee on Education] earlier, and that he was available to answer questions.

CHAIR DYSON inquired, "Why do we need to change the date?"

Number 1421

DR. McLAIN replied that the [governor's] letter of transmittal offers three reasons for the change of date. First, the change will allow EED to gather "growth scores" in addition to the status scores. Only status scores - student test scores - currently exist; the School Designator System (SDS) Committee strongly recommends that the system accounts for both status and growth. He offered that this would be a way to adjust for a school that has low [status scores] but is making good progress. This would prevent that school from automatically being penalized as a school that is "deficient" or "in crisis"; the progress the school is making with its students would be recognized. This use of growth requires EED to gather data to establish a growth line. The state has been conducting assessments for a number of years, he noted, but the assessment instruments have changed over the years, and no "apples-to-apples" comparison exists.

DR. McLAIN noted that the second reason for the request is that the change will allow EED to align the state's program with United States HR 1 [the reauthorization of the Elementary and Secondary Education Act (ESEA)]. United States HR 1 is a comprehensive education reform bill, he stated; at the heart of the resolution is a school [designation] component. He said, "It has in it the expectation that there be one system; we fully support the idea of one system." He spoke against having both a state designation and a federal designation. Two systems would be confusing. He said EED wants to work with the federal system to ensure full alignment, which will take additional time.

Number 1503

DR. McLAIN stated that the third objective is "capacity building" at the district level, the [assessment materials] provider level, and the state level. The department fully supports [the designation system's] becoming data-driven; this will require capacity building, he said. Many districts do not have the in-house capacity to do some of the necessary analysis; this was evidenced as the disaggregated data [was reported] in the past year. He concluded that these were the three primary goals in the request for the date change.

Number 1550

MARK LEAL, Director of Assessment, Teaching and Learning Support, Department of Education and Early Development, added that the state doesn't have a statewide database of assessment data; EED is currently establishing this. The State Board of Education and Early Development passed regulations this year to allow for the assigning of unique student identifiers, so EED can manage student test scores. The old system required districts to report test data to EED for the school report card and other purposes, he said. A statewide database with unique student identifiers will allow EED to obtain test data directly from the test contractor and to verify this [data] with districts. Time is required to build this capacity, he concluded.

CHAIR DYSON asked whether 16 months - a delay to 2003 - is enough time to accomplish these goals.

Number 1600

DR. McLAIN responded that the proposed date aligns with the implementation of the High School Graduation Qualifying Exam (HSGQE); EED believes this to be appropriate. The rulemaking committee process for U.S. HR 1 will take another [congressional legislative] session for establishment. If there is no delay, only status scores will be used. He offered that it is EED's best recommendation to be able to incorporate the growth data; this will give a much better picture. Status scores are currently [available to the public]. Some schools are already under Title I improvement plans, he noted. He emphasized that this delay is not a matter of doing nothing for the next two years; a variety of pieces are in place. The department wants to do this right, he concluded.

Number 1650

MR. LEAL added that 2004 is the targeted date because the state's assessments end at the tenth grade; students who pass the HSGQE in the tenth grade don't have to retake the test. Students who don't pass continue to take the test. He noted that EED is planning to capture that information in the percentage of students graduating; by aligning the date with the HSGQE implementation, the [indicator] number will include the later years of high school.

Number 1687

CHAIR DYSON inquired about the length of time needed to build the necessary capacity apart from the alignment with other dates.

MR. LEAL responded, "We can do pieces of it right now." He indicated that certain pieces could be in place in 16 months. He added, "It just depends on what ... pieces of it ... we're willing to live with, or live without."

Number 1709

CHAIR DYSON expressed his understanding that many schools don't have the necessary capacity to do what the state requires regarding analysis. He asked whether 16 months isn't adequate time to build the necessary capacity in terms of staff skill levels.

DR. McLAIN replied that it is not a matter of skills alone. The individual student identifiers are being established; some natural difficulties will be encountered in this process, he offered. He said, "There will be the kicking in of the waiver process and getting those pieces put on line with the high school qualifying [exam]. None of these happen in isolation." The request for the delay to build capacity will allow for these pieces to be built up together as a unified piece. He noted that an earlier date will allow for the inclusion of different components [in the school designation]; because of the high-stakes nature of this, however, EED prefers to [include growth data].

Number 1770

CHAIR DYSON offered his understanding that EED is seeking to rate schools using one-third [of the designation], based on the scores, with another portion showing improvement.

MR. LEAL referred to the sample Alaska School Report Card prepared by EED. He explained that the school designation portion will include one-third based on status and [two-thirds] based on growth; this is the recommendation of the SDS Committee. He added that this is a value-added kind of system.

Number 1810

CHAIR DYSON inquired what will prohibit a principal or superintendent from intentionally lowering the initial scores to ensure that the growth scores will be high.

DR. McLAIN replied that the status scores are already being published. He offered his opinion that a school that would intentionally lower scores would subject itself to public scrutiny. He stated that published status scores are carefully reviewed [by the public]. Added impetus [for having accurate status scores] is furnished by Title I schools' reporting requirements and identification of schools in need of improvement. Some Alaskan Title I schools are currently on school improvement plans, he said. He offered his understanding that Title I [designations] are based solely on status scores. Title I schools would be ill-served to "muck around" with [test scores]; he said "school improvement site" schools would be the primary schools looking at this new system.

Number 1880

CHAIR DYSON sought confirmation that Dr. McLain had said a baseline score already exists and would therefore be impossible to tamper with.

DR. McLAIN responded, "They have the status scores."

Number 1889

REPRESENTATIVE COGHILL asked if federal money is designated for Title I schools in need of improvement.

DR. McLAIN replied yes; there are requirements for how that money is spent. Results of these expenditures for improvement plans are monitored.

REPRESENTATIVE COGHILL mentioned the establishment of a fund [for Title I schools in need of improvement]; he expressed his understanding that there is no money currently in the fund. He acknowledged the current debate over rewarding schools for poor performance and asked how the Title I system encourages schools to improve rather than simply take money.

Number 1925

DR. McLAIN stated that this is the very issue he addressed with Title I federal personnel upon discussing the consequences and incentives for Title I schools. He offered that he was not

prepared to fully outline those steps for the committee, but said these schools do have an obligation to show progress. Without appropriate progress, these schools will lose some [autonomy].

Number 1951

REPRESENTATIVE COGHILL observed that there is [a zero] fiscal note for extending the date. He asked whether there is a cost for not allowing for the extension, or any savings by not extending it.

DR. McLAIN replied that there is certainly no cost in extending the date. He suggested it could be argued - although he is not extending this as a reason for passage - that any fiscal impact might be a savings. One of the reasons for the delay is the alignment of designations with federal requirements. He offered that EED doesn't want to have to backtrack in its planning as the federal rulemaking committee establishes rules. To the degree that this backtracking is avoided, a savings will be realized in money, time, and [effort]. He pointed out that Mr. Leal works with the SDS Committee; the committee and EED assessment personnel are constructing regulations in the event that the designations are implemented in 2002. If the delay is granted, then the committee can redirect its efforts and public relations toward the new date.

REPRESENTATIVE COGHILL stated, "I don't want the discussion relaxed on what do we do next once the [designation] hits. I think that's going to be one of the fears as we look at extending the date. ... I want to know how you're going to aggressively take that discussion on."

Number 2020

DR. McLAIN noted that he shares that concern; he identified the details of the [designation] as being his focus. He stated that if no delay is granted, the designations will be based on status scores that are already published. Those scores will be part of the state's implementation of the federal requirement for adequate yearly progress. Everyone will know the stakes involved with the adequate yearly progress designations, he said. No one will be able to claim a lack of understanding of the process or of the importance of the achievement scores.

REPRESENTATIVE COGHILL stated his intention of staying aware of this discussion.

Number 2072

REPRESENTATIVE WILSON asked for clarification regarding the weight given to status scores and growth scores in the school designation.

MR. LEAL clarified that status scores represent one-third and growth scores represent two-thirds of the designation.

Number 2093

REPRESENTATIVE CISSNA referenced discussions with property owners in her district who are concerned about the impact of the school designations on property values. She said, "I have proud, older neighborhoods ... [that] are very diverse." She stated that as far as she is concerned, these neighborhoods get high ratings for neighborliness, but they have some challenges. Administrators have commented, she said, that these schools in older neighborhoods are experiencing decreasing student populations. This gives these schools more room, which then is used to house special-education programs. The presence of these students, while welcome in the school, affects the school designation. She asked how EED was planning to address this concern.

Number 2159

MR. LEAL replied that EED is still working on that. One way to address that concern is by looking at growth; there is the expectation that all students will grow. He acknowledged that EED hasn't yet dealt as effectively as it would like with the issue of special schools that serve as magnets for special programs. The committee is still wrestling with how to address these schools; he has been working with the designator committee since August, Mr. Leal said, and has been struck with how fair the committee wishes this process to be. He offered that the biggest cost incurred without the delay is the cost associated with the integrity of the system. Components to assure fairness would not be in place, he added.

Number 2204

CHAIR DYSON pointed out that he has received comments from people in real estate that these designations will cause property values to fall, with an ensuing decline in the salability of homes. He observed that when moving, most

families want to know about the quality of the schools in a prospective community. He asked for comments on this.

DR. McLAIN said this issue is being addressed nationwide. This is why Alaska and other states are seeking a value-added component to show the effectiveness of a school program without penalizing it for its current status. This is one reason for more complexity in the designation, rather than simply publishing student scores. He noted that the correlation between [test] scores and socioeconomic status is such that it necessitates a need to show the impact a program [is having on its student population]. He added:

It is exactly when we say "we don't yet have the answers" that we ask for the delay. This is a very complex [issue]. Not only in our state, but across the country, this is ... a million-dollar question. We [have] ... some of those same questions and concerns. It's a reason for really wanting to do it right. It is a piece that the committee is aware of; ... it's a piece that our consultants - who are national on this - are aware of, and it's a piece that we're working on. That would be ... the best that we can do for you right now.

Number 2285

CHAIR DYSON noted that during his years serving on the Anchorage assembly, he witnessed the city being sued due to planning personnel's knowledge of natural hazards in a particular area without public disclosure of this information. He asked: If a school is still deemed to be in crisis with the inclusion of growth scores, and the state has knowledge of this but does not publicly disclose this information, is the state failing in its responsibility to tell the truth? And could parents who had invested in \$150,000 homes there make an issue of it because they hadn't been told about the scores?

Number 2338

DR. McLAIN suggested the reverse could happen where the state has published the designations and property values have decreased. He said that in the upcoming overview of U.S. HR 1 [in the House Special Committee on Education on February 27], members will be informed of a component of the federal legislation that makes this piece look "relatively tame." There is a requirement in U.S. HR 1 to designate dangerous schools.

He said, "You can only imagine the reaction of people around the nation as they're trying to figure out both the liability and the technical challenges ... of doing that."

CHAIR DYSON asked if personnel from the Department of Law had any light to shed on this matter.

SUSAN COX, Chief Assistant Attorney General, Civil Division (Juneau), Department of Law, offered that she has not seen this arise as a liability issue in Alaska. It would be a long shot to blame the state, but efforts are always afoot to identify regulations affecting property values, she stated.

TAPE 02-14, SIDE B
Number 2450

MS. COX told members she was unfamiliar with HB 352. She noted that it is possible for someone to blame public authorities for the diminution of his/her property value based on governmental action. In cases where zoning and other regulations have resulted in this decrease, people have wanted the government to reimburse them for that loss. She offered her understanding that pending legislation in the House addresses this topic. It is an open question whether the labeling of a school could result in liability for the state.

Number 2358

CHAIR DYSON inquired who in the Department of Law could advise members [on this matter].

MS. COX replied that the Department of Law has two attorneys who work full-time on EED matters; she expressed uncertainty about whether these attorneys had yet explored this issue. She said that they would be the people to whom she would turn [for answers to these questions].

Number 2347

CHAIR DYSON said, "The question is: When the government has a bunch of information and does not give it out, ... when do we incur liability?"

MS. COX offered that part of this [liability question] would depend on what is mandated by statute. If a statute requires disclosure and that disclosure is not given, that makes a difference. If the government accumulates information and there

is no requirement to give it out, then there is not necessarily any liability incurred. Obviously, the government is required by law to give public access to information; it does not necessarily have a duty to disclose unless the legislature requires it, she concluded.

Number 2320

MR. LEAL explained that status information is currently published in the school report card. The disaggregated test results are published for districts; EED is publishing the information that it has. He clarified that growth will be used to show a school's effectiveness; it is not being used to hide a school's inadequacy. A school would need to have a certain level of status and a certain element of growth to be considered an adequate school, he stated. By the same token, a school would be in crisis if it were "off the chart" in status; it would take an unimaginable amount of growth to transcend the "in crisis" designation, he said. He noted that this was discussed in the [House Special Committee on Education hearing on HB 352]. Growth is not being used to mask something but to make something fair, he concluded.

Number 2270

REPRESENTATIVE COGHILL referenced AS 14.03.120. He said this mandates annual reporting to the legislature, the governor, and the public; it also encourages students and parents to be involved in that discussion. He offered his opinion that [HB 352] would not change that in any way, and that the public discussion would remain at a high level.

Number 2255

REPRESENTATIVE WILSON asked how EED justifies using only one-third for status scores for the school designation and using two-thirds for growth scores. "Why isn't it reversed?" she queried.

MR. LEAL answered that this is because status results are strongly correlated with low socioeconomic status. Many times schools in poorer areas have lower status scores; it isn't that these students are unable to learn. He said the message [EED] wants to send schools is that schools should take students where they are, and add value to their education. He offered to work on a more polished answer to this question; the consultants with whom the SDS Committee is working have had success in other

states to focus the issue on helping all students grow, rather than focusing on simply raising the average.

Number 2161

CHAIR DYSON turned attention to an amendment and asked if EED concurred with it. [He received an off-microphone comment from EED personnel indicating the department's concurrence and that this amendment corrects a typographical error.] He said, "This is the department's amendment. ... For the record, the department approves of this and requests this?" [Department personnel answered yes.]

REPRESENTATIVE WILSON moved to adopt Amendment 1, which read:

Page 2, line 11:

Delete "AS 14.23.123(f)"

Insert "AS 14.03.123(f)"

There being no objection, Amendment 1 was adopted.

Number 2062

CHAIR DYSON called an at-ease a 3:59 p.m. He called the meeting back to order at 4:03 p.m.

CHAIR DYSON offered Amendment 2, which read:

Sec. 14.33.110. Purpose of school disciplinary and safety program.

The purpose of AS 14.33.110 - 14.33.140 is to

(1) implement and maintain community-based standards of school behavior that are developed by students, parents, teachers, school administrators, and the community;

(2) facilitate the creation of a standard of school behavior and safety by local communities for the schools in those communities;

(3) protect and support teachers who enforce standards of student behavior and safety in the classroom established under AS 14.33.120; and

(4) ensure that all schools and school districts receiving state funds, that may not have already done so, implement and maintain an effective school disciplinary and safety program.

Sec. 14.33.120. School disciplinary and safety program.

(a) Each governing body shall adopt a written school disciplinary and safety program. The program required under this subsection must include written

(1) standards for student behavior and safety that reflect community standards and that include, at a minimum, basic requirements for respect and honesty; standards required under this paragraph must be developed and periodically reviewed with the collaboration of members of each school, parents, teachers, and other persons responsible for the students at a school; a governing body may require that standards developed under this paragraph be consistent for all schools in an attendance area or the district; and

(2) standards relating to when a teacher is authorized to remove a student from the classroom for

(A) failure to follow student behavior and safety standards; or

(B) behavior described under AS 14.30.045 (1) or (2);

(3) procedures for notifying teachers of dangerous students consistent with AS 47.12.310(b);

(4) standards relating to when a teacher, teacher's assistant, or other person responsible for students is authorized to use reasonable and appropriate force to maintain classroom safety and discipline as described under AS 11.81.430(a)(2);

(5) policies necessary to comply with provisions of state and federal law, including 20 U.S.C. 1400 - 1485 (Individuals with Disabilities Education Act);

(6) standards to address needs of students for whom mental health or substance abuse may be a contributing factor to noncompliance with the school disciplinary and safety program;

(7) policies for implementing a student conflict resolution strategy, including the nonviolent resolution or mediation of conflicts and procedures for reporting and resolving conflicts;

(8) procedures for periodic review and revision of the school disciplinary and safety program.

(b) A school district shall report information relating to school district disciplinary and safety programs as required by the department, including incidents of disruptive or violent behavior.

Sec. 14.33.130. Enforcement of approved program; additional safety obligations.

(a) A teacher, a teacher's assistant, a principal, or another person responsible for students may not be terminated or otherwise subjected to formal disciplinary action for lawful enforcement of an approved school disciplinary and safety program, including behavior standards, adopted under AS 14.33.120.

(b) A teacher, a teacher's assistant, a principal, or another person responsible for students who

(1) receives information about a student under AS 47.12.310 (b) or receives information that may affect the safety of students or staff shall notify the student's teacher or a school administrator; and

(2) in the course of employment, observes a student committing a crime shall report the crime to the local law enforcement agency; in this paragraph, "crime" has the meaning given in AS 11.81.900.

Sec. 14.33.140. Civil liability for enforcing disciplinary and safety program.

A teacher, a teacher's assistant, a principal, or another person responsible for students is not liable

for civil damage resulting from an act or omission (1) arising out of enforcement of an approved school disciplinary and safety program adopted under AS 14.33.120; and (2) arising out of and in the course of employment unless the act or omission constitutes gross negligence or reckless or intentional misconduct.

Sec. 14.03.120. Education planning.

(a) A district shall annually file with the department, and make available to the public, a report that

(1) establishes district goals and priorities for improving education in the district;

(2) establishes community based behavior standards developed under 14.33.120

(3) [(2)] includes a plan for achieving district goals and priorities and behavior standards; and

(4) [(3)] includes a means of measuring the achievement of district goals and priorities and behavior standards; and

(5) includes a plan for achieving broader community and parent participation in the development of goals, priorities, and behavior standards.

(b) The department shall summarize the reports submitted under (a) of this section as a statewide report, provide a copy to the governor, and notify the legislature that the report is available.

(c) A district shall make efforts to encourage students, parents, teachers, and other members of the community to participate in the preparation of the report submitted under (a) of this section.

(d) Annually, before the date set by the district under (e) of this section, each public school shall provide, in a public meeting of parents, students, and community members, a report on the school's performance and the performance of the school's

students. The report shall be prepared on a form prescribed by the department and must include

(1) information on accreditation;

(2) results of norm-referenced achievement tests;

(3) results of state standards-based assessments in reading, writing, and mathematics;

(4) a description, including quantitative and qualitative measures, of student, parent, community, and business involvement in student learning **and maintenance of student behavior standards;**

(5) a description of the school's attendance, retention, dropout, and graduation rates, including the number and percentage of students who received a diploma under a waiver from the competency examination required under AS 14.03.075 (a), as specified by the state board;

(6) the annual percent of enrollment change, regardless of reason, and the annual percent of enrollment change due to student transfers into and out of the school district;

(7) if Native language education is provided, a summary and evaluation of the curriculum described in AS 14.30.420; and

(8) the number and percentage of students in each school who take and who successfully complete an alternative assessment program in reading, English, or mathematics; and the number and percentage of pupils in each school who successfully complete the alternative assessment program but who do not reach the state performance standards at the competency exam level in reading, English, or mathematics; a school may not report results under this paragraph unless the school complies with the family educational rights and privacy requirements of 34 C.F.R. 99.

(e) By a date set by the district, each public school in the district shall provide the report described in (d) of this section to the district's

governing body. Along with the report, each public school shall submit a summary of comments made on the report by parents, students, and community members. By July 1 of each year, beginning in 2000, each district shall provide to the department a report on the performance of each public school and the public school students in the district. The district's report must

(1) be entitled "School District Report Card to the Public"; and

(2) include

(A) copies of the reports and summaries of comments submitted under this section by each public school in the district; and

(B) a compilation of the material described in (A) of this paragraph by each public school in the district.

(f) By January 15 of each year, beginning in 2001, the department shall provide to the governor and make available to the public and the legislature a report on the performance of public schools in this state. The report must be entitled "Alaska's Public Schools: A Report Card to the Public." The report must include

(1) comprehensive information on each public school compiled, collected, and reported under (d) and (e) of this section for the prior school year;

(2) a summary of the information described in (1) of this subsection; the summary must be prepared in a manner that allows school performance to be measured against established state education standards; and

(3) for a report due by or after January 15, 2003, the performance designation under AS 14.03.123(b) received by each public school during the prior school year.

(g) In this section, "district" has the meaning given in AS 14.17.990 .

Sec. 14.03.123. School accountability.

(a) Beginning in August [2002] 2004, and during each of the following 12-month periods, the department shall assign each public school in each district the performance designation of distinguished, successful, deficient, or in crisis based on multiple student measures, including student achievement and parent and community involvement. The state board of education and early development shall establish this process by regulation.

(b) A public school assigned a performance designation of deficient or in crisis shall develop a school improvement plan under (e) of this section. The department shall inform the governing body of each district of the performance designation assigned to each public school in the district.

(c) The state board shall adopt regulations to allow a district to appeal the performance designation assigned to a public school in that district.

(d) The department may establish a program of special recognition for those public schools that achieve a distinguished performance designation.

(e) A public school that receives a designation of deficient or in crisis shall prepare a school improvement plan to improve student performance based on a process established by the state board of education and early development. The public school shall undertake an improvement process under that plan to lead to a designation of successful or distinguished. The school improvement plan must be prepared with the maximum feasible public participation of the community, including, if appropriate, interested individuals, teachers, parents, parent organizations, students, tribal organizations, local government representatives, and other community groups. The district shall consult with and assist the public school in the preparation of the school improvement plan. The school improvement plan must be approved by the local school board. The commissioner may provide technical assistance to a public school or the district at any time during the preparation and implementation of the

school improvement plan on the request of an interested person and the approval of the district.

(f) Beginning August 1, [2002] 2004, and periodically during each of the following 12-month periods, the department shall monitor the progress of the implementation of each school improvement plan prepared under (e) of this section.

(g) The department may use existing staff or contract with one or more qualified persons to assist a public school that is deficient or in crisis under this section to improve student performance. Qualified persons to provide assistance under this section include educators, business leaders, members of the governing body of that district, and community leaders. The provisions of AS 36.30 do not apply to a contract awarded under this subsection.

(h) Notwithstanding any other provisions in this title, if the performance designation of a public school has continued to be deficient or in crisis for two consecutive school years, the chief school administrator, if the district employs a chief school administrator, the president of the governing body, and the principal of the public school shall, at a public meeting of the state board of education and early development, present a written report on the performance of that public school.

(i) The state board of education and early development shall develop, by regulation, measures that may be progressively implemented by the commissioner to assist a public school to improve student performance in accordance with this section.

(j) In this section, "district" has the meaning given in AS 14.17.990.

[End of Amendment 2]

CHAIR DYSON suggested that someone object [for purposes of discussion].

Number 2050

REPRESENTATIVE CISSNA objected.

CHAIR DYSON announced that it wasn't his intention to have a vote on Amendment 2 at this hearing. He said he wants members and [EED personnel] to review it and comment on it [at a later date]. He said:

Here's what happened. A year or two ago, I got a bill passed to require each school to go through some process where they interacted with the community about what were acceptable behavior standards ... for the school. So, the community gets input on it - and safety standards. What does the community want? ... The second part of that bill said if a teacher enforces the ... agreed-upon standards and uses the agreed-upon procedure for enforcing ... the behavior standards, the teacher can't be penalized - because we've had some schools where ... powerful school board members got teachers run out of town or [fired]. ...

What we found out is that we didn't have an adequate enough ... way of recording and reporting which schools actually went through the process. So what I'm laying before you here ... strengthens that the school has to report that they went through some process to get community input and agreement on what the standards are and establishes that as another part of the criteria for rating schools.... This is ... certainly in addition to what the bill that's before us does. And it's curing an old and slight problem.... So, I wanted to lay this before you so you both can think about it before we vote on it, and we can get a chance for input.

CHAIR DYSON acknowledged his uncertainty that Amendment 2 is the best way to accomplish [the correcting of the aforementioned problem]. He announced that this would be brought up, at the earliest, at the March 4 meeting of the House Health, Education and Social Services Standing Committee. [HB 352 was held over.]

Number 1926

CHAIR DYSON called an at-ease at 4:07 p.m. in order to prepare for the overview regarding a separate agency for the blind.

[The minutes for the overview can be found under the 4:10 p.m. minutes for this date. See tape 02-15.]

CHAIR DYSON reconvened the House Health, Education and Social Services Standing Committee at 4:48 p.m. after an at-ease that followed the overview.

HB 252-STANDARD OF CARE FOR CINA SERVICES

TAPE 02-16, SIDE A
Number 0001

[Technical difficulties precluded taping the first moments of the reconvened hearing.]

CHAIR DYSON announced the next order of business, HOUSE BILL NO. 252, "An Act relating to the construction of certain statutes relating to children; relating to the scope of duty and standard of care for persons who provide services to certain children and families; and providing for an effective date." Attention was drawn to the unresolved issue of whether language in HB 252 creates a liability for the state.

[Taping begins at this point.]

REPRESENTATIVE COGHILL suggested the House Judiciary Standing Committee (HJUD) should review the bill for this reason.

SUSAN COX, Chief Assistant Attorney General, Civil Division (Juneau), Department of Law, said it would be fine with her.

Number 0042

REPRESENTATIVE COGHILL moved to adopt the proposed committee substitute (CS) for HB 252, 22-LS0454\0, Lauterbach, 2/20/02. There being no objection, Version 0 was adopted.

REPRESENTATIVE COGHILL moved to adopt Amendment 1, which read [original punctuation provided]:

Page 6, Line 10:

Delete line 10 and insert:

***Sec. 9.** AS 47.10.960 is amended to read:

Sec. 47.10.960. Civil liability [DUTY AND STANDARD OF CARE] not created. Failure to comply with a provision of this title or a regulation adopted under this title

is not a basis for civil liability, but may be the basis for employee discipline or administrative action authorized by law [NOTHING IN THIS TITLE CREATES A DUTY OR STANDARD OF CARE FOR SERVICES TO CHILDREN AND THEIR FAMILIES BEING SERVED UNDER AS 47.10].

REPRESENTATIVE COGHILL explained that this language was suggested by the Department of Law. The department had suggested two versions, and he'd selected the one he preferred. He indicated a HJUD hearing would be requested.

There being no objection, Amendment 1 was adopted.

Number 0105

REPRESENTATIVE CISSNA moved to adopt Amendment 2, which read:

Page 2, lines 8-9:

Delete "available for the purpose"

Insert "identified by the department for the specific purpose of intensive family preservation services"

Page 3, lines 26-27:

Delete "the purpose, provide intensive family preservation services on a statewide basis"

Insert "intensive family preservation services, develop and implement intensive family preservation services systematically and over time, with the ultimate goal of providing intensive family preservation services on a statewide basis."

Page 3, line 31:

Following "awarded", insert "or renewed"

Page 4, line 1-10:

Delete subsections (b) and (c)

Page 5, line 19:

Delete "persistently" and "but provided"

Page 5, lines 26-28:

Delete wording under (v) and replace with "are provided on a time limited basis by a single caseworker whose caseload is congruent with the intensive family preservation services standards established by the Child Welfare League of America."

Caseloads should be kept low to allow for the necessary intense level of interaction with the family. Services should be most intensive at the time of a crisis."

CHAIR DYSON objected for purposes of discussion.

REPRESENTATIVE CISSNA noted her appreciation for the committee's willingness to have this discussion. She explained that the model [called for in Version 0] is entirely different from the one in place. The names sound the same - "family preservation" and "intensive family preservation" - but the models are distinctly different. Amendment 2 has six parts. She drew attention to the first part of Amendment 2, pertaining to page 2, lines 8-9, of Version 0. She explained that its purpose is to ensure that people differentiate between intensive family preservation services and other types of family preservation services. She added, "It was told to me it was important to put this in."

Number 0155

REPRESENTATIVE CISSNA explained that the second part of Amendment 2 pertains to page 3, line 26-27. The rationale is to allow the state to systematically put this program in place over time. The third part of Amendment 2 changes page 3, line 31, of Version 0, "for obvious reasons." The fourth part of Amendment 2, addressing page 4, lines 1-10, streamlines language following a discussion with the [Department of Health and Social Services]. The fifth part of Amendment 2 pertains to page 5, line 19, and is included because "persistently" was legally troubling and "but provided" needed to be removed.

Number 0393

NATE MOHATT, Staff to Representative Sharon Cissna, Alaska State Legislature, in response to some confusion, clarified that the fifth part of Amendment 2 deletes both "persistently" and "but provided". The amended language would read "offered at the family's option".

Number 0465

REPRESENTATIVE CISSNA advised members that the sixth part of Amendment 2, which addresses page 5, lines 26-28, Version 0, is included to bring in national standards.

CHAIR DYSON removed his objection. There being no objection, Amendment 2 was adopted.

Number 0564

CHAIR DYSON turned attention to a draft fiscal note prepared by Theresa Tanoury, Director, Division of Family and Youth Services, Department of Health and Social Services. The fiscal note included \$80,000 for FY 03, and \$50,000 for each FY 04 and FY 05.

Number 0651

ELMER LINDSTROM, Deputy Commissioner, Department of Health and Social Services, indicated the department could revise the fiscal note by the morning of February 22. He stated that there would be some language changes on page 2, related to the appropriation language, to make the fiscal note consistent with [Amendment 2]. The amount of the fiscal note will remain unchanged, he offered.

CHAIR DYSON asked about passing the bill out with a draft fiscal note pending the approved version.

Number 0651

MR. LINDSTROM replied that Chair Dyson would be given the fiscal note by the morning of February 22.

CHAIR DYSON stated that he did not want to hold the bill up for another week.

MR. LINDSTROM suggested language, "[A] fiscal note in the amount of \$80,000 to [be] prepared by the Department of Health and Social Services and delivered to the committee by 10:00 a.m. tomorrow."

Number 0668

REPRESENTATIVE COGHILL moved to report CSHB 252 [version 22-LS0454\0, Lauterbach, 2/20/02, as amended] out of committee with individual recommendations and the accompanying, pending fiscal note.

CHAIR DYSON added, "And the understanding that we are asking for a [House Judiciary Standing Committee] referral, correct?"

REPRESENTATIVE COGHILL replied, "Correct."

There being no objection, CSHB 252(HES) was reported out of the House Health, Education and Social Services Standing Committee.

HB 367-MEDICAL ASSISTANCE PROGRAM COVERAGE

CHAIR DYSON announced that the committee would take testimony on HOUSE BILL NO. 367, "An Act relating to coverage of children and pregnant women under the medical assistance program; and providing for an effective date."

[Although the hearing on HB 367 had been officially postponed, Chair Dyson accommodated the following out-of-town witness by allowing him to testify.]

Number 0754

CHRIS DEVLIN, Executive Director, Eastern Aleutian Tribes, thanked Chair Dyson for the opportunity to testify. He stated that HB 367's provision to lower the poverty level from 200 percent to 150 percent is a mistake. He characterized the 200-percent level as a safety boat; the 150-percent level would throw people overboard. This causes problems beyond the people directly affected; he explained that a ripple effect occurs. Eastern Aleutian Tribes is the first tribal health organization in the state to apply for community health center funding. He referenced health centers in Fairbanks and Anchorage. These community health centers operate very close to the break-even point; they need the Medicaid funding to continue to provide service to those who "fall outside the boat," he said.

MR. DEVLIN encouraged members to involve community health centers in the discussion of the bill, which will have a direct impact on the centers' ability to provide care. He said, "If you wanted to work on some creative measures to try to bring some revenue in, maybe the place to consider would be between the 200 and the 250 or the 200 and the 300 percent. That's where some other states have set their target." He offered that people with incomes of \$35,000 to \$40,000 are unable to afford \$1,000 a month for health insurance. He advised, "We have to be very careful when we start lowering that safety net that was provided, because ... they're going to end up costing the system more in the long run."

Number 0854

CHAIR DYSON asked Mr. Devlin about his other work experience.

MR. DEVLIN said he had worked in Barrow and Bethel, but this is his first job as the boss.

CHAIR DYSON asked about a pattern of children's health problems.

MR. DEVLIN replied that care for children is the logical place to invest funds; keeping children healthy will pay off in the future. Currently, oral health care is a big concern. He stated that the children in the Aleutians region are "loaded with cavities." Denali KidCare has allowed Eastern Aleutian Tribes to send more people in for dental treatment. He said the health issues with children are significant. He noted that lower-middle-class and working poor people are not going to pay for preventive health care; they will wait until the problem becomes serious. He indicated Denali KidCare's passage made a big change in getting more children in for care. He suggested finding of a different way to save the little that would be saved by lowering the eligibility percentage. It will cost the state more in the long run, he concluded.

CHAIR DYSON inquired where children are sent for dental care.

MR. DEVLIN replied that they are sent to Anchorage with a thousand-dollar airfare bill. He said the Aleutian region probably has some of the highest airfares. In some instances when preventative care is not given, the health problem results in a Medivac, he reported. Adults in his region have been sent recently via Medivac for dental purposes, which he pointed out is extremely expensive. [End of testimony on HB 367.]

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 4:55 p.m.