

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

May 5, 2006

3:12 p.m.

**MEMBERS PRESENT**

Representative Peggy Wilson, Chair  
Representative Paul Seaton, Vice Chair  
Representative Tom Anderson  
Representative Carl Gatto  
Representative Vic Kohring  
Representative Sharon Cissna  
Representative Berta Gardner

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE CONCURRENT RESOLUTION NO. 28(HES)  
Relating to the innovative application of education technology tools to provide improved distance education programs in the state.

- MOVED CSSCR 28(HES) OUT OF COMMITTEE

SENATE BILL NO. 251

"An Act relating to immunization for meningitis of postsecondary students residing on campus."

- MOVED SB 251 OUT OF COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 48(HES)

"An Act relating to recommending or refusing psychotropic drugs or certain types of evaluations or treatments for children."

- MOVED HCS CSSB 48(HES) OUT OF COMMITTEE

WORK SESSION

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SCR 28

SHORT TITLE: TECHNOLOGY FOR DISTANCE EDUCATION  
SPONSOR(s): HEALTH, EDUCATION & SOCIAL SERVICES

04/13/06	(S)	READ THE FIRST TIME - REFERRALS	
04/13/06	(S)	HES	
04/19/06	(S)	HES AT 1:30 PM BUTROVICH 205	
04/19/06	(S)	Heard & Held	
04/19/06	(S)	MINUTE(HES)	
04/21/06	(S)	HES AT 1:30 PM BUTROVICH 205	
04/21/06	(S)	-- Meeting Canceled --	
04/24/06	(S)	HES AT 1:30 PM BUTROVICH 205	
04/24/06	(S)	SCHOOL DIST.	ENROLLMENT
		SHARING/CORRESPON	
04/26/06	(S)	HES AT 1:30 PM BUTROVICH 205	
04/26/06	(S)	Heard & Held	
04/26/06	(S)	MINUTE(HES)	
04/27/06	(S)	HES RPT CS 3DP 2NR	SAME TITLE
04/27/06	(S)	DP: DYSON, WILKEN, OLSON	
04/27/06	(S)	NR: ELTON, GREEN	
05/02/06	(S)	TRANSMITTED TO (H)	
05/02/06	(S)	VERSION: CSSCR 28(HES)	
05/02/06	(H)	HES AT 3:00 PM CAPITOL 106	
05/02/06	(H)	Scheduled But Not Heard	
05/03/06	(H)	READ THE FIRST TIME - REFERRALS	
05/03/06	(H)	HES	
05/03/06	(H)	HES AT 2:00 PM CAPITOL 106	
05/03/06	(H)	-- Meeting Canceled --	
05/04/06	(H)	HES AT 3:00 PM CAPITOL 106	
05/04/06	(H)	POSTSEC. STUDENT	MENINGITIS
		IMMUNIZATION	
05/05/06	(H)	HES AT 3:00 PM CAPITOL 106	

BILL: SB 251

SHORT TITLE: POSTSEC. STUDENT MENINGITIS IMMUNIZATION  
SPONSOR(s): LABOR & COMMERCE

01/30/06	(S)	READ THE FIRST TIME - REFERRALS	
01/30/06	(S)	HES	
02/08/06	(S)	HES AT 1:30 PM BUTROVICH 205	
02/08/06	(S)	Scheduled But Not Heard	
02/27/06	(S)	HES AT 1:30 PM BUTROVICH 205	
02/27/06	(S)	Moved SB 251 Out of Committee	
02/27/06	(S)	MINUTE(HES)	
03/01/06	(S)	HES RPT 3DP 1NR	
03/01/06	(S)	DP: DYSON, WILKEN, OLSON	
03/01/06	(S)	NR: ELTON	
03/30/06	(S)	TRANSMITTED TO (H)	

03/30/06 (S) VERSION: SB 251  
04/03/06 (H) READ THE FIRST TIME - REFERRALS  
04/03/06 (H) EDU, HES  
05/02/06 (H) EDU AT 11:00 AM CAPITOL 106  
05/02/06 (H) -- Meeting Canceled --  
05/03/06 (H) EDU REFERRAL WAIVED  
05/04/06 (H) HES AT 3:00 PM CAPITOL 106  
05/04/06 (H) PSYCH. EVALUATION/TREATMENT FOR  
STUDENTS  
05/05/06 (H) HES AT 3:00 PM CAPITOL 106

BILL: SB 48

SHORT TITLE: PSYCH. EVALUATION/TREATMENT FOR STUDENTS

SPONSOR(s): SENATOR(s) DAVIS

01/12/05 (S) READ THE FIRST TIME - REFERRALS  
01/12/05 (S) HES, JUD  
04/05/06 (S) HES AT 1:30 PM BUTROVICH 205  
04/05/06 (S) -- Meeting Canceled --  
04/12/06 (S) HES AT 2:45 PM BUTROVICH 205  
04/12/06 (S) Moved CSSB 48(HES) Out of Committee  
04/12/06 (S) MINUTE(HES)  
04/13/06 (S) HES RPT CS 2DP 2NR SAME TITLE  
04/13/06 (S) DP: DYSON, ELTON  
04/13/06 (S) NR: WILKEN, OLSON  
04/20/06 (S) JUD AT 8:30 AM BUTROVICH 205  
04/20/06 (S) Scheduled But Not Heard  
04/22/06 (S) JUD RPT CS(HES) 5DP  
04/22/06 (S) DP: SEEKINS, FRENCH, GUESS, THERRIAULT,  
HUGGINS  
04/22/06 (S) JUD AT 9:30 AM BUTROVICH 205  
04/22/06 (S) -- Continued from 04/20/06 --  
04/26/06 (S) TRANSMITTED TO (H)  
04/26/06 (S) VERSION: CSSB 48(HES)  
04/27/06 (H) READ THE FIRST TIME - REFERRALS  
04/27/06 (H) HES, JUD  
05/02/06 (H) HES AT 3:00 PM CAPITOL 106  
05/02/06 (H) Heard & Held  
05/02/06 (H) MINUTE(HES)  
05/03/06 (H) HES AT 2:00 PM CAPITOL 106  
05/03/06 (H) -- Meeting Canceled --  
05/04/06 (H) HES AT 3:00 PM CAPITOL 106  
05/04/06 (H) Work Session (time permitting)  
05/05/06 (H) HES AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

WES KELLER, Staff  
to Senator Fred Dyson  
Alaska Legislature

POSITION STATEMENT: Presented SCR 28 on behalf of the Senate Health, Education and Social Services Committee, sponsor by request, which is chaired by Senator Dyson.

JANE ALBERTS, Staff  
to Senator Con Bunde  
Alaska Legislature

POSITION STATEMENT: Presented SB 251, on behalf of the Senate Labor and Commerce Committee, sponsor by request, which is chaired by Senator Bunde.

SENATOR BETTYE DAVIS  
Alaska Legislature

POSITION STATEMENT: Introduced committee substitute (CS) for CSSB 48, as sponsor.

RICHARD BENAVIDES, Staff  
to Senator Bettye Davis  
Alaska Legislature

POSITION STATEMENT: Presented HCS CSSB 48, on behalf of Senator Davis, sponsor.

DWAYNE PEEPLES, Director  
Division of Health Care Services (HCS)  
Department of Health and Social Services (DHSS)

POSITION STATEMENT: Participated in an informal work session.

#### **ACTION NARRATIVE**

**CHAIR PEGGY WILSON** called the House Health, Education and Social Services Standing Committee meeting to order at [3:12:39 PM](#). Representatives Gatto, Gardner, Cissna, and Wilson, were present at the call to order. Representatives Kohring, Seaton, and Anderson arrived as the meeting was in progress.

SCR 28-TECHNOLOGY FOR DISTANCE EDUCATION

[3:13:17 PM](#)

CHAIR WILSON announced that the first order of business would be CS FOR SENATE CONCURRENT RESOLUTION NO. 28(HES), Relating to the innovative application of education technology tools to provide improved distance education programs in the state.

[3:13:52 PM](#)

WES KELLER, Staff to Senator Fred Dyson, Alaska Legislature, presented SCR 28 on behalf of the Senate Health, Education and Social Services Committee, sponsor by request, which is chaired by Senator Dyson, and directing attention to the committee packet containing copies of the power-point slide program, he explained the internet source material versus the locally generated information contained therein. He referenced slide 5, titled [Annual Yearly Progress (AYP)] and Alaska Schools, to point out the trend indicating the growing number of schools that are restructuring. Responding to a question, he said that the level 5 indicator represents "the train wreck." When a school reaches level 5, the district must create and implement a plan for the major restructuring process; currently seven schools are at the level 5 indicator. He conceded that this resolution does not offer a silver bullet, but it is a very positive statement that the legislature can make regarding the technology as a means to address the issue. Technology reduces the effects of distance, he explained, which is important in Alaska due to the logistical situations of the rural schools. In summary, he stated that this resolution is designed to encourage school districts to seek out innovative responsible means to apply educational technology. He reported that national organizations are looking to Alaska, with its unique logistical challenges to reach the states 130,000 students, to create a model for technological use in education.

[3:19:54 PM](#)

REPRESENTATIVE GATTO referred to page 2, lines 2-4, which indicate the federal, state, and local contributions averaging \$10,114 per student enrolled in the state, versus \$16,665 as the median cost for each student, and inquired as to the discrepancy.

[3:20:25 PM](#)

MR. KELLER said that this demonstrates why this resolution is important. He explained how the two costs are calculated, and thus he said the median cost represents the true indicator of the actual cost for a rural education.

[3:21:13 PM](#)

REPRESENTATIVE GARDNER stated that there are many problems with the Alaska educational system, and the solutions may vary, but

she pointed out that every solution will relate in some way to technological advances. She offered to move the resolution.

[3:21:48 PM](#)

REPRESENTATIVE GATTO observed that page 4, is not inclusive of the states school districts, and asked if the omissions were intentional.

MR. KELLER suggested that the language of page 3, line 20, provides the distribution directives for the resolution, despite whatever omissions were made in the listing.

[3:22:49 PM](#)

REPRESENTATIVE GATTO moved conceptual Amendment 1, as follows:

Page 4, line 15, following **"Lower Yukon School District;"**

Insert the names of the remaining 21 school Superintendents and Districts of Alaska.

[3:23:07 PM](#)

REPRESENTATIVE GARDNER moved to report CSSCR 28(HES), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSCR 28(HES) was reported from the House Health, Education and Social Services Standing Committee.

SB 251-POSTSEC. STUDENT MENINGITIS IMMUNIZATION

[3:23:28 PM](#)

CHAIR WILSON announced that the next order of business would be SENATE BILL NO. 251, "An Act relating to immunization for meningitis of postsecondary students residing on campus."

[3:24:01 PM](#)

JANE ALBERTS, Staff to Senator Con Bunde, Alaska Legislature, presented SB 251, on behalf of the Senate Labor and Commerce Committee, sponsor by request, which is chaired by Senator Bunde, paraphrasing from the following statement which read [original punctuation provided]:

Meningococcal disease is a seriously contagious, but preventable bacterial infection that can quickly impair or even be fatal if gone unnoticed. It spreads through the air or from person to person through oral contact or sharing of items. Given that knowledge, it is quite obvious that college dormitories would be an ideal breeding ground for meningitis. In order to better inform students of this risk, legislation was enacted in 2005 to require that post-secondary education facilities inform its students of the risks of meningitis and retrieve signed documentation that the student has received this information. This is a provision that was newly enacted with the passage of HB 185 in 2005.

A consequence of this legislation is that now even post-secondary schools that do not have on-campus dormitories or overnight facilities must disseminate related advisory information, obtain signed statements acknowledging receipt of the information by each student, and retain these records on file. This would include "day school" type programs and short-course programs such as software training or other similar avocational workshops where students are on site only for their instruction. The schools and training facilities in question do not offer residential living options, making the application of this notice and records retention requirement inappropriate to the circumstance. Doing so creates an undue administrative burden for the short-course and nonresidential school administrators and the students they serve.

SB 251 would ensure that they be exempted from the notification requirement currently in place, while insuring that students who will be utilizing school residential facilities are advised of related health risks prior to taking up residence there.

[3:26:35 PM](#)

REPRESENTATIVE GARDNER clarified that the intention of the original bill was to address situations in residential facilities only [making this a housekeeping measure], and suggested that the testimony regarding this bill be waived.

[3:27:06 PM](#)

CHAIR WILSON concurred, and said that with agreement from the committee members and the pending witnesses, she would request that a motion could be proposed.

[3:27:26 PM](#)

REPRESENTATIVE GARDNER moved to report SB 251, Version 24-LS1503\A, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 251 was reported from the House Health, Education and Social Services Standing Committee.

SB 48-PSYCH. EVALUATION/TREATMENT FOR STUDENTS

CHAIR WILSON announced that the next order of business would be CS FOR SENATE BILL NO. 48, "An Act relating to recommending or refusing psychotropic drugs or certain types of evaluations or treatments for children."

[3:28:17 PM](#)

SENATOR BETTYE DAVIS, Alaska Legislature, introduced committee substitute (CS) for CSSB 48, as sponsor, outlining the cooperating entities who provided input for the CS.

[3:29:35 PM](#)

REPRESENTATIVE ANDERSON moved to adopt HCS CSSB 48, Version 24-LS0208\X, Mischel, 5/5/06, as the working document. There being no objection, Version X, was before the committee.

RICHARD BENAVIDES, Staff to Senator Bettye Davis, Alaska Legislature, presented HCS CSSB 48, on behalf of Senator Davis, sponsor, and highlighted the alterations incorporated into Version X. He directed attention to page 1, line 11, which were rewritten to allow the school personnel to discuss with the parents the need for a child to continue administration of a prescribed medication. Moving to page 2, he pointed out that the Version S, paragraph (6), was rewritten and incorporated into the language of Version X, on page 3, lines 1-4, to clarify that school personnel are considered mandatory reporters. Continuing with Version X, page 2, paragraph (6), subparagraph (C) was removed, which required the psychiatric or behavioral health evaluation of a child; found in Version S, on page 2, line 11. Finally, Version X, page 3, lines 5-8, defines the compliance with federal education law, rewritten from Version S, page 3, lines 1-2.

[3:34:28 PM](#)

REPRESENTATIVE ANDERSON inquired whether there is opposition to this legislation, following these changes.

CHAIR WILSON suggested that the committee propose its amendments, prior to debate, and said that everyone may be satisfied following that process.

[3:35:16 PM](#)

REPRESENTATIVE GARDNER referred to page 1, line 12, she read "when, in the opinion of the child's treating physician", and asked:

If I were a parent and I decided that ... [I] wanted to discontinue [my child's medication], I'd ... go to another doctor, get another opinion, [and] which opinion would the school use.

REPRESENTATIVE GARDNER related a personal experience from her work as a guardian ad litem, to illustrate her point.

[3:37:13 PM](#)

SENATOR DAVIS stated that SB 48 does not require a parent to medicate a child in order to have that child attend school.

[3:37:52 PM](#)

REPRESENTATIVE GARDNER directed attention to page 2, line 5, paragraph (4), and stated that a teacher should be able to use their expertise and experience to recommend a specific professional who could be of help to a particular child.

[3:39:28 PM](#)

REPRESENTATIVE CISSNA added that in this specific instance only one community, Anchorage, could even provide a list of resources for psychiatric help. She expressed her concern for language that would be in accord with services actually available in Alaskan communities.

[3:40:26 PM](#)

SENATOR DAVIS pointed out that legislative bills do not meet the requirements for every area of the state. Also, she disagreed with the statement that a teacher would have the expertise to make a recommendation for specialized health care.

[3:41:27 PM](#)

REPRESENTATIVE ANDERSON provided a hypothetical scenario of a teacher who may also have a background in specialized health care, and asked how such expertise could be accessed, even for referral purposes.

[3:42:27 PM](#)

REPRESENTATIVE GARDNER stated:

I understand teachers are not psychiatrists, they ... can't recommend treatments or [a] course of treatments, but ... if we tie peoples hands where they cannot use their best judgment when they have something to offer and if I as a parent, [ask the teacher] "can you recommend somebody," I don't want to put [a] teachers back up against a wall where they don't know what they're allowed to do.

SENATOR DAVIS maintained her position stating that there is a possibility that even though a teacher may have the best intentions by making a recommendation, "the parent could then go out and say to someone else, the teacher told me this is where I should take my child." However, she said this discussion is in the hands of the committee now.

[3:44:33 PM](#)

REPRESENTATIVE GATTO emphasized that parents ask for advice routinely from school personnel, sometimes calling them at home. Also, teachers may find themselves dealing with parents who are at odds with each other, and the teacher's recommendation may serve to exacerbate the situation.

[3:48:00 PM](#)

SENATOR DAVIS provided that there is nothing in the bill to preclude someone from providing advice. Further, she said that school nurses are only allowed to provide medications that were prescribed by a doctor who has made a determination.

REPRESENTATIVE GATTO maintained that advice is frequently sought and given.

SENATOR DAVIS stated that there is nothing in SB 48 which would disallow such advice.

[3:49:35 PM](#)

CHAIR WILSON advised the committee of four pending amendments that the school district would like the committee to consider.

[3:50:12 PM](#)

REPRESENTATIVE GARDNER explained that the law stipulates that a mandated child abuse reporter must make a declaration of suspected harm, founded or not, for the Office of Children's Services (OCS) to investigate. However, she pointed out that paragraph (6), page 2, line 10, "puts a sidebar on the mandate to make a report of harm." She opined that although the intent is clear, the language may hinder a teacher from making a report.

[3:52:26 PM](#)

CHAIR WILSON concurred and added that if a person in a position requiring them to be a mandated reporter, if they have any inkling of abuse, they are bound to provide a report to OCS and allow the division to take appropriate action. She reminded the committee that this is in accordance with state and federal laws.

[3:53:04 PM](#)

REPRESENTATIVE GARDNER moved Amendment 1, as follows:

Page 2,  
Delete lines 10-15

There being no objection, Amendment 1 was adopted.

[3:54:24 PM](#)

SENATOR DAVIS asked for clarity of the intent behind Amendment 1.

REPRESENTATIVE GARDNER provided that this makes clear that teachers are mandated reporters without limitations. She stated:

As I understand it, the way that the bill addresses a teacher's obligation to report suspected harm, is ... that a teacher is not allowed to do it based on a parent or guardian refusing to give signed consent. ... There's nothing in our [Child In Need of Aid (CINA)] statutes that says ....

SENATOR DAVIS asked, "But where do you see that in this bill ... that they have to have a signed consent."

[3:55:53 PM](#)

CHAIR WILSON directed attention to page 1, line 7, and read: "'they may not, unless'", and [page 2, line 10] (6) says ... they 'make a report of suspected child abuse or neglect to authorities, ....'"

SENATOR DAVIS acknowledged that a teacher must, or should, make a report.

CHAIR WILSON maintained that under the circumstances stipulated in the bill, a report could not be made.

MR. BENEVIDES offered that the intent in paragraph (6) [page 2, line 10] is not to preclude teachers from making a report which should be made. Rather, he said it is to ensure that the report is not based solely on subparagraphs (A) or (B). He pointed out that the language on page 3, lines 1-4, was written to clarify the mandatory reporting aspect.

CHAIR WILSON explained that it causes confusion and difficulty, when one part of a bill stipulates an allowable action and another section reads as a denial.

[3:57:30 PM](#)

REPRESENTATIVE GARDNER offered that Amendment 1, as passed, is to prevent a teacher from being inhibited in making a decision on whether to file a report of harm. She opined that a teacher should not be hampered with concern regarding CINA compliance, other than to know that they are mandated reporters. Further, she said that if a teacher has a suspicion of child abuse, it is important that they not be worried when making a report of harm

that they will suffer repercussions or disciplinary action for alerting OCS.

[3:58:26 PM](#)

CHAIR WILSON moved Amendment 2, as follows:

Page 3, line 2, following "of"  
Insert "subsection (1) of"

[3:59:32 PM](#)

CHAIR WILSON moved Amendment to Amendment 2, as follows:

Page 3, line 2, following "AS 47.17.020"  
Insert ","

and following "or"  
Insert "subsection (2)"

REPRESENTATIVE GATTO removed his objection to the amendment.

CHAIR WILSON announced that there being no objection, Amendment to Amendment 2 was adopted, and there being no objection, Amendment 2, as amended, was adopted.

CHAIR WILSON proposed Amendment 3, as follows:

Page 4,  
Delete lines 4-5  
Insert "an employee violating AS 14.30.171-14.30.176 maybe subject to disciplinary action."

[4:02:11 PM](#)

REPRESENTATIVE ANDERSON moved Amendment 3, as proposed. There being no objection, Amendment 3 was adopted.

[4:03:56 PM](#)

CHAIR WILSON moved Amendment 4, as follows:

Page 3  
Delete lines 13-14

REPRESENTATIVE SEATON objected for discussion.

[4:04:22 PM](#)

CHAIR WILSON read page 3, lines 5-8 and lines 13-14, paragraph (3), and explained that this duplication of federal law, within the bill creates confusion.

[4:05:01 PM](#)

REPRESENTATIVE GARDNER clarified that federal law does allow a behavioral health evaluation of a child with the appropriate guardianship consent.

REPRESENTATIVE SEATON removed his objection. There being no objection, Amendment 4 was adopted.

CHAIR WILSON opined that the intent of the bill was not affected by the amendments which the committee adopted.

CHAIR WILSON suggested reviewing Amendment 2.

[4:06:03 PM](#)

REPRESENTATIVE SEATON moved to rescind Amendment 2, as amended. There being no objection, Amendment 2, as amended, was rescinded.

The committee took an at-ease from [4:07:02 PM](#) to [4:11:48 PM](#).

[4:11:48 PM](#)

REPRESENTATIVE SEATON moved New Amendment 2, as follows:

Page 3,  
Delete lines 13, 14

and

Page 3, Line 2, following **"of"**  
Insert subsections **"(a) and (b) of"**

There being no objection, Amendment 4 was adopted.

[4:12:42 PM](#)

REPRESENTATIVE CISSNA moved Conceptual Amendment 5:

Page 3, Line 29, following **"services"**

Insert **“, and psychiatric specialists”**

CHAIR WILSON objected for discussion, and stated that her understanding is that “mental health services” would be inclusive of “psychiatric specialists”, thus preempting the need to make such a specification necessary.

REPRESENTATIVE CISSNA maintained that this would provide a benefit to parents seeking appropriate guidance, and also allows the school authorities to clearly respond to parental inquiries.

[4:14:57 PM](#)

CHAIR WILSON said that the amendment would serve to imply a limitation, where the intent is not to create such a limit.

REPRESENTATIVE CISSNA disagreed.

[4:15:15 PM](#)

REPRESENTATIVE GATTO supported Amendment 5, and said that the language “mental health services” appears to refer to organizations, and by inserting “specialists”, individual practitioners are then inferred.

[4:15:36 PM](#)

MR. BENEVIDES pointed out that the continuing lines 30-31 [page 3], and page 4, lines 1-2, encompass any type of entities that may be included on a list for the welfare of the parent. Additionally, he maintained that creating and offering a list is optional to a school district.

[4:16:53 PM](#)

CHAIR WILSON maintained her objection.

[4:17:09 PM](#)

REPRESENTATIVE GARDNER opined that the existing language appears to be inclusive.

A roll call vote was taken. Representatives Gatto, Anderson, and Cissna voted in favor of Amendment 5. Representatives Kohring, Seaton, Gardner, and Wilson voted against it. Therefore, Amendment 5 failed to be adopted by a vote of 3-4.

[4:18:31 PM](#)

REPRESENTATIVE ANDERSON moved to report HCS CSSB 48, Version 24-LS0208\X, Mischel, 5/5/06, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 48(HES) was reported from the House Health, Education and Social Services Standing Committee.

[4:19:15 PM](#)

The committee took an at-ease from [4:19:15 PM](#) to [4:22:22 PM](#).

[4:22:22 PM](#)

CHAIR WILSON counseled that Amendment 4 was incorporated into New Amendment 2, thus eliminating the need for Amendment 4. She requested that Amendment 4 be struck from the record.

[4:22:47 PM](#)

The committee took an at-ease from [4:22:47 PM](#) to [4:24:11 PM](#).

WORK SESSION

[4:24:11 PM](#)

CHAIR WILSON announced that the final order of business would be a work session.

CHAIR WILSON instructed participants that the intention of this informal work session would be to garner information that will assist the committee to make recommendations for measures to help contain state health care costs; specifically in the Department of Health and Social Services (DHSS) budget. She expressed her expectation to conduct a number of these work sessions, during the Special Session, with the possibility of developing draft bills in preparation of the next regular legislative session. To that end, she stated that various guests would be invited to participate, including Representative Mike Hawker, Alaska Legislature, House Finance Committee, and said that an official from DHSS, would work with the committee today. Further, she said that recommendations for consideration should not cut services, but focus on cost saving measures. Acknowledging a suggestion for taking this work up during the interim, she maintained the importance of proceeding at this time.

4:28:35 PM

DWAYNE PEEPLES, Director, Division of Health Care Services (HCS), Department of Health and Social Services (DHSS), explained that cost containment represents an ongoing concept and effort that has been in the forefront of the department's goals for many years. He described how areas for saving costs are identified within the health care system and adjustments are made, but inflation and growth overwhelm these efforts in one to three years time. As an example, he highlighted the successful preferred drug list model, created two years, which has saved the state between \$7-8 million each year. He stated that the department is continually seeking opportunities to implement cost saving measures. Other situations routinely reviewed include the utilization of the Medicaid program, investigating "off the norm" utilization of pharmaceuticals, emergency room visits, and physician visits. When a recipient is identified as abusing the system, the individual is placed in a case management program. If a physician is identified as not practicing to the best of their ability, appropriate action is also taken. In the pharmacy area, he said that dispensing fees are being revised, and partnerships with other states are being reviewed/established in an effort to reduce wholesale drug costs. House Bill 426 is an example dealing with an identified utilization concern; eligible individuals not enrolling in Medicare. He said that the area of over medication limits is also being reviewed.

CHAIR WILSON identified over medication as a point of concern, and an area for possible savings. She suggested that even six prescriptions at one time might indicate the need to review a recipient's profile. She asked how many individuals who take multiple prescriptions have had their cases reviewed.

MR. PEEPLES stated that a report had been provided to the committee "a couple of years ago," and he offered to provide an updated utilization report.

CHAIR WILSON suggested that this report should be reviewed on a routine basis, and she provided a personal anecdote to highlight her concern. Not only is this a health issue, but it is could also be an important money saving area, she opined.

REPRESENTATIVE CISSNA offered that multiple prescription use is known as polypharmacy, and is a wide spread concern.

4:35:36 PM

CHAIR WILSON interjected that it often occurs when an individual consults with multiple doctors.

4:35:41 PM

REPRESENTATIVE GARDNER suggested reasons why this might be a difficult situation to track.

CHAIR WILSON reiterated the need to maintain attention to this situation for health reasons as well as for cost saving measures.

REPRESENTATIVE CISSNA asked by what means the department would be able to facilitate this type of drug usage tracking.

4:36:22 PM

MR. PEEPLES explained that within the Medicaid management information system, a subsystem records the actions of pharmacists and feeds directly to a data base that performs multiple functions. The department's Drug Utilization and the Pharmacy and Therapeutic committees, comprised of health care professionals, meet separately once a month to analyze the reports, and to make the type of evaluations being discussed. Additionally, he said a professional firm is employed to analyze the behavioral health drug usage. In the field of behavioral health drugs, he said that the physicians engage peer counselors to work with the prescribing physicians to ensure that current practices are being adhered to, and that appropriate reviews are conducted of recipient prescriptions.

REPRESENTATIVE CISSNA reported her familiarity with a program that deals with the homeless, and asked whether it could be expanded.

MR. PEEPLES explained that the most beneficial means for monitoring a recipient's drug intake is to employ a case management system with a sole physician prescribing and a sole pharmacist dispensing.

4:40:07 PM

REPRESENTATIVE GARDNER stated her understanding that pharmaceuticals are the fastest growing sector of the escalating costs of medical care, and said that Representative David Guttenberg has introduced a bill to establish a prescription

drug task force within the DHSS. She asked whether Mr. Peeples was familiar with this endeavor.

MR. PEEPLES replied that he had apprised himself of the bill in question, which deals with pharmaceutical purchasing.

CHAIR WILSON asked how that would be different from current purchasing practices.

MR. PEEPLES explained that the pooling that DHSS engages in with the Medicaid program is supervised under the federal Centers for Medicare and Medicaid Services (CMS), which authorized Alaska and partner states a plan amendment, to pool for the purchase of Medicaid drugs. Representative Guttenberg's bill is more global in order to serve a variety of organizations. Under the current rules of engagement with CMS Medicaid could not be incorporated into this global plan; a separate pool would need to be established.

MR. PEEPLES stated that other states have set up commissions as separate entities, "quasi governmental agencies," which work to govern benefit practices and health care procurement.

CHAIR WILSON described the issue in outlying communities where one pharmacy endeavors to dispense drugs, cost effectively, to a small populace. She explained that it is difficult for these pharmacies to make any profit given the current dispensing fee policy, and reimbursement arrangements, and asked whether the department is planning to address this problem.

[4:44:07 PM](#)

MR. PEEPLES explained how dispensing fees are established, based on a longitudinal survey to create a fee structure. Further, he said this is a wide-ranging undertaking, handled similar to a regulation review, and involves a hearing process.

MR. PEEPLES reported that another area of health care, which HCS is beginning to scrutinize is chronic disease management. Other states have models available for review, and the Division of Public Health now has a section/unit dedicated to chronic disease management. There will be a big growth in Medicaid diabetes costs, as an example, thus targeting prevention is an important avenue to address.

CHAIR WILSON opined that obesity may be the culprit to the rise in diabetes, thus the committee may be able to introduce a bill

around that subject. Further, she said that Karleen Jackson, Commissioner, HESS, would be invited to work with the committee towards creating meaningful legislation for the 2007 session.

[4:47:11 PM](#)

MR. PEEPLES stated that the department is also expecting to create an experimental treatment committee to help provide increased quality control of drug utilization.

CHAIR WILSON expressed appreciation for everyone's efforts in this informal work session.

#### **ADJOURNMENT**

The House Health, Education and Social Services Standing Committee meeting was recessed at [4:48:25 PM](#) to a call of the chair. [The meeting was never reconvened.]