

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

July 14, 2006
8:05 a.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

Representative Paul Seaton, Vice Chair
Representative Tom Anderson
Representative Carl Gatto
Representative Vic Kohring

OTHER LEGISLATORS PRESENT

Senator Bettye Davis

COMMITTEE CALENDAR

WORKING GROUP: "USING HEALTH CARE DOLLARS WISELY"

- HELD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

STEPHANIE BIRCH
Women and Children, Family Health
Division of Public Health
Department of Health & Social Services (HESS)
Anchorage, Alaska

POSITION STATEMENT: Participated in the discussion during the work group on using health care dollars wisely.

PATRICIA A. CARR, Health Program Manager IV
Health Planning & Systems Development
Office of the Commissioner
Department of Health & Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Participated in the discussion during the work group on using health care dollars wisely.

KARLEEN K. JACKSON, Ph.D., Commissioner
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Participated in the discussion during the work group on using health care dollars wisely.

JERRY FULLER, Project Director
Office of Program Review
Office of the Commissioner
Department of Health & Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Participated in the discussion during the work group on using health care dollars wisely.

DENNIS DeWITT, Special Staff Assistant
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Participated in the discussion during the work group on using health care dollars wisely.

PAULYN SWANSON, Staff
to Representative Mike Hawker
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Took part in the work group discussion on using health care dollars wisely, on behalf of the House Finance Subcommittee on Health and Social Services, which is chaired by Representative Hawker.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [8:05:30 AM](#). Representatives Gardner and Wilson were present at the call to order. Representative Cissna arrived as the meeting was in progress.

WORKING GROUP:

"USING HEALTH CARE DOLLARS WISELY"

[8:05:57 AM](#)

CHAIR WILSON announced that the only order of business was the work group session to address using health care dollars wisely.

CHAIR WILSON asked the participants to introduce themselves.

[8:08:06 AM](#)

STEPHANIE BIRCH, Women and Children, Family Health, Division of Public Health, Department of Health & Social Services, told the group that her area of focus was birth outcomes. She mentioned the Alaska Maternal and Child Health (MCH) data book, which is written on the topic of birth defects. She said she would compile the major points for the group.

REPRESENTATIVE WILSON stated her intent that the work group choose topics for its future meetings.

[8:10:21 AM](#)

PATRICIA A. CARR, Health Program Manager IV, Health Planning & Systems Development, Office of the Commissioner, Department of Health & Social Services (DHSS), directed attention to a handout she provided entitled, "Alaska State Health Plans and Special Reports."

REPRESENTATIVE WILSON said the group can pick focus subjects from the handout.

[8:11:21 AM](#)

KARLEEN K. JACKSON, Ph.D., Commissioner, Department of Health and Social Services (DHSS), directed attention to page 7 of the aforementioned handout and noted there is a web site link listed under the heading of "Public Health - Center for Health Data and Statistics." The web site covers various topics.

[8:12:34 AM](#)

REPRESENTATIVE CISSNA said her presentation regarding a "road show" would be forthcoming.

[8:13:23 AM](#)

JERRY FULLER, Project Director, Office of Program Review, Office of the Commissioner, Department of Health & Social Services (DHSS), said he had been asked to pull together studies related to long-term [health] care. He held up a stack of papers dating

from 1996 to present, all of which he said point to the same problem. He explained, "We've got a problem coming with the increasing number of aged and disabled, and we need to do something about it." He said it is a lot of information and he did not make copies for everyone.

[8:14:32 AM](#)

REPRESENTATIVE CISSNA asked to see the copies to figure out what information she needs.

[8:15:25 AM](#)

CHAIR WILSON stated the need to prioritize goals, and she held a discussion regarding the order of the topics on a handout entitled, "June 2006 Health Priorities Meeting."

[8:18:11 AM](#)

MS. CARR described the priorities handout as a list compiled through brainstorming; she said it holds ideas put forward that now need to be considered by the entire group.

[8:20:20 AM](#)

REPRESENTATIVE CISSNA, regarding improving birth outcomes, said she does get the same feedback when in Juneau that she receives when she is home talking to people on the street, and that concerns her.

[8:21:34 AM](#)

COMMISSIONER JACKSON noted that she serves on the executive committee for Commonwealth North Round Table on Healthcare. She said the round table discussion was related to what is being done and can be done in health care. She mentioned repetition in talking about matters, reports that just sit on the shelf, and trying to connect who's doing what.

[8:23:17 AM](#)

REPRESENTATIVE CISSNA clarified that she is talking about "holes that are occurring ... in out-of-the way places where people aren't looking at that specific population." She said going door to door is the best method she's found to find out the issues.

[8:25:04 AM](#)

CHAIR WILSON directed attention back to the priorities list and asked the group to consider what can be addressed now.

The committee took an at-ease from [8:28:15 AM](#) to [8:31:18 AM](#) to review the list.

[8:31:19 AM](#)

CHAIR WILSON said she noticed several issues on the list related to communities, as well as issues regarding the need for the health commission to change as the legislature and administration each change.

[8:31:49 AM](#)

MS. CARR highlighted the issue of vertical and horizontal communication, and she noted related priority items. Regarding working with the information available, she mentioned the process of synthesis and communication, and the creation of the process itself.

[8:33:51 AM](#)

MR. FULLER talked about low- and no-cost options, when to move a process forward, and fostering the processes for sustainability by educating everyone.

[8:38:18 AM](#)

REPRESENTATIVE GARDNER, in response to a comment by Chair Wilson, said she thinks legislators need to focus on specialties and brief themselves on issues that aren't their specialty by talking to people who are knowledgeable in those other subjects.

[8:39:15 AM](#)

COMMISSIONER JACKSON said she knows the department can't force people to come listen to the issues, but it is difficult to encapsulate in a short legislative presentation what has been discussed over a long period of time during many meetings. She asked for suggestions to address that issue.

[8:40:38 AM](#)

DENNIS DeWITT, Special Staff Assistant, Office of the Governor, suggested an overview to find out what interests people and to give them a better idea of what the issues are. He said there is a need to outline a point of focus. He added, "If you have no idea where you're going, any road will get you there."

[8:44:05 AM](#)

CHAIR WILSON suggested starting on the last page of the handout, which lists action steps.

[8:44:28 AM](#)

MR. FULLER said the bottom line shows that the financial aspects of Medicaid will not decrease; they will only compound. He offered further details. He said he would like the legislature to give the department the permission to find ways to become more efficient.

[8:46:55 AM](#)

CHAIR WILSON suggested another way to keep costs down is by using tried and true methods of prevention.

[8:47:49 AM](#)

REPRESENTATIVE CISSNA asked to hear individually what each person took away from the [previously mentioned June 2006 Health Priorities Meeting] in Denver.

[8:48:52 AM](#)

MS. CARR indicated that the visual aides [from that meeting] are available and may be helpful to view, and she offered to get a copy for the committee.

[8:49:19 AM](#)

MR. FULLER, regarding the expansion of health care benefits, suggested figuring out if it makes sense to put together a "prevention package," rather than a "sick package."

[8:50:22 AM](#)

SENATOR BETTYE DAVIS, Alaska State Legislature, said she would like the department to present to the legislature - or at least to a committee within the legislature dealing with the issue of

health - what it would like to promote, including how much money is needed, why it is necessary, and how the decisions were made, and she expressed her wish to see that done prior to the legislature meeting again in Juneau.

[8:52:41 AM](#)

MS. BIRCH listed four major themes related to using health care dollars wisely: communication with communities, the legislature, and the department; prevention, including the areas of birth and contraception, chronic disease, and mental health; personal responsibility; and access. She agreed with Senator Davis that the list is too large to tackle, and she suggested that the group could choose to work on one of the themes, while assigning other interested parties to investigate the other themes.

[8:55:01 AM](#)

REPRESENTATIVE GARDNER said what these issues come down to is money and getting ideas out to legislators. She said having missions and measures is helpful. She talked about "speaking the language of people who don't volunteer to come to health-related things." She mentioned lobbying efforts and repeated messages from the health care industry, saying that written communications will be ignored by all but the most committed.

[8:57:46 AM](#)

COMMISSIONER JACKSON said the concept she brought back from the meeting in Denver was that it would be useful to be able to convey to people that "just because it's not in the budget as a healthcare access cost, doesn't mean it's not important to health." She revealed that Senator Lisa Murkowski, who has recently been appointed to a federal committee considering prevention efforts related to health care, told her that she would keep her up to date on any new ideas that are formed. She mentioned a book by Richard Lamm, [former governor of Colorado], in which there is a chart that shows why the U.S. federal health care system is broken. She said she wants to share this information in talking with legislators, to help them see the bigger picture. She remarked that people don't tend to respond, unless they can see that an issue is in crisis.

[8:59:56 AM](#)

PAULYN SWANSON, Staff to Representative Mike Hawker, Alaska State Legislature, on behalf of the House Finance Subcommittee on Health and Social Services, which is chaired by Representative Hawker, told the group what she learned at the meeting in Denver, including issues related to the extra cost in health care for low birth-weight babies, as compared to healthy babies.

[9:00:41 AM](#)

CHAIR WILSON listed the following topics: communications, cost savings, prevention, personal responsibility, and access.

[9:01:16 AM](#)

MS. CARR highlighted the following issues: increasing access to care, looking at issues affecting people's choices, and birth outcomes. She stated that she thinks those issues are "grounding."

[9:02:28 AM](#)

CHAIR WILSON listed sustainability as the overall biggest issue. She suggested that birth outcomes can be addressed under the heading of prevention.

[9:04:37 AM](#)

MR. FULLER said long-term care could be addressed under the heading of sustainability.

[9:05:10 AM](#)

SENATOR DAVIS, regarding Medicaid, told Mr. Fuller that the legislature needs recommendations from the division to be apprised well ahead of session whether cuts will need to be made or funds will be requested.

[9:06:16 AM](#)

MR. FULLER agreed that the division needs to give the legislature what information it can. He explained that although the division has a good idea of what the Deficit Reduction Act provisions are, it doesn't know what the federal actions based on President George W. Bush's FY 07 budget will be. He offered further details. He said Senator Lisa Murkowski is aware of the situation and supports the division's position that it would

like the administration to pay attention to Congress. He offered further details.

[9:08:46 AM](#)

CHAIR WILSON said six years ago the whole state budget was the amount that just the Medicaid budget is now.

[9:09:14 AM](#)

REPRESENTATIVE CISSNA said, "It was a conscious effort to move things to that ... funding source." She said she would like to see an analysis to determine whether that was the wisest move for the long-term perspective.

[9:09:37 AM](#)

SENATOR DAVIS mentioned a 2001 Medicaid waiver task force. She asked if the outcome of that task force has yet reached the department. She mentioned the Key Campaign.

[9:11:08 AM](#)

REPRESENTATIVE CISSNA said there has been a change to the senior and disability waiver.

[9:11:37 AM](#)

MS. SWANSON confirmed that there is a report addressing a waiver and wait list, which she said she would make available.

[9:11:56 AM](#)

CHAIR WILSON asked what subjects should be put under the heading of cost containment and savings. She suggested Medicaid and Medicare.

[9:12:24 AM](#)

MS. CARR suggested prevention results in cost saving.

CHAIR WILSON recommended dealing with prevention on its own, because there is so much related to it.

[9:12:53 AM](#)

MR. DeWITT suggested two reasons to focus on prevention are for quality of life or for cost containment, and each issue is approached differently. He said he doesn't think the group has decided what its focus is yet.

CHAIR WILSON and REPRESENTATIVE GARDNER simultaneously said the focus is on both; quality of life and cost containment are not separable.

[9:14:16 AM](#)

MR. DeWITT stated his disagreement. He explained that the priorities will change based upon whether the goal is lifestyle or cost containment.

[9:14:28 AM](#)

COMMISSIONER JACKSON said she thinks Mr. DeWitt has made a good point. She talked about health versus health care, and she said preventative efforts are key to health care access and health care cost containment.

[9:15:01 AM](#)

CHAIR WILSON said cutting programs in order to save money will result in spending more money in the long run. She emphasized the importance of prevention. She said the state cannot cover everything, so it must decide where to place its efforts.

[9:16:03 AM](#)

REPRESENTATIVE CISSNA said she has worked on and off within the mental health community since 1963, and she stated that it is almost impossible to remove behavioral health - the choices people make - from physical health. She said the legislature hears the most from lobbyists who represent "the expensive part of health care," not the "cheap part." Health has become commercialized, she explained, and prevention doesn't make money, so no one is going to come to the legislature and lobby for it.

[9:18:38 AM](#)

CHAIR WILSON responded that there actually were lobbyists for prevention for the first time this year: the Boys and Girls Club, and the Alaska School Board Association.

[9:19:15 AM](#)

SENATOR DAVIS said she wants to know if the department is doing anything to get the message of prevention out to the public. She said children take notice of information and pass it along to their parents. She opined that if the state educates people, those people will be more concerned about their personal health, and the state will save money as a result.

[9:20:34 AM](#)

COMMISSIONER JACKSON proffered that one example of what Senator Davis is talking about has been the tobacco cessation efforts. She said many parents stopped smoking because children were educated through the school system and passed the message on to their parents that "smoking kills you."

[9:20:49 AM](#)

MR. FULLER, in response to a question from Chair Wilson, said a major portion of the budget - probably 40 percent - is spent on: elder care, long-term care, and nursing homes.

MR. FULLER said the next biggest areas of expense are probably hospital and pharmacy. He said the inflation on drugs grows exponentially, and nothing has been in place to restrain that growth. He said when drug rebates were offered years ago giving states a certain percentage back, "it took the drug manufacturers maybe nine months to inflate their prices enough to make up the difference."

[9:22:36 AM](#)

CHAIR WILSON listed the following subcategories under cost containment: long-term care, drugs, and hospitalization. She indicated that increasing [funds for] prevention may decrease the expenses under cost containment.

[9:23:46 AM](#)

MR. FULLER said Alaska has quite a good long-term care system in regard to the nursing home proportion compared to "the total." However, he posited that the system has grown "topsy-turvy." He stated, "We don't have a true system; we've got pieces that ... don't mesh together very well." He indicated that there is a definition of assisted living that covers one person in a private home to the Alaska Pioneer Home. He said he thinks the

state could get a price suppression by reconfiguring its current system. He concluded, "... It's not going to give you [a] \$10-million savings, but it will slow the growth so that when we get out there to 2025, maybe that cost will not be \$2 billion, but \$1.5 billion, or whatever."

CHAIR WILSON asked if the changes that are needed are statutory or regulatory.

MR. FULLER surmised the changes would be mostly regulatory, with political support to make the changes.

CHAIR WILSON asked Mr. Fuller to prepare his thoughts into a presentation for the House Health, Education and Social Services Standing Committee, so that the committee can make some helpful suggestions "somewhere along the line."

[9:25:45 AM](#)

REPRESENTATIVE CISSNA offered her understanding that a long-term care study that addresses these issues was supposed to be available long ago.

MR. FULLER said he thinks the latest date of release is slated for 20 July 2006.

REPRESENTATIVE CISSNA said the committee should incorporate the recommendations that will be in that study.

MR. FULLER said he will certainly incorporate the study in the presentation that Chair Wilson requested, while he indicated that other sources for recommendations will also be used. He stated that an important aspect of long-term care that is seldom talked about is that the biggest provider of long-term health care is family members, and he recommended finding ways to support that.

MS. CISSNA said she doesn't want to jeopardize that source of long-term care, and she talked about the burnout of caregivers.

CHAIR WILSON said, "So, providing them respite ... is in the long run a cost savings."

MR. FULLER responded, "It can be, as long as the state is able to manage that, so it doesn't become babysitting for grandma so that [they] can all take off." He indicated that there needs to be a balance between the family doing as much as it can and

having the state, community, or faith-based group help them along.

[9:28:18 AM](#)

CHAIR WILSON suggested that the committee should invite someone from the faith-based community to address these issues and let the committee know what kind of help is available.

COMMISSIONER JACKSON noted that the Office of Faith-based & Community Initiatives is now in the Department of Health and Social Services, and Stephanie Wheeler is the executive director.

CHAIR WILSON recommended having a faith-based group available in every community in the state.

[9:29:50 AM](#)

REPRESENTATIVE CISSNA suggested that the committee not limit the discussion to faith-based groups, but instead think about total community involvement. She said bringing in a broader group will ensure more people will shoulder the load, [thus preventing burnout].

[9:30:33 AM](#)

COMMISSIONER JACKSON said the long-term care study coming out on July 20, as well as Mr. Fuller's upcoming presentation, will be good examples of all the things that can be done, but she asked the committee to remember that all those things will have a cost. She stated, "And like the personal care attendant debacle that we went through, we need to be very conscious that whatever we develop is sustainable."

[9:31:27 AM](#)

REPRESENTATIVE CISSNA responded, "That happened over a course of about three years, and apparently it was not seen happening." She asked how that situation can be avoided in the future. She spoke of applying missions and measures to the budget.

[9:32:02 AM](#)

COMMISSIONER JACKSON said the department currently is working with the Office of Management & Budget on missions and measures related to the next budget.

9:32:14 AM

MR. DeWITT said he has to disagree with Representative Cissna's assessment that "it happened and nobody was watching." He said the issue was handed to the present administration without having been dealt with and "there was not the political will to address it." He mentioned a "fire storm" that occurred. He offered further details, mentioning a change that was made to rules related to personal care attendants (PCAs). In response to a remark from Representative Cissna, he clarified that a question to ask is, "Do we have the political will to make those calls and stand up for them?" Hard choices have to be made and followed, which he said is a tough thing to do in the area of health care.

9:34:41 AM

CHAIR WILSON warned that the state must be careful in regard to giving more services, "because it's a lot easier not to give them than it is to take them back." Regarding the previously mentioned issue of the PCAs, she said, "There were so many people getting paid for doing things that they did before for nothing, and then all at once they found out they could get paid for it." She said she doesn't want the committee to start blaming anyone; she just wants to hear the facts.

9:35:14 AM

REPRESENTATIVE CISSNA said she has spent a lot of her personal money traveling around the state and finding out what administrators are saying about their communities. She said that in communities that have been losing sources of income due to the loss of mining and fishing jobs, for example, people have been getting off of welfare to become PCAs. She emphasized the importance of being aware of "the progression" and basing choices on that awareness.

9:36:28 AM

CHAIR WILSON reiterated that people are doing things now for money that they did previously for free. She illustrated this phenomenon through examples of what is happening in her community. She said, "So, that's one area that we did look ... at and we did pull back on, and I don't know where we're at with it now." She asked Mr. Fuller, "Is it getting contained?"

[9:37:31 AM](#)

MR. FULLER answered that [containment] is beginning. He compared the issue to an out of control gorilla. He indicated that the department will try to anticipate the outcomes of any new programs or changes, but resources will be necessary in order to have people track what is happening. He said the administration within the department is "really thin for very huge programs," which he said is a choice.

[9:39:09 AM](#)

COMMISSIONER JACKSON said the balance has been that the department cuts internally in order to allow the services to get out to Alaskans.

CHAIR WILSON warned that the department must be careful about that balance.

[9:39:53 AM](#)

CHAIR WILSON turned back to the making of the list. She named the subcategories under prevention as: birth, chronic disease, mental health, drugs, and alcohol. She mentioned faith-based community incentives.

CHAIR WILSON suggested that the topic of personal responsibility could be listed under communication. In response to a remark from Representative Cissna that "personal responsibility is something that comes with knowledge," she agreed that education could be the subcategory under communication, and then personal responsibility could be listed under education. The subject of communication, she said, could be divided into the following: individuals, communities, and legislators. She asked that those present pick a topic and get back to the group with more information.

[9:42:59 AM](#)

CHAIR WILSON asked for feedback regarding the topic of health and health care.

[9:43:15 AM](#)

MS. CARR stated, "During our meeting in Denver, we did talk about access to 'cares,' but through two channels: ... through the insurance channel and through services and facilities. ...

So, that may be a concept that we keep, because I think there are two very different sets of strategies that they work through on that."

[9:43:35 AM](#)

COMMISSIONER JACKSON suggested that it would be good to focus on access in cost and quality.

[9:44:12 AM](#)

CHAIR WILSON concluded that under the category of health and health care, the group could consider following subcategories: access, quality, and cost. Under access, she announced, would be insurance and services. She reviewed the groupings of categories thus far.

The committee took an at-ease from [9:45:07 AM](#) to [9:46:10 AM](#).

[9:57:13 AM](#)

CHAIR WILSON, after much input from those present about possibilities for grouping subjects, announced a tentative schedule: 7/26, 8/30, 9/27, and 10/25.

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at [10:02:50 AM](#).