

**ALASKA STATE LEGISLATURE**  
**HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE**  
Anchorage, Alaska  
September 27, 2006  
8:35 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**

USING ALASKA'S HEALTH CARE DOLLARS WISELY: MEDICAID AND LONG-TERM CARE; CHRONIC DISEASE

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

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

POSITION STATEMENT: Presented the topic of Medicaid and long-term care.

JON SHERWOOD, Medical Assistant  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

POSITION STATEMENT: Responded to questions regarding the topic of Medicaid and long-term care.

CHUCK BURNHAM, Legislative Analyst  
Legislative Research  
Legislative Legal and Research Services  
Legislative Affairs Agency (LAA)  
Juneau, Alaska

POSITION STATEMENT: Responded to a question during the discussion regarding Medicaid and long-term care.

TAMMY GREEN, Chief  
Chronic Disease  
Division of Public Health  
Department of Health and Social Services (DHSS)  
Anchorage, Alaska

POSITION STATEMENT: Presented the topic of chronic disease.

#### **ACTION NARRATIVE**

**CHAIR PEGGY WILSON** called the House Health, Education and Social Services Standing Committee meeting to order at [8:35:28 AM](#). Representatives Wilson and Gardner were present at the call to order. Representative Cissna arrived as the meeting was in progress. Senator Davis was also in attendance.

Using Alaska's Health Care Dollars Wisely: Medicaid and Long-Term Care

[8:37:30 AM](#)

CHAIR WILSON announced that the first topic the committee would consider would pertain to using Alaska's health care dollars wisely with regard to Medicaid and long-term care.

[8:37:43 AM](#)

JERRY FULLER, Project Director, Office of Program Review, Office of the Commissioner, Department of Health and Social Services (DHSS), began by stating that the committee should have the executive summary of a report by the Lewin Group on the cost of the Medicaid program. The committee should also have an executive summary from the Public Consulting Group (PCG), which was a study commissioned to review the actions the [department] might take to improve the long-term care system. The committee should also have a one-page quote from the Commonwealth Fund Forum regarding the challenges facing Medicaid financing, new flexibilities under the federal laws and regulations, as well as the challenges facing states in terms of sustainability,

quality, and meeting the needs of the people. He said he included the quote because it seems to encapsulate the current situation, although the quote was penned in 1981.

MR. FULLER then thanked the committee for its support for the Medicaid program and the long-term care system. The aforementioned supports the most vulnerable and needy citizens. The Medicaid system has evolved from a program that originally only provided for nursing home services to an industry unto itself. In the early 1980s, waivers were developed allowing people to choose long-term care services within their own community and in their own home. In the mid 1990s Alaska joined the waiver alternative and as a result has been able to restrain the growth of nursing home beds in the state.

MR. FULLER highlighted that the Lewin report clearly showed that the growth in Medicaid services for Alaska's elderly and disabled population will quadruple in the next 20 years or so, which is a nationwide issue. Mr. Fuller acknowledged that the state could assume that the federal government will assume the long-term care costs much like it did with the drug costs for seniors. In fact, former U.S. Secretary of Health and Human Services Tommy Thompson has put forth a proposal stating that the federal government should take over the long-term care system. However, one can't assume that will happen any time soon. Therefore, the state needs to adjust its system in order to make it as sustainable as possible in the long term. He explained that by sustainable, he means that the costs can be reduced. The demographics of the senior population are pushing the cost of and the need for the long-term care system. He noted that the first Baby Boomers are turning 60 and most states haven't prepared for the upcoming onslaught of services and needs for the aging Baby Boomer population. Additionally, the number of people over age 85 is rapidly increasing. Adding to this situation is that employers are dropping insurance or the benefits are becoming reduced such that there is less availability of the employer-sponsored insurance to cover the other medical needs of these aging populations.

[8:44:22 AM](#)

MR. FULLER commented that there are a multitude of drivers of this issue. Furthermore, there isn't much control over the aging population, he said. He then related that the Lewin report assumed the same program without any significant policy changes throughout its projection. However, the issue of Medicare coverage for retired folks may change because it has

been reported that fewer physicians are accepting Medicare. Medicare is a primary payer, and therefore when a Medicare physician can't be found, the secondary payer won't pay. The aforementioned situation results in people having to pay cash to see a physician or practitioner. If that continues, one might suggest that these individuals might move to locations where they can obtain Medicare benefits, which could change Alaska's demographics.

[8:47:12 AM](#)

REPRESENTATIVE GARDNER relayed that she has been hearing from a lot of constituents who are experiencing difficulty finding physicians who are taking Medicare patients. One of the problems in such situations is that the [secondary] insurance refuses to cover the gap. Therefore, she suggested that one solution could be a program by which the [secondary] insurance would cover what the physician can't obtain from Medicare.

MR. FULLER said that he isn't the appropriate individual to address that, although he concurred with Representative Gardner's summation.

[8:48:20 AM](#)

JON SHERWOOD, Medical Assistant, Department of Health and Social Services (DHSS), relayed that relatively recent federal law requires physicians who accept Medicare payments to accept the Medicare rate for payment. He related his understanding, "Unless you take just a very small percentage of Medicare clients, you're required to accept the Medicare rates. So, you cannot charge ... your patient or an insurance company an additional rate." Mr. Sherwood noted that he had just reviewed his mother's Medicare statement, which seemed to imply the aforementioned. He said that of the bills he reviewed, Medicare paid 30-60 percent of the physician charge.

REPRESENTATIVE GARDNER commented that it's not surprising then that physicians aren't willing to take Medicare patients.

[8:50:11 AM](#)

SENATOR BETTYE DAVIS, Alaska State Legislature, inquired as to what is different about Alaska's system [with regard to Medicare patients] as compared to other states. She inquired as to how seniors in other states would be allowed to use their primary insurance before using Medicare.

MR. FULLER answered that generally the charges for the health care services in other states are closer to what Medicare will pay and thus practitioners are more able to accept that. "Alaska's high cost of everything appears to be driving the gap between what Medicare will reimburse and the usual and customary charges," he said.

SENATOR DAVIS maintained that it seems to be more than that. She related that [she has been told] that patients who have been on a physician's case load for some time are being told that the physician can no longer see them because if the physician doesn't accept the Medicare, then the physician can't have the patient's private insurance pay. She attributed the aforementioned situation to something that [the state has established].

MR. FULLER explained that the change that occurred January 1 was a reduction in Medicare reimbursement. He related his understanding that there was a two-year adjustment upwards in Medicare that expired in January, which dropped the Medicare reimbursement. He related that [Alaska's congressional] delegation is working on this.

[8:52:37 AM](#)

CHAIR WILSON surmised then that this situation with Medicare is occurring nationwide, but since Alaska has such high costs many Alaskan physicians aren't accepting [Medicare] patients.

MR. FULLER said that appears to be the case. In further response to Chair Wilson, Mr. Fuller reiterated that [Alaska's congressional] delegation is working on the issue. He explained that he brought this matter to the committee's attention because without correction, the demographics of Alaska will be changed. He opined that Alaskans will head south to obtain health care. He pointed out that the Lewin report is based on the status quo, and factors such as this may cause [different results].

CHAIR WILSON asked if a letter from the committee [to Alaska's congressional delegation] would be helpful.

MR. FULLER responded that it wouldn't hurt.

[8:54:30 AM](#)

REPRESENTATIVE CISSNA, recalling her visit to Washington, D.C., about three years ago, noted that U.S. Senator Stevens' office had indicated that they'd not received enough support for the increase in Medicaid payments to the practitioners. Representative Cissna also related that she has received constituent concerns about access to physicians. Therefore, she questioned how this issue could be made a more high profile issue. She related her belief that people didn't realize that [Medicaid payments] were being supplemented above the normal payments. The loss of that must have really increased the problem and may not be realized at this point yet. She then questioned how this problem can be tracked in order to be able to inform the general public.

[8:56:50 AM](#)

MR. FULLER continued his testimony by reiterating that the overall demographic is driving the Lewin projection, including inflation, increased aging, et cetera. Furthermore, within the PCG report and previous reports, there are recommendations with regard to changes to Alaska's system to be able to sustain the system long term. Mr. Fuller pointed out that one of the primary areas is entry into the long-term care system. He then recalled recent testimony to Congress from Arizona's governor in which she related that Arizona has a vigorous medical eligibility pool, which means that the state has a rigorous objective screening of individuals prior to determining the level of care required. The aforementioned is the gateway into the waiver system. Alaska, he opined, needs to improve such that there is better enforcement when individuals don't need to be in nursing home care.

MR. FULLER then explained that in Alaska and the nation the primary source of long-term care is the daughter and the daughter-in-law. Any system changes shouldn't disrupt the aforementioned, but instead should support that. Mr. Fuller opined, "While the Medicaid costs for long-term care is increasing rapidly, we still have this huge unpaid pool out there, the relatives - the unsung heroes, if you will. And whatever changes we want to make in the future that make it sustainable, we don't want to disrupt that. We want to support that as best we can."

CHAIR WILSON remarked on the issue of burnout with regard to relatives taking care of older relatives after coming home from a job.

[8:59:48 AM](#)

REPRESENTATIVE GARDNER related her understanding that those providing care to family members are now being paid by the state, which has resulted in more people being paid for services. The aforementioned could be attributing to rising costs, she indicated.

MR. FULLER acknowledged that the system is not perfect, but assured the committee that [the department] will continue to make improvements.

REPRESENTATIVE CISSNA highlighted that she has observed a demographic shift in Alaska from the time when people left the state to take care of their family. However, now it seems that more people are deciding to stay in the state, bring family members to the state, and even retire in the state. There is also the situation in which older Alaskans are filling jobs and there is a gap due to the lack of a younger middle age sector in the state. Therefore, it would seem that if the policies are changed enough, there will be a decrease in the middle-aged individuals who bring family members into the state. Those individuals will leave the state with family members, she opined.

MR. FULLER acknowledged those points, but said that he doesn't have any data. Across the nation in terms of employment, there will be large retirement booms across the country in the next five years. Moreover, there are much fewer younger people moving along with the expertise or even the desire to take over some of these rather important jobs. This is all part of the Baby Boom. When social security began, 40-50 workers supported each retired person while now only 2-3 workers support each social security beneficiary.

[9:03:51 AM](#)

CHAIR WILSON remarked that Alaska might be the only state in which those 65 and older don't pay property taxes. Furthermore, there is no state income or state sales tax in Alaska and thus the state doesn't receive any revenue from older Alaskans. Therefore, the more people who come to the state, the more difficult it is for the state to provide services because there is no more money received by the increased population. She opined that the state can't sustain [this situation].

[9:05:37 AM](#)

REPRESENTATIVE CISSNA emphasized that there's a distinction between what is good for the state and what is good for the local economies. For the state, it would be best if no one came to Alaska at all because of the pressure on the state created by an increase in population. However, in small communities the retired and elderly population is doing the unpaid volunteer work. The seniors are the ones with real money in the community and create the ability for small communities to exist, she related. If the aforementioned is true, the legislature should know that because it will have a large impact. She reminded the committee that a legislator's job is to "keep the state okay" and to build the local economy.

MR. FULLER continued his testimony by mentioning the recommendations in the PCG report regarding the need to modify and improve the service array to best support people in their own homes as long as reasonably and financially practical. Furthermore, the assisted living array of services needs to be appropriate to keep people out of nursing homes. Mr. Fuller said that these reports provide numerous recommendations to consider, and it would be impossible to simply institute those of even one report. He estimated that it would require a transition of three to five years in order to reach the goal of a sustainable system. He suggested that now, while the budget is solid, is the time to figure out this situation.

[9:11:10 AM](#)

CHAIR WILSON mentioned that she has recently spoken with one of the House Finance Committee co-chairs who has indicated that as early as next year there will be cuts in the budget if things don't improve. She emphasized the need to know the ramifications of the changes.

MR. FULLER noted that in the health care system one can cut services, but if someone is sick that individual will receive services and those services are likely to be received in the highest cost setting, the emergency room. Therefore, he suggested that the committee review possible unintended consequences because they can cost more in the short-term and the long-term. Additionally, the quality assurance system must be modified and improved in order to work in conjunction with the new system. He pointed out that the over age 85 group probably doesn't have many relatives to check on them no matter where they live and thus a quality assistance structure to

ensure that people are safe and not being abused or taken advantage of by others is necessary.

MR. FULLER then turned attention to the tribal health care system in Alaska. He explained that when the tribal health care system provides services to an American Indian or Alaskan Native it's 100 percent federally funded. The tribal system is only beginning to look at the long-term care system as a service array that it might be able to provide to its members. If the state can work closely with the tribal health corporations and support them in their expansion of long-term care services for members, those organizations and the state win. However, he acknowledged that federal funding is fairly flat and thus tribes have their own financial issues to deal with as they try to meet the needs of their members.

9:15:34 AM

MR. FULLER informed the committee that the Deficit Reduction Act, which was passed earlier this year, includes some provisions to assist states in helping middle class Americans not spend down or hide assets in order to become eligible for Medicaid. Furthermore, [the Act] has opened up the possibility of long-term care partnerships, which have been utilized in four states for some time, such that those who can afford long-term care insurance can use it to shelter an equal amount of assets compared to the benefit of the insurance they have. Although the savings are only a few million, the middle class folks who obtain and use this insurance generally don't enter the Medicaid system.

MR. SHERWOOD, in response to Chair Wilson, explained that if one qualifies for Medicaid to pay for long-term care, the individual has to meet financial eligibility criteria. Any money [the state] would spend on long-term care is subject to estate recovery, and therefore the state can make a claim against an individual's estate once he/she dies. If someone purchases a long-term care insurance policy under this partnership, the individual receives a dollar-for-dollar credit when applying for Medicaid, and thus reduces that individual's assets that are counted for Medicaid. Furthermore, under this program when an individual dies, the state will disregard the credit established under the long-term care partnership from the estate recovery procedure. Moreover, if the long-term care partnership policy proves to be inadequate, Medicaid can still pay. In further response to Chair Wilson, Mr. Sherwood said that individuals using the long-term care partnership can do what they want with

those assets they have set aside. He informed the committee that those states who implemented this program in 1993 are just beginning to see savings because relatively small numbers of individuals who purchased this insurance are using long-term care. Although it's uncertain how much states will save in the long term, the program is a way to encourage the middle class to take more responsibility for providing for their long-term care along with a backup system with the Medicaid system.

CHAIR WILSON suggested that Legislative Research may need to look into the aforementioned.

[9:21:09 AM](#)

CHUCK BURNHAM, Legislative Analyst, Legislative Research, Legislative Legal and Research Services, Legislative Affairs Agency (LAA), agreed to do so.

MR. FULLER informed the committee that a second option for those with estates with assets is reverse mortgages. However, those are very high cost loans. He suggested that perhaps reverse mortgages could be made more consistent and governed by the Division of Insurance in order to cause people to be more willing to utilize that approach. With regard to other general incentives, he expressed the option of implementing incentives that would encourage individuals to utilize their permanent fund dividend with a state supplement in order to purchase long-term care. Again, the notion is that individuals have to be responsible for him/herself as best as possible. Mr. Fuller acknowledged that there are individuals who will never be able to save or acquire assets to take care of themselves in old age. Medicaid should take care of such people. However, the other population should be educated with the fact that they can't necessarily count on the government taking care of them. Along those lines, he related the following quote: "If I knew I was going to live so long, I would have taken better care of myself." Mr. Fuller then highlighted that there are other issues, including that the workforce consists of fewer younger people available to take care of the rapidly growing older population. Therefore, the question becomes who will provide the services to this older population. He emphasized that the aforementioned is a national issue with no simple answer for Alaska.

[9:25:18 AM](#)

CHAIR WILSON, drawing upon her nursing background, related the higher cost for traveling medical professionals such as nurses. If this is the situation now, she questioned what will happen when the long-term care situation worsens.

CHAIR WILSON asked if the department could specify to the committee which recommendations have been put in place.

MR. FULLER answered that he could provide that to the committee.

Using Alaska's Health Care Dollars Wisely: Chronic Disease

[9:28:25 AM](#)

CHAIR WILSON announced that the last topic the committee would consider would pertain to using Alaska's healthcare dollars wisely with regard to chronic disease.

[9:28:46 AM](#)

TAMMY GREEN, Chief, Chronic Disease, Division of Public Health, Department of Health and Social Services (DHSS), referred to a PowerPoint presentation entitled, "Chronic disease in Alaska." She began by emphasizing that chronic disease is impacting the health care system in multiple ways. In order to review the scope of chronic disease, one needs to review the number of deaths, the quality of life, and the economic burden related to chronic disease. In fact, in 2004 58 percent of all deaths were related to chronic disease. Cancer is the top cause of death in Alaska. She then expressed the need to review the long-term impacts of chronic diseases because chronic diseases impact people's lives beyond just death as related in the slide entitled, "Years of Productive Life Lost to Chronic Diseases Alaska 2004." For instance, due to deaths from the top seven chronic diseases, 8,630 years of productive life was lost in Alaska in 2004. Furthermore, Alaskans who die from cancer lose an average of 4.5 years of productive life and Alaskans who die from diabetes lose an average of 7.1 years of productive life. Moreover, chronic diseases limit activity as related in the slide entitled, "Chronic Disease Limits Activity." In response to Chair Wilson, Ms. Green emphasized the need to relate to people that once an individual is diagnosed with a chronic disease, there are many opportunities for self care and choices that enhance that individual's health and productivity.

[9:33:49 AM](#)

REPRESENTATIVE CISSNA asked if there is a comparison of how much more or less Alaskan's are at risk as compared to other states.

MS. GREEN said that a comparison of risk factors could be provided. She noted that she will review one of Alaska's major risk factors, smoking.

CHAIR WILSON opined that what physicians tell patients makes a difference. She indicated the need for physicians to relay to patients [to take proactive steps to manage chronic diseases].

MS. GREEN concurred, and noted that some physicians may not have been trained in any nutrition, lifestyle, or preventative medicine. Physicians have an opportunity to educate patients, particularly older patients who look to their physicians for answers, she noted.

[9:36:47 AM](#)

MS. GREEN then continued with the slide entitled, "Chronic Disease Reduces Quality of Life," which relates that diabetic Alaskans report 11.7 poor health days per month and Alaskans with arthritis report 6.8 poor health days per month. She highlighted that often individuals have multiple chronic diseases, which creates a synergistic impact on health. The next slide "Chronic Disease Increases Health Care Costs" relates that 75 percent of health care costs in the U.S. are directly related to chronic disease. Therefore, chronic diseases have to be addressed. For a large portion of the population, healthier lifestyle choices are key.

[9:39:13 AM](#)

MS. GREEN moved on to the slide entitled, "How We Got There," which relates the following three major risk factors: tobacco, inactivity, overweight and obesity. If the aforementioned factors could be eliminated or people could be engaged in healthier behaviors, Alaska and the nation would be on its way to a healthier society.

REPRESENTATIVE CISSNA recalled that when she was diagnosed with cancer she was told that the number one risk factor is aging. Alaska has an aging population.

MS. GREEN agreed that as people age, they are more at risk for certain [diseases/conditions]. However, the earlier mentioned major risk factors speed up [chronic diseases] as well as the

aging process. In response to Representative Gardner, Ms. Green explained that alcoholism, although it's a problem in Alaska, isn't directly associated to chronic disease as the three major risk factors listed. However, the section tries to partner with those working on alcoholism and keep it in mind with chronic disease.

[9:41:33 AM](#)

MS. GREEN turned attention to the slides reviewing adolescent and adult smoking in Alaska and the U.S. The slides illustrate that adolescent smoking has decreased and is approaching the Healthy Alaskans 2010 goal of 17 percent. However, the national trend with adolescent smoking has been to increase. There hasn't been any adolescent smoking data for Alaska since 2003. She explained that the lacking data is related to the active parental consent requirements of the Youth Risk Behavior Survey, which make it difficult to obtain enough parental consent to survey students. With regard to adult smoking, the rates among adults have flattened out close to the national rates. However, the Alaska Native adult population has about twice the smoking rate. Ms. Green moved on to the slides related to overweight adolescents and adults in Alaska and the U.S. About 27 percent of Alaska's students are overweight or at risk for being overweight. Nationally [and in Alaska] the percentage of adults over the last 10 years who are overweight or obese is climbing. In fact, 63 percent of Alaskan adults are either overweight or obese, which will impact Alaska's health care system in multiple areas.

MS. GREEN continued with the slide entitled, "How Are We Addressing It," and opined that it's very difficult to get people to change behaviors that have developed over a lifetime. She explained that one route is to identify the places where unhealthy behaviors occur and can be impacted while recognizing the role of individual choice. There seem to be four settings in which the agency can impact: the community, the school, the worksite, and the health care [environment]. She then related some of the initiatives currently under way, including the formation of the Section of Chronic Disease Prevention & Health Promotion. The formation of the section has provided the opportunity for integration and "more bang for our buck." Other initiatives under way are as follows: employee health improvement, school wellness initiative, community-based prevention, disease management, chronic disease self management. She mentioned that most of the section's programs are primarily

funded by the federal Centers for Disease Control and Prevention.

MS. GREEN then reviewed the initiatives under way with regard to employee health improvement. She informed the committee that the section is doing a pilot project with BlueCross BlueShield of Alaska to help it develop a set of best practices for small businesses in Alaska to ensure that health promotion can be accomplished in an effective and fiscally manageable manner. She suggested that perhaps in the next six months there will be a how to handbook for small businesses in Alaska in terms of employee wellness. In response to Chair Wilson, Ms. Green clarified that this pilot project is separate from the state employees as it is working with very small businesses having less than 200 employees.

9:49:02 AM

MS. GREEN continued her presentation with the initiatives in the school environment. As most would agree, the youth of today are the future and need to be healthy. However, children today are adopting a lifestyle that is not conducive to longevity and health. Ms. Green agreed with Chair Wilson that the coming generation will be the first generation that isn't expected to live as long as their parents. She then informed the committee of the federal legislation that mandated in the Women, Infants, and Children (WIC) reauthorization that schools need to develop wellness policies by the summer of 2006. Therefore, the section staff has been working diligently with the [U.S.] Department of Education to produce an Alaska wellness tool kit. In fact, just recently there was a wellness institute that was well attended with over 65 participants. In response to Chair Wilson, Ms. Green confirmed that the aforementioned federal mandate doesn't include funding specifically, which is why some school districts are just taking the sample policy established by the Alaska Association of School Boards. However, other school districts are fully embracing this and utilizing it as an opportunity to push forward efforts already under way. For example, in Anchorage huge strides have been made to switch out vending machines. She noted that the Mat-Su and Kodiak school districts have done similar things. She noted that there are some small pots of money from the U.S. Department of Agriculture (USDA) for the Team Nutrition Grant. Again, getting support for the YRBS is important in order to provide strong foundational arguments for changes and determine if those changes are making a difference. Within the community environment there are several initiatives under way, most of which are community-based tobacco

prevention programs since that's from where the most funding comes. She mentioned that currently there is review of a collaborative effort between the school and the community in order to launch some initiatives regarding tobacco prevention in rural Alaska. Hopefully, with that initiative the section will be able to utilize some of the other broader and comprehensive health education initiatives.

[9:53:44 AM](#)

REPRESENTATIVE GARDNER asked if the funds being used for these tobacco initiatives are from the tobacco settlement monies.

MS. GREEN replied yes.

REPRESENTATIVE GARDNER asked if the fact that the tobacco settlement monies have been used in these other programs has impacted the ability to move forward with programs.

MS. GREEN opined that there is a very good base at this point, although there's always a need for more. She noted that in the future she anticipates increased funding. She acknowledged the need to be judicious when spending money and thus the things on which the money is being spent should be evaluated as to whether they are having an impact. Ms. Green further opined that at this point the section is keeping up with what it can do and ensuring that it's good quality work. As an aside, she expressed that it would be great if there was the opportunity to use some of the funds in a broader sense for other chronic diseases.

REPRESENTATIVE CISSNA echoed comments regarding the fact that at the seat of many of these habitual choices is the use of alcohol. Therefore, it would be interesting to know the impact of drinking and smoking on prevention dollars.

[9:56:13 AM](#)

MS. GREEN, in response to Representative Gardner, clarified that there simply aren't enough funds to do broader approaches. She opined that it would be great to have enough funds to perform community-based programs in other areas [of chronic disease], such as with obesity prevention.

REPRESENTATIVE GARDNER asked whether the state's use of the tobacco settlement funds is adversely impacting the section's ability to do what the funds were designed to do.

MS. GREEN answered that currently the tobacco settlement funds are being used in a functional, judicial way. She further clarified that it would be nice to have the flexibility the tobacco settlement funds offer with other funding streams in order to do what is done with tobacco for other issues. Ms. Green then moved on to the health care environment and related that the section is just starting to review what can be done in the area of disease management. She explained, "Disease management is a system of coordinated health care interventions and communications for populations with conditions in which patient self-care efforts are significant." She highlighted that disease management supports the provider/patient relationship and plan of care; emphasizes prevention utilizing evidence-based practice guidelines and patient empowerment strategies; and evaluates clinical, humanistic, and economic outcomes. The aforementioned merely means that disease management is a system that's designed to intervene at a patient level in order to help patients manage their disease. Disease management is being used not only to improve costs but also to improve the quality of the health care outcomes. She noted that within Health Care Services, there is an individual dedicated to reviewing how disease management will look in Alaska. In response to Chair Wilson, Ms. Green related that there are about 45 staff in the Section of Chronic Disease. In further response, Ms. Green confirmed that all the programs are scientifically based.

[10:00:45 AM](#)

MS. GREEN, in response to Representative Cissna, related that the cause of most health care expenditures is related to lifestyle choices and issues. However, the amount of money spent on prevention on the medical system is less than 1 percent while 90-some percent of money spent on the medical system is on after-treatment. She explained that the goal with disease management is to focus on the individual's quality of life because those at the disease management stage have moved past prevention. Ms. Green emphasized that she would like to see more effort made with regard to prevention, although she acknowledged that it is difficult to quantify what is not going to happen with regard to prevention.

[10:04:02 AM](#)

CHAIR WILSON recalled that earlier testimony related that chronic disease health care costs account for about 75 percent of health care in the U.S.

MS. GREEN said that she doesn't have an exact cost of chronic disease health care in Alaska, but estimated that it is fairly close to or a bit higher than the national cost.

CHAIR WILSON opined that the state has to look toward prevention because chronic disease health care costs are expensive and it's growing.

MS. GREEN concurred, offering her preference to put funds toward [prevention]. Ms. Green continued with her presentation and turned to the self-management component of disease management. She informed the committee that a nationally known professor who developed a model of chronic disease self-management was brought to the state to train the federally qualified health centers, other community health care centers, providers, and community members. The six-week self-management course teaches people how to eat correctly, manage stress, exercise, and ensure medications are taken. Ms. Green highlighted that much work remains, including working more with communities, providing communities with prevention information and tools to help them manage their own health care, and continue partnering with schools to promote healthy lifestyles among youth. In conclusion, Ms. Green said that if nothing is done and health care costs continue to rise "The youth of today may, on average, live less healthy and possibly even shorter lives than their parents." She questioned whether that's the legacy desired for the next generation.

[10:07:04 AM](#)

SENATOR DAVIS inquired as to the percentage of state funds that the section receives.

MS. GREEN answered that 5-10 percent of the section's total budget comes from general funds.

SENATOR DAVIS indicated that the legislature should look into [what funds it could provide] to this section.

REPRESENTATIVE CISSNA commented that often the people who give money are those who have already invested in the program. If the state doesn't invest more funds into the health of the state, it won't follow through and do what is really necessary.

Until health is viewed as more important in the state, the state won't invest in it. Representative Cissna then provided the committee with a copy of the last Health Caucus meeting, which reviewed how to decrease costs through prevention.

CHAIR WILSON mentioned that she had provided the committee with a copy of a Newsweek article entitled, "The Monster at Our Door."

[Following was a brief discussion regarding the committee's next meeting.]

**ADJOURNMENT**

10:21:10 AM

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 10:21 a.m.