

**CS FOR SENATE BILL NO. 300(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/17/08

Referred: Finance

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care  
2 information office; relating to health care planning and information; relating to a  
3 certificate of need study; and providing for an effective date."

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

5 \* **Section 1.** AS 18.05.010(b) is amended to read:

6 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -  
7 18.15.395, the department may

8 (1) flexibly use the broad range of powers set out in this title assigned  
9 to the department to protect and promote the public health;

10 (2) provide public health information programs or messages to the  
11 public that promote healthy behaviors or lifestyles or educate individuals about health  
12 issues;

13 (3) promote efforts among public and private sector partners to  
14 develop and finance programs or initiatives that identify and ameliorate health

1 problems;

2 (4) establish, finance, provide, or endorse performance management  
3 standards for the public health system;

4 (5) develop, adopt, and implement

5 **(A) a statewide health plan under AS 18.09 based on**  
6 **recommendations of the Alaska Health Care Commission established in**  
7 **AS 18.09.010; and**

8 **(B)** public health plans and formal policies through regulations  
9 adopted under AS 44.62 or collaborative recommendations that guide or  
10 support individual and community public health efforts;

11 (6) establish formal or informal relationships with public or private  
12 sector partners within the public health system;

13 (7) identify, assess, prevent, and ameliorate conditions of public health  
14 importance through surveillance; epidemiological tracking, program evaluation, and  
15 monitoring; testing and screening programs; treatment; administrative inspections; or  
16 other techniques;

17 (8) promote the availability and accessibility of quality health care  
18 services through health care facilities or providers;

19 (9) promote availability of and access to preventive and primary health  
20 care when not otherwise available through the private sector, including acute and  
21 episodic care, prenatal and postpartum care, child health, family planning, school  
22 health, chronic disease prevention, child and adult immunization, testing and screening  
23 services, dental health, nutrition, and health education and promotion services;

24 (10) systematically and regularly review the public health system and  
25 recommend modifications in its structure or other features to improve public health  
26 outcomes; and

27 (11) collaborate with public and private sector partners, including  
28 municipalities, Alaska Native organizations, health care providers, and health insurers,  
29 within the public health system to achieve the mission of public health.

30 \* **Sec. 2.** AS 18.05.010(b), as amended by sec. 1 of this Act, is amended to read:

31 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -

1 18.15.395, the department may

2 (1) flexibly use the broad range of powers set out in this title assigned  
3 to the department to protect and promote the public health;

4 (2) provide public health information programs or messages to the  
5 public that promote healthy behaviors or lifestyles or educate individuals about health  
6 issues;

7 (3) promote efforts among public and private sector partners to  
8 develop and finance programs or initiatives that identify and ameliorate health  
9 problems;

10 (4) establish, finance, provide, or endorse performance management  
11 standards for the public health system;

12 (5) develop, adopt, and implement

13 (A) a statewide health plan under AS 18.09 [BASED ON  
14 RECOMMENDATIONS OF THE ALASKA HEALTH CARE  
15 COMMISSION ESTABLISHED IN AS 18.09.010]; and

16 (B) public health plans and formal policies through regulations  
17 adopted under AS 44.62 or collaborative recommendations that guide or  
18 support individual and community public health efforts;

19 (6) establish formal or informal relationships with public or private  
20 sector partners within the public health system;

21 (7) identify, assess, prevent, and ameliorate conditions of public health  
22 importance through surveillance; epidemiological tracking, program evaluation, and  
23 monitoring; testing and screening programs; treatment; administrative inspections; or  
24 other techniques;

25 (8) promote the availability and accessibility of quality health care  
26 services through health care facilities or providers;

27 (9) promote availability of and access to preventive and primary health  
28 care when not otherwise available through the private sector, including acute and  
29 episodic care, prenatal and postpartum care, child health, family planning, school  
30 health, chronic disease prevention, child and adult immunization, testing and screening  
31 services, dental health, nutrition, and health education and promotion services;

1 (10) systematically and regularly review the public health system and  
 2 recommend modifications in its structure or other features to improve public health  
 3 outcomes; and

4 (11) collaborate with public and private sector partners, including  
 5 municipalities, Alaska Native organizations, health care providers, and health insurers,  
 6 within the public health system to achieve the mission of public health.

7 \* **Sec. 3.** AS 18 is amended by adding a new chapter to read:

8 **Chapter 09. Statewide Health Care Planning and Information.**

9 **Article 1. Alaska Health Care Commission; State Health Plan.**

10 **Sec. 18.09.010. Alaska Health Care Commission.** The Alaska Health Care  
 11 Commission is established in the Department of Health and Social Services. The  
 12 purposes of the commission are

13 (1) to provide recommendations for and foster the development of a  
 14 statewide plan to address the quality, accessibility, and availability of health care for  
 15 all citizens of the state;

16 (2) to review and approve the department's plan for a reporting data  
 17 system, including the type of reporting entity or person, and the timing of reporting;  
 18 and

19 (3) to review and approve facility health care information for  
 20 placement on the department's Internet database established under AS 18.09.110.

21 **Sec. 18.09.020. Composition; chair.** (a) The commission consists of 15  
 22 members, as follows:

23 (1) the state officer assigned the duties of medical director for the  
 24 department;

25 (2) one member representing the governor and appointed by the  
 26 governor;

27 (3) one member who is a member of the Alaska Commission on  
 28 Aging;

29 (4) three public members, in addition to members appointed under (5),  
 30 (8), and (9) of this subsection, appointed by the governor; one of the members  
 31 appointed under this paragraph must be a small business owner in the state;

1 (5) three public members who are health care providers, appointed by  
 2 the governor, as follows: one representing hospitals, one representing physicians, and  
 3 one representing mental health;

4 (6) two members from the house of representatives appointed by the  
 5 speaker of the house of representatives;

6 (7) two members from the senate appointed by the president of the  
 7 senate;

8 (8) one public member representing the Alaska tribal health care  
 9 system appointed by the governor; and

10 (9) one public member representing health care insurers appointed by  
 11 the governor.

12 (b) The medical director appointed under (a)(1) of this section shall serve as  
 13 chair of the commission.

14 **Sec. 18.09.030. Term of office.** (a) Public members of the commission  
 15 appointed under AS 18.09.020(a)(4), (5), (8), and (9) serve for staggered terms of five  
 16 years.

17 (b) If a vacancy occurs in a public member's seat on the commission, the  
 18 governor shall make an appointment for the unexpired portion of that member's term.

19 (c) The governor may remove a public member of the commission from office  
 20 only for cause.

21 **Sec. 18.09.040. Executive director.** The commission shall employ an  
 22 executive director with appropriate health care policy experience who may not be a  
 23 member of the commission. The executive director serves at the pleasure of the  
 24 commission. The commission shall establish the duties of the executive director. The  
 25 executive director is in the partially exempt service under AS 39.25 (State Personnel  
 26 Act).

27 **Sec. 18.09.050. Staff.** The department may assign employees of the  
 28 department to serve as staff to the commission. The commission shall prescribe the  
 29 duties of the commission staff.

30 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its  
 31 membership and consistent with state law, shall adopt and amend bylaws governing

1 proceedings and other activities, including provisions concerning a quorum to transact  
 2 commission business and other aspects of procedure; frequency and location of  
 3 meetings; and establishment, functions, and membership of committees.

4 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as  
 5 the state health planning and coordinating body. Consistent with state and federal law,  
 6 the commission shall provide recommendations for and foster the development of a  
 7 statewide health plan containing the following:

8 (1) a comprehensive statewide health care policy;

9 (2) a strategy for

10 (A) encouraging personal responsibility in prevention and  
 11 healthy living for all residents of the state;

12 (B) reducing the rate of growth in health care costs for all  
 13 residents of the state;

14 (C) improving access in communities to safe water and  
 15 wastewater systems;

16 (D) developing a sustainable health care workforce in the state;

17 (E) improving access to quality health care for all residents of  
 18 the state and increasing the number of residents of the state who are covered by  
 19 insurance for health care services.

20 (b) The commission shall review and approve health care information for  
 21 placement on the department's database developed under AS 18.09.110 and establish a  
 22 schedule for implementation of the database and reporting requirements under  
 23 AS 18.09.120.

24 (c) The commission shall submit to the governor and the legislature by  
 25 January 15 of each year an annual report regarding the commission's  
 26 recommendations and activities.

27 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member  
 28 appointed to the commission under AS 18.09.020(a)(4), (5), (8), or (9) is not entitled  
 29 to a salary, but is entitled to per diem, reimbursement for travel, and other expenses  
 30 authorized by law for boards and commissions under AS 39.20.180.

31 **Article 2. Alaska Health Care Information Office.**

1           **Sec. 18.09.100. Office.** The Alaska health care information office is  
 2 established in the department. The purpose of the office is to improve access by  
 3 residents of the state to consistently updated

4                   (1) information about health care services, price, and quality to aid  
 5 consumers in making health care decisions; and

6                   (2) information to encourage personal responsibility in prevention and  
 7 healthy living.

8           **Sec. 18.09.110. Dissemination of information.** (a) The department shall  
 9 establish and maintain an information database on the Internet of information about  
 10 health care facilities in the state to provide objective, unbiased, and factually based  
 11 information on health care services in the state. The department may require those  
 12 health care facilities to provide information in a standard form or format to the  
 13 department for placement in the database. Before information is placed on the  
 14 database, the department shall review the information with the health care facility for  
 15 accuracy.

16           (b) The database developed under (a) of this section must include the  
 17 following:

18                   (1) a list of preferred drugs approved by the department for  
 19 reimbursement by the department;

20                   (2) a complete list, organized by region and address, of

21                           (A) health care facilities located in the state;

22                           (B) licensed pharmacists and pharmacies located in the state;

23                           (C) emergency and urgent care facilities located in the state;

24                           (D) health insurance companies offering coverage in the state;

25                           (E) health care providers licensed in the state, including the  
 26 provider license number, type, and expiration date along with disciplinary  
 27 actions, if any;

28                           (F) long-term, in-home, and hospice care providers located in  
 29 the state;

30                           (G) public assistance offices of the department;

31                   (3) a list of the 100 most commonly prescribed medications in the state

1 and the source and price, updated monthly, of the medications;

2 (4) a list of the 100 most commonly conducted medical procedures in  
3 the state, organized by the cash and negotiated price of the procedure at available  
4 providers and insurers, updated annually; the list must include medical procedures  
5 covered by workers' compensation under AS 23.30;

6 (5) available hospital ratings, including the rates of hospital acquired  
7 infections and mortality occurring at each hospital located in the state;

8 (6) consumer education information on topics that include body mass  
9 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug addictions,  
10 that includes the location of available sites that provide care and treatment related to  
11 those issues;

12 (7) a list of procedures approved by state agencies for emergency  
13 response and treatment;

14 (8) disease management support information;

15 (9) insurance information that includes

16 (A) a navigator to determine insurance eligibility using a  
17 matrix of available insurers;

18 (B) links to Internet websites for purchasing insurance policies;

19 (C) an explanation of mandatory and optional insurance  
20 coverage;

21 (10) a list of primary care clinics that cater to uninsured and self-pay  
22 patients;

23 (11) a list of physicians who accept patients with Medicare coverage;  
24 and

25 (12) information on the quality of health care facilities, including any  
26 actions taken by state or federal agencies related to

27 (A) licensure and accreditation of a health care facility; or

28 (B) a licensed professional practicing in a health care facility.

29 (c) The department may contract with a private entity to provide services and  
30 information required under (a) of this section.

31 (d) The department shall develop and consistently update an Internet website

1 to provide residents of the state timely and accurate information regarding prevention  
2 and healthy living.

3 (e) The department shall post and make available information related to the  
4 commission, including the commission's annual reports under AS 18.09.070(c).

5 **Sec. 18.09.120. Mandatory reporting.** (a) Beginning July 1, 2009, a health  
6 care facility shall provide to the department, based on a schedule set by the  
7 department, the following information related to the facility's health care services for  
8 placement in the database developed under AS 18.09.110:

9 (1) information on costs to and bills payable by the consumer for  
10 health care services that include both facility and physician components of care;

11 (2) types and amounts of insurance and other payments accepted by  
12 the health care facility for health care services, including cash and negotiated prices;

13 (3) each location where the health care facility operates, and the hours  
14 of operation;

15 (4) the types and scope of health care services offered at the health  
16 care facility;

17 (5) the Internet address of any Internet website of the health care  
18 facility the purpose of which is to provide factual information to aid the consumer;

19 (6) any other readily accessible information that the department  
20 determines would help the consumer to make informed decisions about the health care  
21 facility's services.

22 (b) The department shall develop a standard form or format for reporting the  
23 information required in (a) of this section. The department shall adopt regulations  
24 specifying the timing and frequency of the reporting of the information required by (a)  
25 of this section.

26 (c) The department shall notify the health care facility of a failure to report  
27 under (a) of this section and give the health care facility an opportunity to contest or  
28 cure the failure. If the health care facility does not promptly cure the failure, the  
29 department shall post the notice of failure on the database developed under  
30 AS 18.09.110.

31 **Sec. 18.09.130. Coordination of departments.** The Department of

1 Administration, the Department of Commerce, Community, and Economic  
 2 Development, the Department of Labor and Workforce Development, and the  
 3 Department of Law shall

4 (1) provide to the department for placement on the database developed  
 5 under AS 18.09.110 information regarding an adverse action taken against a health  
 6 care facility in the state or against a licensed professional practicing in a health care  
 7 facility in the state; and

8 (2) cooperate with the commission in the performance of its duties.

9 **Article 3. General Provisions.**

10 **Sec. 18.09.900. Regulations.** The department may adopt regulations under  
 11 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

12 **Sec. 18.09.990. Definitions.** In this chapter,

13 (1) "commission" means the Alaska Health Care Commission  
 14 established in AS 18.09.010;

15 (2) "costs to the consumer" means actual price paid by the consumer  
 16 for health care services;

17 (3) "department" means the Department of Health and Social Services;

18 (4) "health care facility" means

19 (A) a facility licensed under AS 47.32;

20 (B) an independent diagnostic testing facility providing  
 21 services in the state;

22 (C) a provider of a home and community based waiver service  
 23 that is certified under regulations adopted by the department;

24 (D) a provider of personal care services that is certified under  
 25 regulations adopted by the department;

26 (E) a licensed pharmacy; and

27 (F) a physician's office.

28 \* **Sec. 4.** AS 39.25.120(c)(7) is amended to read:

29 (7) the principal executive officer of the following boards, councils, or  
 30 commissions:

31 (A) Alaska Public Broadcasting Commission;

- 1 (B) Professional Teaching Practices Commission;  
 2 (C) Parole Board;  
 3 (D) Board of Nursing;  
 4 (E) Real Estate Commission;  
 5 (F) Alaska Royalty Oil and Gas Development Advisory Board;  
 6 (G) Alaska State Council on the Arts;  
 7 (H) Alaska Police Standards Council;  
 8 (I) Alaska Commission on Aging;  
 9 (J) Alaska Mental Health Board;  
 10 (K) State Medical Board;  
 11 (L) Governor's Council on Disabilities and Special Education;  
 12 (M) Advisory Board on Alcoholism and Drug Abuse;  
 13 (N) Statewide Suicide Prevention Council;  
 14 (O) the State Board of Registration for Architect, Engineers,  
 15 and Land Surveyors;

16 **(P) Alaska Health Care Commission;**

17 \* **Sec. 5.** AS 18.09.010, 18.09.020, 18.09.030, 18.09.040, 18.09.050, 18.09.060, 18.09.070,  
 18 18.09.080, 18.09.110(e), 18.09.130(2), 18.09.990(1); and AS 39.25.120(c)(7)(P) are repealed  
 19 July 1, 2013.

20 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
 21 read:

22 TRANSITION: REGULATIONS. The Department of Health and Social Services may  
 23 proceed to adopt regulations necessary to implement the changes made by this Act. The  
 24 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the  
 25 effective date of the statutory change.

26 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
 27 read:

28 CERTIFICATE OF NEED STUDY. The Department of Health and Social Services  
 29 shall contract with an entity that has no financial interest in providing health care services to  
 30 conduct a comprehensive study of the effects of the certificate of need program in the state.  
 31 The department shall provide a copy of the study to the legislature.

- 1     \* **Sec. 8.** Section 2 of this Act takes effect July 1, 2013.
- 2     \* **Sec. 9.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).
- 3     \* **Sec. 10.** Except as provided in secs. 8 and 9 of this Act, this Act takes effect July 1, 2008.