

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

January 24, 2008

3:05 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Bob Roses, Vice Chair
Representative Anna Fairclough
Representative Wes Keller
Representative Paul Seaton
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Bettye Davis

COMMITTEE CALENDAR

HOUSE BILL NO. 234

"An Act relating to the education loan repayment program and establishing the education loan repayment fund."

- HEARD AND HELD

HOUSE BILL NO. 337

"An Act establishing the Alaska Health Care Commission and the Alaska health care information office; relating to health care planning and information; repealing the certificate of need program for certain health care facilities and relating to the repeal; annulling certain regulations required for implementation of the certificate of need program for certain health care facilities; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 234

SHORT TITLE: EDUCATION LOAN REPAYMENT PROGRAM

SPONSOR(s): REPRESENTATIVE(s) JOHNSON

04/13/07 (H) READ THE FIRST TIME - REFERRALS
04/13/07 (H) HES, FIN
05/01/07 (H) HES AT 3:00 PM CAPITOL 106
05/01/07 (H) Heard & Held
05/01/07 (H) MINUTE(HES)
01/24/08 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 337

SHORT TITLE: HEALTH CARE: PLAN/COMMISSION/FACILITIES

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/22/08 (H) READ THE FIRST TIME - REFERRALS
01/22/08 (H) HES, FIN
01/24/08 (H) HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

JEANNE OSTNES, Staff
to Representative Craig Johnson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented changes to HB 234, on behalf of Representative Craig Johnson, sponsor.

RICK CALCOTE, Mental Health Clinician
Division of Behavioral Health
Department of Health & Social Services (DHSS)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 234.

DIANE BARRANS, Executive Director
Postsecondary Education Commission
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 234.

TAMARA COOK, Director
Legislative Legal and Research Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 234.

KARLEEN JACKSON, Commissioner
Department of Health & Social Services

Juneau, Alaska

POSITION STATEMENT: Introduced HB 337.

JAY BUTLER, M. D.; Chief Medical Officer
Office of the Commissioner
Department of Health & Social Services
Anchorage, Alaska

POSITION STATEMENT: Participated in the introduction of HB 337.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:05:01 PM](#). Representatives Roses, Fairclough, Keller, Seaton, Cissna, and Wilson were present at the call to order. Representative Gardner arrived as the meeting was in progress.

[3:06:11 PM](#)

HB 234-EDUCATION LOAN REPAYMENT PROGRAM

[3:06:27 PM](#)

CHAIR WILSON announced that the first order of business would be HOUSE BILL NO. 234, "An Act relating to the education loan repayment program and establishing the education loan repayment fund."

[3:06:52 PM](#)

JEANNE OSTNES, Staff to Representative Craig Johnson, Alaska State Legislature, informed the committee that concerns about the bill have been reviewed by Tam Cook, Director, Legislative Legal and Research Services, Legislative Affairs Agency (LLA), and that she has allowed an amendment that pertains to the 32 hour work week.

CHAIR WILSON requested that Ms. Ostnes present an overview of the bill.

MS. OSTNES explained that the bill addresses two areas of concern for the state: work force needs and the high cost of education. She noted that the state is experiencing serious work force shortages and college students are graduating with high debt due to student loans. House Bill 234 provides a solution by the creation of a loan repayment program that will provide relief to college graduates and will fulfill the work

force shortage by attracting qualified people to jobs in Alaska. The bill offers qualified individuals the repayment, up to \$7,500 per year, of an outstanding student loan debt, not to exceed five years, or 50 percent of the total. Qualified individuals are people working in professions that have been identified by the Department of Labor & Workforce Development (DLWD) as careers with severe worker shortages. Ms. Ostnes further explained that the bill will entice students into high demand programs and attract already qualified people into professions with a critical workforce shortage to Alaska. In addition, there is the added benefit of reversing the "brain drain." The program is open to out-of state workers and will encourage them to relocate in Alaska.

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MS. OSTNES stated that the Department of Administration (DOA) issued Administration Order No. 237, that formed a work group to address recruitment and retention issues in the state. She recalled that Representative Fairclough requested the identification of the meaning of "full time" and presented an amendment that read:

Page 2, following line 31:

Insert a new subsection to read:

"(d) For purposes of (c) of this section, "full time" means working on a regular basis for a normal work period that averages at least 32 hours a week."

REPRESENTATIVE SEATON asked who determines which occupations suffer a severe shortage.

MS. OSTNES explained that those occupations are already defined in AS Sec. 14.43.415(b) (2).

[3:13:36 PM](#)

RICK CALCOTE, Mental Health Clinician, Division of Behavioral Health, Department of Health & Social Services (DHSS), encouraged the committee to support HB 234. He stated that the Division of Behavioral Health, Department of Health & Social Services (DHSS), believes the bill will be a great benefit to the behavioral health workforce in Alaska. He pointed out that there are severe shortages in the behavioral health workforce, in fact, behavioral health vacancies account for 29 percent of

all vacancies in state positions. Further, the cost of education and subsequent low salaries make the repayment of college loans difficult, especially for those living in rural areas.

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REPRESENTATIVE FAIRCLOUGH moved Amendment 1.

There being no objection, Amendment 1 passed.

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DIANE BARRANS, Executive Director, Postsecondary Education Commission, Department of Education and Early Development (EED), informed the committee that there are technical issues regarding the administration of the program created by HB 234. She explained that the Postsecondary Education Commission (commission) is concerned about using the term "grant." In financial aid terminology, the term grant usually means free aid delivered as a result of an individual's demonstrated financial need. However, in HB 234, the term is used as an award for service in a particular capacity. Ms. Barrans opined that this issue should be addressed to maintain conformity in statute and to prevent confusion by the public.

CHAIR WILSON asked for a specific change.

MS. BARRANS suggested making a change from "grant" to "benefit" on page 2, line 8, and additional conforming changes throughout the bill.

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CHAIR WILSON stated that Tam Cook recommended that there not be a change and asked Ms. Barrans to discuss it with her before the bill comes before the next committee.

MS. BARRANS opined that there is understanding, but not agreement, with Tam Cook. She offered that there must be a clear communication to the public that this is different than other grants.

CHAIR WILSON observed that, if [the recipient] does not fulfill their obligation they will have to...

MS. BARRANS said, "They receive no benefits."

REPRESENTATIVE FAIRCLOUGH offered the substitution of "grant benefit" for "a grant" or "a benefit" thereby allowing the language in the document to remain consistent.

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MS. BARRANS then pointed out that on page 2, line 23, there is a concern about the term "otherwise engaged."

CHAIR WILSON explained that, elsewhere in statute, "otherwise engaged" stands for self-employed people.

MS. OSTNES said that "otherwise engaged" also includes those working under a contract.

MS. BARRANS stated that the last issue is with respect to Sec. 14.43.438, on page 3, line 11. She explained that, administratively, the concept of making a predetermination about someone's future qualification for an award is concerning. A predetermination could be considered binding, and make the commission, or the fund, liable for some future action if a person does not receive an award due to changes in the program or the applicant's circumstances. In response to a question, she opined that attempts to avoid similar problems in regulation, or by contract, often lead to disputes. Ms. Barrans offered to work with the sponsors and the DLWD; however, she maintained her concern about the responsibility to predetermine an individual.

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MS. OSTNES informed the committee that Tam Cook indicated that this problem could be handled in regulation. Furthermore, by the time the program is available, the DLWD would have the jobs with shortages for the next 12 months identified, and thus the program administrator would be in a position to obligate the funds for distribution in 12 months.

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CHAIR WILSON observed that the award is not granted until the end of 12 months.

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REPRESENTATIVE SEATON gave an example of an applicant engaged in a six year course of study, who wants to know whether they will qualify and how to ensure eligibility.

CHAIR WILSON pointed out that the applicant needs to be employed full-time for one year in an occupation or profession with a severe shortage.

REPRESENTATIVE SEATON stated his confusion with the pre-eligibility determination section, Sec. 14.43.438. He noted that the section commits the commission to make a pre-eligibility assurance that an applicant will qualify for a grant, whether the funds have been appropriated or not.

REPRESENTATIVE FAIRCLOUGH inquired as to the sponsor's intent of pre-qualifying a person.

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MS. OSTNES explained that the intent is that the person is already a college graduate and contacts the commission to see if their occupation is applicable to the program. If so, the applicant would need to work in the state for one year, and then submit the request for payment of the student loan.

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REPRESENTATIVE FAIRCLOUGH moved Amendment 2, as follows:

Page 3, line 1;
Delete "Continuing"
Page 3, line 13;
Delete "the individual engaged in"

REPRESENTATIVE FAIRCLOUGH explained that the aforementioned changes would address qualifying the jobs instead of the individual.

REPRESENTATIVE ROSES objected for discussion purposes.

REPRESENTATIVE FAIRCLOUGH re-stated Amendment 2.

CHAIR WILSON suggested that "future eligibility" on page 3, line 15, be deleted.

REPRESENTATIVE FAIRCLOUGH explained that she did not delete that because if an applicant enters a five year education program, they want to know whether the loan program will continue.

REPRESENTATIVE ROSES opined that this is not a solution for Representative Seaton's concern. He suggested the removal of the pre-eligibility section and to focus on the bill's purpose to attract and retain qualified people to jobs in Alaska.

CHAIR WILSON offered an amendment to Amendment 2, as follows:

Page 3, line 14;
Delete "will become"
Insert "is."

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REPRESENTATIVE FAIRCLOUGH accepted the amendment to Amendment 2. She then stated that her purpose in keeping this section is to allow applicants to determine whether their jobs will remain eligible; this qualification is not found in the bill, otherwise.

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REPRESENTATIVE ROSES re-stated his choice to eliminate Section 14.43.438. He then suggested that the committee could add the requirement to post all qualified jobs on a web site.

REPRESENTATIVE SEATON observed that one part of the bill is meant to offer re-payment of a student loan to qualified workers who come to Alaska and work for one year. The other part is encouraging people to begin a course of study for a job in a pre-qualified field with a promise of re-payment. He stated his intention to vote against the amendment and pointed out that the bill defines that the DLWD will make determinations on the eligibility of jobs.

CHAIR WILSON agreed.

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REPRESENTATIVE GARDNER shared her concerns over the goal of the bill. She then opined that the real question has to do with changing behavior. She expressed hope that the students who graduate from the [University of Alaska] nursing program already fully intend to stay in the state, work in their home

communities, and thus, qualify for the program. She asked, "So, what have we done with this money?"

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CHAIR WILSON commented that, if workers go to areas with severe worker shortages, the program has changed their behavior.

REPRESENTATIVE GARDNER asked whether state money should go to a student whose home is in an area of severe shortage, and who is going to return there, anyway.

REPRESENTATIVE FAIRCLOUGH withdrew Amendment 2.

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CHAIR WILSON announced that HB 234 was held in committee.

[3:41:42 PM](#)

REPRESENTATIVE SEATON stressed that the bill does not identify specific areas in the state with shortages. If that is the intention, he encouraged further clarification by the DLWD.

REPRESENTATIVE FAIRCLOUGH re-stated, for the sponsor, that the committee, with other departments, is interested in the "grant benefit" versus "award" language on page 2, line 8.

[3:43:02 PM](#)

TAMARA COOK, Director, Legislative Legal and Research Services, Legislative Affairs Agency, informed the committee that "grant" is a word already used in the statutes that are being amended, and in similar programs that are administered by the commission. However, she stated that the committee can choose a different word.

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REPRESENTATIVE FAIRCLOUGH asked Ms. Barrans to explain her preference that "grant" not be used.

MS. BARRANS clarified that her concern is that the program is being nested into traditional student financial aid statute, however, it is a workforce recruitment program that the commission is being asked to administer. To use the term "grant", that is traditionally thought of as a needs-based

grant, is confusing to someone who does not understand the distinction.

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CHAIR WILSON re-stated Ms. Barran's objection.

MS. COOK stated that the distinction has no significance as a matter of law and either word may be used.

REPRESENTATIVE FAIRCLOUGH expressed the intent to establish for the legislative record that "grant" and "benefits" are interchangeable in this case. She also asked for confirmation that the definition of "otherwise engaged" is "self-employed" or "on contract."

MS. COOK said that she had no request on that issue. In response to a question, she said that she used "otherwise engaged" as preliminary tracking to whatever structure might exist.

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REPRESENTATIVE FAIRCLOUGH further asked Ms. Cook for her opinion on liability for the state created by Sec. 14.43.438, on page 3, line 11.

MS. COOK opined that pre-determination could trigger liability depending on what the commission chooses to tell applicants. The bill is drafted so that the commission is not required to establish this procedure. One public policy question is that if a pre-eligibility determination is made, one may have led applicants along a path of a moral promise that can not be fulfilled. Further, if the committee has concerns about these issues, she recommended deletion of this provision as the proposed amendments failed to serve a purpose.

REPRESENTATIVE FAIRCLOUGH asked whether the maker will concur with the deletion of the paragraph.

MS. OSTNES concurred, representing Representative Johnson.

REPRESENTATIVE FAIRCLOUGH moved [Conceptual Amendment 3] which would delete Section 14.43.438 on page 3.

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CHAIR WILSON announced that Conceptual Amendment 3 passed with no objection.

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REPRESENTATIVE ROSES observed that the last issue is down to the choice of the word grant or benefit, which the sponsor can do prior to the hearing before the House Finance Committee.

REPRESENTATIVE ROSES then moved to report HB 234 out of committee with individual recommendations and the accompanying fiscal notes.

CHAIR WILSON objected and pointed out that the question of whether areas of labor shortages should be defined still remains.

REPRESENTATIVE KELLER noted that the definition of severe shortage must also be addressed; a 15 percent shortage could be claimed using regional criteria.

REPRESENTATIVE ROSES expressed his concern about making this a regional issue. If regional shortages are established and applicants qualify for a job in Fairbanks, and then move to Anchorage, they may jeopardize their qualification. He stressed that the objective of the bill was to attract and retain employees in the state; adding regional definitions will make it difficult to implement, monitor, and qualify for the program.

CHAIR WILSON asked whether the level of workforce shortage, established by DLWD, is 15 percent.

MS. OSTNES responded that the level written in statute is 15 percent statewide. She gave the example of recruitment for an engineer that demonstrated a failure of 15 percent.

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MS. BARRANS stated that what has been incorporated in the needs-based grant statute illustrates the difference between trying to encourage people into a field of study, and trying to encourage them into the workforce. She explained that the needs-based grant program selected 15 percent as a minimum vacancy rate, but the commission has the discretion to update and publish a partial list of occupations. Ms. Barrans continued to explain that the definition is unique to the needs-based grant program

and she questioned whether it was appropriate to apply to this program.

REPRESENTATIVE CISSNA opined that a financial incentive is important to filling jobs. With a limited amount of funding, the commission needs to have the flexibility and freedom to decide how to fill the most crucial jobs.

CHAIR WILSON asked Ms. Ostnes and Ms. Barrans to work on two areas before the bill is before the next committee: the wording on page 1, line 8, regarding the severe shortage of labor; and the wording on page 2, line 8, regarding "grant", "benefit", or "award."

MS. BARRANS stated that, as the bill currently reads, an applicant that is employed in a job of severe workforce shortage, for at least one year, can submit an application and qualify for benefits. This is a simply a reward for people who are already in those jobs.

REPRESENTATIVE GARDNER said that that is her point exactly. The legislation gives applicants money without changing their behavior. She asked whether the Department of Education and Early Development has taken a position on the bill.

[4:02:07 PM](#)

MS. BARRANS said no.

REPRESENTATIVE ROSES withdrew his motion to report HB 234 from committee.

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REPRESENTATIVE SEATON gave an example of teachers being recruited, due to the teacher shortage in the Bush, but instead the teachers go to work in Anchorage and get \$7,500 to repay their loans. He questioned whether this situation would accomplish the purpose of the bill and asked for this possibility to be addressed by the sponsor.

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REPRESENTATIVE CISSNA asked whether an applicant qualifies "after the fact" and for information on job turn-over rates. She referred to an anticipated report on job turn-over rates.

MS. OSTNES said that the Department of Administration (DOA) is producing a report on the Alaska workforce that is due out in February.

REPRESENTATIVE CISSNA observed that the key thing is data so that the committee can make its determination based on fact.

REPRESENTATIVE GARDNER opined that merit scholarships can address shortages across the state as they encourage kids to obtain their schooling in Alaska, and then stay here to work. Regarding state employment, she said that she felt that increasing pay scales for state workers is more effective than paying people from out of state to come here to work.

CHAIR WILSON pointed out that some of the [workforce] areas can not be trained in Alaska.

REPRESENTATIVE ROSES recalled that there has been emergency certification legislation in the past that dealt with areas of critical need in the field of education. The determination of critical need in the field of education is reported by individual school boards to the EED. Therefore, if the DOL obtains its information from the EED, the source of the information on shortages is actually the local school boards.

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CHAIR WILSON closed testimony on HB 234.

[HB 234 was held over.]

HB 337-HEALTH CARE: PLAN/COMMISSION/FACILITIES

[4:09:09 PM](#)

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 337, "An Act establishing the Alaska Health Care Commission and the Alaska health care information office; relating to health care planning and information; repealing the certificate of need program for certain health care facilities and relating to the repeal; annulling certain regulations required for implementation of the certificate of need program for certain health care facilities; and providing for an effective date."

KARLEEN JACKSON, Commissioner, Department of Health & Social Services, informed the committee that the first section of HB

337 states the requirement that the Department of Health & Social Services (DHSS) will implement a statewide health plan and create the Alaska Health Care Commission. Section 2 establishes a ten-member health care commission with the purpose to develop a statewide plan to address the quality, accessibility, and availability of health care in the state. In addition, the commission will review and approve health care facility information for placement on an Internet database. Section 2 also specifies that the plan will contain strategies for encouraging personal responsibility, reducing health care costs, access to safe water and wastewater systems, the development of a sustainable health care workforce, access to quality health care, and an increase in the number of residents who are covered by insurance.

REPRESENTATIVE ROSES asked the commissioner to discuss the composition of the health care commission board. He noted the lack of care providers.

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COMMISSIONER JACKSON explained that commission members include representatives from different departments of the state, for example, the Department of Administration (DOA), that need to be involved in health care. There will also be a member appointed by the House and one by the Senate, and three citizen members to provide consumer representation. She observed that the committee can make changes to the membership of the commission.

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REPRESENTATIVE ROSES stated his concern that boards and commissions that are capable of making policy need to be represented by stakeholders. He gave the example of the Professional Teacher Practices Commission. Representative Roses opined that medical and care giver representatives will be needed to provide essential data.

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COMMISSIONER JACKSON agreed. However, she noted the difficulty of deciding who will be excluded from the provider seats.

REPRESENTATIVE ROSES opined that excluding everybody is not the best way.

REPRESENTATIVE GARDNER expressed her agreement with Representative Roses. She then asked Commissioner Jackson to explain the need to include a small business owner.

COMMISSIONER JACKSON stated that small business owners do not often have a voice in health care negotiations.

CHAIR WILSON stated her agreement; the possibility of mandatory employee insurance coverage for all businesses is an important issue for small business owners.

[4:17:18 PM](#)

REPRESENTATIVE GARDNER added that many health care providers are also small business owners.

REPRESENTATIVE KELLER expressed his belief that the representation of many different interest groups will create gridlock. He encouraged the formation of a small commission that will not get caught up in disputes.

CHAIR WILSON asked how many members were on the health council.

COMMISSIONER JACKSON answered that there were twelve voting members and two ex-officio members.

REPRESENTATIVE CISSNA acknowledged that the difficult problem of health care is a topic that has not been very accessible to legislators. She stated her concern that, with the high number of state representatives on the commission, there will not be enough voices from across the state, especially when developing policy for the state. In addition, legislators are only now beginning to get analysis of the most recent health care data available. Representative Cissna encouraged the study of that data in order to develop the proper kind of health care commission.

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COMMISSIONER JACKSON advised that there is a component for travel for the commission to allow for visitations all over state in order to hear from community stakeholders. She asked for clarification of Representative Cissna's other concern.

REPRESENTATIVE CISSNA explained that the analysis the legislators have received is incomplete. In fact, Alaska has behavioral health treatment studies that have not been reported

to the legislature. She noted that \$2 billion is being spent on health care and asked for details on what amount is being spent on aspects of behavioral and physical health care.

[4:24:19 PM](#)

COMMISSIONER JACKSON informed the committee that there are 70 reports posted on the health care council website.

REPRESENTATIVE CISSNA clarified that she was referring to all of the divisions within health care. She expressed her intention to develop a list of issues to address at the next hearing, including, what the commission needs to look at and from whom it should hear testimony. The previous health care plan, written in the 70s and 80s, should be reviewed in order to learn from the history of the state.

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COMMISSIONER JACKSON said that the second component in Section 2 establishes an Alaska health care information office that will provide, at a website, consistently updated health care facility information to consumers. She continued to explain that, to provide health care transparency, the state must provide consumers with information on the health care industry including: where to find services; what is the cost; what the other options are; and the possibility of outcomes for procedures. Florida has a website currently available to its residents.

[4:29:34 PM](#)

JAY BUTLER, M. D.; Chief Medical Officer, Office of the Commissioner, Department of Health & Social Services, described his search for a prescription on the Florida website that provided information on the price of the prescription at various pharmacies in the area. The prices ranged from \$11 to \$41. Websites in other states allow searches for insurance carrier coverage and descriptions of services available at health centers. Dr. Butler provided descriptions of the variety of information, including prevention, that can be posted.

[4:32:28 PM](#)

REPRESENTATIVE ROSES asked whether the prescription quotes compared brand names with generic equivalents.

DR. BUTLER responded that he was not sure; however, specific information like this can be designed into the website.

REPRESENTATIVE FAIRCLOUGH asked whether there are multiple definitions of medical codes. She also asked how a consumer could compare the costs for different types of fractures.

DR. BUTLER explained that the goal of the information website is to focus on the greatest majority of health care costs. It would be impossible to try to capture the costs of all procedures.

REPRESENTATIVE FAIRCLOUGH asked how expensive it will be for the state to develop a criteria process, to define the most common drugs and treatments, so that consumers can make an informed choice. To protect the physician, accuracy must also be maintained when quoting rates, and she asked how other states provide a continuous update of information.

DR. BUTLER stated that the most common procedures are determined by a review of claims data.

COMMISSIONER JACKSON reminded the committee that the fiscal note provides for employees to create the web based technical components of the website, and two health planners who will begin developing the website using best practices procedures. Alaska is at the beginning of the process and the health care commission will be providing many of the details.

REPRESENTATIVE FAIRCLOUGH asked how much Florida spent to establish its website. She noted that the "software world" can be very expensive.

REPRESENTATIVE GARDNER suggested that the state could buy the software from an existing site.

COMMISSIONER JACKSON said that the DHSS would provide answers to both of these questions at a later date. She continued to explain that a committee substitute (CS) would be introduced next week with more detailed information on this section.

REPRESENTATIVE ROSES expressed his support of reporting information on the Internet. However, he stated his concern about the potential harm of inaccurate reporting, absent a strict protocol for the provision of services. He gave an example of costs that only seemed comparable, and cautioned

about creating an opportunity for improper, unethical, or illegal behavior.

[4:40:08 PM](#)

COMMISSIONER JACKSON agreed and assured the committee that the site would be under the authority of the chief medical officer.

DR. BUTLER added that an aspect of the disclosure of reporting is that quality data, like cost data, can be difficult to determine. There are certain benchmarks; for example, one of the states reports in-hospital complication rates and mortality rates, along with costs.

REPRESENTATIVE FAIRCLOUGH recalled that the committee discussed self medication, over-dosing, and drug seeking. She asked whether the state can prevent abuse of the system.

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DR. BUTLER said that he was not sure how reporting price data would alter drug seeking behavior.

REPRESENTATIVE FAIRCLOUGH pointed out that medical providers have testified that advertising a pharmaceutical product encourages patients to advocate for its use.

CHAIR WILSON expressed her understanding that this bill will put on-line the cost of health care for an individual who wants to know how much a procedure will cost, and thus will help people help themselves.

[4:45:06 PM](#)

DR. BUTLER demonstrated how to use the Florida website, using an illustrative patient and medication.

REPRESENTATIVE FAIRCLOUGH asked whether there is recourse for a consumer if the information is not accurate.

DR. BUTLER said that he did not know and advised that a consumer should call the provider and confirm prices. He acknowledged that the accuracy of the information is critical.

REPRESENTATIVE ROSES related a personal anecdote and re-stated his caution about the state's website providing "advertising" for products.

4:50:25 PM

REPRESENTATIVE KELLER stressed the importance of the individual's responsibility in his or her health care, particularly in the price that is paid for drugs. He commended the DHSS for its work.

CHAIR WILSON asked whether the information website was a recommendation of the health care council.

REPRESENTATIVE GARDNER said yes.

COMMISSIONER JACKSON agreed and noted that the Florida website was endorsed by the Florida attorney general.

4:51:39 PM

DR. BUTLER continued to demonstrate the comparison of drug prices on the Florida website.

4:52:48 PM

COMMISSIONER JACKSON said that the proposed bill will require health care facilities, home and community based waiver services, and personal care attendants, to provide the DHSS with information related to their costs, types of insurance, location, and facilities.

DR. BUTLER added that web site data that is customized and interactive can make a difference in the prevention of disease. He related the success of a Kentucky wellness website that improved the health of state employees.

4:54:36 PM

COMMISSIONER JACKSON informed the committee that part 3 of the bill, with the exception of Section 5 that establishes administrative support for the health care commission, addresses the repeal of the Certificate of Need program. She recalled that the CON program was put in place to increase access to care and to keep the cost of facility care down; however, better tools to serve these purposes are now available. Commissioner Jackson noted that there are nine active lawsuits that the state must defend concerning denied CON applications. She referred to the CS that proposes to repeal the CON by a two year process.

REPRESENTATIVE ROSES reminded the committee that past testimony regarding the CON was heard last session and the parties were encouraged to work on a compromise. He expressed his understanding that the offered compromise has not been incorporated into the bill.

COMMISSIONER JACKSON expressed her appreciation of the work that was done by the negotiated rule-making task force. There were recommendations made, although the recommendations were not unanimous. Some of the recommendations suggested the addition of staff for enforcement and data collection. She encouraged the committee to read the report that was issued by the task force.

[5:00:11 PM](#)

CHAIR WILSON pointed out that the report is very detailed and will be reviewed at a later hearing.

REPRESENTATIVE GARDNER asked how the health care commission and health information website is related to the repeal of the CON. If they are related, she suggested that the repeal should be delayed until after the commission and website are underway.

[5:02:09 PM](#)

COMMISSIONER JACKSON explained that part of the issue is that the work done so far, by the CON task force, would not remove current or future lawsuits. She opined that the health care commission and the website will begin to serve the purposes of the CON; furthermore, the current lawsuits would become moot under the proposed bill.

REPRESENTATIVE GARDNER expressed her doubt as to how listing costs and consumer information will affect the cost to hospitals of providing necessary services.

REPRESENTATIVE FAIRCLOUGH asked for the purpose of proposing three bills in one, as opposed to three separate components. She suggested that the committee could delete the controversial issue in order to move forward with other components. She further asked about the liability of an open market and deregulation.

REPRESENTATIVE CISSNA asked whether there has been a comprehensive market study done on the communities that may be affected by the legislation.

5:05:25 PM

COMMISSIONER JACKSON said that she was not aware of one.

[HB 337 was held over.]

5:06:10 PM

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 5:06:10 PM.