

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

February 26, 2008

3:07 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Representative Anna Fairclough

**COMMITTEE CALENDAR**

PRESENTATION: ALASKA NURSING ASSOCIATION

-HEARD

HOUSE BILL NO. 407

"An Act establishing the Alaska Health Reform Policy Commission in the Department of Health and Social Services; and providing for an effective date."

-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."

-SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 345

"An Act amending the certificate of need requirements to exclude expenditures for diagnostic imaging equipment in certain circumstances."

-SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 407

SHORT TITLE: HEALTH REFORM POLICY COMMISSION

SPONSOR(S): REPRESENTATIVE(S) HAWKER

02/19/08	(H)	READ THE FIRST TIME - REFERRALS
02/19/08	(H)	HES, FIN
02/26/08	(H)	HES AT 3:00 PM CAPITOL 106
02/26/08	(H)	Bills Previously Heard/Scheduled

**WITNESS REGISTER**

PATRICIA SENNER, Family Nurse Practitioner; Chair  
Legislative Committee  
Alaska Nurses Association (AaNA)  
Anchorage, Alaska

**POSITION STATEMENT:** Introduced representatives from various nursing organizations during the presentation by the Alaska Nurses Association.

DIANNE TARRANT, Family Nurse Practitioner; President  
Alaska Nurse Practitioner Association  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a presentation representing the Alaska Nurse Practitioner Association.

DEBBIE THOMPSON, Operating Room Nurse; President  
Alaska Nurses Association  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a presentation on the state of nursing in Alaska on behalf of the Alaska Nurses Association.

CHRIS VAN CLEVE, School Nurse; Alaska Representative  
National School Nurses Association and Alaska School Nurses Association  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a presentation on behalf of the Alaska School Nurses Association.

NANCY DAVIS, Registered Nurse; Public Health Nurse  
Department of Health and Social Services  
Juneau, Alaska

**POSITION STATEMENT:** Gave a presentation on behalf of public health nurses.

REPRESENTATIVE MIKE HAWKER  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 407, as the sponsor.

KARLEEN JACKSON, Commissioner  
Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 407.

ROD BETIT, President  
Alaska State Hospital and Nursing Home Association  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 407.

#### **ACTION NARRATIVE**

**CHAIR PEGGY WILSON** called the House Health, Education and Social Services Standing Committee meeting to order at [3:07:02 PM](#). Representatives Keller, Seaton, Cissna, Gardner, Roses, and Wilson were present at the call to order.

Presentation: The Alaska Nursing Association

[Contains discussion of SB 28.]

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CHAIR WILSON announced that the first order of business would be a presentation from the Alaska Nurses Association. She introduced Patricia Senner.

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PATRICIA SENNER, Family Nurse Practitioner; Chair, Legislative Committee, Alaska Nurses Association (AaNA), introduced members of the various nursing groups representing nursing in Alaska.

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DIANNE TARRANT, Family Nurse Practitioner; President, Alaska Nurse Practitioner Association, informed the committee that she has been an Alaska resident since 1973. Her experience began as a registered nurse in 1976 and she now teaches family nurse practitioners (NPs) in the graduate program at the University of Alaska (UA). She stated that nurse practitioners perform as

primary caregivers, which means that they can prescribe and diagnose common acute and chronic problems. Most nurse practitioners have master's degrees and the UA offers the only statewide program to graduate as a primary care provider in the state. The UA graduates approximately 10 nurse practitioners per year and 90 percent of those graduates stay in the state to practice. Mandated in 2015, there will be an entry level Doctorate in Nursing Practice available through the UA.

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CHAIR WILSON asked about the mandated program.

MS. TARRANT re-stated that the mandated program is a NP entry level program that has been directed by the American College of Nursing and Accrediting.

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REPRESENTATIVE CISSNA related her personal experience and noted that advanced NP's provide a mid-range of care. She opined that advanced degrees will raise the cost of care and asked whether there will be a lower, thus lower cost, level of NP care available.

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MS. TARRANT stated that the issue is yet to be resolved at the national level. The UA charges \$300 per unit and credit, which educates the graduate for \$25,000.

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CHAIR WILSON observed that, in Alaska, advanced NPs are used as providers in many areas. In the process of further education for nurse practitioners, the cost of health care in Alaska will increase.

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MS. TARRANT opined that the ultimate result is unknown. She listed the specialties for NPs and compared the quality of care with that of physicians. Ms. Tarrant listed studies that indicate that NPs provide a quality of care equal to that of family physicians at a lower cost. In a 2007 survey, it was found that there are 465 advanced NPs practicing in Alaska. She opined that NPs can be invisible, even though they provide

835,192 primary care visits per year. Furthermore, the average NP earns \$45 per hour, 7.6 percent of NPs are the sole health care provider in their community, and one in four practice in a medically underserved community. She then explained that 76 percent of NPs accept Medicare reimbursement, often without limits, and 86 percent will accept Medicaid reimbursement. Nurse Practitioners serve a disproportionate number of elderly, low income, and minority groups. Ms. Tarrant concluded that Alaskan NPs want to participate in the discussion of health care in the state and need the support of the legislature for the nurse practitioner program at the UA. She warned that the UA may lose the psychiatric nurse practitioner program due to the lack of faculty.

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REPRESENTATIVE ROSES asked for a comparison of populations served in urban, rather than rural, communities.

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CHAIR WILSON expressed her understanding of the nursing profession's desire for advanced education; however, further education will increase cost, but not the level of service.

MS. TARRANT stated that the goal of the master's program is to be close to a three-year degree.

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DEBBIE THOMPSON, Operating Room Nurse; President, Alaska Nurses Association, stated that SB 28 addresses the matter of mandatory overtime. She noted that the bill has been improved by changes and bans mandatory overtime, also known as mandatory call, and limits working hours for nurses to fourteen hours per day with a rest period of ten hours. Ms. Thompson turned to the subject of nursing demographics and related the following: most are aged 51 to 60 years and are close to retirement; 84.4 percent leave their profession due to retirement; and nursing specialties include midwives, anesthetists, clinical specialists, educators, administrators, public health nurses (PHN)s, NPs, office nurses, nurse managers and staff nurses. Ms. Thompson then informed the committee that the Alaska Nurse Alert System (ANAS) is a volunteer program to mobilize nurses during public health emergencies. Presently, there are over 300 nurses who have volunteered, and 40 percent are prepared to serve in remote areas.

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CHRIS VAN CLEVE, School Nurse; Alaska Representative, National School Nurses Association and Alaska School Nurses Association, stated that school nurses, principals, and parents are convinced that healthy kids learn better; in fact, care by school nurses reduces school absenteeism. The majority of school nurses serve children in Anchorage, the Mat-Su Borough, Kenai Peninsula, Fairbanks, and Juneau; there are very few school nurses in Bush communities. Ms. Van Cleve noted that the federal government recommends one registered nurse per every 750 regular education students, and a higher ratio for special education students.

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REPRESENTATIVE ROSES observed that school nurses are also counselors and serve in many other capacities. A lack of a nurse can mean that school secretaries administer medications.

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NANCY DAVIS, Registered Nurse; Public Health Nurse, Department of Health and Social Services, informed the committee that public health nursing is a combination of nursing art and science, and public health science. One hundred and fifty-two public health nurses (PHN)s connect with every community across the state and provide nursing service to every village with a school, and to any location where there is a communicable disease outbreak. Public health nurses focus on disease prevention and protection; health promotion and health education; community health assessment; community health development and problem solving of health issues; and timely intervention when emergencies occur. Ms. Davis stated that PHNs work for the state, local governments and tribal health organizations; in fact, one of their important functions is to link the public to needed government health services. She provided statewide statistics for public nursing services.

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REPRESENTATIVE CISSNA recalled that there were more PHNs in the past.

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MS. DAVIS said that the number of nurses stays about the same, although the general population has increased.

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REPRESENTATIVE ROSES shared his experience as a teacher on TB test day.

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MS. SENNER provided information about the University of Alaska Anchorage (UAA) School of Nursing. She pointed out that 9,000 Registered Nurse (RN) licenses have been issued in Alaska, but only 6,000 of those nurses live in Alaska. In fact, about one-third of the nursing workforce is traveling nurses. To address this shortage, a task force was convened in 2002, that made the following recommendations: double enrollments in, and graduations from, the nursing programs; extend those programs to rural and frontier communities; identify and implement strategies to retain nurses; and financially support the expansion. Although the UA wants to expand, and is supporting expansion financially, there are limits to the number of instructors and clinical sites available. At this time, the school of nursing has a two-year waiting list for acceptance into the program, and 600 waiting students who have completed their core courses.

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REPRESENTATIVE GARDNER advised that many newly graduated nurses are not getting jobs due to lack of experience or specialty training.

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MS. SENNER recalled that, about 20 years ago, hospitals eliminated many training programs for new graduates. Therefore, there is a shortage of nurses in that age group.

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REPRESENTATIVE GARDNER asked whether training programs have been reinstated.

MS. THOMPSON opined that most facilities now have internships and fellowships, depending on the specialty of the student. Providence Health finds that new graduates take four months to

two years to feel comfortable in their work. Furthermore, technology is not taught in nursing school and must be learned with experience.

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REPRESENTATIVE GARDNER asked whether feeling comfortable equated to competence.

MS. THOMPSON indicated yes.

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HB 407-HEALTH REFORM POLICY COMMISSION

[3:56:22 PM](#)

CHAIR WILSON announced that the final order of business would be HOUSE BILL NO. 407, "An Act establishing the Alaska Health Reform Policy Commission in the Department of Health and Social Services; and providing for an effective date."

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REPRESENTATIVE GARDNER moved to adopt HB 407, Version 25-LS1533\E, Mischel, 2/22/08, as the working document. There being no objection, Version E was before the committee.

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, introduced HB 407, as the sponsor. He informed the committee that this bill would establish an Alaska Health Reform Policy Commission. The bill has grown from concerns about the policies of the state health care system, particularly in the future. His concern for the future is that the broad issue of long term health care is one of the most significant issues facing the state and the nation today including; accessibility, affordability, and the quality of care. In Alaska, our small population would allow the state to set the standard to promote a policy that provides the greatest access to the best health care at the best cost. Representative Hawker acknowledged that the development of this policy will take changes. All of the stakeholders would need to re-engineer the issue and each one's role. His study of the issue led to the question of whether the state is ready to pursue this difficult and daunting task. He recognized that there was a common underlying theme and that legislators must bring divergent interests together, with adequate time to contemplate decisions and find agreement. The health care

system is the largest consumer service in the state and to reach consensus on a mega project requires that, from the beginning, all stakeholders and entities must be involved and competing objectives must be eliminated. Representative Hawker opined that HB 407 will bring the stakeholders together and eliminate competing objectives. He stopped his introduction of the bill to explain that Legislative Legal and Research has advised that to form a commission with duration of over three years a bill, rather than a resolution, should be written. He then explained that HB 407 would bring all of the parties together, under a government sanctioned process and on the public record, and would earn support at the executive, legislative, and public level along the way. Representative Hawker stated that the mechanism of this approach is a commission modeled on a representative type of government, with executive, legislative, and judicial branches, and that would be chaired by the commissioner of the DHSS to establish the executive branch as the leader of the commission. In addition, the legislative branch will be ten members, selected from the public for their life experience who have demonstrated leadership and accomplishment in specialized enterprises, and who possess the unquestionable ability to directly influence policy direction in their field. The judiciary component would be the ex-officio non voting participation by legislators, who would evaluate the process, but retain the ability to ask questions.

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REPRESENTATIVE HAWKER continued to say that the structure of the commission would provide a professional and proper community. In addition to ex-officio non voting advisory legislative members there would be a member appointed by the governor and, perhaps, a liaison to the governor's office. This would ensure that the executive branch, represented by the DHSS commissioner, an ex-officio member, and a liaison, would sufficiently represent the governor's leadership. He stressed that the ten professional members of the public would be appointed by the joint concurrence of the speaker of the House and the president of the Senate. Furthermore, recognizing the serious and profound changes generated from this process, the bill calls for the authorization of a partially exempt, compensated executive director, sited in the DHSS, and who serves at the pleasure of the commission. He cautioned that a lack of direction is often a problem with commissions and pointed out that there would be a report to the legislature and the governor that is due annually by the fifteenth of December of each year. The first report must include a five-year strategic plan with prioritized,

targeted, and defined objectives as well as an evaluation of the strengths, weaknesses, and relative performance of health care services and conditions in Alaska. Representative Hawker closed by reading from Section 1, (b), of the bill, that read:

(b) The legislature intends to mandate under this Act, an evaluation of the state's health care needs, propose reforms, and improve health care in Alaska by establishing the Alaska Health Reform Policy Commission to include all public and private stakeholders for the purpose of developing a comprehensive policy that better meets the current and long-range healthcare needs in the state.

REPRESENTATIVE HAWKER then read from page 2, line 9, of the bill, that read:

The Alaska Health Reform Policy Commission is established in the Department of Health and Social Services. The purpose of the commission is to consider the entire spectrum of health care related issues in the state and formulate targeted and specific policy recommendations to be considered by the legislature and by the executive branch.

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CHAIR WILSON stated that this commission is to reform health policy in this state.

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REPRESENTATIVE HAWKER said yes and added that the commission will also reconsider and develop [policy]. He spoke of his experience as the chair of the Health and Social Services budget subcommittee and related that there is opposition to many of the state's health care policies. He assured the committee that this approach has been discussed with hospital representatives, advocacy representatives, and providers, and that it has an universal appeal to all.

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CHAIR WILSON asked for Representative Hawker's feelings about the possibility of a recommendation from the commission that would incur a high cost to the state.

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REPRESENTATIVE HAWKER responded that this commission will provide information as to what it will cost to run the state for the next ten years; the legislature then makes the choices about what the policies will be, as opposed to a one year budget request with no plan. If the state moves to a front loaded health care system, there will be fewer long term costs at the end of life. This policy is better for the humans involved and better for the government, although, government will always be the provider of last resort. He cited previous long range planning that resulted in more manageable costs.

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REPRESENTATIVE ROSES asked whether Representative Hawker had spoken with the governor's office, or the commissioner of DHSS, about the membership of the commission.

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REPRESENTATIVE HAWKER stated that, over the past two years, he has spoken with representatives of the governor's office and the DHSS. Although there are a number of ways to form the commission, he opined that legislative membership is a better idea than members who primarily come from the executive office.

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REPRESENTATIVE ROSES agreed and stated that his initial reaction is that the governor's bill creates a cabinet, rather than a health commission.

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REPRESENTATIVE KELLER recalled that Representative Hawker testified that the commission will eliminate competing objectives. He asked for an example.

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REPRESENTATIVE HAWKER pointed out that there is always tension between the inherent self-interests of insurers, health care providers, payers, consumers, the federal government, and tribal health care. Health policy reform must include debate on the divergent interests to move to a consensus of the best solution for the state.

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REPRESENTATIVE KELLER further asked which interests will be eliminated.

REPRESENTATIVE HAWKER answered that all of the parties would have a self-interest element that would be compromised in the process.

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CHAIR WILSON shared her experience on the governor's health care council.

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REPRESENTATIVE KELLER assumed, from testimony, that the legislative health policy committee is not working, and must be redesigned. He expressed his concern that, after this new health care commission is appointed by the leadership, there will not be a minority voice heard to bring out the entire dialog.

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REPRESENTATIVE HAWKER responded that this proposal is developed with the participation of five members of the House Health, Education and Social Services Standing Committee. The final decisions will be made by the legislative body; however, legislators do not have the time or the resources to take on the monumental task of examining the state's long term health care system. In addition, to Representative Roses, he recalled that the initial proposal of HB 407 was presented to the governor in February of 2007.

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CHAIR WILSON agreed that legislators do not have the time for this issue during the regular session.

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REPRESENTATIVE KELLER then asked about the five-year term for members of the commission. He noted that a political change could disrupt the leadership, and all of the members of the commission.

REPRESENTATIVE HAWKER expressed his faith in the public process. He stressed the importance of establishing a durable process that would withstand executive and legislative political change. The commission must have a longer, and stable, political horizon.

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REPRESENTATIVE KELLER expressed his further concern that a commission that is operating in the DHSS, and influenced by the executive branch, would give up legislative power.

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REPRESENTATIVE HAWKER assured the committee that there was nothing in the proposed legislation that would diminish the legislature's constitutional authority or responsibility. He expressed his belief that the structure of the commission, which involves the professional community and the executive and legislative branches of government, is essential to build consensus from the beginning. Having these three groups involved will eliminate competing objectives and build consensus to work out problems before proposals get to the political level.

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REPRESENTATIVE KELLER then asked whether the creation of a commission would add a barrier to constituents whose legislators are not serving on the commission.

REPRESENTATIVE HAWKER informed the committee that the reason to form the commission was to insulate the decision making process from the influence of one powerful legislator. Constituents and organizations will not be left out; there will always be public hearings, testimony, and public participation.

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REPRESENTATIVE ROSES pointed out that ex-officio legislative members retain oversight and a participatory role in the committee. He opined that this will be an enhanced, not diminished, position for legislators.

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REPRESENTATIVE KELLER expressed his worry that one group of people could eliminate objectives that should be discussed. He gave an example and stated that this would be a failure of the commission.

REPRESENTATIVE GARDNER recalled Representative Hawker's previous testimony on a different issue that supported a large legislative presence on a task force, or commission, in order to ensure its success. She asked for an explanation on why the committee should support lesser legislative representation on the health care commission.

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REPRESENTATIVE HAWKER stated that the difference is that this commission is charged with the task to re-assess the difficulties with health care statewide, and develop new policies in an arena that requires highly qualified persons to engineer the solution.

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CHAIR WILSON asked for the effect of a change of administration, and of the DHSS commissioner, on the commission.

REPRESENTATIVE HAWKER pointed out that the bill directs that the chair of the commission is the commissioner of the DHSS. As the commissioner is appointed by the governor, the will of the people would be reflected in the appointment and thereby, on the commission. In addition, the professional members of the commission remain unchanged, thus there would be minimal disruption of the process.

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REPRESENTATIVE SEATON opined that the proposed legislation seems like a mandate, with a focus on findings and intent, instead of the purpose of the commission, which is to make recommendations of policy changes to the legislature. He encouraged the committee to remember that the commission's recommendations would be amended and changed through the regular legislative process.

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REPRESENTATIVE CISSNA stated her appreciation of Representative Hawker's work on the bill. She opined that the proposal may not

be a mandate, but the purpose of making recommendations to the legislature, with the participation of the administration, the legislature, and most importantly, the public sector, is critical. She said that she liked the structure of the commission; however, she stated the importance of more participation by legislators, who can bring to the discussion their concerns as policy makers, and the concerns of their constituents statewide. Also, the selection process is acceptable, but she suggested the possibility of staggering the terms of the membership. Representative Cissna spoke of the enormity of the problem and her general support of the bill.

REPRESENTATIVE HAWKER concluded that the advisory legislative members on the commission, although non voting, are fully and completely participating members.

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KARLEEN JACKSON, Commissioner, Department of Health and Social Services (DHSS), concurred that there are many components in this bill that are in another bill that has been previously heard. She recommended that the bills should be compared to avoid duplications. She offered her belief that how the membership is structured will determine the success of the commission; if the commission is overbalanced towards industry, the legislature, or the administration, or, if politics become an issue, there will be very little success. Commissioner Jackson opined that there is agreement that Alaska must have some kind of health care board or commission because the health care industry is changing day by day. A successful commission is one that has a balance of input from the legislature, the administration, consumers, and providers from across the state. Her concern with HB 407 is that it proposes that the legislature serves on the commission and also appoints the public members, thus the administration would appoint two members and the legislature would have influence over the ten expert members, as well as its members on the commission. So her fear is that the public's perception would be that the recommendations of the commission will be skewed depending upon who is in political power within the legislature. Commissioner Jackson strongly suggested, therefore, balancing the commission by having the legislature and the governor choose the ten public members. Finally, she stated that she agrees with Representative Keller that another issue could be tension between the House Health, Education and Social Services Standing Committee, the Senate Health, Education and Social Services Standing Committee, the health care commission, and the administration.

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ROD BETIT, President, Alaska State Hospital and Nursing Home Association, characterized the bill as a pretty strong proposal, noting that he has sat on the commission for seven years and believes that Alaska needs to take control of the situation. One concern is how to obtain a balance of the membership. He supported the addition of legislators as commission members. He also suggested that the governor could appoint the public members with subsequent confirmation by the legislature. Mr. Betit summarized by saying that HB 407 is a great bill, but he pointed out that legislators bring good skills to the table and should be voting members. He opined that ex officio members are not really part of the process because they can not participate in the discussion. The balance is of particular importance, and so Mr. Betit expressed his hope that the result is a fair proposal that the governor, the legislature, and all other interested parties can support.

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CHAIR WILSON advised that the committee would combine components from the various bills into the governor's bill. In response to a question, she closed public testimony on HB 407. She said she was anticipating having a proposed committee substitute (CS) before the committee very soon, and was looking for amendments from members.

[Following was a brief discussion regarding how the committee would be proceeding with regard to forthcoming amendments.]

CHAIR WILSON said she wants to do what is right for Alaskans.

#### **ADJOURNMENT**

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 5:17 p.m.