

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

April 10, 2008

3:01 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

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 170(FIN)

"An Act requiring that health care insurers offer insurance coverage for well-baby exams."

- MOVED HCS CSSB 170(HES) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 170

SHORT TITLE: INSURANCE COVERAGE FOR WELL-BABY EXAMS

SPONSOR(S): SENATOR(S) MCGUIRE

05/03/07	(S)	READ THE FIRST TIME - REFERRALS
05/03/07	(S)	L&C, HES, FIN
05/09/07	(S)	L&C AT 1:30 PM BELTZ 211
05/09/07	(S)	--Meeting Postponed to Thursday, May 10--
05/10/07	(S)	L&C RPT CS 2DP 2AM SAME TITLE
05/10/07	(S)	DP: ELLIS, DAVIS
05/10/07	(S)	AM: BUNDE, STEVENS
05/10/07	(S)	L&C AT 1:30 PM BELTZ 211
05/10/07	(S)	-- Rescheduled from 05/09/07 --
02/11/08	(S)	HES AT 1:30 PM BUTROVICH 205
02/11/08	(S)	Moved CSSB 170(L&C) Out of Committee
02/11/08	(S)	MINUTE(HES)
02/13/08	(S)	HES RPT CS(L&C) 2DP 2AM

02/13/08 (S) DP: DAVIS, ELTON
02/13/08 (S) AM: THOMAS, DYSON
02/15/08 (S) HES LETTER OF INTENT RECEIVED
02/20/08 (S) FIN AT 9:00 AM SENATE FINANCE 532
02/20/08 (S) Heard & Held
02/20/08 (S) MINUTE(FIN)
03/04/08 (S) FIN RPT CS 5DP NEW TITLE
03/04/08 (S) DP: HOFFMAN, STEDMAN, ELTON, THOMAS,
OLSON
03/04/08 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/04/08 (S) Moved CSSB 170(FIN) Out of Committee
03/04/08 (S) MINUTE(FIN)
03/17/08 (S) RETURNED TO RLS COMMITTEE
04/09/08 (S) TRANSMITTED TO (H)
04/09/08 (S) VERSION: CSSB 170(FIN)
04/10/08 (H) HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

SENATOR LESIL MCGUIRE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 170, as prime sponsor.

PAT SHIER, Director
Division of Retirement & Benefits
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on SB 170.

DEBBIE GOLDEN, Nurse Consultant
Women, Children's and Family Health
Alaska Division of Public Health
Department of Health & Social Services
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 170.

LINDA HALL, Director
Division of Insurance
Department of Commerce, Community, & Economic Development
(DCCED)
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on SB 170.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:01:36 PM](#). Representatives Wilson, Cissna, Gardner, and Keller were present at the call to order. Representatives Fairclough, Roses, and Seaton arrived as the meeting was in progress.

SB 170-INSURANCE COVERAGE FOR WELL-BABY EXAMS

[3:02:40 PM](#)

CHAIR WILSON announced that the only order of business would be CS FOR SENATE BILL NO. 170(FIN), "An Act requiring that health care insurers offer insurance coverage for well-baby exams."

[3:03:12 PM](#)

SENATOR LESIL MCGUIRE, Alaska State Legislature, introduced SB 170, as prime sponsor. She informed the committee that the bill began as a mandatory coverage bill similar to those regarding colorectal cancer screening and diabetes. The Committee Substitute (CS) for SB 170 was a compromise position reached with small businesses, such that rather than mandatory coverage for everyone, insurance companies are required to offer coverage to everyone. The bill defines well-baby exams, for newborns to two year olds, to include vaccinations, medical assessments on health, nutrition and development, and consultations with parents. She referred to written information provided to the committee that explains the mechanism of a mandated offering of insurance coverage. Senator McGuire then pointed out that 70 percent of companies already offer well-baby coverage in order to promote preventative care for good business and good health. In fact, the administration decided to add well-baby care to its insurance coverage due to the following data published by the National Business Group on Health: Medicare enrolled children, who are up-to-date on their exams through two years of age, are 48 percent less likely to experience an avoidable hospitalization; children with incomplete care are 60 percent more likely to visit an emergency department than children who are up-to-date; routine childhood immunizations return \$4.30 in direct medical cost savings for each \$1.00 invested; infant vision screening savings for reduced disability treatment costs; and newborn hearing screening is deemed cost-effective and is a quality of life issue. Senator McGuire concluded that these are some of the reasons that this is a good health bill and a good business issue as well. She closed by noting that there is a committee substitute that amended the original bill to include

the term "health aide" in the definition of health care professional on page 1, line [12], of the bill.

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REPRESENTATIVE GARDNER agreed that this was an important bill, and referred to the State of Alaska Select Benefits Well-Baby Analysis Information that indicated a cost estimate of \$1.18 per month. She noted that Premera's estimate was higher and asked for a comparison of the estimates.

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SENATOR MCGUIRE deferred the question to the Department of Administration.

[3:12:38 PM](#)

REPRESENTATIVE ROSES moved HCS CSSB 170, Version 25-LS0868\V, Bailey, 4/10/08, as the working document. There being no objection, Version V was before the committee.

[3:12:49 PM](#)

PAT SHIER, Director, Division of Retirement & Benefits, Department of Administration, referred to the Buck Consultant's document and read:

... return on investment for coverage of fairly non-specific well-baby care, pre- and post-natal, is difficult to scientifically quantify.

MR. SHIER explained that the Department of Administration depended upon the information from Medicaid enrolled children that is compared to kids without coverage. He said that he was not concerned about the difference in the costs, but in the estimate of the cost to the state of between \$.25 and \$.50 per member per month, which is a significant return on investment.

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CHAIR WILSON related a personal experience to illustrate what can happen when there is a lack of continuing well-baby care after delivery.

[3:17:19 PM](#)

DEBBIE GOLDEN, Nurse Consultant, Women, Children's and Family Health, Division of Public Health, Department of Health & Social Services, stated her support for the bill and paraphrased from a prepared statement, which read as follows [original punctuation provided]:

The first twenty four months of a child's life consists of rapid changes physically, developmentally and socially. These months are considered some of the most critical in a child's life to assure later success in school and transition into adolescence.

One of the primary purposes of well-child visit is to identify children affected by a physical, mental, or developmental problem as early in life as possible. Approximately 16-18percent of children in the U.S. are diagnosed with disabilities that include speech-language impairments, mental retardation, learning disabilities and emotional/behavioral disturbances. Yet only 20 percent to 30 percent of children with disabilities are diagnosed and start treatment before beginning school (Campbell KP, 2007).

Children with disabilities who enter early intervention program prior to starting kindergarten are more likely to complete high school; enter and remain in the workforce; and avoid teen pregnancy, delinquency, and violent crimes. Research shows that for every dollar spent on early intervention services for children with disabilities, \$13.00 are saved (Campbell, KP, 2007)

The Council for Affordable Health Insurance reported in their "2007 Health Insurance Mandates in States" publication, 31 states mandate well child care as part of their insurance packages at an estimated cost of <1 percent of the total cost of the package. In Alaska, most major private employers such as Providence and Carrs-Safeway are self-insured and offer preventative health care not only to children through age 21 or older, but also for the adult employees and spouses.

The American Academy of Pediatrics and the American Academy of Family Practice physicians recommend a schedule of routine visits that coincide with expected developmental targets of children during not only the first twenty four months of life, but through toddler-

hood, childhood and teen years. These visits include a full head to toe physical assessment, as well as screening for visual problems such as neonatal cataracts or amblyopia, dental caries, hearing loss, inappropriate weight-indicating over feeding or underfeeding, signs of physical abuse, mental health and bonding status, and developmental milestones. Well child visits are designed to help parents learn how to care for their children and address common problems. Such guidance on topics ranging from injury prevention, discipline and handling behavioral problems and nutrition reduce parental stress, improve productivity and reduce lost work days due to child illness.

A search of the literature identified several studies citing the cost benefit to well child/preventative care. One study conducted in 2002 in the Archives of Pediatric and Adolescent Medicine demonstrated that among children with incomplete well child care visits in the first 6 months of life, there was an increased risk of having an emergency room visit for an upper respiratory tract infection, gastroenteritis, asthma and all causes (Hakim and Ronsaville), 2002). In another study published in 2002, 16 percent of children's emergency room visits were found to be for non-urgent issues (Chung and Schuster, 2004). In 2004, research published in the Journal of Pediatrics stated that children who received preventative care from a pediatric medical home were 73 percent less likely to utilize the ED if insured. Uninsured children were nearly 4 times more likely to use the ED than insured children (Johnson and Rimsza, 2004).

Unintentional injury is the leading cause of death for children ages 1-4 years. In 2000, unintentional injury caused nearly 41 percent of all deaths nationally among children 5-9 years with 56 percent of these injuries resulting from motor vehicle crashes. In Alaska, the unintentional injury mortality rate per 100,000 is more than 5.5 times the national rate. Injuries from motor vehicles, drowning and fire are significantly higher than national rates. Unintentional injury accounted for 14.2 percent of all infant mortality in Alaska compared with 3.4 percent for the United States as a whole. The economic impact of injuries is well documented with economic losses

including a decrease in productivity, the potential for long term disability, and the expense of treatment and rehabilitation (MCH Fact Sheets, 2005).

Unintentional injuries to children aged 0-19 years that occurred in 1996 imposed \$81 billion in lifetime resource and productivity costs. Children who experienced injuries in the year studied lost approximately 2.6 million quality adjusted years of life with an average economic loss of \$1,060 per person. In 2000, this amount was recalculated for children ages 0-14 with a lifetime costs of more than \$50 billion. In a study published in the Journal of Pediatrics, injury prevention counseling for 0-4 year olds during well child checks was found to achieve a savings of \$800 per child or \$80.00 per visit. The authors estimated that if all 19.2 million children ages 0-4 received the standardized injury prevention education, \$230 million dollars would be saved annually in medical spending and injury costs would decrease by \$3.4 billion. This means that for every dollar spend on standardized childhood injury prevention targeting 0-4 year olds, returns nearly \$13.00 (Miller and Gailbrath, 1995). Education with parents on prevention and safety regarding the 5 leading causes of injury includes falls, MVA's, other MV or cycle crashes, such as 3 and 4 wheelers, injuries associated with being struck by or against and object and cutting or piercing-these 5 account for nearly 80 percent of the lifetime resource and productivity costs.

The American Academy of Pediatrics recently published their recommendations that pediatric visits at age 18 months and 24 months to include universal screening specifically targeting autism spectrum disorders. Given the Center for Disease Control and Prevention estimations of 1 in 150 children who have an autism spectrum disorder, the need to identify children early and assist in connecting them with treatment services such as early intervention is an important step to improve long term outcomes.

Obesity is a major health issue facing our country. Studies indicate that young children less than the age of three with weights over the 90th percentile are at risk for long term problems if their weight can not be

controlled with an appropriate diet and exercise. The American Academies of Pediatrics and Family Medicine recommend discussing weight and growth patterns with parents and each visit with a focused discussion for children who are at the 90th percentile or above at a year to 18 months of age.

Parenting expectations and knowledge regarding developmental readiness and their correlation to abuse and neglect have been well noted in the literature. Health visits are an opportune time to observe parental behaviors, answer questions and provide anticipatory guidance to parents regarding appropriate expectations for children regarding issues such as feeding, toilet training, management of inappropriate behaviors and so on. These conversations are inclusive of parents and other care providers and are part of standard content in health supervision.

A focused and structured visit timed with developmental milestones in a child's life provides time for parents and their health care provider to discuss their child, air their concerns and be referred for problems identified early. If children are only seen episodically for acute care problems in urgent care settings (which might change due to the timing of the problem and family's work schedule), the child will not have the benefit of being seen when well, will generally not have a consistent provider looking at them and will not benefit from the relationship that can develop between the health care provider/medical home and the child's family.

Children can greatly benefit from a protective and preventative system-one that helps families anticipate upcoming needs, monitor problems as they arise and coordinate services. The Department of Health and Social Services supports the intent of this bill to promote health, detect problems early and refer to appropriate providers.

[3:23:18 PM](#)

REPRESENTATIVE CISSNA requested that copies of Ms. Golden's testimony be provided to committee members.

[3:24:03 PM](#)

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community, & Economic Development (DCCED), informed the committee that the Division of Insurance is not opposed to well-baby care. She stated her approval that the bill directs a mandatory offering as opposed to a mandate. In fact, 350,000 Alaskans are enrolled in private insurance plans and only 150,000 of those plans are regulated by the Division of Insurance. Therefore, not every plan is overseen by AS Title 21 and the policy decisions about coverages; a mandate or an offering for a benefit would apply to a limited group of Alaskans. Ms. Hall agreed with Mr. Shier that this was a good direction for the Select Benefits Plan to take toward providing this coverage.

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CHAIR WILSON closed public testimony.

[3:27:07 PM](#)

REPRESENTATIVE ROSES moved to report HCS CSSB 170, Version 25-LS0868\V, Bailey, 4/10/08, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 170(HES) was reported from the House Health, Education and Social Services Standing Committee.

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ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 3:27 p.m.