

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

February 19, 2007

1:34 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Thomas, Vice Chair
Senator Kim Elton
Senator Fred Dyson

MEMBERS ABSENT

Senator John Cowdery

COMMITTEE CALENDAR

Overview: Alaska's Community Health Care Centers

SENATE JOINT RESOLUTION NO. 1

Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

BILL POSTPONED TO 2/26/07

SENATE BILL NO. 4

"An Act extending the cash assistance benefit program for seniors under the senior care program and increasing the benefit amount; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 4

SHORT TITLE: SENIOR CARE PROGRAM

SPONSOR(S): SENATOR(S) OLSON

01/16/07	(S)	PREFILE RELEASED 1/5/07
01/16/07	(S)	READ THE FIRST TIME - REFERRALS
01/16/07	(S)	HES, FIN

WITNESS REGISTER

Shelley Hughes, Director of Government Affairs
Alaska Primary Care Association (APCA)

Anchorage, AK

POSITION STATEMENT: Participated in presentation

Andre Hine

Crossroad Community Health Center

Glennallen, AK

POSITION STATEMENT: Participated in presentation

Marilyn Kasmar, Executive Director

Alaska Primary Care Association

Anchorage, AK

POSITION STATEMENT: Participated in presentation

Sonia Hanforth-Comb, Executive Director

Iliuliuk Family and Health Services Clinic

Unalaska, AK

POSITION STATEMENT: Participated in presentation

Tom Hunt, Medical Director

Anchorage Neighborhood Health Center

Anchorage, AK

POSITION STATEMENT: Participated in presentation

Stan Steadman, Executive Director

Central Peninsula Health Center

Kenai, AK

POSITION STATEMENT: Participated in presentation

SENATOR OLSON

Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Sponsor of SB 4

Janet Clark, Assistant Commissioner

Department of Health & Social Services

POSITION STATEMENT: Testified on SB 4

Ellie Fitzjarrald, Acting Director

Division of Public Assistance

Department of Health & Social Services

Juneau, AK

POSITION STATEMENT: Testified on SB 4

ACTION NARRATIVE

CHAIR BETTYE DAVIS called the Senate Health, Education and Social Services Standing Committee meeting to order at [1:34:29](#)

[PM](#). Present at the call to order were Senators Elton, Dyson, Thomas, and Chair Davis.

PRESENTATION: ALASKA'S COMMUNITY HEALTH CARE CENTERS

[1:34:43 PM](#)

CHAIR DAVIS announced that the committee would be hearing a presentation on Alaska Community Health Centers.

SHELLY HUGHES, Government Affairs Director with Alaska Primary Care Association (APCA), said that the Alaskan Community Health Centers (CHC) are not-for-profit and utilize volunteer community boards, 51 percent of which are clinic users. They provide primary care in medically underserved communities but are open to all Alaskans, and payment is accepted on a sliding scale. Nationally, such centers have existed for 40 years and serve over 15 million Americans. The first clinic in Alaska was opened in 1974, and now there are 115 delivery sites statewide. She said that 80 percent of the centers' patients are low-income, and 40 percent are uninsured.

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SENATOR DYSON asked how native health service fits into the system.

MS. HUGHES replied that some centers are dually funded, receiving federal and tribal money. Tribal beneficiaries are billed to such tribal funds.

ANDRE HINE, Crossroad Community Health Center, said that tribal money does fund health aides in some communities but certain services must be provided by the CHC clinics.

SONIA HANFORTH-COMB, Executive Director of the Iliuliuk Family and Health Services Clinic, said that some clinics have contracts with Native associations and that tribal patients' fees are billed to the associations.

SENATOR DYSON asked if such patients pay on a sliding scale.

MS. HANFORTH-COMB said that they do.

MS. HUGHES introduced Marilyn Kasmar, Tom Hunt, Ms. Hine, Ms. Hanforth-Comb, and Stan Steadman. She said that insured and uninsured population numbers in Alaska have both grown in recent

years, and showed a pie chart explaining the clinic's patient insurance categories.

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SENATOR DYSON said that some people prefer to pay fees out-of-pocket rather than have health insurance.

MS. HUGHES said that everyone pays on a sliding scale, and sometimes even the full amount regardless of insurance. CHC patient numbers have increased by 65 percent in recent years.

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STAN STEADMAN, Executive Director of the Central Peninsula Health Center, said that dental health treatment in the Kenai CHC was established in 2003, and in 2006 the CHC had 8,000 patient encounters, 80 percent of which were with youth.

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MS. HUGHES showed photos from CHCs around Alaska, and said that patient focus is the theme in the clinics. Uncompensated care is one of the major costs to clinics, and federal dollars are so far insufficient.

She said that Alaska is one of only 14 states that does not invest in CHCs. Hawaii, for example, saw the same number of patients in 2005 and received \$19 million in state aid, while Alaska received none. The ACPA is requesting \$2.3 million for CHC funding, and wants the legislature to begin supporting it. A lack of CHC funding leads to an improper balance in the provision of health care. CHCs' operating costs are lower than comparable private providers through group purchasing, use of mid-level staff, technical assistance from other organizations, and health disparity collaboratives.

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MARILYN KASMAR, Executive Director for the Alaska Primary Care Association, said that preventative services offered through CHCs results in lower costs for later health problems.

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MR. HUNT said that the primary causes of hospitalization are pneumonia, diabetes, and heart disease complications. Early

treatment and preventative health care can dramatically cut costs and hospitalizations. CHCs also do middle-ground psychiatric care.

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MS. HINE said that her CHC lost its physician in 2005 and has been unable to recruit another; it cannot compete with other centers because of the lack of resources. She related a personal story of the difficulties of rural care.

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MS. HUGHES said that she had prepared a proposal for CHC funding and service improvement.

CHAIR DAVIS asked for Ms. Hine's previous doctor's salary.

MS. HINE replied that it was \$125,000.

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MS. HUGHES explained the points of the request by the ACPE: increased operation costs, additional replacement funds, a Medicaid cost reduction campaign, and an emergency room diversion plan which could help avoid some of the 32 million annual unnecessary ER visits.

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MS. HANFORTH-COMB said the previous business model for her Unalaska clinic was losing money every day until it became a CHC in 2002. The clinic is able to treat 100 patients yearly who would otherwise be going to a hospital at a much higher cost, including an air ambulance which costs \$28,000.

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MS. HUGHES explained that some communities have recently been denied federal funding because the federal government wants to see state involvement first. There is still a large medically underserved population in Alaska, and the award-winning Alaskan CHC system is a way to assuage rising health care costs; however, it needs support from the state to continue its success.

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SENATOR DYSON said he was surprised to see that Seward is considered as needing a CHC, when they have a hospital.

MS. HUGHES said that it would have to do with the population of the town, and that the hospital must not have the capacity or proper outreach.

MS. KASMAR explained that a goal of CHCs is to keep people out of hospitals.

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MR. HUNT said that an availability of providers doesn't mean that everyone have access to them. Discrimination, hours of operation, and language differences can all be barriers to obtaining health care from a private provider.

MS. HINE said that CHCs provide services to those even unable to pay and that hospitals only see 9 percent of uninsured patients, and private providers only 5 percent of such

[2:21:40 PM](#)

MS. HANFORTH-COMB said that CHCs have overcome the barriers facing larger medical institutions and so are reaching more of the population than ever.

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CHAIR DAVIS asked if the CHCs receive any municipal funding.

MS. KASMAR said that besides occasional grants, most funding is federal.

MR. STEADMAN said that CHCs have a positive rapport with hospitals but other state budgets are strapped financially so there is no direct state funding.

SENATOR THOMAS asked if certificates of need are an issue with existing facilities.

MS. HUGHES said that certificates are not an issue.

SENATOR THOMAS asked how the sliding scale is established.

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MR. HUNT said that rates are communal, and if a patients' income is 200 percent of the Federal Poverty Limit (FPL), they must pay full charges. At 100 percent of the FPL, the patient pays only \$10 for the service. There are 25, 50, and 75 percent levels as well. Income is established with pay-stubs, renters' forms, and income tax forms. Occasionally files are referred to collections agencies.

SENATOR ELTON asked if CHCs services are provided to prisoners.

MS. KASMAR said that in some parts of the country, CHCs will provide such services.

MR. HUNT said that some Alaskan CHCs do so as well.

SB 4-SENIOR CARE PROGRAM

[2:29:45 PM](#)

CHAIR DAVIS announced SB 4 to be up for consideration.

SENATOR OLSON, Sponsor of SB 4, said that it would eliminate the Senior Care Program's scheduled sunset date of June 2007, remove the underutilized prescription drug benefit, and increase the monthly financial assistance from \$120 to \$150. The program is currently needs-based, with applicants' income not exceeding 135 percent of the 2005 federal poverty guidelines. There are 7,000 eligible seniors in the state.

He said that the Department of Health and Social Services (DHSS) is in favor of the bill.

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JANET CLARK, Assistant Commissioner for the Department of Health & Social Services, said that the governor supports SB 4, and is developing new legislation regarding senior assistance.

ELLIE FITZJARRALD, Acting Director for the Division of Public Assistance for the Department of Health & Social Services, said that the fiscal note represents an overall net savings, because of the elimination of the prescription drug benefit and the assumption that many seniors will choose the Alaska Longevity Bonus (ALB) rather than the senior care benefit. The overall savings, even with the increase in the monthly payment proposed by the bill, will be \$3.9 million in the first year. 2208

seniors received the ALB when it was phased out, and would be likely to choose it over the senior bonus when it is reinstated.

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SENATOR DYSON asked if the administration would prefer for the bill to not be enacted until the governor's plan has been introduced.

MS. FITZJARRALD said that was correct.

SENATOR ELTON asked when the governor's bill would appear before the legislature.

MS. CLARK said that it was expected any day.

SENATOR ELTON asked if the governor's bill allowed the qualifying standard to be self-adjusting.

MS. CLARK said that she couldn't say.

CHAIR DAVIS asked if the governor would be willing to work with Senator Olson.

MS. CLARK said that she would.

SB 4 was held in committee.

CHAIR DAVIS, seeing no further business to come before the committee, adjourned the meeting at [2:39:38 PM](#).