

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

March 12, 2007

1:35 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

SENATE BILL NO. 62

"An Act establishing the Advisory Committee on Public Reporting of Health Care Associated Infections; relating to reporting and dissemination of data concerning health care associated infections; and providing for an effective date."

MOVED SB 62 OUT OF COMMITTEE

SENATE BILL NO. 76

"An Act establishing a higher education savings program for eligible children who were placed in out-of-home care by the state; and providing for confidentiality of identifying information of a beneficiary under the program."

MOVED CSSB 76(HES) OUT OF COMMITTEE

SENATE BILL NO. 27

"An Act relating to eligibility requirements for medical assistance for certain children, pregnant women, and persons in medical or intermediate care facilities; and providing for an effective date."

MOVED CSSB 27(HES) OUT OF COMMITTEE

SENATE BILL NO. 87

"An Act expanding medical assistance coverage for eligible children and pregnant women; relating to cost sharing for certain recipients of medical assistance; and providing for an effective date."

MOVED CSSB 87(HES) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 62

SHORT TITLE: TASK FORCE ON HEALTH CARE INFECTIONS

SPONSOR(s): SENATOR(s) STEVENS

01/19/07 (S) READ THE FIRST TIME - REFERRALS
01/19/07 (S) HES, FIN
03/05/07 (S) HES AT 1:30 PM BUTROVICH 205
03/05/07 (S) Heard & Held
03/05/07 (S) MINUTE(HES)
03/12/07 (S) HES AT 1:30 PM BUTROVICH 205

BILL: SB 76

SHORT TITLE: TUITION FOR CERTAIN CHILDREN

SPONSOR(s): SENATOR(s) ELLIS

02/07/07 (S) READ THE FIRST TIME - REFERRALS
02/07/07 (S) HES, FIN
03/05/07 (S) HES AT 1:30 PM BUTROVICH 205
03/05/07 (S) Heard & Held
03/05/07 (S) MINUTE(HES)
03/12/07 (S) HES AT 1:30 PM BUTROVICH 205

BILL: SB 27

SHORT TITLE: MEDICAL ASSISTANCE ELIGIBILITY

SPONSOR(s): SENATOR(s) DAVIS

01/16/07 (S) PREFILE RELEASED 1/5/07
01/16/07 (S) READ THE FIRST TIME - REFERRALS
01/16/07 (S) HES, FIN
03/12/07 (S) HES AT 1:30 PM BUTROVICH 205

BILL: SB 87

SHORT TITLE: MEDICAL ASSISTANCE ELIGIBILITY

SPONSOR(s): SENATOR(s) WIELECHOWSKI

02/19/07 (S) READ THE FIRST TIME - REFERRALS
02/19/07 (S) HES, FIN
03/12/07 (S) HES AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

Doug Letch, Aide
to Senator Gary Stevens
Alaska State Capitol
Juneau AK

POSITION STATEMENT: Presented SB 62 for the sponsor

Jay Butler, Director
Division of Public Health
Department of Health and Social Services (DHSS)
Juneau AK

POSITION STATEMENT: Available for questions on SB 62

Senator Johnny Ellis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 67

Tom Obermeyer, Staff
to Senator Davis
Alaska State Capitol
Juneau, AK

POSITION STATEMENT: Commented on SB 27 for the sponsor

Senator Bill Wielechowski
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 87

Karleen Jackson, Commissioner
Department of Health & Social Services
Juneau AK

POSITION STATEMENT: Testified on SB 27 and SB 87

Jerry Fuller, Medicaid Director
Department of Health & Social Services
Anchorage AK

POSITION STATEMENT: Testified on SB 27 and SB 87

Jon Sherwood
Office of Program Review
Department of Health & Social Services (DHSS)
Juneau AK

POSITION STATEMENT: Testified on SB 27 and SB 87

Dr. David Alexander, Chair
Medical Care Advisory Committee
Anchorage AK

POSITION STATEMENT: In support of SB 27 and SB 87

Theda Pittman, representing herself
Anchorage AK

POSITION STATEMENT: In support of SB 27 and SB 87

Regan Mattingly, State Affairs Coordinator
Alaska Primary Care Association
Anchorage AK

POSITION STATEMENT: In support of SB 27 and SB 87

TAMI ELLER
Grand Families Network Project
Volunteers of American
Anchorage AK

POSITION STATEMENT: In support of SB 27 and SB 87

Dr. George Brown, Pediatrician
Douglas AK

POSITION STATEMENT: In support of SB 27 and SB 87

Walter Majoris, Executive Director
Juneau Youth Services
Juneau AK

POSITION STATEMENT: In support of SB 27 and SB 87

Carol Lee, representing herself
Juneau AK

POSITION STATEMENT: In support of SB 27 and SB 87

Nancy Davis, Vice President
Alaska Nurses Association
Juneau AK

POSITION STATEMENT: In support of SB 27 and SB 87

Debbie Standefer, Operations Director
Central Peninsula Health Center
Kenai AK

POSITION STATEMENT: In support of SB 27 and SB 87

George Hieronymus, Volunteer State President
American Association of Retired Persons (AARP)
Anchorage AK

POSITION STATEMENT: In support of SB 27 and SB 87

Janice Tower
American Academy of Pediatrics
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

Patricia Senner

Alaska Nurses Association
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

Clover Simon, Chief Executive Officer
Planned Parenthood of Alaska
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

Karen Robinson
Alaska Women's Lobby
Juneau AK

POSITION STATEMENT: In support of SBs 27 and 87

Patricia O'Gorman, Program Coordinator
Anchorage School District
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

Chip Wagoner, Executive Director
Alaska Conference of Catholic Bishops
Juneau AK

POSITION STATEMENT: In support of SBs 27 and 87

Mariko Selle
Alaska Public Health Association
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

Amy Devereaux
Anchorage AK

POSITION STATEMENT: In support of SBs 27 and 87

ACTION NARRATIVE

CHAIR BETTYE DAVIS called the Senate Health, Education and Social Services Standing Committee meeting to order at [1:35:32 PM](#). Present at the call to order were Senators Thomas, Elton, Dyson, and Chair Davis.

SB 62-TASK FORCE ON HEALTH CARE INFECTIONS

[1:36:28 PM](#)

CHAIR BETTYE DAVIS announced SB 62 to be up for consideration.

DOUG LETCH, aide to Senator Stevens, sponsor of SB 62, introduced himself and said he would be presenting the bill to the committee for the second time.

JAY BUTLER, Director for the Division of Public Health, said that he was available to answer questions and summarize previous testimony. He explained that SB 62 will create a task force to consider public disclosure of health care-associated infections and reporting of the data in a way that's valuable for consumers. Particular challenges to Alaska include the size of the hospitals, and interpretable numbers won't necessarily be available for the majority of the institutions. Fourteen other states require public reporting of infection rates in hospitals and preventative measures taken.

He explained that the Center for Disease Control (CDC) does not take a position on infection reporting, but does provide guidelines for state governments that wish to do so. The task force created by SB 62 would outline the parameters for reporting as well as outcome measures.

[1:41:39 PM](#)

SENATOR DYSON asked about medical facilities that wouldn't be required to report under this legislation.

MR. BUTLER said that inpatient acute care facilities and outpatient surgical centers may not be included.

[1:42:48 PM](#)

PAT LUBY, Advocacy Director for the Alaska AARP, said that the organization is in support of SB 62 and that the bill won't necessarily stigmatize hospitals, which must be held accountable so that they can correct their errors. SB 62 is a good first step towards reducing medical infections.

[1:43:43 PM](#)

MR. LETCH said that the bill isn't about pointing fingers but rather protecting consumers and taking steps to decrease preventable fatalities. He then related a personal story about hospital infections.

[1:45:14 PM](#)

SENATOR DYSON made a motion to move SB 62 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

SB 76-TUITION FOR CERTAIN CHILDREN

CHAIR DAVIS announced SB 76 to be up for consideration.

[1:46:23 PM](#)

SENATOR ELLIS, sponsor of SB 76, said that the bill will allow the private sector to open education funding accounts for children in foster care. This structure is needed to show the community how to aid foster youth. He added that there is no known opposition to the bill, and mentioned that a committee substitute was before the committee that needed to be adopted.

[1:48:43 PM](#)

SENATOR ELTON moved to adopt the proposed committee substitute to SB 76, labeled 25-LS0443/C, Version C, as the working document of the committee. There being no objection, the motion carried.

SENATOR DYSON moved to pass CSSB 76(HES) from committee with individual recommendations and accompanying fiscal notes. There being no objection, it was so ordered.

SB 27-MEDICAL ASSISTANCE ELIGIBILITY
SB 87-MEDICAL ASSISTANCE ELIGIBILITY

CHAIR DAVIS announced SB 27 and SB 87 to be under consideration.

[1:50:23 PM](#)

TOM OBERMEYER, staff to Senator Davis, sponsor of SB 27, said that the bill updates eligibility requirements for medical assistance for certain children, pregnant women, and persons in medical care facilities. One third of American children get their health services through Medicaid or the State Children's Health Insurance Program (SCHIP), represented by Denali Kid Care (DKC) in Alaska. The cost of DKC in 2006 was \$25.9 million, \$18 million of which was paid by the federal government. Eligibility rates have been frozen at the 2003 federal poverty guideline, and SB 27 will increase the rate to 200 percent of the poverty guideline. It also requires that those who are able contribute to their health care costs. If SB 27 is not implemented, by

April 2007 the eligibility rate will decline to 154 percent of the poverty level and 1,000 children will be dropped from DKC.

He added that there are 18,000 uninsured children in Alaska; these children are far more likely to have health problems. 7,600 children were covered under DKC last year at a cost of \$1,700 per child annually, whereas private health insurance costs \$8,000 to \$17,000 for a family annually. SB 27 also will reverse legislation from 2003 that froze the Medicaid income eligibility and waiver standards; the bill will be implemented immediately if passed.

[1:56:31 PM](#)

SENATOR WIELECHOWSKI, sponsor of SB 87, said that the bill will make insurance available to all children in Alaska, while asking families who can afford it to contribute to their costs. Ensuring that all children have access to health services will reduce costs to the state in the long run; the bill is cheaper, smarter, and more moral than the status quo. The number of kids covered by private insurance has declined by 31 percent in the last decade; these children are at a higher risk for many illnesses and use emergency rooms more frequently. Providence and Alaska Regional hospitals provided \$89 million in uncompensated care on 2006; these costs result in higher charges for medical services and higher insurance premiums. These costs can be reduced by ensuring that all children have access to health insurance.

He explained that SB 87 raises the DKC eligibility limit to 200 percent of the federal poverty level; this change would put Alaska in line with other states, and 70 percent of the cost of the program would be covered by the federal government. The bill would provide for a sliding scale and co-pay; those with the greatest means would reimburse the state roughly 90 percent of the cost. With this act, Alaska will join other states such as Idaho and Illinois that are working to ensure that all children are insured.

He said that in 2006 the department paid under \$1,400 per child for DKC coverage; it could cost up to \$5.7 million to cover all kids who are eligible at up to 350 percent of the federal poverty level.

[2:01:07 PM](#)

SENATOR THOMAS said that he was trying to see the differences between SBs 27 and 87, and asked if there will be a change in the supplemental security income benefit.

SENATOR WIELECHOWSKI replied that there will not be.

[2:02:09 PM](#)

SENATOR DYSON said that the legislature will likely be in a deficit position for the next decade, and asked what services will have to be cut to provide future funding for this program.

SENATOR WIELECHOWSKI replied that other states seem to make do with their funding for similar programs, and no matter the fiscal situation Alaska needs to make this issue a priority.

[2:04:12 PM](#)

KARLEEN JACKSON, Commissioner for the Department of Health and Social Services (DHSS), said that the DKC eligibility threshold should not be frozen in statute.

SENATOR ELTON remarked that the savings of the bills will be unclear, and it appeared that not approving the program would be tantamount to a tax increase. He then asked about potential savings resulting from preventative care.

[2:06:34 PM](#)

MS. JACKSON replied that a dollar amount would be difficult to name but she agreed prevention will make a big difference in later costs.

[2:07:11 PM](#)

JERRY FULLER, Medicaid Director for the DHSS, said that an ounce of prevention is worth a pound of cure, and that while studies from other states on savings could perhaps be referenced, it would be better not to speculate.

SENATOR ELTON asked if future savings will exceed the costs incurred by the bills.

JOHN SHERWOOD, with the Office of Program Review for the DHSS, said that health care savings don't accrue to the state; the cost of treatment is borne across the population, through private insurance, state employee insurance, etc. It's well-

known that preventative measures save money, and in prenatal care, for example, every one dollar spent saves four dollars in later costs. As opposed to saving money now, the program will be reducing future cost increases.

SENATOR ELTON commented that he feels more comfortable with the program now.

CHAIR DAVIS asked if the DHSS had any comments regarding the fiscal note, and said that she thought the issue would be best addressed in the finance committee.

She added that she would be interested in seeing studies of other states' health care plans and savings.

[2:11:26 PM](#)

DR. DAVID ALEXANDER, Chair, Medical Care Advisory Committee, said that there's no question that the number of uninsured children has vastly increased; at routine visits children are screened for the most common issues and those without insurance are being missed. The state as a whole has created a fourfold increase in health care costs by cutting money from the DKC program, which also results in federal funding losses.

He opined that sliding scale insurance would be more effective than requiring families to purchase private insurance, like some states have done. Government programs can provide approximately 50 percent more health coverage than private companies due to low overhead costs. Supporting these bills will greatly decrease expenses for the whole state.

[2:14:46 PM](#)

THEDA PITTMAN, representing herself, said that she is in favor of increasing the eligibility threshold for DKC, a modest co-pay for those in the upper levels of eligibility, and a buy-in option for those not eligible. Medicare eligibility should also be expanded.

She urged the committee to adopt the more generous features of each bill.

[2:15:50 PM](#)

REGAN MATTINGLY, State Affairs Coordinator for the Alaska Primary Care Association (APCA), said that in 2005 the APCA's

sites provided primary health care to 23,258 children, 6,566 of whom were enrolled in DKC. The uninsured are more likely to be hospitalized for a treatable condition because of the lack of early intervention; the uninsured segment of the population is greatly underserved due to high non-insured health care costs. The expansion of the program will increase health care access for nearly 18,000 uninsured Alaskan children who need and deserve such care.

[2:18:46 PM](#)

TAMI ELLER, Grand Families Network Project, Volunteers of American, related a personal story about a six-year old boy who when his grandparents got him at three years old, he had four rotted teeth in his mouth, had received no immunizations and had significant behavioral difficulties. His grandparents were able to access Denali Kid Care and were able to get his four front teeth pulled out, to get his immunizations and to get him into mental health care. Without Denali Kid Care they would never have been able to do that and the boy would not be as happy and health as he is today.

Grandparents raising young children kids are often using their own Medicare insurance for their grandchildren rather than themselves. The bills before committee would allow everyone's health to be taken care of equally.

[2:21:25 PM](#)

DR. GEORGE BROWN, Private Pediatrician, said that Medicaid and SCHIP, what people know as Denali Kid Care, have been instrumental in providing health care for Alaskans, and referenced a report that showed a direct connection between infant mortality and poverty. He likened infant mortality rates to a canary in a coal mine, and cited statistics showing how the US health care system is inferior to other industrialized countries'. While these rates have gradually declined, they remain high among minorities and poor families who are less likely to have steady health care.

He said that despite these issues, Medicaid and SCHIP have been beneficial to a great number of children whose families would otherwise be afraid to seek high-cost uninsured care. SCHIP coverage needs to be increased to cover those at more than 200 percent of the federal poverty level.

He then referenced newspaper articles about the health care crisis, and said that increasing youth health care is the least expensive and longest lasting investment that can be made on behalf of children. Including early education and health care costs, every one dollar spent saves six dollars later on; there's no question that it's cost effective.

[2:30:19 PM](#)

WALTER MAJORIS, Executive Director of Juneau Youth Services (JYS), said that the relationship between DKC and youth mental health services is important; DKC is the main way that kids with mental, emotional, behavioral, and chemical dependency problems access behavioral health services in Alaska. As the eligibility threshold goes down, fewer kids receive these services, which need to be improved so that kids can remain closer to home during treatment.

He said that historically 75 percent of JYS's clients have used DKC, but in the last year the number has declined to 69 percent and will likely decline further. Additionally, the number of children on the wait-list has increased greatly and some children who do not qualify for basic services are being forced into extreme levels of service provision. The Alaskan program has the third-lowest threshold of eligibility in the country; it's critical that Alaska support these bills for insurance so that the state can invest early and prevent more serious later issues.

CAROL LEE, representing herself, explained how her family has benefited greatly from the DKC program.

NANCY DAVIS, Vice President of the Alaska Nurse's Association, said that the effort to bring health care coverage to a wider population is a return to the progress that the state was making in past years; the bills are steps in the right direction for Alaska. In 2003, when the enrollment reduced, there were 10,500 youth in kid care; now there are 7,500. Reducing coverage is counterintuitive because the state is falling behind in its commitment to its population. The state could potentially be a model for health care coverage, with its large budget and low population.

[2:39:21 PM](#)

DEBBIE STANDEFER, Operations Director for the Central Peninsula Health Center, listed the numbers of youth being served by the

center and explained that even discounted health care is a barrier to many people.

[2:40:38 PM](#)

GEORGE HIERONYMUS, Volunteer State President for the American Association of Retired Persons, related a personal story regarding DKC, and said that the 89,000 AARP members in Alaska are in strong support of the bills.

[2:42:29 PM](#)

JANICE TOWER, with the American Academy of Pediatrics (AAP), said that the 88 AAP-affiliated pediatricians across Alaska are in strong support of the increase of the DKC eligibility threshold. The emergency room is a terrible place to deliver primary care and children shouldn't be seen as costs but rather as people deserving of health care.

PATRICIA SENNER, with the Alaska Nurses Association, said that paying for health care must be a partnership between individuals, employers, and the government.

CLOVER SIMON, Chief Executive Officer for Planned Parenthood of Alaska, said that she supports the bills because living in poverty can have lasting affects on peoples' health; increasing the eligibility threshold will have long-lasting positive effects. She also applauded the inclusion of a sliding scale for care fees.

[2:46:18 PM](#)

KAREN ROBINSON, with the Alaska Women's Lobby, said that the two bills are the most important before the legislature this year; the 2003 reduction of the threshold was a major disappointment. She then related a personal story about the negative effects of a lack of insurance.

[2:49:43 PM](#)

PATRICIA O'GORMAN, program coordinator for the Anchorage School District, said that there's a significant need to expand the DKC program. Many families live paycheck to paycheck and agonize over decisions to seek health care because it's too expensive; this results in more long-term costs to the health care system.

[2:51:44 PM](#)

CHIP WAGONER, Executive Director for the Alaska Conference of Catholic Bishops, said that the organization supports both the bills; it opposed the changes in 2003 relating to eligibility in the DKC program; the purchasing power of the minimum wage has decreased for the people that can least afford it.

He added that the bill onerously cites Office of Management and Budget (OMB) poverty guidelines; the OMB doesn't establish poverty guidelines, but rather only approves the definition of poverty. The Federal Department of Health and Human Services is the entity that develops the poverty guidelines.

[2:56:38 PM](#)

MARIKO SELLE, with the Alaska Public Health Association, said that the organization supports expanding the DKC program, and that its target is to see all Alaskan children insured by 2010.

AMY DEVEREAUX said that her monthly salary doesn't fit under the current DKC threshold, and her work insurance is too expensive. She supports both bills, as well as a buy-in option for those who don't fit the requirements.

CHAIR DAVIS thanked the presenters and announced her intention to pass the bills to finance. She remarked that either bill may face issues in the next committee.

[2:59:55 PM](#)

SENATOR ELTON moved to adopt a conceptual amendment to SB 27 that changed the definition of "poverty level" as being established by OMB (Office of Management and Budget) and asked for unanimous consent. There being no objection, the motion carried.

SENATOR ELTON moved to adopt the same conceptual amendment to SB 87. There were no objections and it was so ordered.

[3:01:24 PM](#)

SENATOR ELTON moved to report CSSB 27 (HES) from committee with unanimous consent and attached fiscal note(s). Chair Davis asked for a roll call vote. Senators Elton, Thomas and Davis voted yea; and CSSB 27(HES) moved from committee.

SENATOR ELTON moved to report CSSB 87(HES) from committee with attached fiscal notes. Chair Davis asked for a roll call vote. Senators Thomas, Elton and Davis voted yea; and CSSB 87(HES) moved from committee.

There being no further business to come before the committee, Chair Davis adjourned the meeting at [3:02:26 PM](#).