

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON EDUCATION

February 21, 2007

8:04 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Charlie Huggins, Vice Chair
Senator Bettye Davis
Senator Donny Olson
Senator Gary Wilken

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Kevin Meyer

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 18(HES)

"An Act amending the functions and powers of the Alaska Commission on Postsecondary Education; and relating to the repayment provisions for medical education and postsecondary degree program participants."

MOVED SCS CSHB 18 (SED) OUT OF COMMITTEE

SENATE BILL NO. 73

"An Act amending the functions and powers of the Alaska Commission on Postsecondary Education; and relating to the repayment provisions for medical education and postsecondary degree program participants."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 18

SHORT TITLE: POSTSECONDARY MEDICAL & OTHER EDUC. PROG.

SPONSOR(S): REPRESENTATIVE(S) MEYER

01/16/07	(H)	PREFILE RELEASED 1/5/07
01/16/07	(H)	READ THE FIRST TIME - REFERRALS
01/16/07	(H)	HES, FIN
01/30/07	(H)	HES AT 3:00 PM CAPITOL 106

01/30/07 (H) Moved CSHB 18(HES) Out of Committee
01/30/07 (H) MINUTE(HES)
01/31/07 (H) HES RPT CS(HES) 4DP
01/31/07 (H) DP: SEATON, GARDNER, FAIRCLOUGH, WILSON
02/07/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/07/07 (H) Moved CSHB 18(HES) Out of Committee
02/07/07 (H) MINUTE(FIN)
02/08/07 (H) FIN RPT CS(HES) 9DP 1NR
02/08/07 (H) DP: HAWKER, KELLY, GARA, CRAWFORD,
NELSON, THOMAS, STOLTZE, MEYER,
CHENAULT
02/08/07 (H) NR: JOULE
02/14/07 (H) TRANSMITTED TO (S)
02/14/07 (H) VERSION: CSHB 18(HES)
02/19/07 (S) READ THE FIRST TIME - REFERRALS
02/19/07 (S) SED, HES, FIN
02/21/07 (S) SED AT 8:00 AM BUTROVICH 205

BILL: SB 73

SHORT TITLE: WWAMI MEDICAL SCHOOL

SPONSOR(s): SENATOR(s) ELLIS

02/02/07 (S) READ THE FIRST TIME - REFERRALS
02/02/07 (S) SED, HES, FIN
02/14/07 (S) SED AT 8:00 AM BUTROVICH 205
02/14/07 (S) Heard & Held
02/14/07 (S) MINUTE(SED)
02/21/07 (S) SED AT 8:00 AM BUTROVICH 205

WITNESS REGISTER

Mike Pawlowski, Aide to Representative Meyer
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Supported HB 18

Diane Barrans, Executive Director
Alaska Commission on Postsecondary Education
P.O. Box 110505
Juneau, AK 99811-0505

POSITION STATEMENT: Available for questions on HB 18

Pat Pitney, Director of Budget and Institutional Research
University of Alaska
Anchorage, AK

POSITION STATEMENT: Available for questions on HB 18

Mike Hogan, Executive Director
Alaska Physicians and Surgeons
Anchorage, AK

POSITION STATEMENT: Available for questions on HB 18

Jim Jordan, Executive Director
Alaska State Medical Association
Anchorage, AK

POSITION STATEMENT: Supported HB 18

Dennis Valenzeno, Director
WWAMI program
University of Alaska Anchorage
Anchorage, AK

POSITION STATEMENT: Supported HB 18

Suzanne Trick, Director
Regional Programs
University of Washington School of Medicine
Seattle, AK

POSITION STATEMENT: Available for questions on HB 18

Ray Bailey, professor
University of Alaska Anchorage
Anchorage, AK

POSITION STATEMENT: Available for questions on HB 18

Rod Betit, President
Alaska Hospital and Nursing Home Association
Anchorage, AK

POSITION STATEMENT: Available for questions on HB 18

Karleen Jackson, Commissioner
Department of Health &
Social Services
PO Box 110601
Juneau, AK 99801-0601

POSITION STATEMENT: Available for questions on HB 18

ACTION NARRATIVE

CHAIR GARY STEVENS called the Senate Special Committee on Education meeting to order at [8:04:24 AM](#). Present at the call to order were Senators Huggins, Olson, Wilken, Davis, and Chair Stevens.

HB 18-POSTSECONDARY MEDICAL & OTHER EDUC. PROG.

SB 73- WWAMI MEDICAL SCHOOL

CHAIR STEVENS announced HB 18 to be under consideration; its companion bill, SB 73, was also before the committee.

[8:05:05 AM](#)

REPRESENTATIVE MEYER, sponsor of HB 18, explained that it doubles the enrollment of the current Wyoming, Washington, Alaska, Montana, and Idaho medical school partnership with the University of Washington (WWAMI).

[8:05:22 AM](#)

CHAIR STEVENS remarked that doubling the WWAMI enrollment is the most expensive option for increasing Alaska's physician population, and asked why other ideas aren't being explored.

REPRESENTATIVE MEYER said that WWAMI is highly successful, and other options like recruiting programs will be the next step.

CHAIR STEVENS agreed that different approaches should be considered.

[8:07:18 AM](#)

SENATOR OLSON asked if there is a contingency plan if the price of oil drops.

REPRESENTATIVE MEYER said that he is aware that a change in state funds could happen, but that the shortage of physicians is already costly and it is a question of investing now or paying more later.

[8:08:29 AM](#)

SENATOR OLSON asked why the bill could not be folded into the University of Alaska budget.

REPRESENTATIVE MEYER said that he was not sure why that approach hadn't been considered.

SENATOR WILKEN said that keeping the WWAMI funding separate would be best to maintain control of the appropriations.

[8:09:45 AM](#)

CHAIR STEVENS asked Representative Meyer to talk about the differences between the companion bills, and why the House bill has a zero fiscal note.

REPRESENTATIVE MEYER replied that the House Finance Committee zeroed the fiscal note because the teaching staff won't need to be increased for only ten more students.

[8:11:12 AM](#)

SENATOR WILKEN asked which of two available fiscal notes the committee should be considering.

REPRESENTATIVE MEYER said that the 2007 fiscal note is accurate for the bill, and the second is the University of Alaska's note that was zeroed out by House Finance. He added that another reason for zeroing the fiscal note is so the WWAMI process can be revisited.

SENATOR WILKEN mentioned the committee's previous discussion on changing the date of interest accrual commencement in SB 73, and asked Representative Meyer if the same topic had been discussed in the House.

[8:13:54 AM](#)

REPRESENTATIVE MEYER asked for clarification on the committee's opinion of interest accrual.

SENATOR WILKEN explained that having interest accrue from the end of medical studies would be a better incentive for WWAMI students to return to the state.

REPRESENTATIVE MEYER said that his concern is that there is limited room for residency in Alaska, and some students may be forced to spend their residency elsewhere.

[8:16:34 AM](#)

MIKE PAWLOWSKI, aide to Representative Meyer, said that the House bill's important difference was that a student wouldn't be penalized, and have to make immediate repayments, if they could not find a residency program in the state.

SENATOR WILKEN said that he did not understand why existing law would be changed to give a break to students not coming back to

Alaska. He said he had a conceptual amendment available, but proposed hearing from Diane Barrans first.

[8:18:43 AM](#)

SENATOR OLSON said that he agreed with interest accrual beginning at residency, and that he didn't understand how Mr. Pawlowski's comments related to the issue.

MR. PAWLOWSKI said that the House's discussions were centered on the incentives of the WWAMI program, and he simply wanted to point out other changes in the bill.

SENATOR OLSON said that the most important incentive for students to return to Alaska would be the earlier interest accrual.

REPRESENTATIVE MEYER said that he had no objection to a conceptual amendment.

[8:22:41 AM](#)

SENATOR OLSON asked why interest should start accruing at the beginning of residency rather than the end of medical school, because sometimes students have no intention of starting residency right away.

DIANE BARRANS, Executive Director for the Alaska Commission on Postsecondary Education (ACPE), said that the bill will have interest accruing at the end of medical school studies. The proposed change came from the UA system.

She added that the need for the expanded program is universally recognized and supported.

CHAIR STEVENS asked her for her comments on the zeroed fiscal note.

MS. BARRANS said that she had none.

[8:25:43 AM](#)

PAT PITNEY, Director of Budget and Institutional Research for the UA, said that the rationale for zeroing the fiscal note was that it would be discussed in the context of the UA budget. Barring any gubernatorial amendments, the current legislation is \$2.5 million below fixed costs and new additional program

funding; the zeroed fiscal note is simply helping the bill move forward.

SENATOR OLSON said that he wanted to find an alternative way to implement the funding without attaching it to a bill.

MS. PITNEY said that the UA can accommodate any mechanism. The current WWAMI program is funded as part of the whole budget, which is planning for the expanded WWAMI class in the fall of 2007.

CHAIR STEVENS asked of Ms. Pitney could explain what the SB 73 fiscal note represents.

MS. PITNEY said that the note represents the costs of two additional faculty, additional staff time, and non-personnel costs. Instruction varies in each state, and must be coordinated so that all students enter the University of Washington with the same background.

[8:32:02 AM](#)

SENATOR DAVIS said that she did not object to the amendment, but thought it would be more appropriately addressed in the finance committee.

[There was general agreement to accept the conceptual amendment]

[8:33:17 AM](#)

MIKE HOGAN, Executive Director of Alaska Physicians and Surgeons, said that the bill is very timely, and the state needs to do everything it can to produce new doctors and attract others to Alaska.

CHAIR STEVENS asked if he could recommend any other solutions to the lack of physicians.

MR. HOGAN said that he is a part of Alaskans for Access to Healthcare, a coalition of hospitals and associations that's goal is to improve the physician shortage in Alaska.

[8:34:58 AM](#)

SENATOR OLSON asked how many people registered with Alaska Physicians and Surgeons were WWAMI students.

MR. HOGAN said he didn't know, but graduates think very fondly of the program.

[8:35:23 AM](#)

JIM JORDAN, Executive Director of the Alaska State Medical Association, said that he supports HB 18, and participated in the task force that presented the report on the physician shortage. Further measures are needed to actively pursue and retain physicians.

CHAIR STEVENS said that he hopes the task force can continue.

MR. JORDAN said that he agrees, and the task force made a list of issues including the need for identifying specialties that are the most in demand.

[8:37:48 AM](#)

CHAIR STEVENS asked if the additional 10 students in the WWAMI programs will help to solve to shortage problem.

MR. JORDAN replied that the program has been a marked success over the years, and will continue to improve the state's situation as part of the solution to the shortage.

CHAIR STEVENS asked Mr. Jordan to comment on the governor's new health care council.

MR. JORDAN said that he was unfamiliar with the council.

SENATOR HUGGINS asked Mr. Jordan to comment on the possibility of creating a medical school in Alaska.

MR. JORDAN said that a full consideration of the possibility was outside the scope of the task force, but it was agreed that the idea should be considered.

[8:42:08 AM](#)

SENATOR HUGGINS asked if the concept is too much for consideration right now.

MR. JORDAN said that he thinks a medical school could not be completed in the short term and will require more concerted study.

SENATOR OLSON asked what kind of physicians is needed most immediately in Alaska.

MR. JORDAN replied that the most acute shortage is in the area of primary care. Anchorage currently has 18 general internal medicine physicians, compared with twice that number three years ago.

[8:43:43 AM](#)

DENNIS VALENZENO, Director of the WWAMI program at the University of Alaska Anchorage, said that the WWAMI program functions as Alaska's own medical school and the enrollment increase is much needed. He cautioned that interest accrual often leads doctors to choose more lucrative practices rather than family or general practice.

SENATOR HUGGINS asked what functions the two additional faculty members will fulfill.

MR. VALENZENO said that the members will aid in intensive, one-on-one courses such as Introduction to Clinical Medicine; they will also expand the knowledge base of the faculty, because it's difficult for any one faculty member to maintain expertise in more than one field.

[8:48:33 AM](#)

SENATOR HUGGINS asked if students can spend up to three years of their education in Alaska, and how many do so.

MR. VALENZENO said that is a possibility, and some students do choose to do so. However many students who plan to practice in Alaska spend their school years in other states to expand their knowledge base.

SENATOR HUGGINS asked for the scope of WWAMI operations in Alaska.

MR. VALENZENO said that the first year is done on the UA campus, the second in Seattle, and the third and fourth years are spent in clinical sites around Alaska.

SENATOR HUGGINS asked if faculty members travel to different sites for overseeing study.

MR. VALENZENO said that traveling faculty is usually from the University of Washington.

[8:50:29 AM](#)

SENATOR OLSON asked Mr. Valenzeno if the students must pass part one of the national medical board exams before starting their clinical studies.

MR. VALENZENO said that was correct.

SENATOR OLSON asked if Mr. Valenzeno is part of the WWAMI admissions committee.

MR. VALENZENO replied that he is not.

SENATOR OLSON asked for the number of rural students in the WWAMI program.

MR. VALENZENO said that the WWAMI population is representative of the entire state.

SENATOR OLSON asked if rural students are qualified.

MR. VALENZENO said that occasionally the board struggles to find qualified students, but that generally it is not a problem.

CHAIR STEVENS asked if Mr. Valenzeno anticipates a problem filling all 20 spots if the bill passes.

MR. VALENZENO said that there are always at least 30 qualified applicants.

[8:53:03 AM](#)

SUZANNE TRICK, Regional Programs Director for the University of Washington (UW), said that the UW is always trying to increase the physician workforce in partner states; Alaska's 84 percent return on investment is calculated before the service obligation takes effect. As the WWAMI class size is increased, the UW will be examining how decisions such as obligations impact chosen medical specialties. Six years ago, 36 percent of WWAMI graduates chose primary care as their specialty; today the number is at 12 percent.

CHAIR STEVENS asked Ms. Trick for the proposed enrollment increase's effect on the UW medical school.

MS. TRICK said that the UW is prepared to accommodate the additional students.

CHAIR STEVENS asked how many students enter UW annually.

MS. TRICK replied that the yearly enrollment is 182 from the WWAMI states.

SENATOR HUGGINS asked if an incentive program could encourage more students to choose family practice specialties.

MS. TRICK said that recruitment packages could be offered for rural communities, and federal incentives do exist through scholarship programs.

SENATOR HUGGINS asked for Ms. Trick's opinion on possible tax credits.

MS. TRICK replied she thinks it is a good idea, but that she wasn't qualified to comment on the issue.

CHAIR STEVENS asked if Ms. Trick was familiar with the Health Resources Service Administration (HRSA) doctor's loan repayment program.

MS. TRICK said she was not.

SENATOR DAVIS requested information regarding the number of rural and minority students in the WWAMI program.

[9:00:03 AM](#)

RAY BAILEY, professor at the University of Alaska Anchorage, said that over 125 physicians in the state work with the program; there are enough clinical placements to cover all the students but many must leave for more specialized training. New physicians coming to Alaska are also interested in helping with WWAMI, so despite the shortage in doctors in Alaska the training programs are improving all the time.

[9:04:14 AM](#)

SENATOR OLSON commented that teaching improves doctors' skills, and asked about changes and evolution in the WWAMI program.

MR. BAILEY said that it would be possible to bring the second year of studies into Alaska, but it would be difficult. One of the large changes in the WWAMI program is the introduction of extensive clinical training; half of such training is now done outside the UW.

[9:07:05 AM](#)

SENATOR OLSON asked if there are sufficient patients available for students' clinical studies.

MR. BAILEY said this is a concern in rural and smaller communities; the right number of patients and the proper conditions are necessary for proper training.

SENATOR OLSON asked for the number of rural and minority students in WWAMI.

MR. BAILEY said that currently two Native Alaskans are in the program, and rural applicants are often better prepared than others.

[9:10:35 AM](#)

CHAIR STEVENS asked Ms. Barrans for detail on available tuition assistance or repayment programs.

MS. BARRANS said that the Health Resources and Services Administration (HRSA) offers a state federal loan repayment program, which matches state funds; specific disciplines and practice settings are required. A similar program in Alaska could be successful.

CHAIR STEVENS commented that a medical school in Alaska might be a viable consideration, and said that the UA fiscal note needs to be further examined.

SENATOR WILKEN said that HB 18 is just a step in the right direction, and since students have such considerable debt more loan repayment programs need to be considered. He then related a personal story regarding medical school.

[9:16:40 AM](#)

ROD BETIT, President of the Alaska Hospital and Nursing Home Association, said that the task force's ideas should be explored and that the governor has created a council to deal with such

issues, working with the UA. He said that the WWAMI program increase will help shorten the gap between Alaska's need and its physician population.

[9:19:30 AM](#)

KARLEEN JACKSON, Commissioner for the Department of Health and Social Services (DHSS), said that Alaska has the sixth-lowest number of physicians per capita, and rurally ranks last. Action needs to be taken to improve the situation, rather than spending further resources on task forces.

[9:21:18 AM](#)

SENATOR HUGGINS asked for the name and goals of the governor's new health council.

MS. JACKSON said that the group is called the Health Care Strategies Council, and it plans to examine the health care system, consolidate existing reports and studies, compile short- and long-term action plans, and create performance evaluation measures.

SENATOR HUGGINS asked if the council will include public members.

MS. JACKSON replied that yes, it will, as well as a series of public conferences.

SENATOR HUGGINS asked for the duration of the council.

MS. JACKSON said that the council will present its recommendations by January 2008.

[9:24:19 AM](#)

SENATOR HUGGINS made a motion to move SCS CSHB 18(SED) from committee with individual recommendations and accompanying fiscal notes. There being no objection, the motion carried. [SB 73 was held in committee.]

There being no further business to come before the committee, Chair Stevens adjourned the meeting at [9:24:40 AM](#).