



AMENDMENT #1

OFFERED IN THE HOUSE
TO: HJR 35

BY REPRESENTATIVE GARA
CRAWFORD
Gardner

1 Page 1, lines 1 - 4: *(title amendment)*

2 Delete all material and insert:

3 "Proposing amendments to the Constitution of the State of Alaska to ensure
4 seniors have access to medical providers, to take advantage of federal legislation that
5 authorizes a grant program consistent with that purpose, and requiring the
6 establishment of a state grant program for care of seniors."
7

8 Page 1, line 6, through page 2, line 5:

9 Delete all material and insert:

10 "* Section 1. Article VII, sec. 4, Constitution of the State of Alaska, is amended to read:

11 Section 4. Public Health. (a) The legislature shall provide for the promotion
12 and protection of public health.

13 * Sec. 2. Article VII, sec. 4, Constitution of the State of Alaska, is amended by adding new
14 subsections to read:

15 (b) The State shall take action to ensure that seniors entitled to Medicare
16 coverage have access to medical providers. To carry out this provision, the State shall
17 take advantage of legislation passed by the United States Congress in 2010 that allows
18 the State to pass a medical care grant program to help ensure medical providers will
19 treat the State's senior citizens.

20 (c) The governor shall establish a program to assist in the provision of primary
21 medical care for residents of the State who are 65 years of age or older as follows:

22 (1) subject to the availability of funding, the State shall award grant
23 funding to an eligible health care provider in an amount determined and rules adopted

1 by the governor;

2 (2) the program shall be consistent with federal law and include

3 (A) an application and award procedure;

4 (B) eligibility standards that include the lack of availability of
5 reasonable compensation for services;

6 (C) adequate proof that a grant is necessary to enable the
7 applicant to provide primary care services to seniors;

8 (D) a priority for the award of a grant to a health care provider
9 located in an area in which other health care providers have refused to treat
10 patients who are 65 years of age or older and that serves a high percentage of
11 medically underserved populations as determined by the commissioner
12 responsible for health and social services;

13 (E) other requirements necessary to carry out the program.

14 (d) The governor may not award a grant under this section for the provision of
15 primary medical care services to a person who has public or private insurance
16 coverage that adequately compensates an applicant for the provision of those services.

17 (e) To the extent permitted by law, the governor may enter into agreements
18 with and shall consult with the experts in health and social services in implementing
19 this section."

How Hard Is It for Alaska's Medicare Patients to Find Family Doctors?

By Rosyland Frazier and Mark Foster

UA Research Summary No. 14 • March 2009

Institute of Social and Economic Research • University of Alaska Anchorage

In the past few years, Alaskans have been hearing reports that some primary-care doctors won't see new Medicare patients. Medicare pays these doctors only about two-thirds of what private insurance pays—and that's after a sizable increase in 2009. But most Americans 65 or older have to use Medicare as their main insurance, even if they also have private insurance. Just how widespread is the problem of Alaska's primary-care doctors turning away Medicare patients? ISER surveyed hundreds of doctors to find out—and learned that so far there's a major problem in Anchorage, a noticeable problem in the Mat-Su Borough and Fairbanks, and almost no problem in other areas.

Medicare is the federal health insurance program for older Americans and for some younger people with disabilities. At issue is what Medicare pays primary-care doctors for their services—not what it pays for other medical costs. Alaska's 50,000 Medicare enrollees are almost all in the "fee-for-service" plan, which pays doctors standard fees for their services.*

Why is it so worrisome if primary-care doctors won't see Medicare patients? These are the doctors who provide broad care, track patients' overall health, and coordinate care with specialists. That's very important for older people, who often have various medical problems and chronic conditions. And the number of Alaskans over 65 is growing fast—it's expected to double in the next 15 years.

To learn how hard it is for older Alaskans to find primary-care doctors, in 2008 we tried to survey all those who could see the general population of Medicare patients. We were able to interview 229 doctors or their staffs—about 85% of those we tried to reach.

But Medicare payments for Alaska doctors increased in 2009, thanks to efforts of Alaska's U.S. senators. So we recently called back the doctors who had told us they weren't taking new Medicare patients. None of them had opened their doors to significant numbers of new Medicare patients. Four said they now see a very limited number of new Medicare patients, under special circumstances. Two doctors in a joint practice who still didn't see new Medicare patients had hired a nurse practitioner who did.

It's certainly also possible that without the 2009 increase, even more doctors would have decided not to see Medicare patients. Figure 1 shows what our 2008 and 2009 surveys found.

It's mainly doctors in Alaska's larger urban areas who are declining to see new Medicare patients. But that's where the majority of older Alaskans live. Most doctors (even in Anchorage) will still see established patients—that is, patients they've seen in the past.

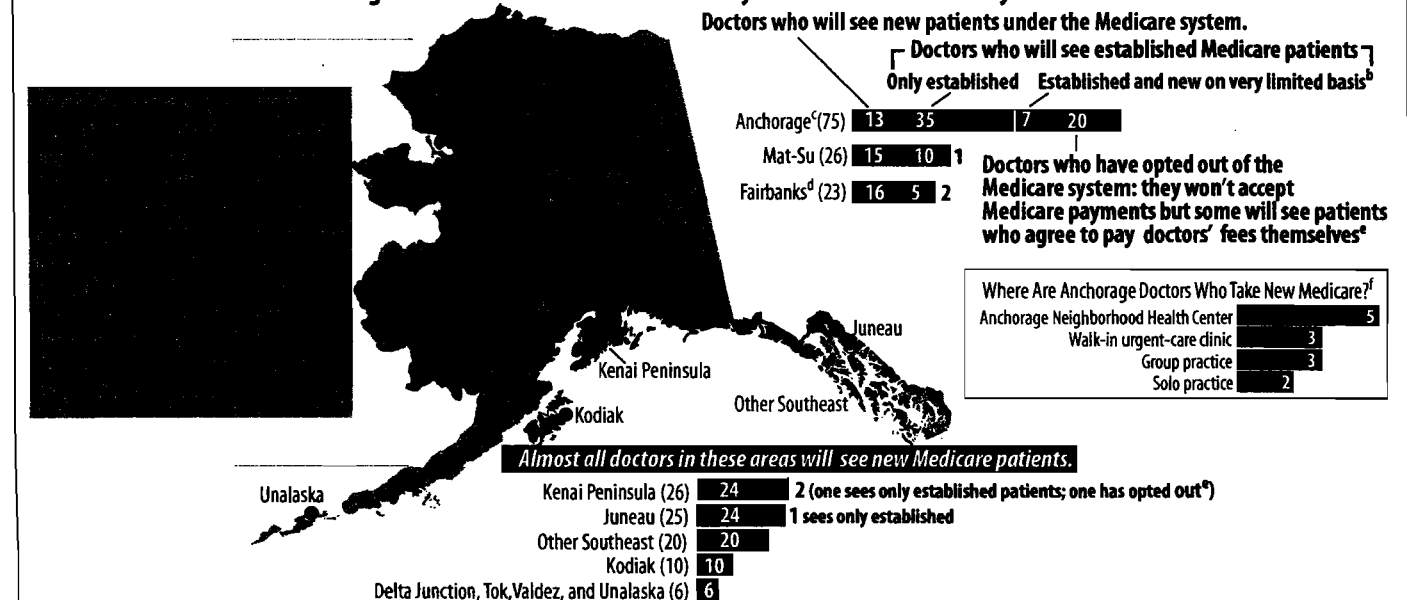
- Almost all doctors in smaller communities take new Medicare patients. Rural places have few doctors—so doctors probably feel more of an obligation to see all patients. For patients (Medicare or otherwise) in rural Alaska, the challenge is more likely to be recruiting and keeping doctors.

- One in ten doctors we surveyed has opted out of the Medicare system. Most are in Anchorage. They will not accept Medicare payments, but some will see patients who agree to pay the entire doctor's bill themselves.

- The Anchorage Neighborhood Health Center, which accepts all patients, saw twice as many Medicare patients in 2007 as in 2001. It has become the only choice for many of Anchorage's Medicare patients.

- Medicare patients are not relying more on emergency rooms, if figures for Providence Hospital's emergency room in Anchorage are typical. Numbers of Medicare patients there haven't changed much in the past several years.

Figure 1. Medicare Policies of Primary-Care Doctors We Surveyed^a



^aIn 2008 we surveyed 229 doctors; 15 weren't taking any new patients at all; 3 had no Medicare patients. In 2009 we re-surveyed doctors who didn't take new Medicare patients in 2008. ^bTen doctors (7 in Anchorage, 2 in Fairbanks, 1 in Mat-Su) accept a few new Medicare patients under special circumstances, but don't typically see new Medicare patients. ^cIncludes Eagle River/Chugiak. ^dIncludes North Pole. ^eSee Figure 9. ^fSee page 3.

*Nationally, 21% of beneficiaries have enrolled in Medicare Advantage programs—which means they become members of private health plans, and Medicare then pays the plans a set monthly amount for each Medicare enrollee.

Dist by Rep Gara on HJR35 Amos #1

ALASKA STATE LEGISLATURE



SENATOR HOLLIS FRENCH
REPRESENTATIVE LES GARA
REPRESENTATIVE LINDSEY HOLMES

March 29, 2010

To: Governor Parnell and All Members of the Alaska State Legislature

Re: Medicare Reimbursement drastically under-compensates primary care physicians

Reimbursement for Primary Care Services

Primary care physicians are acutely under-compensated for serving seniors on Medicare. Seniors, once they turn 65, are often forced by their insurance coverage to use their Medicare benefits. If Medicare reimbursed primary care physicians at a reasonable rate, this would not be a problem. Unfortunately, primary care physicians lose money on Medicare patients and must limit the percentage of Medicare patients their practice accepts. Some primary care practitioners, particularly in Anchorage, have taken the drastic step of refusing to accept Medicare patients or all together opt out of the system.

Community Health Centers receive a higher reimbursement rate from Medicare, and primary care practitioners can charge patients covered by private insurance at a significantly higher rate. The table below shows what Medicare reimburses private practitioners and Community Health Centers for primary care services, and compares that to the median charge in Anchorage and Fairbanks.

Type of Visit	Medicare Rate for Private Practitioners	Medicare Rate for Community Health Centers	Avg. Charge by Physicians in Anch. and Fairbanks
New Patient—10 min		\$118.32	\$135.62
New Patient—20 min	\$81.40	\$124.32	\$169.03
New Patient—30 min	\$118.62	\$133.52	\$220.14
New Patient—45 min	\$186.59	\$150.32	\$314.48
New Patient—60 min	\$236.95	\$170.12	\$424.55
Established patient—5 min			\$79.08
Established patient—10 min	\$53.24	\$114.12	\$112.37
Establish patient—15 min	\$84.85	\$119.72	\$143.59
Established patient—25 min	\$127.33	\$131.52	\$220.25
Established patient—40 min	\$171.52	\$153.92	\$352.40

ALASKA STATE LEGISLATURE



SENATOR HOLLIS FRENCH
REPRESENTATIVE LES GARA
REPRESENTATIVE LINDSEY HOLMES

March 29, 2010

To: Governor Parnell and All Members of the Alaska State Legislature

Re: Opportunity for State to Increase Access to Medical Care for Seniors

Dear Governor Parnell and Legislative Colleagues:

The recent Federal health legislation includes a provision sponsored by Senator Begich that we believe will help Alaska's seniors. It is aimed at helping Alaska solve the shortage of physicians (and other medical providers) available to seniors in many areas in Alaska. The State of Alaska will have to pass legislation to implement and take advantage of this federal provision. We hope you will consider joining us in working to pass legislation this session, though we understand the remaining time is short. At a minimum, we hope you will consider working with us so we are ready to act when the next session starts.

The Problem: While Medicare has generally provided good coverage for seniors in most places in the country, the federal re-imbursalment rate formula used in Alaska under-compensates doctors, nurses and other medical providers in certain regions in the state, especially for primary care services, and for general office visits to both general practitioners and specialists.

Medicare in Alaska most severely under-compensates providers for "office visits". Since most "primary care" is offered at general office visits, and billed under Medicare's "office visit" codes, primary care providers suffer the greatest impact, and patients have the hardest time finding primary care providers to accept Medicare. Specialists, while often compensated more fairly for specialty services, are similarly undercompensated when they bill under Medicare's office visit codes, which they often must use for initial visits. Non-physician medical providers who use these codes face similar problems

Efforts to substantially revise the federal reimbursement rate have been blocked in Congress (Sen. Begich is a co-sponsor of S. 1776), though Congress did pass an important 10% increase in Medicare re-imbursalment for Primary Care providers in the recent health care legislation, and expanded funding for health clinics, which have been an important provider of Medicare services in Alaska. These efforts will help ease the present problem.

Given the reality that a major federal re-imbusement change will continue to be difficult to pass, at least until more states face problems similar to Alaska's under Medicare, we (Reps. Gara and Holmes) began work with Senator Begich for a solution that allows states to supplement Medicare funding in areas where Alaskans were facing a medical care shortage. Historically, the federal Medicare statute has broadly prohibited states, patients or insurance companies from supplementing the Medicare reimbursement rate, and federal authorities have in the past been very strict in their interpretation of that ban. That left states like Alaska little room to help solve their Medicare problems.

The New Legislation: Senator Begich succeeded at gaining support for a provision that was added to the recent federal health care legislation. The amendment he offered provides that a state may establish a "grant" that directs payments to medical providers in areas of a state where there is a medical care shortage. The inclusion of this amendment overcomes federal agency arguments that states may not provide funds to doctors to enable them to treat Medicare patients. Any grant program, however, will likely have to be worded to benefit seniors, not just seniors who utilize Medicare. And, it must be implemented by an agency other than DHHS.

Attached is the new federal legislation, and a copy of proposed language we offer for your consideration.

Our proposed legislation establishes a grant program for medical providers who treat senior citizens in areas where seniors are currently being underserved. Grants would go, in priority, to providers who, with the grant funding, will most efficiently expand their treatment of Alaska's seniors. We would, of course, welcome ideas and welcome any efforts by others to look for their own solutions under this new federal legislation.

Sincerely,

Rep. Les Gara

Sen. Hollis French

Rep. Lindsey Holmes

AMENDMENT NO. _____ Calendar No. _____

Purpose: To increase access to primary care services.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

H. R. 3590

To amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BEGICH to
the amendment (No. 2786) proposed by Mr. REID

Viz:

1 On page 1339, between lines 18 and 19, insert the
2 following:

3 **SEC. 5211. INCREASING ACCESS TO PRIMARY CARE SERV-**
4 **ICES.**

5 (a) STATE GRANTS TO HEALTH CARE PROVIDERS
6 WHO PROVIDE SERVICES TO A HIGH PERCENTAGE OF
7 MEDICALLY UNDERSERVED POPULATIONS OR OTHER
8 SPECIAL POPULATIONS.—

1 (1) IN GENERAL.—A State may award grants
2 to health care providers who treat a high percentage,
3 as determined by such State, of medically under-
4 served populations or other special populations in
5 such State.

6 (2) SOURCE OF FUNDS.—A grant program es-
7 tablished by a State under paragraph (1) may not
8 be established within a department, agency, or other
9 entity of such State that administers the Medicaid
10 program under title XIX of the Social Security Act
11 (42 U.S.C. 1396 et seq.), and no Federal or State
12 funds allocated to such Medicaid program, the Medi-
13 care program under title XVIII of the Social Secu-
14 rity Act (42 U.S.C. 1395 et seq.), or the TRICARE
15 program under chapter 55 of title 10, United States
16 Code, may be used to award grants or to pay admin-
17 istrative costs associated with a grant program es-
18 tablished under paragraph (1).

19 ~~(b) PROVIDING FOR UNDERSERVED MEDICAID POP-~~
20 ~~ULATIONS DEMONSTRATION PROJECT—Subpart III of~~
21 ~~part D of title III of the Public Health Service Act (42~~
22 ~~U.S.C. 2541 et seq.) is amended by adding at the end the~~
23 ~~following:~~