

HOUSE FINANCE COMMITTEE
March 11, 2009
1:35 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:35 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Bill Thomas, Jr., Vice-Chair
Representative Allan Austerman
Representative Harry Crawford
Representative Anna Fairclough
Representative Richard Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon

MEMBERS ABSENT

None

ALSO PRESENT

James Ellis, Staff, Representative Mark Neuman; Co-Chair Mike Hawker, Sponsor; Jon Sherwood, Director, Office of Program Review, Department of Health and Social Services; Brad Whistler, Division of Public Health, Department of Health and Social Services; Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority; Seervine Basham, Alaska Primary Care Association; Marie Darlin, AARP

PRESENT VIA TELECONFERENCE

Whitney Brewster, Director, Division of Motor Vehicles, Department of Administration

SUMMARY

HB 116 "An Act relating to Iditarod finisher special request license plates."

HB 116 was heard and HELD in Committee for further consideration.

HB 26 "An Act repealing the repeal of preventative and restorative adult dental services reimbursement

under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date."

HB 26 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Health and Social Services.

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#hb116

HOUSE BILL NO. 116

"An Act relating to Iditarod finisher special request license plates."

JAMES ELLIS, STAFF, REPRESENTATIVE MARK NEUMAN, explained that the bill authorizes the Department of Motor Vehicles (DMV) to design and issue commemorative license plates to honor the accomplishments of those who have completed the Iditarod Sled Dog Race. It costs \$50 per plate. The process is that DMV will verify with the Iditarod Race Committee that an individual has completed the race. There is a zero fiscal note. All vehicles displaying the plates must be registered in Alaska. Over 600 have completed the race and some are currently completing it.

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Representative Fairclough asked if past Iditarod participants would qualify for the special plates if they are currently residing in Alaska and have a motor vehicle registered in Alaska. Mr. Ellis said that was correct. He said a person who resides outside of Alaska, but who registers an Alaskan vehicle would also be eligible.

Representative Fairclough asked if the Iditarod Committee would provide a list of qualified applicants to DMV. Mr. Ellis did not know.

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WHITNEY BREWSTER, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, described how the process would work. The bill indicates that the finisher would provide DMV with written proof verified by the Iditarod Trail Committee as to their eligibility.

Co-Chair Stoltze imagined that it would be a self-policing situation. Communities would recognize an imposter. Mr. Ellis agreed.

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Representative Austerman asked if only Alaskan-registered vehicles would qualify. Mr. Ellis said that was correct.

Representative Fairclough shared her experience searching the Iditarod website for data to determine who would qualify. She suggested a standardized form to identify qualifiers.

Co-Chair Stoltze commented that the Committee would be hearing the bill one more time.

Representative Joule asked if a handout in members' packets was a sample of the license plate. Mr. Ellis remarked that it was only a proposal. Representative Joule wondered if the dog depicted was an actual Iditarod finisher. Mr. Ellis said it was.

HB 116 was heard and HELD in Committee for further consideration.

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#hb26

HOUSE BILL NO. 26

"An Act repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date."

CO-CHAIR MIKE HAWKER, SPONSOR, explained the purpose of HB 26. He described the bill as continuing the authorization established in 2006 for the Adult Dental program. The bill is an Act repealing the repeal of preventative and restorative adult dental services reimbursed under Medicaid. It would create open-ended authority for the Department of Health and Social Services to continue to provide preventative adult dental services.

Co-Chair Hawker related how the program existed prior to 2006. At that time, adults on Medicaid could only receive emergency care to relieve pain and fight infection. Due to budget constraints, there were concerns that expanding Medicaid services would lead to overspending. Limitations were set as to how much could be spent on one patient annually. It would have taken two years to obtain a set of dentures under those limitations. In order to control costs, the amount was kept in a separate allocation in the budget so money could not be moved in or out. It was estimated to cost about \$10 million a year. In reality, it turned out to be around \$6 to \$7 million per year.

Co-Chair Hawker pointed out in the fiscal note that there is very moderate growth going forward. He saw it as a component of Medicaid in which spending has been brought under control.

Co-Chair Hawker noted that passing HB 26 would remove the sunset provision and make the Adult Dental program a permanent part of the state Medicaid program.

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Vice-Chair Thomas inquired if there is a residency requirement. Co-Chair Hawker observed that the requirements are those of the Medicaid program. He thought that residency was a requirement.

Representative Kelly asked if the Mental Health Trust was still involved. Co-Chair Hawker replied that the agreement with the Mental Health Trust was that they would support the program through its pilot phase and, if it became successful, it would become part of the Medicaid program.

Representative Kelly asked how success was defined. Co-Chair Hawker replied that success was determined by if the program was operated within the intended parameters. Two hundred providers have been developed, providing service to about 6,000 patients annually. Dental prevention has proven to be much more successful than the previous barbaric standard.

Representative Kelly asked if federal funds are undiminished. Co-Chair Hawker explained that the FMAP percentage rate is in play. The program will include FMAP no matter if the rate is up or down.

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Representative Gara asked what the income limitations are in order to qualify for Medicaid services. Co-Chair Hawker deferred to the Department of Health and Social Services to answer.

Representative Gara inquired about the relationship between Medicaid coverage and Denali KidCare. Co-Chair Hawker deferred to the Department of Health and Social Services.

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JON SHERWOOD, DIRECTOR, OFFICE OF PROGRAM REVIEW, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, spoke in support of extending the Medicaid Adult Dental program, which has been very successful. There is also an Administrative proposal to extend the program another five years in order to better

prove cost savings claims. He spoke in support of the program.

Mr. Sherwood observed that there is a residency requirement to qualify for Medicaid. He discussed the income requirements to qualify for this program. These services apply to adults. The income limits for the disabled and the aged are approximately about 110 percent of the federal poverty level. For parents of dependant children in low income families, the income limit is closer to 75 percent of the federal poverty level. Comprehensive dental coverage is already included the Medicaid program for children so the Denali KidCare population would not be directly affected.

Co-Chair Stoltze asked about the developmentally disabled community as it relates to the program. Co-Chair Hawker replied that the disabled community, such as ARC of Anchorage and the Key Coalition, benefits from the program.

Co-Chair Stoltze pointed out that Hope Community Resources recognized Co-Chair Hawker as Legislator of the Year.

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BRAD WHISTLER, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, described the programs provided by the program: preventive and routine dental exams, routine restorative, root canal therapy, and denture services. He maintained that good oral health is a quality-of-life issue. He provided examples. He spoke of how dental problems relate to job opportunities and food choices. He shared the advantages of preventative care. He described the relationship between good dental care and disease prevention. He shared information about children's oral health.

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Co-Chair Stoltze wondered how the issue of missed dental visits resulting in lost fees could be addressed. Mr. Whistler shared that the Department's position is that a missed appointment is not a Medicaid service. Dentists may charge for missed appointments. He added that the Department tries to educate patients in the importance of keeping appointments. He suggested a potential fix for the problem by tracking missed appointments in order to identify the extent of the problem.

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JEFF JESSEE, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY, spoke in support of the bill. He spoke of the successes of the program and the attempt to reduce the legislature's risk by implementing cost containment and

efficiency into the programs. He thought that the Department had done an excellent job with the program.

Mr. Jessee responded to a question by Representative Kelly. Although the Mental Health Trust is no longer a financial partner, the mini-grant program continues to spend considerable money to supplement Medicaid dental services.

Co-Chair Stoltze commented that the Mental Health Trust's involvement was clearly defined as a short-term commitment.

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SEVERVINE BASHAM, ALASKA PRIMARY CARE ASSOCIATION, testified in favor of HB 26. She reported that there are currently 26 community health centers and 141 sites serving about 80,000 persons. Primary care includes behavioral health, basic medical, and basic dental. Early intervention and prevention are the keys to good dental health. She spoke of the importance of the bill.

Representative Gara asked what would not be covered if the bill does not pass. Ms. Basham thought that preventive medicine was covered by the bill.

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MARIE DARLIN, AARP, spoke in favor of HB 26. She referred to a letter included in the members' packets. She paraphrased from the letter. Dental care is essential to quality health care. Funding for dental care should be considered sensible prevention with the long term possibility of saving Medicaid funds. Of the 7,600 adults who benefited from this program, about 1,800 are older Alaskans, including 900 who received dentures. The average cost of care provided to a senior Alaskan was \$855.

Ms. Darlin voiced a concern about the annual cap of \$1,150. The fee for an upper or lower set of dentures is now between \$1,700 and \$1,800, and some of the Medicaid beneficiaries have more significant oral health problems that may go considerably beyond the cap. She suggested raising the cap.

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Co-Chair Hawker pointed out that the fiscal note from 2/20/09 contains anticipated steady growth. The amount for FY10 is already in the budget and is for about \$6 million. He maintained that the expense was reasonable. He acknowledged the federal match, noting that there would be FMAP rate changes.

Representative Gara noted that the state match is about \$2.5 million a year. He suggested that there are many needs of equal import to be funded.

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Representative Austerman MOVED to REPORT HB 26 out of committee with individual recommendations and the accompanying fiscal note.

HB 26 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Health and Social Services.

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ADJOURNMENT

The meeting was adjourned at 2:12 PM.