

**ALASKA STATE LEGISLATURE**  
**HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

March 18, 2010

3:07 p.m.

**MEMBERS PRESENT**

Representative Bob Herron, Co-Chair  
Representative Wes Keller, Co-Chair  
Representative Tammie Wilson, Vice Chair  
Representative Bob Lynn  
Representative Paul Seaton  
Representative Sharon Cissna  
Representative Lindsey Holmes

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 199

"An Act providing for a two-year funding cycle for medical assistance coverage for dentures."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 260

"An Act relating to preventive care and disease management services for medical assistance recipients; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 13

"An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 392

"An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

**PREVIOUS COMMITTEE ACTION**

BILL: SB 199

SHORT TITLE: MEDICAID COVERAGE FOR DENTURES

SPONSOR(s): SENATOR(s) ELLIS

01/19/10 (S) PREFILE RELEASED 1/8/10  
01/19/10 (S) READ THE FIRST TIME - REFERRALS  
01/19/10 (S) HSS, FIN  
01/25/10 (S) HSS AT 1:30 PM BUTROVICH 205  
01/25/10 (S) Moved SB 199 Out of Committee  
01/25/10 (S) MINUTE(HSS)  
01/27/10 (S) HSS RPT 5DP  
01/27/10 (S) DP: DAVIS, ELLIS, THOMAS, PASKVAN,  
DYSON  
02/11/10 (S) FIN AT 9:15 AM SENATE FINANCE 532  
02/11/10 (S) WORKERS' COMPENSATION FUNERAL EXPENSES  
02/23/10 (S) FIN AT 2:30 PM SENATE FINANCE 532  
02/23/10 (S) Moved SB 199 Out of Committee  
02/23/10 (S) MINUTE(FIN)  
02/24/10 (S) FIN RPT 4DP 2NR  
02/24/10 (S) DP: HOFFMAN, HUGGINS, THOMAS, EGAN  
02/24/10 (S) NR: STEDMAN, OLSON  
02/26/10 (S) TRANSMITTED TO (H)  
02/26/10 (S) VERSION: SB 199  
03/01/10 (H) READ THE FIRST TIME - REFERRALS  
03/01/10 (H) HSS, FIN  
03/18/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 260

SHORT TITLE: MEDICAID: PREVENTIVE CARE/DISEASE MGT.

SPONSOR(s): REPRESENTATIVE(s) KELLER

01/08/10 (H) PREFILE RELEASED 1/8/10  
01/19/10 (H) READ THE FIRST TIME - REFERRALS  
01/19/10 (H) HSS, FIN  
02/11/10 (H) HSS AT 3:00 PM CAPITOL 106  
02/11/10 (H) <Bill Hearing Canceled>  
03/04/10 (H) HSS AT 3:00 PM CAPITOL 106  
03/04/10 (H) -- MEETING CANCELED --  
03/11/10 (H) HSS AT 3:00 PM CAPITOL 106  
03/11/10 (H) Heard & Held  
03/11/10 (H) MINUTE(HSS)  
03/18/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: SB 13

SHORT TITLE: MEDICAL ASSISTANCE ELIGIBILITY

SPONSOR(s): SENATOR(s) DAVIS

01/21/09 (S) PREFILE RELEASED 1/9/09  
01/21/09 (S) READ THE FIRST TIME - REFERRALS  
01/21/09 (S) HSS, FIN  
02/09/09 (S) HSS AT 1:30 PM BUTROVICH 205  
02/09/09 (S) Moved SB 13 Out of Committee  
02/09/09 (S) MINUTE(HSS)  
02/11/09 (S) HSS RPT 4DP  
02/11/09 (S) DP: DAVIS, THOMAS, ELLIS, PASKVAN  
02/25/09 (S) FIN AT 9:00 AM SENATE FINANCE 532  
02/25/09 (S) Heard & Held  
02/25/09 (S) MINUTE(FIN)  
03/11/09 (S) FIN RPT 3DP 3NR  
03/11/09 (S) DP: HOFFMAN, THOMAS, ELLIS  
03/11/09 (S) NR: STEDMAN, HUGGINS, OLSON  
03/11/09 (S) FIN AT 9:00 AM SENATE FINANCE 532  
03/11/09 (S) Moved SB 13 Out of Committee  
03/11/09 (S) MINUTE(FIN)  
04/06/09 (S) TRANSMITTED TO (H)  
04/06/09 (S) VERSION: SB 13  
04/07/09 (H) READ THE FIRST TIME - REFERRALS  
04/07/09 (H) HSS, FIN  
04/11/09 (H) HSS AT 3:00 PM CAPITOL 106  
04/11/09 (H) <Bill Hearing Canceled>  
03/09/10 (H) HSS AT 3:00 PM CAPITOL 106  
03/09/10 (H) Heard & Held  
03/09/10 (H) MINUTE(HSS)  
03/18/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 392

SHORT TITLE: INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

SPONSOR(s): REPRESENTATIVE(s) HERRON

02/23/10 (H) READ THE FIRST TIME - REFERRALS  
02/23/10 (H) HSS, FIN  
03/18/10 (H) HSS AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

SENATOR JOHNNY ELLIS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 199 as the prime sponsor of the bill.

MAX HENSLEY, Staff  
to Senator Johnny Ellis  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified and answered questions for SB 199 on behalf of the prime sponsor of the bill, Senator Johnny Ellis.

DAVE LOGAN, Dentist  
Alaska Dental Society  
Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 199.

JON SHERWOOD, Medicaid Special Projects  
Office of the Commissioner  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 199 and SB 13.

JIM POUND, Staff  
to Representative Wes Keller  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 260, for the prime sponsor of the bill, Representative Wes Keller.

SENATOR BETTYE DAVIS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified about SB 13, as the prime sponsor of the bill.

GEORGE BROWN, Doctor  
Douglas, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

PATRICE GRIFFIN, Head Start Director  
Rural Alaska Community Action Program  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

ELIZABETH RIPLEY, Executive Director  
Mat-Su Health Foundation

Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

DONNA GRAHAM, Nurse

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

MELINDA MYERS, Senior Manager

Best Beginnings

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

FRANK BOX

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

ELENA MARCIL

Rural Alaska Community Action Program

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 13.

AMBER SAWYER

Wasilla, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 13.

REBECCA LEVENSON, Senior Policy Analyst

Family Violence Prevention Fund

San Francisco, California

**POSITION STATEMENT:** Testified in support of SB 13.

#### **ACTION NARRATIVE**

[3:07:26 PM](#)

**CO-CHAIR WES KELLER** called the House Health and Social Services Standing Committee meeting to order at 3:07 p.m. Representatives Keller, Herron, Seaton, and T. Wilson were present at the call to order. Representatives Lynn, Cissna, and Holmes arrived as the meeting was in progress.

#### **SB 199-MEDICAID COVERAGE FOR DENTURES**

[3:07:49 PM](#)

CO-CHAIR KELLER announced that the first order of business would be SENATE BILL NO. 199, "An Act providing for a two-year funding cycle for medical assistance coverage for dentures."

SENATOR JOHNNY ELLIS, Alaska State Legislature, referred to an opinion article that he had written for the "Senior Voice" [Included in the committee packets.] in which he described an incident which had precipitated this legislation. He related that an elderly man, with no teeth, had come to Senator Ellis' Anchorage office after he had visited the Medicaid Adult Dental office. The man relayed that he had requested a set of dentures, but had been told that he could only receive either a set of upper or lower dentures in the same fiscal year. Senator Ellis emphasized that Medicaid Adult Dental was a great program, but that this aspect was not a practical, humane approach. He suggested an improvement to the program which would allow patients to receive a full set of dentures in the same fiscal year, along with preventative dental care. He pointed out that there would not be an increase to cost and he anticipated some future cost savings. He cited the many supporters of SB 199, which included the Alaska Dental Society, AARP, and the Public Health Association.

[3:12:30 PM](#)

REPRESENTATIVE T. WILSON asked why the fiscal note eventually dropped to zero.

[3:13:03 PM](#)

MAX HENSLEY, Staff to Senator Ellis, Alaska State Legislature, explained that the original two year amount was forward funded to this year, and then, as the beneficiaries utilized the change, benefit costs would return to the regular pattern.

[3:14:19 PM](#)

REPRESENTATIVE T. WILSON asked why this would become a zero fiscal note.

MR. HENSLEY explained that the same level of benefits would be paid, but would be in a single year, instead of two consecutive years. He explained that once this was implemented and the cost shift was absorbed, there would no longer be the second year benefit as people would have received a full set of dentures in one fiscal year.

[3:15:18 PM](#)

REPRESENTATIVE SEATON asked to clarify if the bill was all forward looking, and would not have any application to a prior year.

MR. HENSLEY replied that this was the intention of the bill, but that Department of Health and Social Services would need to respond.

[3:16:43 PM](#)

DAVE LOGAN, Dentist, Alaska Dental Society, stated that SB 199 solved a problem. He cited an example of a dental treatment which had required removal of all the teeth, but would not allow for replacement of both the upper and lower dentures. He opined that SB 199 would also save money for the state, as there would be fewer emergency room visits for dental service.

[3:19:56 PM](#)

REPRESENTATIVE T. WILSON asked if Medicaid paid for the entire replacement of dentures.

DR. LOGAN said that the Medicaid reimbursement was very close.

[3:20:29 PM](#)

JON SHERWOOD, Medicaid Special Projects, Office of the Commissioner, Department of Health and Social Services (DHSS), stated that Department of Health and Social Services liked the concept of SB 199. He agreed that there would be an increase of expenditure during the first two years.

[3:22:31 PM](#)

REPRESENTATIVE SEATON, referring to page 2 of SB 199 and noting that a person was already eligible for services, asked for a clarification about the eligibility for additional benefits during a two year period, and when it would commence.

MR. SHERWOOD replied that DHSS envisioned it for the year the denture was received and the subsequent fiscal year.

[3:24:04 PM](#)

CO-CHAIR HERRON asked if there were any precedents for this.

MR. SHERWOOD offered his belief that this was the first time for imposition of a two year limit, and that this was the only service for a fixed dollar limit, which was unique for Alaska Medicaid.

[3:25:09 PM](#)

CO-CHAIR KELLER closed public testimony.

[3:25:30 PM](#)

REPRESENTATIVE T. WILSON stated support for SB 199 and offered a story of a 94 year old constituent whom this would affect.

[3:25:57 PM](#)

REPRESENTATIVE T. WILSON moved to report SB 199 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 199 was reported from the House Health and Social Services Standing Committee.

**HB 260-MEDICAID: PREVENTIVE CARE/DISEASE MGT.**

[3:26:19 PM](#)

CO-CHAIR KELLER announced that the next order of business would be HOUSE BILL NO. 260, "An Act relating to preventive care and disease management services for medical assistance recipients; and providing for an effective date." [Before the committee, adopted as the working draft on 3/11/10, was the proposed committee substitute (CS) for HB 260, Version 26-LS1128\R, Mischel, 2/4/10.]

JIM POUND, Staff to Representative Wes Keller, Alaska State Legislature, described the changes between the original draft and Version R of HB 260. He pointed out that "disease management services" had been deleted from the title and subsequent reference for Version R. He also noted the substitution of "may" for "shall" as DHSS did not require a federal waiver. He directed attention to Version R, page 2, lines 8-10, and said that this added "more plain language that spells out the specifics" and offered a funding source.

[3:28:53 PM](#)

CO-CHAIR KELLER closed public testimony.

The committee took an at-ease from 3:29 p.m. to 3:30 p.m.

[3:30:16 PM](#)

CO-CHAIR KELLER said that he had no intent to pass HB 260 through the committee today.

REPRESENTATIVE CISSNA clarified that she supported the bill as she understood it, but that she wanted to more closely review the bill.

[3:31:19 PM](#)

REPRESENTATIVE T. WILSON asked for more information as to how this could be offered in the private sector.

[HB 260 was held over.]

**SB 13-MEDICAL ASSISTANCE ELIGIBILITY**

[3:31:47 PM](#)

CO-CHAIR KELLER announced that the next order of business would be SENATE BILL NO. 13, "An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."

SENATOR BETTYE DAVIS, Alaska State Legislature, expressed appreciation to the committee and requested to have the bill moved out of the committee without any amendments.

[3:33:42 PM](#)

GEORGE BROWN, Doctor, read from a prepared statement: [original punctuation provided]

I am George Brown and reside at 1640 Second St. in Douglas, Alaska. Thank you for the opportunity to speak in strong support of passage of SB 13. I would like to focus on three themes today, and then close with words from an Alaskan Superior Court Judge.

First, I applaud your ongoing concern with governing from a responsible budget for all Alaskans. I enjoyed sitting at the hearing in this room on March 9th and I learned some important information. We, who pay close

attention to the current domestic situation in our country, know that governing is much more difficult than campaigning - which is never a cake walk. Your questions on that Tuesday kept returning to fears about affordability and how can you know such increased inclusion will eventually bring about savings in Alaska health care costs. A variety of university studies in the 1990's show how every \$1 invested in prevention work for improving children's health saves at least \$4. Dr. Gross spoke about the savings when children visit a physician or nurse practitioner office compared with Emergency Room and hospital admissions. One of the underlying mechanisms for this saving is the gradual, but effective learning about how to wisely use medical care. This begins with pre-natal health care and continues all the way through to adulthood. On every preventive visit, parents and children are learning they are more responsible for their health than anyone else. Such regular attention to prevention and wellness prevents life threatening and expensive infections, serious and fatal physical injuries, school failure and dropout, obesity, family disruption from chronic developmental and health conditions, substance abuse, and now early child behavior problems. Helping young parents, whose parents never had a chance for such learning, to wisely use medical care, is a tedious and challenging endeavor, but I have been blessed to see such changes in many Alaskan families ever since I began to see children covered by Medicaid in the 1970's. That is part of the joy of being a pediatrician.

Please pass SB 13 to increase such cost savings.

Second, I speak to an issue that may irritate some medical colleagues. I have been outspoken about the access to health care in these United State for many years. I learned long ago, in 1969 when working with a pediatric resident who had trained in Canada, how fee for service is a major driver of excess costs in our health care system. If a physician gets to decide how much will be billed for each visit, the temptation to select a lower figure is "sorta like Eve's apple." Fee for service must be eliminated to bring down these wasteful costs. There must be added a way to pay for the outcomes of service. Medicaid and other insurance companies have begun to examine such excess charging.

I urge my colleagues to think carefully about such costs every time we complete the coding for the fee for service to be paid for each visit. For those who honestly question this view point, I would ask, "Have you ever known a really poor physician?"

Please support national health care reform to reduce our wasteful costs.

Third, I want us to think about the pervasive atmosphere of fear in our time. The list just keeps on being broadcast hourly: Global warming, Climate change, Worsening natural disasters, AIDS, Economic recession, Neighborhood violence, Homelessness, Terrorism, Illegal immigrants, Youth drug addiction, US government debt, and not too long ago, the dreaded "Spanish or H1N1 worldwide pandemic." Medical and public health colleagues all over Alaska provided care for thousands of H1N1 cases and just as soon as CDC, working with reliable vaccine manufacturers, made an effective vaccine available, gave thousand of doses of H1N1 influenza vaccine. There were a few deaths and more hospitalizations, but this pandemic gradually passed with nowhere near the levels of deaths and hospitalizations that are now hallmarks of the three previous H1N1 influenza pandemics. We in these United States, along with the World Health Organization and numerous other national governments, did something correctly. I could not have predicted this with certainty last August and September. In short, I am grateful for this most successful work of clinical and public health medicine and I think the over-marketing of fear is a much larger enemy than any of dozen listed above.

Please pass SB 13 to continue overcoming fear.

In closing, I read the wisdom about children by the Alaskan judge to whom I remain forever grateful for a truth that keeps me living in reality.

[3:42:30 PM](#)

DR. BROWN read the following poem: [original punctuation provided]

Each of us

must come to care  
about everyone's children.  
We must recognize that  
the welfare of our children and grandchildren  
is intimately linked to the welfare  
of all other people's children.  
After all, when one of our children  
need lifesaving surgery,  
someone else's child will perform it.  
When our children dial 911,  
someone else's child will answer it.  
When our children need a helping hand,  
someone else's child will be there to lend it.  
If one of our children is threatened  
or harmed by violence,  
someone else's child will be responsible  
for the violent act.  
The good life  
for our own children  
can be secured  
only if a good life  
is secured  
for all other people's children.

[3:43:25 PM](#)

CO-CHAIR KELLER expressed gratitude for Dr. Brown's sincerity.

[3:44:12 PM](#)

PATRICE GRIFFIN, Head Start Director, Rural Alaska Community Action Program, stressed that Denali Kid Care coverage was very important for the children and prenatal women in its program. She stated that Denali Kid Care allowed children to receive important medical services and screenings. She reported that Head Start and Early Head Start served 868 children in Alaska, of whom 397 were enrolled in Denali Kid Care, but she pointed out that 76 children had no medical coverage. She shared that Head Start helped children and families access medical services, and it used program dollars to help children receive medical service. She expressed support for SB 13.

[3:46:59 PM](#)

CO-CHAIR KELLER asked how many of the 76 non medically covered children would have been covered by proposed SB 13.

MS. GRIFFIN replied that she would find that information.

[3:47:56 PM](#)

ELIZABETH RIPLEY, Executive Director, Mat-Su Health Foundation, explained that the Mat-Su Health Foundation was a non-profit and part owner of the Mat-Su Regional Medical Center, which had been built to provide better access to acute care for the borough. She reported that the Foundation was an overseer for the hospital policies. She declared that this included ensuring that indigents had equal access to top quality care. She directed attention to the growing uninsured community population, and the rise in uncompensated care and bad debts. She pointed out that the number of uninsured children had declined nationally, but had increased in Alaska. She said that there was an increase of 3000 uninsured children, despite a zero percent population growth. She said that it was the middle income households that were suffering, as these households were becoming uninsured at a faster rate than any other income levels. The average cost of a family's insurance policy rose 81 percent between 2000 and 2008, while the median household income fell 2.5 percent. She stated support for SB 13.

[3:52:24 PM](#)

REPRESENTATIVE T. WILSON asked how many more kids would have been covered if coverage were for 200 percent FPL.

MS. RIPLEY estimated 1530 children in Mat-Su.

CO-CHAIR KELLER allowed that his statistics reflected that 1277 children would be eligible statewide.

[3:53:00 PM](#)

MS. RIPLEY clarified that this would include all eligible but uninsured people in Mat-Su, and noted that some were already qualified but not enrolled.

[3:53:59 PM](#)

MS. RIPLEY, in response to Co-Chair Keller, said that she did not have the regional information.

[3:54:57 PM](#)

DONNA GRAHAM, Nurse, said that there was a lack of access to health care. She listed the FPL rates for many states, and noted that only Alaska and North Dakota were 175 percent or below. She stated support for SB 13 and urged the committee to take immediate action.

[3:57:47 PM](#)

MELINDA MYERS, Senior Manager, Best Beginnings, explained that Best Beginnings was "a public - private partnership that mobilizes people and resources to ensure all Alaska children begin school ready to succeed." She stated that SB 13 was critical to ensure that children and pregnant mothers had access to quality health care. She stated support for SB 13. She offered a personal anecdote about medical costs and its impact on a low income family with small children.

[3:59:27 PM](#)

FRANK BOX relayed a personal story of the devastating cost of medical bills even with good health insurance. He stated his support for SB 13. He reported that \$89.5 million was paid by the state and the federal government for unpaid Anchorage emergency room visits in 2005.

[4:01:52 PM](#)

ELENA MARCIL, Rural Alaska Community Action Program, stated that SB 13 would help the program to better serve families.

[4:03:02 PM](#)

AMBER SAWYER said that she had been insured by Denali Kid Care as a child. She explained that her father was in the military, and while stationed in Alaska, the Tri Care insurance did not offer all the necessary services so that her family needed Denali Kid Care. She offered a personal story of her need for therapy as a child, and that Tri Care could not accommodate her need. She related that Denali Kid Care met her therapy needs and that she did not think that she "would be sitting here before you today if it weren't for Denali Kid Care." She stated that the therapy and the support which she received from Denali Kid Care had turned her life around. She relayed that Denali Kid Care had influenced her decision to become an attorney, and that she was currently working as a legal assistant. She testified that more than half the cases in her law office were medically related. She relayed that the inclusion of Denali Kid

Care within a case would often result in a settlement outside of court.

[4:07:37 PM](#)

REPRESENTATIVE T. WILSON asked how many of the cases would include people in the 175 to 200 percent FPL for approval to Denali Kid Care.

MS. SAWYER replied that she worked most often with motorized vehicle accidents and she estimated that Denali Kid Care was the insurance in at least 12 of the 100 accident cases.

[4:08:51 PM](#)

REPRESENTATIVE T. WILSON asked if this was because there was not any auto insurance.

MS. SAWYER replied that auto insurance would not always pay for it.

[4:10:38 PM](#)

REPRESENTATIVE T. WILSON asked if co pay for Denali Kid Care could be included without a burdensome administrative cost.

JON SHERWOOD, Medicaid Special Projects, Office of the Commissioner, Department of Health and Social Services (DHSS), replied that SB 13 only included children and pregnant women. He said that there would be an administrative cost to both the DHSS and the providers. He pointed out that there were federal limits to co-pay.

[4:12:14 PM](#)

REPRESENTATIVE T. WILSON asked who set the standards for qualification to Denali Kid Care.

MR. SHERWOOD replied that it was a federal policy for enhanced funding of children through Medicare which set the coverage limits when other insurance was also included. He pointed out that any increase above these limits would result in a loss of the federal State Children's Health Insurance Program (SCHIP) enhanced funding for kids without insurance.

[4:13:41 PM](#)

REPRESENTATIVE T. WILSON asked about the combinations of various coverages.

MR. SHERWOOD, in response to Representative Wilson, said that coverage through Indian Health Services (IHS) was not considered insurance for the purposes of eligibility. He pointed out that an IHS provider could also bill Medicaid for any uncovered amounts and was reimbursed at 100 percent of federal funds.

[4:15:16 PM](#)

REPRESENTATIVE T. WILSON asked about the earlier reference to coverage through military insurance and Denali Kid Care.

MR. SHERWOOD replied that he would need to check if Tri Care was considered insurance.

[4:16:10 PM](#)

CO-CHAIR KELLER noted that 1277 additional children would be covered by SB 13, and an additional 200 pregnant women. He asked if any of these were included in the Indian Child Welfare Act (ICWA) projections.

MR. SHERWOOD replied that some of the children would be IHS eligible, and he pointed to the fiscal note which showed an assumption for 100 percent funding for some of the services.

CO-CHAIR KELLER asked for a percentage.

MR. SHERWOOD replied that, overall, 35 percent were eligible for IHS, but he could not state positively about the percentage of eligibility for the income level stated in SB 13.

[4:17:54 PM](#)

REPRESENTATIVE T. WILSON asked if there was a wait list for Denali Kid Care.

MR. SHERWOOD, in response, said there was not a wait list for entry due to limitations of capacity, but that there had been processing backlogs to verify citizenship and identity with original documents. He explained that if eligibility was granted, then coverage was offered for three months prior to the date of application.

[4:19:24 PM](#)

REBECCA LEVENSON, Senior Policy Analyst, Family Violence Prevention Fund, said that Alaska had the highest per capita rates of sexual and domestic violence in the country. She explained that the Family Violence Prevention Fund worked on the impact of violence on health outcomes. She said it was important to consider the issue of perinatal health when increasing to 200 percent of FPL. She explained that pregnant women experiencing violence were much less likely to carry to term, which would cost the state a lot more money. She suggested consideration of the cost benefit to the increase to FPL percentages versus the cost of negative outcomes from decreased perinatal care.

[4:22:52 PM](#)

CO-CHAIR KELLER closed public testimony.

[4:23:04 PM](#)

CO-CHAIR KELLER moved to adopt Amendment 1, labeled Version 26-LS0076\A.12, Mischel, 3/17/10, which read:

Page 4, line 3:

Delete "200"

Insert "210"

Page 4, line 14:

Delete "may"

Insert "shall [MAY]"

Page 4, line 16:

Delete "150 and 200"

Insert "185 [150] and 210"

Page 4, lines 16 - 17:

Delete "if the department requires premiums or cost-sharing contributions under this subsection, the"

Insert "The [IF THE DEPARTMENT REQUIRES PREMIUMS OR COST-SHARING CONTRIBUTIONS UNDER THIS SUBSECTION, THE]"

[4:23:22 PM](#)

REPRESENTATIVE T. WILSON objected for discussion.

[4:24:18 PM](#)

The committee took a brief at-ease.

[4:24:51 PM](#)

[Due to technical difficulties, the audio was not recorded from 4:24:51 until 4:25:21.]

[4:25:53 PM](#)

CO-CHAIR KELLER repeated that SB 13 was not about coverage for children, but about who would pay for it. He declared the intent for state programs was to help people become self sufficient once again. He preferred the message to be that the state would help out, not to pay for as much as possible for everyone.

[4:28:19 PM](#)

REPRESENTATIVE SEATON asked to clarify that there were no steps, percentages, or amounts for co pay in the amendment, but that these would be whatever the DHSS determined.

[4:30:01 PM](#)

REPRESENTATIVE LYNN asked about the expense to implement the co pay. Pointing to the intent of the amendment, he asked if it was to save money, or to teach parents to be more self sufficient.

[4:31:30 PM](#)

CO-CHAIR KELLER replied that his intent was for the will of the committee to happen. He noted that his intent was for greater self sufficiency for parents, but that the issue was for who would pay.

REPRESENTATIVE LYNN asked if the children would suffer because of this.

CO-CHAIR KELLER said that it was necessary to draw a line for support.

[4:34:38 PM](#)

REPRESENTATIVE HOLMES, in response to Representative Seaton, pointed to page 4, lines 18 and 19, and said that DHSS would be

required to adopt "a sliding scale for premiums or contributions based on household income."

[4:35:27 PM](#)

MR. SHERWOOD said that the bill language usually provided a great deal of flexibility for levels of cost sharing.

[4:35:56 PM](#)

REPRESENTATIVE HOLMES asked how the co pay would be shared with the federal government, and also asked about the cost for administrative overhead. She referred to the current statute which allowed for a department option to premiums or co pays. She asked Mr. Sherwood how much money was really going to be saved.

[4:37:12 PM](#)

MR. SHERWOOD replied that any income from co-pays would be shared with the federal government at the same rate as the expenses. He agreed that there were administrative costs for co pays and premiums. He opined that there could be a savings from deterrence, in that some people would just not apply, though neither co pay or premium would contribute to a large savings. He clarified that the administration supported a clean expansion, without co-pays, to 200 percent FPL for pregnant women and children. He expressed a desire for a simple program for DHSS and the providers.

[4:40:47 PM](#)

REPRESENTATIVE CISSNA said there was a shortage for health care providers which accepted Medicaid. She asked if co pay would create a necessity for more personnel, and would the co pay create a hardship for the health care provider network.

MR. SHERWOOD, in response, offered his belief that the DHSS workload would increase, but he did not know if it would be necessary to hire more staff. He shared that co pay was not uncommon, but that he could not speak for the health care providers.

[4:44:20 PM](#)

CO-CHAIR KELLER asked for clarification about the co pay.

MR. SHERWOOD replied that the co pay was paid to the provider, which would reduce the payment to the provider from the state and the federal government. He clarified that the co pay benefit to the state would be to the same percentage as the cost payment for the service.

[4:44:55 PM](#)

REPRESENTATIVE T. WILSON asked if the co pay process could be similar to the current system used by clinics in her district.

MR. SHERWOOD replied that degrees of co pay could be set up, but he explained the necessity to categorize all the recipients by qualifications, and then to notify all the health care providers of each recipient's category.

[4:46:09 PM](#)

REPRESENTATIVE T. WILSON asked about the current adult co pay system.

MR. SHERWOOD reported that providers were aware of the co pay services and the eligibility categories, so that the co pay was requested at the time of payment.

[4:47:26 PM](#)

MR. SHERWOOD, in response to Representative T. Wilson, offered an example of buying a prescription at a pharmacy.

REPRESENTATIVE T. WILSON asked if this was the same system for children.

MR. SHERWOOD explained that it was necessary to identify the individuals subjected to co pay, and to identify any differences in co pay amounts.

[4:49:21 PM](#)

REPRESENTATIVE LYNN expressed his concern for any impact of co pay on the children. He asked if this could be studied during the interim. He asked about the cost for a premium.

MR. SHERWOOD, in response, said that premiums could not exceed 5 percent of the household income, based on a monthly or a quarterly income.

[4:52:36 PM](#)

CO-CHAIR KELLER withdrew his amendment. He declared his philosophical differences with the federal government.

[4:53:41 PM](#)

REPRESENTATIVE CISSNA agreed that it was necessary to maintain awareness of the program costs. She stressed the importance of "dealing with one part of a generation" and she voiced her support for a better system.

[4:54:53 PM](#)

REPRESENTATIVE T. WILSON expressed her frustration with the inequity to small businesses which offered a health care plan.

[4:57:16 PM](#)

REPRESENTATIVE CISSNA offered her belief that Alaska did not encourage small businesses. She stated that a large number of uninsured in Alaska were employed by small businesses. She said that SB 13 would allow these employees to keep their children healthy, while it supported the small businesses ability to remain in business.

[4:58:45 PM](#)

CO-CHAIR HERRON moved to report SB 13 out of committee with individual recommendations and the accompanying fiscal notes.

CO-CHAIR KELLER objected. He said that he cared about the children. He offered his belief that the committee had the wrong understanding and he directed attention to a pie graph, titled "Children in Alaska." [Included in the committee packets.] He opined that SB 13 would send a message to families that the government was there to take care of them. He offered his belief that SB 13 would only affect a small number of children, and that these were not the children who needed the most support.

[5:02:07 PM](#)

A roll call vote was taken. Representatives Lynn, Seaton, Cissna, Holmes, and Herron voted in favor of SB 13. Representatives T. Wilson and Keller voted against it.

Therefore, SB 13 was reported from the House Health and Social Services Standing Committee by a vote of 5 -2.

**HB 392-INCENTIVES FOR CERTAIN MEDICAL PROVIDERS**

[5:02:49 PM](#)

CO-CHAIR KELLER announced that the final order of business would be HOUSE BILL NO. 392, "An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

CO-CHAIR HERRON stated that HB 392 recognized that there was a health care provider shortage, especially in certain occupations and specific regions. He shared that HB 392 would assist to recruit and retain "a competent, competitive medical provider workforce."

[HB 392 was held over.]

[5:04:09 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:04 p.m.