

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

March 23, 2010

3:05 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**

HOUSE BILL NO. 260

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

- MOVED CSHB 260(HSS) OUT OF COMMITTEE

HOUSE BILL NO. 188

"An Act relating to the taxation of moist snuff tobacco, and amending the definition of 'tobacco product' in provisions levying an excise tax on those products."

- MOVED CSHB 188(HSS) 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."

- HEARD & HELD

HOUSE BILL NO. 270

"An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

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
03/18/10	(H)	Heard & Held
03/18/10	(H)	MINUTE(HSS)
03/23/10	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 188

SHORT TITLE: TAX ON MOIST SNUFF

SPONSOR(S): REPRESENTATIVE(S) HERRON

03/12/09	(H)	READ THE FIRST TIME - REFERRALS
03/12/09	(H)	HSS, L&C, FIN
03/24/09	(H)	HSS AT 3:00 PM CAPITOL 106
03/24/09	(H)	<Bill Hearing Rescheduled to 03/26/09>
03/26/09	(H)	HSS AT 3:00 PM CAPITOL 106
03/26/09	(H)	Heard & Held
03/26/09	(H)	MINUTE(HSS)
04/09/09	(H)	HSS AT 3:00 PM CAPITOL 106
04/09/09	(H)	Heard & Held
04/09/09	(H)	MINUTE(HSS)
04/14/09	(H)	HSS AT 3:00 PM CAPITOL 106
04/14/09	(H)	Heard & Held
04/14/09	(H)	MINUTE(HSS)
02/23/10	(H)	HSS AT 3:00 PM CAPITOL 106
02/23/10	(H)	Heard & Held
02/23/10	(H)	MINUTE(HSS)
03/23/10	(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  
03/18/10 (H) Heard & Held  
03/18/10 (H) MINUTE(HSS)  
03/23/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 270

SHORT TITLE: MEDICAID FOR MEDICAL & INTERMEDIATE CARE  
SPONSOR(s): REPRESENTATIVE(s) MUNOZ, SEATON, HERRON, GRUENBERG

01/08/10 (H) PREFILE RELEASED 1/8/10  
01/19/10 (H) READ THE FIRST TIME - REFERRALS  
01/19/10 (H) HSS, FIN  
03/23/10 (H) HSS AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

PAT LUBY, Advocacy Director  
AARP

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 260.

BILL STREUR, Deputy Commissioner  
Office of the Commissioner  
Department of Health and Social Services (DHSS)

**POSITION STATEMENT:** Testified during discussion of HB 260 and during discussion of HB 392.

NIKOOSH CARLO, Staff  
to Representative Bob Herron  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during discussion of HB 392, on behalf of the prime sponsor, Representative Bob Herron.

DIANE BARRANS, Executive Director  
Alaska Commission on Post Secondary Education (ACPE)  
Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 392.

JIM L. LYNCH, Chief Finance Officer  
Fairbanks Memorial Hospital & Denali Center  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified during discussion of Hb 392.

LANETTA LUNDBERG, Director of Human Resources  
Ketchikan General Hospital  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

RICHARD PECK, Board President  
Iliuliuk Family & Health Services  
Unalaska, Alaska

**POSITION STATEMENT:** Stated support of HB 392.

JERRY GROWER, Student  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

ELIZABETH RIPLEY, Executive Director  
Mat-Su Health Foundation  
Wasilla, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 392.

DON PATHMAN, Professor  
University of North Carolina Rural Health Research and Policy  
Analysis Center  
Durham, North Carolina

**POSITION STATEMENT:** Answered questions during discussion of HB 392.

SONIA HANFORTH-KOME, Executive Director  
Iliuliuk Family & Health Services Clinic;  
President, Alaska Primary Care Association  
Unalaska, Alaska

**POSITION STATEMENT:** Stated support of HB 392.

DAVID MORGAN  
Alaska Primary Care Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 392.

NATALIE HALE, Medical Student  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

ANGEL DOTOMAIN, President & CEO  
Alaska Native Health Board  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

MARIE DARLIN

Capital City Task Force AARP  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 392.

SAM TRIVETTE

Juneau, Alaska

**POSITION STATEMENT:** Spoke in support of HB 392.

SHELLEY HUGHES, Government Affairs Director

Alaska Primary Care Association (APCA)

Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 392.

PAT CARR, Chief

Health Planning and Infrastructure

Division of Health Care Services

Department of Health and Social Services (DHSS)

Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 392.

KENDRA KLOSTER, Staff

to Representative Cathy Munoz

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 270 on behalf of the prime sponsor, Representative Cathy Munoz.

## **ACTION NARRATIVE**

[3:05:33 PM](#)

**CO-CHAIR BOB HERRON** called the House Health and Social Services Standing Committee meeting to order at 3:05 p.m. Representatives Herron, Keller, Lynn, T. Wilson, and Seaton were present at the call to order. Representatives Cissna and Holmes arrived as the meeting was in progress.

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

[3:05:52 PM](#)

**CO-CHAIR HERRON** announced that the first 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.]

[3:06:42 PM](#)

CO-CHAIR KELLER, as the prime sponsor of the bill, explained that HB 260 was an authorization and encouragement for Department of Health and Social Services (DHSS) to get a waiver for preventative care services.

[3:07:16 PM](#)

REPRESENTATIVE SEATON moved to adopt Amendment 1, labeled 26-LS1128\R.1, Mischel, 3/18/10, which read:

Page 2, following line 14:

Insert a new subsection to read:

"(e) The department shall establish measures that include medical, social, and economic components for the services provided under this section. The measures shall be used in evaluating outcomes and savings for purposes of reporting under (d) of this section."

CO-CHAIR HERRON objected for discussion.

REPRESENTATIVE SEATON explained that the amendment would insert a new subsection which he read.

[3:07:54 PM](#)

CO-CHAIR HERRON stated that the sponsor was in favor of Amendment 1 and he asked if there were any questions.

[3:08:05 PM](#)

REPRESENTATIVE SEATON explained that the amendment built the medical, economic, and social components into the program to help evaluate success in a timelier manner.

[3:08:59 PM](#)

CO-CHAIR HERRON removed his objection.

There being no further objection, Amendment 1 was adopted.

[3:09:16 PM](#)

REPRESENTATIVE SEATON moved to adopt Amendment 2, labeled 26-LS1128\R.2, Mischel, 3/18/10, which read:

Page 2, line 14, following "outcomes,":  
Insert "costs,"

CO-CHAIR HERRON objected for discussion.

REPRESENTATIVE SEATON explained that the amendment inserted the word "costs" on page 2, line 14 to allow for this analysis, as well.

CO-CHAIR HERRON removed his objection.

There being no further objection, Amendment 2 was adopted.

[3:10:19 PM](#)

PAT LUBY, Advocacy Director, AARP, stated that AARP strongly supported HB 260. He pointed out that Medicare had included preventive health as a means for the program to save money. He noted that HB 260 was a good health and fiscal policy.

[3:11:13 PM](#)

CO-CHAIR HERRON closed public testimony.

REPRESENTATIVE T. WILSON asked if there was any fiscal impact.

[3:12:12 PM](#)

The committee took an at-ease from 3:12 p.m. to 3:13 p.m.

[3:13:51 PM](#)

CO-CHAIR KELLER offered his belief that the federal health care reform bill could have a fiscal impact on all health care legislation and that each of these bills may need to be re-addressed at some point in the future.

[3:15:55 PM](#)

REPRESENTATIVE CISSNA reiterated that the sponsor statement focused on the importance of prevention. She stated that

studies show that "prevention pays." She shared that HB 260 was "a great leadership role" and would get a start on the federal health plan.

[3:18:16 PM](#)

REPRESENTATIVE T. WILSON asked if HB 260 could be implemented without increasing the state payroll.

[3:18:36 PM](#)

BILL STREUR, Deputy Commissioner, Office of the Commissioner, replied that the position was necessary for the set up of cost containment issues to put the program in place, contracting, and annual contract maintenance with the provider network.

[3:19:31 PM](#)

REPRESENTATIVE T. WILSON asked if the position was necessary after the initial set up.

[3:19:45 PM](#)

MR. STREUR replied that it was necessary until the frequency of contracts and the number of participating providers was known.

[3:19:58 PM](#)

REPRESENTATIVE T. WILSON asked for more information about the impact and involvement with the private sector.

[3:21:04 PM](#)

CO-CHAIR KELLER moved to report the proposed committee substitute (CS) for HB 260, Version 26-LS1128\R, Mischel, 2/4/10, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 260 (HSS) was reported from the House Health and Social Services Standing Committee.

**HB 188-TAX ON MOIST SNUFF**

[3:21:48 PM](#)

CO-CHAIR HERRON announced that the next order of business would be HOUSE BILL NO. 188, "An Act relating to the taxation of moist snuff tobacco, and amending the definition of 'tobacco product'

in provisions levying an excise tax on those products." [Before the committee, adopted as the working draft on 4/14/09, and amended on 2/23/10, was the proposed committee substitute (CS) for HB 188, Version 26-LS0714\N, Bullock, 4/9/09.]

[3:22:40 PM](#)

The committee took an at-ease from 3:22 p.m. to 3:26 p.m.

[3:26:51 PM](#)

REPRESENTATIVE SEATON moved to adopt the proposed committee substitute (CS) for HB 188, Version 26-LS0714\K, Bullock, 2/24/10, as the working document.

[3:27:04 PM](#)

REPRESENTATIVE T. WILSON objected for discussion.

[3:27:16 PM](#)

REPRESENTATIVE SEATON explained the changes. He pointed to the proposed CS, Version K, page 1, line 8, and said that the title now included "relating to the offense of selling tobacco to a minor;" page 3, line 30, moved the word "sold" from (b) to (1), in front of "as loose tobacco."; and page 4, line 1, added the wording after "sold only" in Sec 6 (b)(2) to now include "in packages of not less than 10 units and." He also directed attention to page 7, reported that Sec. 19 was repealed, and the Applicability to the various sections was changed to conform.

[3:28:15 PM](#)

REPRESENTATIVE T. WILSON, directing attention to page 4, line 1, asked if this referred to cigars.

REPRESENTATIVE SEATON agreed.

[3:28:43 PM](#)

REPRESENTATIVE T. WILSON asked why packages of five cigars would be sold, especially to a person who only wanted to buy one.

REPRESENTATIVE SEATON replied that he had been referring to Sec 6 (b) about smokeless tobacco.

[3:29:25 PM](#)

REPRESENTATIVE T. WILSON asked for a definition to a unit.

REPRESENTATIVE SEATON replied that a unit was a dose.

[3:30:01 PM](#)

CO-CHAIR HERRON explained that these tobacco products must come in packets.

REPRESENTATIVE T. WILSON withdrew her objection. [There being no further objection, Version K was adopted as the working document.] She stated that it was not possible through price increase to stop people from bad behavior. She opined that there was a bigger problem.

[3:30:52 PM](#)

REPRESENTATIVE LYNN expressed agreement with Representative T. Wilson and opined that taxes were not intended to change behavior.

[3:31:46 PM](#)

REPRESENTATIVE CISSNA agreed that taxation was a means to pay for a provided service. She discussed the cost and tragedy of tobacco use. She expressed the rationale for a disincentive which would also fund the state expenses due to tobacco use.

[3:33:52 PM](#)

CO-CHAIR HERRON suggested that the tax revenue be put into education funds for the cessation of tobacco use, especially for youth.

[3:34:33 PM](#)

REPRESENTATIVE T. WILSON pointed out that 25 percent of the moist snuff tobacco tax revenue was to be used for education, and she suggested that the remaining 75 percent of the tax revenue be used for health care.

[3:35:43 PM](#)

REPRESENTATIVE SEATON moved to report CSHB 188, Version 26-LS0714\K, Bullock, 2/24/10, out of committee with individual recommendations and the accompanying fiscal notes. There being

no objection, CSHB 188 (HSS) was reported from the House Health and Social Services Standing Committee.

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

[3:36:15 PM](#)

CO-CHAIR HERRON announced that the next order of business 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."

[3:36:27 PM](#)

NIKOOSH CARLO, Staff to Representative Bob Herron, Alaska State Legislature, paraphrased the "Talking Points HB 392: Loan Repayment and Direct Incentives for Certain Medical Providers." [Included in the committee packets.] She explained that HB 392 created a support-for-service program within DHSS. She pointed out that support-for-service programs had been successful "in 44 states to recruit and retain a competent and sustainable health care work force." She explained that it would provide loan repayments and cash incentives for medical providers in 10 different health care categories. She stated that HB 392 would help to remedy the shortage of health care professionals in Alaska.

[3:38:42 PM](#)

REPRESENTATIVE SEATON asked for an explanation of the direct incentives.

DR. CARLO, in response, explained that the incentive was a cash payment, and could be combined with a loan repayment program. She detailed that the amount for these programs varied by location and by occupation, and that the maximum award was \$47,000 per year.

[3:40:00 PM](#)

REPRESENTATIVE SEATON asked for definitions to "regular position" and "very hard to fill position."

DR. CARLO replied that the commissioner reviewed the needs assessment and employment history for a location, and then would

annually rank the eligibility of sites, especially to determine if any had a "shortage priority."

[3:41:03 PM](#)

REPRESENTATIVE SEATON asked if this was an annual ranking for the preceding or the upcoming year. He asked if this was a new procedure.

DR. CARLO replied that she did not know.

[3:41:45 PM](#)

REPRESENTATIVE T. WILSON asked if the incentive would still be available, even if you had completed payment on your loans.

DR. CARLO replied that a loan was not necessary in order to receive a direct incentive.

[3:42:06 PM](#)

REPRESENTATIVE HOLMES asked for the difference between Tier 1 and Tier 2 health care professionals.

DR. CARLO offered her belief that the recommendations for these tiers came from a 2008 workgroup which evaluated work force shortages across Alaska. She said that these tier categories each had shortages.

[3:43:24 PM](#)

REPRESENTATIVE SEATON asked if there was a loan repayment plan for any of these categories.

DR. CARLO replied that she did not know if there was a current program.

[3:44:02 PM](#)

CO-CHAIR HERRON shared that Dr. Carlo had a doctorate in Neuro Science and was helping formulate health care policy.

[3:44:48 PM](#)

REPRESENTATIVE HOLMES asked if this program was to be used as a bonus to attract applicants, or would it be offered after the hiring.

DR. CARLO offered her belief that there would be a DHSS application process, which was yet to be determined, and each individual would need apply.

[3:46:06 PM](#)

REPRESENTATIVE HOLMES asked to clarify that the applicant already needed to be working and could then apply.

DR. CARLO said that the applicant did not have to be working at the location when they applied for the benefit.

REPRESENTATIVE HOLMES asked to clarify that this could be both a recruiting and a retention mechanism.

DR. CARLO agreed.

[3:46:50 PM](#)

REPRESENTATIVE SEATON asked for more information about the current loan repayment programs for doctors, nurses, and dentists.

DIANE BARRANS, Executive Director, Alaska Commission on Post Secondary Education (ACPE), explained that the only similar state program was the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) graduate medical education program. She pointed out that this was slightly different, as Alaskan resident participants had agreed to serve in Alaska as licensed professionals. She noted that the loan obligations were discharged after that service was completed.

[3:48:20 PM](#)

REPRESENTATIVE SEATON asked if both the proposed program and WWAMI could work in coordination.

MS. BARRANS offered her belief that it was possible, as WWAMI participants often had other education related debt. She did not believe it was possible to use the new program to concurrently pay the WWAMI debt.

[3:49:30 PM](#)

REPRESENTATIVE SEATON asked about the annual WWAMI reduction of debt.

MS. BARRANS explained that for work in a rural area, one third of the debt was reduced each year and that for work completed in an urban area, one quarter of the debt was reduced each year.

[3:50:01 PM](#)

JIM L. LYNCH, Chief Finance Officer, Fairbanks Memorial Hospital & Denali Center, said that he was the Chair of the [Alaska] Work Force Investment Board and a member of the Steering Committee for the [Alaska] Health Care Workforce Coalition. He pointed out that Alaska will soon face challenging and significant workforce shortages. He noted that the aging Alaskan population would demand more access to health care. He offered his support for the financial incentives in HB 392. He reported that the private sector found these incentives to be cost effective and result bearing when managed properly. He shared that 44 other states had similar programs. He opined that national competition would increase and financial tools such as HB 392 would be necessary to ensure a strong health force. He directed attention to the Alaska Health Care Workforce Coalition strategic plan for the development of the future Alaskan health care workforce, and stated that it would include financial incentives similar to HB 392.

[3:53:01 PM](#)

LANETTA LUNDBERG, Director of Human Resources, Ketchikan General Hospital, expressed support for HB 392. She reported that there were long standing vacancies for primary care health care positions. She pointed out that applicants often accepted positions with better loan repayment and incentive packages. She stated that "a state loan repayment program and incentives would enhance, incentivize, and draw a larger pool of health care professionals to Alaska." She emphasized that a health care loan repayment program was an investment in Alaska's future.

[3:55:08 PM](#)

RICHARD PECK, Board President, Iliuliuk Family & Health Services, declared that HB 392 was good public policy. He emphasized that it was necessary for attraction and retention of health care providers in rural Alaska.

[3:56:21 PM](#)

JERRY GROWER said that he was a graduate student in social work at University of Alaska Anchorage (UAA). He shared that he had accumulated over \$70,000 in student loan debt. He pointed out that his undergraduate work had been completed outside Alaska, but that he came back to Alaska for the opportunity to bring his services home to Alaskans. He spoke about many of the social health issues in Alaska. He stated that the financial incentives of HB 392 would motivate workers to stay in Alaska. He offered his support for HB 392.

[3:58:39 PM](#)

ELIZABETH RIPLEY, Executive Director, Mat-Su Health Foundation, stated that the Mat-Su Health Foundation's mission was to improve the health and wellness of Alaskans living in Mat-Su with a goal to be the healthiest borough in the state. She shared some of its strategies which included increasing the number of health care professionals in Alaska. She noted that the Mat-Su Regional Medical Center had spent \$6,238,438 on temporary health professionals from outside Alaska during the past five years, which she determined to be a low amount compared to most hospitals in Alaska. She noted that the health foundation currently had a \$100,000 scholarship for local students pursuing a career in health care. She stressed that repayment and incentive programs were very effective. She said that the health foundation was studying ways to encourage and incentivize people to move to Alaska to work in health care, as national studies had determined that loan repayment and incentive programs were the two most effective strategies for recruitment and retention. She stated support for HB 392 and noted that this was an investment with a "phenomenal return."

[4:04:09 PM](#)

REPRESENTATIVE T. WILSON asked if there were similar incentive packages in North Carolina.

[4:04:29 PM](#)

DON PATHMAN, Professor, University of North Carolina Rural Health Research and Policy Analysis Center, replied that he had been the recipient of an incentive program 25 years ago. He shared that for the past 20 years he had studied the outcomes of these programs for health care professionals. He noted that he had coordinated his efforts with the Alaskan work group to write the proposals in HB 392.

[4:05:14 PM](#)

SONIA HANFORTH-KOME, Executive Director, Iliuliuk Family & Health Services Clinic; President, Alaska Primary Care Association, said that she was in support of HB 392. She listed the numerous position openings that the clinic experienced. She shared that health care providers stayed longer with loan repayment incentives. She noted that when interviewing prospective candidates, one of their first questions was about loan repayment incentives and retention bonuses.

[4:07:53 PM](#)

DAVID MORGAN, Alaska Primary Care Association, shared that the Indian Health Services (IHS) already had a similar program. He described the formula system for loan repayment which included points for populations and demographics. He noted that the programs were for individuals ready to start work, and finished with school. He pointed out that the scholarship program targeted professionals with high debt, and that it was necessary to draw health care professionals away from the high density areas. He noted that expenses were higher for medevacs and Medicaid travel costs when these positions were left unfilled.

[4:14:16 PM](#)

CO-CHAIR KELLER asked for a definition to Tier 1 and Tier 2.

MR. MORGAN, in response to Co-Chair Keller, stated that the difference of the tiers was for the amount of time in training, and licensing. He said that Alaska did not score well enough on the federal funding model to draw applicants, whereas the formula for funding in HB 392 was designed specifically for Alaska.

[4:17:15 PM](#)

CO-CHAIR KELLER asked if there were any "holes" in the bill.

MR. MORGAN replied that it was a good bill.

[4:17:52 PM](#)

REPRESENTATIVE T. WILSON asked for the annual costs to bring in temporary health care professionals.

MR. MORGAN said that he would supply that for each of the 139 community health centers in Alaska.

REPRESENTATIVE T. WILSON asked if the community health centers had any incentive programs.

MR. MORGAN replied that community health center funding was highly regulated and would need to use the federal funding formula. He pointed out that the community health center program was designed for care delivery.

[4:19:51 PM](#)

NATALIE HALE, medical student, shared that she was a student in the WWAMI program and she listed the other students from the program who were also in support. She read some of their statements of support, which included:

Alaska has many barriers preventing people from receiving health care. Our state has made advances in regard to this problem; however, we still face the problem of physician and health care worker shortages. As a medical student, I have spoken with several physicians about the difficulties of practicing in Alaska including the financial difficulties of offering health care to those without insurance or on government programs that don't adequately reimburse physicians for their time with patients. I am fully intending to return to Alaska to practice medicine; however I am trepidatious about my ability to support a practice and family and still see the patients most in need of care. This bill will give me the opportunity to do so without sacrificing my family as well as attract more qualified health care workers to the areas of the state that need it most. I am in support of the bill.

[4:23:39 PM](#)

ANGEL DOTOMAIN, President & CEO, Alaska Native Health Board, reported that the Alaska Native Health Board served over 130,000 Alaska Natives, and employed over 7,000 health professionals and support staff. She noted that its health provider vacancy rates exceeded the statewide vacancy rates by 150-200 percent. She pointed out that it takes 14 months to fill a physician vacancy, and about 6 months to fill a mid level vacancy. She stated that HB 392 would provide an opportunity for recruitment and

retention of providers. The average tribal health care cost for recruitment of a primary care provider was \$31,000. The cost for locums, or temporary, coverage was 150-200 percent more than for a direct hire. She offered her belief that HB 392 offered a solution to the health care workforce shortage. She shared that 90 percent of the individuals interviewed for Alaska positions asked if there was a loan repayment or incentive program.

[4:27:53 PM](#)

MARIE DARLIN, Capital City Task Force AARP, stated support for HB 392 and pointed out that it was another tool to secure a health care work force.

[4:29:26 PM](#)

SAM TRIVETTE stated the need for more medical practitioners in Alaska. He emphasized that HB 392 would make it possible for Alaska to attract new health care professionals. He pointed out that Alaska had the fastest growing senior population in the U.S. and that retired seniors spend \$1.7 billion in Alaska. He noted the difficulty to find primary health care providers in Anchorage and Fairbanks who would see new Medicare patients. He emphasized that if care was not available, then seniors would move out of the state. He stated support for HB 392.

[4:31:53 PM](#)

SHELLEY HUGHES, Government Affairs Director, Alaska Primary Care Association (APCA), reported on a 2008 convention of stakeholders to look at recruiting and retention. The group reviewed what had worked for other states, and included tribal, private, community health, urban and rural health centers. She directed attention to HB 392 and stated that it was well thought out. She stated that Alaska was not competitive, as candidates were lost to other states. She predicted that there would be a statewide shortage of 125,000 doctors in the next 15 years, and that currently, Alaska had a 14 percent deficit of physicians to the national norm. She stressed that only three other states did not have programs, Hawaii, South Carolina, and Idaho. She reported on the length of vacancies and the expense to hire temporary physicians. She observed that the first question posed to recruiters was about state loan repayment plans and incentives. She pointed out that the use of loan repayment as a strategy targeted about 60,000 ready to work professionals. She advised that the addition of incentives to this strategy increased the target pool to 800,000 professionals. She stated

that the Alaska Health Care Commission included a loan repayment and incentive program in its recommendations. She emphasized that the cost of doing nothing would include ongoing recruitment and temporary hiring costs, increased emergency room use, increased medevac use, increased Medicaid travel cost, and increased costs for chronic disease, as there would not be enough local physicians.

[4:39:47 PM](#)

REPRESENTATIVE T. WILSON asked the reason for a three year repayment plan.

MS. HUGHES deferred the question to Dr. Pathman.

[4:41:59 PM](#)

REPRESENTATIVE HOLMES expressed confusion of whether the bill was for three years or six years of qualified employment.

MS. HUGHES replied that the initial application would be for three years, with an option to reapply after the end of the contract.

REPRESENTATIVE HOLMES asked to clarify that this was a three year repayment contract, and not a year by year contract.

MS. HUGHES said that the funding was guaranteed for the first year, but that the legislature would need to approve the appropriation annually. It would be a three year determination, pending the funding.

[4:43:15 PM](#)

REPRESENTATIVE HOLMES asked for an explanation as to how the program would work.

[4:44:09 PM](#)

MS. HUGHES explained that each medical facility could apply to become an eligible site, so that this could be used as a recruitment tool. She declared that this would be an ongoing process for the department to rank the sites for eligibility.

[4:45:04 PM](#)

REPRESENTATIVE HOLMES, referring to the cap for the number of annually eligible, asked if these would all be filled in the first year.

MS. HUGHES offered her belief that it gave the department flexibility, though it could not exceed 90 recipients in any given year.

[4:46:14 PM](#)

CO-CHAIR HERRON asked why it was necessary to hire another administrator for this program.

BILL STREUR, Deputy Commissioner, Director's Office, Division of Health Care Services, Department of Health and Social Services (DHSS), agreed that he was not sure of the necessity. He read the necessary program start up requirements and expressed that he did not know if there was a current employee who could fulfill these. He stated that the position would need to be ratified by the commissioner.

[4:49:59 PM](#)

REPRESENTATIVE SEATON asked about the pending federal loan pilot program.

PAT CARR, Chief, Health Planning and Infrastructure, Division of Health Care Services, Department of Health and Social Services (DHSS), said that Alaska had applied for the state loan repayment program. She explained that this funding included \$600,000 of federal funding which was matched by \$200,000 from the Alaska Mental Health Trust Authority and \$400,000 funding from three community health centers. She said this funding would allow for 23 health care providers. She explained the parameters of the requirements.

[4:51:40 PM](#)

CO-CHAIR KELLER opined that this need for health care providers was connected to the federal health care reform.

[4:52:41 PM](#)

[HB 392 was held over.]

**HB 270-MEDICAID FOR MEDICAL & INTERMEDIATE CARE**

4:53:04 PM

CO-CHAIR HERRON announced that the final order of business would be HOUSE BILL NO. 270, "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

KENDRA KLOSTER, Staff to Representative Cathy Munoz, Alaska State Legislature, explained HB 270 on behalf of the prime sponsor, Representative Cathy Munoz. She stated that the bill amended the eligibility threshold of medical assistance to persons in a medical or intermediate care facility. She said that, in 2003, the Alaska State Legislature had changed the eligibility rate from 300 percent of the social security Supplemental Security Income (SSI) to a fixed income rate of \$1656.00 per month. She explained that this did not allow for any cost of living adjustments by social security, and that these small increases could disqualify some people from the program. She explained that SSI was a federal needs-based disability program based on the ability to work, with the disability expected to last at least a year. She explained the difficulty and cost of obtaining a Medicaid qualifying income trust. She stated that HB 270 would increase the Medicaid income eligibility standards for individuals who reside in a medical institution to 300 percent of the current SSI rate.

[HB 270 was held over.]

4:56:46 PM

CO-CHAIR KELLER asked to be put on the record about the implications to Alaska of the federal health care reform bill. He opined that the HHSS committee was unable to fully evaluate the impact of the federal legislation on the state of Alaska, and that the committee may need to reconsider its actions as more information was forthcoming on the fiscal impacts.

REPRESENTATIVE SEATON clarified that this was not a reconsideration to hold a bill in committee.

CO-CHAIR KELLER agreed that it was not.

5:00:14 PM

**ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:00 p.m.