

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 1, 2010

3:04 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

MEMBERS PRESENT

Representative Nancy Dahlstrom

COMMITTEE CALENDAR

CS FOR SENATE CONCURRENT RESOLUTION NO. 13(HSS)
Supporting senior caregivers and encouraging the Department of Health and Social Services to provide additional education on the effects of aging and the importance of senior caregivers.

- MOVED CS SCR 13 (HSS) OUT OF COMMITTEE

SENATE BILL NO. 238

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

- MOVED SB 238 OUT OF COMMITTEE

HOUSE BILL NO. 282

"An Act relating to naturopaths and to the practice of naturopathy; establishing an Alaska Naturopathic Medical Board; authorizing medical assistance program coverage of naturopathic services; amending the definition of 'practice of medicine'; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 126

"An Act relating to continuing the secondary public education of a homeless student; relating to the purpose of certain laws as they relate to children; relating to tuition waivers, loans, and medical assistance for a child placed in out-of-home care by the state; relating to foster care; relating to children in need of aid; relating to foster care transition to independent living; and relating to juvenile programs and institutions."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SCR 13

SHORT TITLE: SUPPORTING SENIOR CAREGIVERS

SPONSOR(S): SENATOR(S) BUNDE

02/24/10	(S)	READ THE FIRST TIME - REFERRALS
02/24/10	(S)	HSS
03/15/10	(S)	HSS AT 1:30 PM BUTROVICH 205
03/15/10	(S)	Moved CSSCR 13(HSS) Out of Committee
03/15/10	(S)	MINUTE(HSS)
03/16/10	(S)	HSS RPT CS 5DP SAME TITLE
03/16/10	(S)	DP: DAVIS, ELLIS, THOMAS, PASKVAN, DYSON
03/18/10	(S)	BEFORE THE SENATE ON FINAL PASSAGE
03/18/10	(S)	TRANSMITTED TO (H)
03/18/10	(S)	VERSION: CSSCR 13(HSS)
03/19/10	(H)	READ THE FIRST TIME - REFERRALS
03/19/10	(H)	HSS
04/01/10	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: SB 238

SHORT TITLE: MEDICAID FOR MEDICAL & INTERMEDIATE CARE

SPONSOR(S): SENATOR(S) DAVIS

01/22/10	(S)	READ THE FIRST TIME - REFERRALS
01/22/10	(S)	HSS, FIN
02/01/10	(S)	HSS AT 1:30 PM BUTROVICH 205
02/01/10	(S)	Moved CSSB 238 Out of Committee
02/01/10	(S)	MINUTE(HSS)
02/03/10	(S)	HSS RPT 5DP
02/03/10	(S)	DP: DAVIS, ELLIS, THOMAS, DYSON, PASKVAN

03/15/10 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/15/10 (S) Heard & Held
 03/15/10 (S) MINUTE(FIN)
 03/22/10 (S) FIN RPT 2DP 3NR
 03/22/10 (S) DP: HOFFMAN, EGAN
 03/22/10 (S) NR: STEDMAN, HUGGINS, OLSON
 03/22/10 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/22/10 (S) Moved SB 328 Out of Committee
 03/22/10 (S) MINUTE(FIN)
 03/23/10 (S) TRANSMITTED TO (H)
 03/23/10 (S) VERSION: SB 238
 03/24/10 (H) READ THE FIRST TIME - REFERRALS
 03/24/10 (H) HSS, FIN
 04/01/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 282

SHORT TITLE: NATUROPATHS

SPONSOR(S): REPRESENTATIVE(S) MUNOZ

01/15/10 (H) PREFILE RELEASED 1/15/10
 01/19/10 (H) READ THE FIRST TIME - REFERRALS
 01/19/10 (H) L&C, HSS, JUD, FIN
 01/25/10 (H) JUD REFERRAL REMOVED
 03/01/10 (H) L&C AT 3:15 PM BARNES 124
 03/01/10 (H) Heard & Held
 03/01/10 (H) MINUTE(L&C)
 03/10/10 (H) L&C AT 3:15 PM BARNES 124
 03/10/10 (H) Heard & Held
 03/10/10 (H) MINUTE(L&C)
 03/19/10 (H) L&C AT 3:15 PM BARNES 124
 03/19/10 (H) Moved CSHB 282(L&C) Out of Committee
 03/19/10 (H) MINUTE(L&C)
 03/22/10 (H) L&C RPT CS(L&C) 1DP 1DNP 3NR
 03/22/10 (H) DP: BUCH
 03/22/10 (H) DNP: LYNN
 03/22/10 (H) NR: T.WILSON, HOLMES, OLSON
 04/01/10 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 126

SHORT TITLE: FOSTER CARE/CINA/EDUCATION OF HOMELESS

SPONSOR(S): REPRESENTATIVE(S) GARA

02/11/09 (H) READ THE FIRST TIME - REFERRALS
 02/11/09 (H) EDC, HSS, FIN
 02/25/09 (H) EDC AT 8:00 AM CAPITOL 106
 02/25/09 (H) Heard & Held
 02/25/09 (H) MINUTE(EDC)

03/02/09	(H)	EDC AT 8:00 AM CAPITOL 106
03/02/09	(H)	Heard & Held
03/02/09	(H)	MINUTE(EDC)
03/09/09	(H)	EDC AT 8:00 AM CAPITOL 106
03/09/09	(H)	Heard & Held
03/09/09	(H)	MINUTE(EDC)
03/11/09	(H)	EDC AT 8:00 AM CAPITOL 106
03/11/09	(H)	Moved CSHB 126(EDC) Out of Committee
03/11/09	(H)	MINUTE(EDC)
03/12/09	(H)	EDC RPT CS(EDC) NT 2DP 2NR
03/12/09	(H)	DP: GARDNER, BUCH
03/12/09	(H)	NR: KELLER, SEATON
04/14/09	(H)	HSS AT 3:00 PM CAPITOL 106
04/14/09	(H)	Heard & Held
04/14/09	(H)	MINUTE(HSS)
04/01/10	(H)	HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

SENATOR CON BUNDE

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SCR 13 as the prime sponsor of the bill.

TREVOR FULTON, Staff
to Senator Con Bunde
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions on behalf of Senator Con Bunde, prime sponsor of SCR 13.

KEVIN TURKINGTON, President
Senior Care of Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SCR 13.

ANGELA SALERNO, Systems Developer
Division of Senior and Disabilities Services
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified in support of SCR 13.

MARIANNE MILLS, President
AgeNet
Alaska's Association of Senior Service Provider Agencies
Juneau, Alaska

POSITION STATEMENT: Testified in support of SCR 13 and SB 238.

MARIE DARLIN
AARP Capital City Task Force
Juneau, Alaska

POSITION STATEMENT: Testified in support of SCR 13 and SB 238.

DENISE DANIELLO, Executive Director
Alaska Commission on Aging
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified during discussion of SCR 13 and SB 238.

SENATOR BETTYE DAVIS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 238 as the prime sponsor of the bill.

TOM OBERMEYER, Staff
to Senator Davis
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during discussion of SB 238 on behalf of the prime sponsor, Senator Bettye Davis.

KEN OZMENT
Homer, Alaska

POSITION STATEMENT: Testified in support of SB 238.

HOLLY HANDLER, Attorney
Juneau, Alaska

POSITION STATEMENT: Testified during discussion of SB 238.

VANCE SANDERS, Attorney
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 238.

AMY ONEY
Assisted Living
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 238.

SHERRY METTLER
Assisted Living

POSITION STATEMENT: Testified in support of SB 238.

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

POSITION STATEMENT: Testified during discussion of SB 238.

REPRESENTATIVE CATHY MUNOZ
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 282 as the prime sponsor of the bill.

KENDRA KLOSTER, Staff
to Representative Cathy Munoz
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions about the proposed CSHB 282, Version W, on behalf of the prime sponsor of the bill, Representative Cathy Munoz.

WAYNE ADERHOLD
Homer, Alaska

POSITION STATEMENT: Testified in support of HB 282.

ASHLEY MAY, Naturopathic Doctor
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 282.

PATRICK NEARY, Naturopathic Doctor
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 282.

DAVID OTTOSON
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 282.

REPRESENTATIVE LES GARA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced the proposed Committee Substitute (CS) for HB 126, as the prime sponsor of the bill.

MIKE LESMANN, Program Coordinator
Office of Children's Services (OCS)
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified during discussion of HB 126.

ACTION NARRATIVE

[3:04:57 PM](#)

CO-CHAIR BOB HERRON called the House Health and Social Services Standing Committee meeting to order at 3:04 p.m. Representatives Herron, Keller, T. Wilson, and Seaton were present at the call to order. Representatives Cissna, Lynn, and Holmes arrived as the meeting was in progress.

SCR 13-SUPPORTING SENIOR CAREGIVERS

[3:05:22 PM](#)

CO-CHAIR HERRON announced that the first order of business would be CS FOR SENATE CONCURRENT RESOLUTION NO. 13(HSS), Supporting senior caregivers and encouraging the Department of Health and Social Services to provide additional education on the effects of aging and the importance of senior caregivers.

[3:06:01 PM](#)

SENATOR CON BUNDE, Alaska State Legislature, expressed his desire to draw attention to the escalating senior demographics in Alaska. He pointed out that Alaska had the fastest growing senior population in the U.S. and was projected to grow by 150 percent in the next 20 years. He directed attention to the increased need for senior caregiving, and predicted that 25 percent of all seniors would need some level of daily assistance. He noted that the longer a senior can take care of themselves at home, the less of an impact it would have on the public systems. He stated that SCR 13 was supported by Department of Health and Social Services, AARP, and Alzheimer's Resource of Alaska.

[3:08:04 PM](#)

REPRESENTATIVE SEATON referred to page 2, line 15, and asked if "recognizes senior caregiving as a profession" indicated that this would become a profession permitted by occupational licensing. He asked if there were criteria for this.

[3:08:34 PM](#)

TREVOR FULTON, Staff to Senator Con Bunde, Alaska State Legislature, in response to Representative Seaton, stated that, as a resolution, this had no weight to change statute, and would not place any profession under licensing organization. He explained that the resolution was to draw attention to the importance of the profession.

[3:09:15 PM](#)

CO-CHAIR KELLER asked if it was possible to resolve not to get older.

[3:09:49 PM](#)

KEVIN TURKINGTON, President, Senior Care of Alaska, stated that he was testifying in support of SCR 13. [Due to technical difficulties, much of the testimony was difficult to hear clearly.] He stated his support for SCR 13. He read [page 2, lines 12 - 13], and pointed out the financial impact of seniors providing for themselves.

[3:14:42 PM](#)

ANGELA SALERNO, Systems Developer, Division of Senior and Disabilities Services, Department of Health and Social Services, stated that the administration supported SCR 13. She pointed out the value of senior caregivers and voiced appreciation for their service.

[3:15:42 PM](#)

MARIANNE MILLS, President, AgeNet, Alaska's Association of Senior Service Provider Agencies, stated her support of SCR 13. She acknowledged the hard work of unpaid family caregivers, which was valued at \$140 million. She directed attention to the care and support of family members in providing for seniors. She pointed out that SCR 13 heightened the awareness of aging issues and the need for planning ahead.

[3:17:19 PM](#)

MARIE DARLIN, AARP Capital City Task Force, stated that AARP was in full support of SCR 13. She confirmed the changing demographics that would require an increased role for family care givers. She emphasized that SCR 13 was a necessary part of the health care plan.

[3:19:09 PM](#)

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Department of Health and Social Services, explained that the Commission advocated on behalf of older Alaskans and she explained some of its programs. She stated support for SCR 13. She pointed out that Alaska was a maturing state, with a quickly growing senior population that had resided here for many years. She noted that seniors were living longer. She mentioned the importance of family caregivers. She referenced the Senior Snapshot, contained in the FY 2009 Annual Report, which was available on line.

[3:23:47 PM](#)

REPRESENTATIVE T. WILSON asked if the Alaska Commission on Aging would supply the additional education that was mentioned in SCR 13.

MS. DANIELLO replied that a goal of the state plan for senior services was for increased education.

REPRESENTATIVE T. WILSON asked why a resolution was necessary.

MS. DANIELLO offered her belief that SCR 13 did not authorize the educational campaign. She deferred to Senator Bunde for his reasons to the resolution, but she pointed out that it had heightened awareness toward the aging population.

[3:25:12 PM](#)

REPRESENTATIVE CISSNA encouraged people to go to the meetings of the Alaska Commission on Aging.

MS. DANIELLO, in response to Representative Cissna, said that the commission met quarterly, and that there was currently an educational series on senior community forums. She pointed out that family support was necessary for senior care, but that family dynamics were changing, with more divorce and fewer children. She stressed the importance of supporting family caregivers.

[3:27:05 PM](#)

CO-CHAIR HERRON closed public testimony.

[3:27:17 PM](#)

SENATOR BUNDE, in response to Representative T. Wilson, explained that SCR 13 offered encouragement for family caregivers, even though it lacked enforcement.

[3:27:36 PM](#)

CO-CHAIR KELLER moved to report CS SCR 13 (HSS) out of committee with individual recommendations.

There being no objection, CS SCR 13 (HSS) was reported from the House Health and Social Services Standing Committee.

SB 238-MEDICAID FOR MEDICAL & INTERMEDIATE CARE

CO-CHAIR HERRON announced that the next order of business would be SENATE BILL NO. 238, "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

[3:29:07 PM](#)

SENATOR BETTYE DAVIS, Alaska State Legislature, mentioned that the members should all be able to identify with this bill.

[3:29:36 PM](#)

TOM OBERMEYER, Staff to Senator Davis, Alaska State Legislature, read from the sponsor statement: [original punctuation provided] [Included in the committee packets.]

This bill amends and restores the Medicaid income eligibility threshold for individuals who reside in a medical or intermediate care facility from a specified monthly income limit to 300% of the Social Security income benefit rate. This threshold is also used for people who receive home and community-based waiver services. In 2003 the Legislature froze the Medicaid long-term services income eligibility limit for persons in medical or intermediate care facilities at \$1,656 per month which was 300% Supplemental Security Income (SSI) at that time. This change created an income ceiling for waiver eligibility, effectively freezing the eligibility limit for the last seven years, rather than allowing the limit to adjust annually in tandem with the SSI, the income equivalent

of which in 2009 was \$2,022. The result was that small Social Security cost of living adjustments have disqualified many needy disabled people from the program.

Alternatives for preserving eligibility, particularly for those requiring lifetime or long-term care, include creation of a Medicaid qualifying income trust, also known as a Miller Trust. Trusts, however, have procedural drawbacks, including numerous responsibilities and restrictions, limited access to income, assistance of an attorney, and a trustee to manage trust assets.

As background, the Supplemental Security Income (SSI) program is a federal needs-based disability program for low income adults over age 65, blind, or disabled. For an adult, the SSI disability requirement is based on the ability to work. An adult is considered disabled if the person cannot do the work that he/she performed before the disability occurred or cannot do alternate work because of a severe physical or mental condition. For a child to be eligible, he/she must suffer from serious physical and/or mental problems. For both adults and children, the disability must last, or be expected to last for at least a year.

Medicaid services are critical to the well-being of Alaska's most vulnerable citizens. Supporting SB 238 will ensure that eligible Alaskans can continue to receive nursing home care and in-home services. It also will save the Legislature from amending statutes every year or two as the Federal Poverty Level guidelines and Supplemental Security Income levels increase with the cost of living.

[3:32:44 PM](#)

CO-CHAIR HERRON asked if research had reflected the justification for establishing the ceiling in 2003.

[3:33:14 PM](#)

MR. OBERMEYER explained that there had been a fiscal problem at that time, and that both this and Denali KidCare were shifted to fixed dollar amounts. He opined that the value of these fixed amounts had been diluted as the cost of living had increased.

He pointed out that this affected Alaska's most vulnerable citizens.

[3:33:59 PM](#)

CO-CHAIR HERRON asked why this would have happened.

[3:34:22 PM](#)

MR. OBERMEYER said that he did not know.

[3:34:31 PM](#)

SENATOR DAVIS, in response to Co-Chair Herron, explained that the administration at that time had cut budgets, and that this had not since been adjusted.

[3:34:58 PM](#)

REPRESENTATIVE T. WILSON asked how this could have a zero fiscal note.

[3:35:15 PM](#)

SENATOR DAVIS replied that there was not a cost to the state.

[3:35:27 PM](#)

REPRESENTATIVE CISSNA pointed out that the people most affected by SB 238 more often relied on emergency room visits, which were more costly to the state.

[3:35:47 PM](#)

MR. OBERMEYER agreed, and he added that many of the affected seniors would not receive any services. He pointed out the savings to the state from assistance in home care services.

[3:36:23 PM](#)

REPRESENTATIVE CISSNA requested an analysis of the cost benefits for these programs.

[3:36:53 PM](#)

KEN OZMENT stated his support of SB 238. He relayed that he had been denied Medicaid a few years prior. He was able to procure

a supplemental health insurance policy. He pointed out the difficulties to those on a fixed income.

[3:38:33 PM](#)

HOLLY HANDLER, Attorney, directed attention to the small cost of living increases at the end of December, 2008, which would have terminated 50 - 60 people in Juneau from Medicaid. She said that the necessary legal steps to these individuals for establishing a Medicaid qualifying income [Miller] trust were very difficult. She opined that a very critical aspect was the requirement that, in order to establish this trust, the Medicaid recipient must release the power over their finances to a separate trustee. She advocated support for SB 238, which would allow income eligibility to be based on social security limits, instead of the current fixed amount.

[3:42:25 PM](#)

MS. HANDLER, in response to Co-Chair Herron, said that the Office of Public Advocacy dealt with issues of elder fraud and exploitation.

REPRESENTATIVE T. WILSON asked about Medicaid eligibility with a Miller Trust.

[3:43:07 PM](#)

MS. HANDLER explained that the Miller Trust allowed for a special trust account which would distribute the Medicaid income to the recipient, but that upon death, the remaining money in the Miller Trust was returned to the state.

[3:43:36 PM](#)

VANCE SANDERS, Attorney, relayed that he was also the President of Alaska Legal Services, which worked closely with seniors and other disabled people. He noted that many people throughout Alaska would be affected by SB 238, as the fixed income ceiling had limited eligibility. He opined that the fixed income had been introduced without an understanding of how the systems worked together. He explained that as social security limits increased, this increase to income affected the fixed eligibility income levels. He explained the difficulties with an irrevocable trust, which included the necessity for a trustee, provisions to allow for change of living environment, and registration with the court. He reported that only death or

a court order could terminate the trust. He reflected on the difficulty of finding qualified, knowledgeable trustees. He urged support for SB 238.

[3:47:01 PM](#)

AMY ONEY, Assisted Living, stated her support for SB 238. She directed attention to the fiscal note, and opined that there would be a cost savings from passage of SB 238, as the current system was very costly to monitor and administer.

[3:49:14 PM](#)

MARIANNE MILLS, President, AgeNet, Alaska's Association of Senior Service Provider Agencies, pointed out that SB 238 would allow elder Alaskans access to cost effective home and community based services. She explained the two requirements for eligibility to the home and community based waiver program: financial need and medical necessity for nursing home level of care. She reflected that the annual cost of living increase to social security benefits would often make a person ineligible for the Medicaid waiver program. She pointed out that SB 238 would change the income eligibility relative to the cost of living increases. She reported that this would allow older Alaskans to remain longer in their own homes. She stated her support for SB 238.

[3:51:47 PM](#)

MARIE DARLIN, AARP Capital City Task Force, stated support for SB 238 as it would correct the current problems. She pointed out the cost increases in the seven years since the change.

[3:53:17 PM](#)

SHERRY METTLER offered her support of SB 238. She stated her belief that the Miller Trust was extremely complicated.

[3:55:54 PM](#)

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Department of Health and Social Services, said that the commission became aware of this situation in December, 2008, when the cost of living allowance was increased, and eligibility for services was then threatened. She opined that every cost of living increase would jeopardize more individual eligibilities. She pointed out that managing personal finances was a matter of

personal dignity, and that when the Miller Trust removed this control and gave it to a trustee, it became a humiliating process for the senior.

[3:58:55 PM](#)

REPRESENTATIVE SEATON asked if the one time federal payment of \$250 would affect eligibility.

[4:00:00 PM](#)

JON SHERWOOD, Medicaid Special Projects, Office of the Commissioner, Department of Health and Social Services, discussed the impact of the bill. He stated that it would raise the income standard for eligibility of people in nursing homes or recipients of the home and community based waivers. He did not anticipate that raising the eligibility limit would increase the number of nursing home or waiver recipients. He explained the cost of care calculation which called for a contribution of income toward the cost of care. This was income that was in excess of personal needs and other allowed deductions, and was a separate calculation done after the eligibility determination. He opined that the cost of care calculation would not change. He clarified that the Miller Trust was still available for those people who had income in excess of the maximum allowable income, 300 percent of SSI. He said that those people with income between the current fixed amount and the proposed 300 percent of SSI would not need to have a Miller Trust.

[4:03:11 PM](#)

CO-CHAIR KELLER asked to clarify that the zero fiscal note was because of the Miller Trust.

[4:03:31 PM](#)

MR. SHERWOOD agreed. He directed attention to the large cost of living increase in 2009, and noted that everyone was able to retain Medicaid eligibility. He allowed that it was difficult to set up a Miller Trust, especially on short notice.

[4:04:06 PM](#)

CO-CHAIR KELLER asked if the Miller Trust was a federal trust. He inquired about any criteria or qualifications for the trustees.

4:04:32 PM

MR. SHERWOOD said that there was a state statute regarding compliance with the federal statute for Miller Trusts. He explained that federal law dictated that states which operate Medicaid programs have to recognize these trusts for determining Medicaid eligibility. He reported that income entering the trust was disregarded during the eligibility determination, but was included in the cost of care calculation. He pointed out that under ordinary circumstances most income trusts for people with disabilities did not accrue much money, as the cost of care calculation "cleans them out every month, if they are administered correctly."

4:06:00 PM

CO-CHAIR HERRON asked if the new federal health reform law contained any eligibility criteria.

4:06:30 PM

MR. SHERWOOD replied that he was still analyzing its effect on Medicaid eligibility. He reported that the newly added categories would use different income calculations than were traditionally used for Medicaid populations. He noted that there were exceptions to the existing Medicaid populations. He shared that an analysis to the impact was still necessary.

4:07:19 PM

REPRESENTATIVE T. WILSON asked if the seniors would have more money without the trusts.

MR. SHERWOOD said that was not the case. He explained that after the eligibility determination there was a cost of care calculation to determine the individual contribution. He reiterated that the cost of care calculation was irrelevant to the trust. He listed the cost of care to include prescriptions not covered by Medicaid or Medicare, a personal needs allowance, and non-covered dependent medical expenses.

4:08:35 PM

CO-CHAIR HERRON closed public testimony.

4:08:45 PM

REPRESENTATIVE SEATON shared that he had watched the burden on recipients increase since the shift to the fixed dollar amount. He noted that the intent had been to save money, but that time had shown that it did not. He expressed support for SB 238.

[4:09:59 PM](#)

CO-CHAIR KELLER stated his support for maintaining the dignity of the seniors. He reiterated that it may become necessary to revisit this issue in the future when the federal health care reform bill was better analyzed.

[4:10:39 PM](#)

REPRESENTATIVE T. WILSON moved to report SB 238 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 238 was reported from the House Health and Social Services Standing Committee.

[4:11:03 PM](#)

[The committee took a brief at-ease.]

HB 282-NATUROPATHS

[4:12:35 PM](#)

CO-CHAIR HERRON announced that the next order of business would be HOUSE BILL NO. 282, "An Act relating to naturopaths and to the practice of naturopathy; establishing an Alaska Naturopathic Medical Board; authorizing medical assistance program coverage of naturopathic services; amending the definition of 'practice of medicine'; and providing for an effective date." [In front of the committee was CSHB 282 (L&C), 26-LS1208\T.]

REPRESENTATIVE CATHY MUNOZ, Alaska State Legislature, said that HB 282 would establish a naturopathic board, and she paraphrased the sponsor statement [original punctuation provided] [Included in the committee packets.] which read:

House Bill 282 creates a Naturopathic Medical Board for the purpose of expanding allowed practices and procedures of Naturopathic Doctors (NDs) and regulates the practice of naturopathic medicine. The board will consist of three naturopaths, one licensed pharmacist, and one public member. The board will work with the

Division of Occupational Licensing to issue licenses, and will have authority to investigate and discipline as required. In addition, the state will authorize prescription endorsement which will be offered for the first time for NDs who have practiced for five years; participated in 60 hours of pharmacology education from an approved program; and met all the requirements relating to administration and prescription of drugs, vaccinations, hormones, and medical devices. The prescription endorsement must be renewed every two years. The bill mandates continuing medical education of 35 hours bi-annually, 15 of which must be in pharmacy education. Prescribing authority will give flexibility to NDs to provide necessary medical treatment to patients. Prescription rights, which are already permitted for advanced nurse practitioners, will allow access to a range of commonly prescribed medicines that can be used in correlation with naturopathic treatment to improve patient care.

HB 282 will align the definition of a naturopathic physician with the U.S. Department of Labor which released a new definition of naturopathic physician to include job titles of "Naturopathic Doctor, Physician, and Doctor of Naturopathic Medicine." This is an important step in recognizing NDs as qualified doctors and primary care physicians.

Naturopathic doctors are highly trained medical professionals. NDs attend a four-year post-graduate professional naturopathic medical program and are educated in the same basic sciences as conventional medical students. Studies concentrate on holistic and traditional approaches to therapy with a strong emphasis on disease prevention and optimization of wellness. Naturopathic doctors take similar rigorous professional board exams for licensure and continue educational training each year.

As Alaska continues to face shortages in the healthcare professions, HB 282 provides an avenue to help fill the gap of primary care physicians. This bill will reasonably expand the services of naturopaths and follow the responsibilities set forth by the board while providing the important services for keeping Alaskans healthy.

[4:16:32 PM](#)

CO-CHAIR HERRON asked to clarify that Representative Munoz had requested to adopt a proposed Committee Substitute (CS) for HB 282.

[4:17:23 PM](#)

CO-CHAIR KELLER moved to adopt proposed Committee Substitute (CS) for HB 282, 26-LS1208\W, Bullard, 3/30/10, as the working draft.

REPRESENTATIVE SEATON objected for discussion.

[4:17:55 PM](#)

KENDRA KLOSTER, Staff to Representative Cathy Munoz, Alaska State Legislature, explained the differences between CSHB 282 (L&C), Version T, and the proposed Committee Substitute (CS) for HB 282, Version W. She referred to Version T, and directed attention to page 3, line 13, which she pointed out had been moved to page 5, line 14 in Version W. She stated that the language, "establish a list of prescription drugs", was removed. She explained that it would have been problematic for a pharmacist to refer to a list of medications, but that it still included the prescription rights for non-controlled legend drugs.

[4:19:41 PM](#)

MS. KLOSTER, in response to Representative Seaton, said that the proposed prescription rights were not more expansive, but the wording and the placement in the bill had required editing. She explained that the original intent had included the non-controlled legend drugs.

[4:20:52 PM](#)

REPRESENTATIVE MUNOZ added that the intent was to allow naturopaths to prescribe common, non-addictive pharmaceuticals, including antibiotics, immunizations, and hormones.

[4:21:57 PM](#)

REPRESENTATIVE T. WILSON relayed that she had received a lot of letters from doctors who were upset about the bill, and she

inquired if there would be the opportunity to work with the sponsor to resolve these issues.

[4:22:37 PM](#)

CO-CHAIR HERRON asked Representative Munoz about the physician concerns.

[4:23:07 PM](#)

REPRESENTATIVE MUNOZ, in response, said that they were referred to as naturopathic physicians under federal law. She opined that there was some misinformation and some fear of the expansion of prescriptive rights. She directed attention to advanced nurse practitioners, who were now also allowed "to prescribe commonly prescribed drugs that has resulted in better opportunities, easier working relationship with their patients, broader access to care for Alaskans." She pointed out that naturopathic physicians had considerably more training, so that it was appropriate to offer limited prescriptions of pharmaceuticals. She opined that Alaskans would benefit.

[4:24:44 PM](#)

REPRESENTATIVE MUNOZ asked Representative T. Wilson if the concern was for the term "physician" or about the prescriptive rights.

REPRESENTATIVE T. WILSON replied that it was both.

REPRESENTATIVE MUNOZ explained that the original bill had been more expansive for the ability to prescribe, but that this was refined to commonly used prescriptions, and that the proposed CS was much more restrictive.

REPRESENTATIVE T. WILSON, in response, said that the comments had been about the proposed CS as well.

REPRESENTATIVE MUNOZ recalled that they were probably opposed to the advanced nurse practitioners prescriptive rights, as well.

[4:26:29 PM](#)

REPRESENTATIVE SEATON removed his objection. There being no further objection, Version W was adopted as the working draft.

REPRESENTATIVE CISSNA pointed to the shortage of caregivers in Alaska and opined that this was another solution for care.

4:27:59 PM

REPRESENTATIVE MUNOZ related a personal story about her son and a naturopathic physician.

4:30:09 PM

WAYNE ADERHOLD, read from his submitted written testimony [Included in the committee packets.]:

Most people can agree that our medical system is broken and in need of an overhaul, but getting agreement on the solution is another story. HB 282 is one step in the right direction and should be pushed through into law now. According to the March 8th issue of Newsweek in a piece titled, "We the Problem," "our leaders are paralyzed by the very thought of asking their constituents to make short term sacrifices for long term benefits. They cannot bring themselves to raise taxes on the middle class or cut social security and medical benefits to the elderly. They'd get clobbered at the polls. So, any day of reckoning gets put off and put off again, and debts pile up." I agree with this assessment that a majority of the populace seems locked into an entitlement and instant gratification mentality and believe that it applies equally to our medical and financial woes. I don't envy your job when most of the right decisions nowadays involve sacrifice, but I have some good news for you. There is a significant and growing segment of your constituents who are willing to take responsibility for their own medical issues and deal with the root causes of their problems. They neither respect nor trust a quick fix. This same attitude carries over into finances, so please know that some of us understand your need to make unpopular decisions just as we may take the harder road toward better overall health. We are the patients who choose our primary care doctor based on their ability to teach us how to take better care of ourselves, not simply dole out the latest sample of something that a magazine ad says we should ask about, and will only bury our symptoms. We work with naturopathic physicians in a collaborative way, and to

go in knowing that we will be given homework and the medicines prescribed will be paid for out of own pockets. So we pay attention and use them judiciously, because we truly believe we are doing ourselves some good. When I checked recently with the office of the two ND's who serve us here on the Kenai Peninsula there were approximately 1200 active patients at the Homer practice and 1800 in the Kenai-Soldotna office. These are very significant numbers and they are growing steadily. These are everyday working people who are only different because they make a conscious decision to take personal responsibility for their health and commit to delayed gratification, if necessary. My own personal journey that has taken me from the allopathic to the naturopathic model of treatment began in 1993 with the slow but very successful treatment of the herniated lumbar disc which avoided surgery. Seventeen years later, and sixty years old, I will add, I'm mobile and active in all sports I care to participate in, which is basically bicycling and cross country skiing. In the meantime, I have dealt with an array of the mundane, like flu, to the more complicated, anxiety and adrenal fatigue, to the downright scary, malignant melanoma, ie. cancer. All with a near total and ever increasing reliance on ND's and naturopathic medicine. And when I say ND, by the way, I'm thinking physician for that previous discussion. I'd be happy to share specific details with anyone who wants to know more about my experiences and how it consciously committed to naturopathic treatment, particularly if you are at all skeptical of the need to pass HB 282. The last thing I want to speak to the safety and the "first do no harm" aspect, for this is the strongest argument for allowing ND's to deal with minor surgery and prescription drugs, if anyone is going to use them. I would much rather trust these tools to someone who would use them as a last resort than have had firsthand experience with both MDs and NDs. Please do not be swayed by last minute scare tactics from the ASMA that usually come under the guise of "patient safety." ASMA is mainly concerned with the safety of the members' financial status, not my health. When I sat on the board of my local hospital a few years ago, and we were in the process of instituting a requirement for malpractice insurance for the medical staff, I learned that the insurers were charging about

ten times more for MDs versus NDs. Our local hospital doesn't credential NDs so it was a moot point, and that's another story. It certainly spoke to how insurers viewed risk and practitioners likelihood for doing harm. The recent \$1.8 million jury verdict in a trial here in Homer which found malpractice against both the MD and the hospital tells me that the Alaska State Medical Board and ASMA could devote more time to governing their own membership. The naturopaths deserve their own board and governance. Please move HB 282 out of committee and pass it into law this session. Thank you.

[4:35:52 PM](#)

ASHLEY MAY, Naturopathic Doctor, said that he supported HB 282 as it would better provide naturopathic doctors (ND) in Alaska the access to the tools necessary to be efficient, primary care doctors. He opined that more primary care NDs would now practice in Alaska, which will be vital to Alaskan health care. He pointed out that currently only about 30 percent of medical doctors entered primary care. He noted the significance for Alaska, as 15 percent of Alaskans had difficulty finding primary care doctors, which was twice the national average. He said that this was where NDs would fill that gap. He declared support for a naturopathic board, in order to implement continuing education requirements and adopt regulations necessary to provide a high level of medical care to Alaskans. He opined that the current bill was an "extraordinary compromise on the part of naturopathic doctors." He compared the proposed naturopathic board membership to that of the Alaska State Medical Board and the Alaska Board of Pharmacy, both of which had a higher medical membership on its boards. He stated his support for HB 282.

[4:38:27 PM](#)

PATRICK NEARY, ND, read from his prepared testimony. [Included in the committee packets.] He stated that HB 282 clarified the Naturopathic licensing statutes, and would bring Alaska up to the current standard of Naturopathic medical care offered in the other licensed states. He pointed out that HB 282 would provide Alaskan families with increased access to care and increased freedom of choice to health treatment while also increasing safety and oversight of the profession. He clarified that the bill included Naturopathic Medical services within Medicaid and Denali KidCare, would align the prescriptive authority of

Naturopaths in Alaska with the national norms, and would create a Naturopathic Medical board to protect public safety. He spoke about the shortage of primary healthcare providers both nationally and in Alaska, and that Naturopaths would help assist those unmet needs. He spoke about the opposition to licensure for 15 classes of midlevel providers, which included naturopaths, by the American Medical Association (AMA). He explained the current educational standard for an ND, which included a 4-5 year doctoral program of basic and clinical medical sciences from nationally accredited Naturopathic medical colleges, in addition to a Bachelors degree. He spoke about the limits to Naturopathic training and knowledge, and agreed that the prescription abilities were not meant to be on a par with MDs. He spoke about the excellent safety record of NDs and that searches of the legal databases for both Oregon and Washington revealed no legal cases against Naturopaths. He stated the benefits to Alaskans, especially low income Alaskans, for more freedom of medical choice and access to care. He stated his support for HB 282.

[4:47:22 PM](#)

CO-CHAIR HERRON asked that the committee hold its questions until the next meeting.

[4:48:00 PM](#)

DAVID OTTOSON, paraphrased from his submitted written testimony [original punctuation provided]: [Included in the committee packet.]

I am testifying as a consumer of health care. For the last 25 years, the primary health care providers for my family have been naturopathic doctors. We have been successfully treated for numerous ailments, including sinus infections, earaches, urinary tract infections, and insomnia. I have worked with a number of naturopaths and have found them all to be extremely competent and highly professional.

As far as I am concerned, this legislation should be completely non-controversial. Every other state on the West Coast has a Naturopathic Board. Naturopaths are highly trained health care providers whose focus is on wellness, education and prevention. It seems to me that this is exactly the kind of health care that we need more of.

I have heard that some members of the medical community are concerned that ND's might practice outside of their area of competence. I think this is a red herring. There is no evidence this has been a problem in other states. And I am not aware that it has been a problem in Alaska either.

I can tell you from my own experience that the NDs I have worked with are well aware of their limitations, and have referred me to other providers when that was appropriate.

In fact, a few years ago, I came back from a trip to Africa with a bad case of what I thought was traveler's diarrhea. I had been staying in a place with notoriously bad water and had gotten the runs from drinking the water earlier in my trip.

After several days, I wasn't getting any better and was experiencing alternating fever and chills. It was a naturopathic doctor, Emily Kane, who recognized that I might have something more serious. So she came over to my house during her lunch hour and drew my blood and sent it away to be tested for malaria. It came back positive the next day.

I went to Bartlett hospital and ultimately ended up at the University of Washington Hospital in Seattle to be treated for a nasty case of cerebral malaria. It was because of Dr. Kane's alert intervention that I was diagnosed with a life threatening condition in time to be successfully treated.

Two things about this. Number one, it illustrates the highly personalize form of medical care that is typical of the naturopathic profession. How many doctors do you know who make house calls? Yet Dr. Kane is not the first naturopath to make a house call at my house.

Number two, it is an example of a naturopath making a correct diagnosis and referring a patient to appropriate care. Dr. Kane did not suggest that I treat my cerebral malaria with colloidal silver or wormwood. She urged me to go to the hospital and get treated. and when it turned out that Bartlett

Hospital did not have the appropriate drugs or expertise to treat my condition, I was transferred to the University of Washington, where I had the good fortune to be treated by one of the leading malaria experts in North America.

ND's clearly have a role to play in our health care system. They are primary care providers who can treat many if not most of the common conditions that people go to a doctor for. The care they provide is personalized, cost effective, and prevention oriented.

Perhaps most important, it is focused on individuals taking responsibility for their own wellness. I firmly believe that we will never get medical costs under control until we acknowledge that all of us need to start taking better care of ourselves. Helping people do this is one thing NDs do best.

I urge you to support this legislation.

[4:51:56 PM](#)

[HB 282 was held over.]

HB 126-FOSTER CARE/CINA/EDUCATION OF HOMELESS

[4:52:30 PM](#)

CO-CHAIR HERRON announced that the final order of business would be HOUSE BILL NO. 126, "An Act relating to continuing the secondary public education of a homeless student; relating to the purpose of certain laws as they relate to children; relating to tuition waivers, loans, and medical assistance for a child placed in out-of-home care by the state; relating to foster care; relating to children in need of aid; relating to foster care transition to independent living; and relating to juvenile programs and institutions." [In front of the committee was the proposed Committee Substitute (CS) for HB 126, 26-LS0309\C, Mischel, 4/9/09, adopted as the working draft on 4/14/09.]

CO-CHAIR KELLER pointed out that there were proposed changes to the bill. He asked to refrain from having a side by side comparison.

[4:53:03 PM](#)

CO-CHAIR KELLER moved to adopt the proposed Committee Substitute (CS) for HB 126, 26-LS0309\0, Mischel, 3/30/10 as the working document. [There being no objection, Version 0 was adopted as the working draft.]

[4:53:36 PM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, explained that Version 0 was a pared down version of the foster care bill presented earlier. He noted that there were two sections. He referred to page 1, lines 11-13, and relayed that foster care could now be extended to 21 years of age. He reported that this had resulted in higher academic achievement and outcomes for the youth. He pointed to page 2, line 3, and explained that youth could now re-enter foster care. He explained the re-entry parameters to include: "in the best interest of the child" and that Office of Children's Services (OCS) could ask the court for conditions to reentry. He explained that Sections 2 and 3 would be amended or removed. He referred to a proposed amendment to re-write the reentry provision so that OCS had the discretion to present the court with reasonable conditions for reentry.

[4:58:31 PM](#)

REPRESENTATIVE SEATON moved to adopt Amendment 1, 26-LS0309\0.3, Mischel, 4/1/10, which read:

Page 2, line 12:

Delete "and"

Insert "in this sub-subparagraph, "parent" means a biological or adoptive parent or a legal guardian of the person;"

Page 2, lines 14 - 17:

Delete ", homelessness, or economic hardship, or to enhance the person's ability to continue the person's education or training or otherwise improve the person's successful transition to independent living;"

Insert "or homelessness or for any other reason identified by the court that is in the person's best interest; and

(iv) if requested by the department, agrees to reasonable terms for resuming state custody that may include matters relating to the person's education, attainment of a job or life skills, or

other terms found by the court to be reasonable and in the person's best interest;"

CO-CHAIR KELLER objected for discussion.

[4:59:12 PM](#)

CO-CHAIR KELLER referred to proposed Amendment 1, lines 6-11, and he asked the reason for the deletion of the phrase describing the successful transition to independent living. He opined that this narrowed the focus.

[5:00:44 PM](#)

MIKE LESMANN, Program Coordinator, Office of Children's Services (OCS), Department of Health and Social Services, said that OCS tried to make the requirements more specific to the steps toward successful, independent living.

[5:01:30 PM](#)

CO-CHAIR HERRON asked if the amendment was what OCS needed.

MR. LESMANN replied that ultimately the court would make the decision whether the youth could extend or reenter foster care.

[5:02:24 PM](#)

CO-CHAIR KELLER said that he was just trying to understand the amendment.

[5:02:45 PM](#)

CO-CHAIR HERRON asked that any questions be brought forward now. He asked Representative Gara if Amendment 1 addressed both his and OCS concerns.

[5:03:39 PM](#)

REPRESENTATIVE GARA clarified that there was not a controversy between himself and OCS. He stated that Amendment 1 attempted to allow re-entry where it was in the best interest of the child. He explained that the definition of "best interest" included homelessness, economic hardship, and enhancement of the child's ability to succeed. He pointed to line 12 of Amendment 1, which allowed OCS discretion to request conditions on the reentry plan.

[5:05:54 PM](#)

CO-CHAIR HERRON asked to clarify that this was language that was not found anywhere else in the statutes.

REPRESENTATIVE GARA agreed, and explained that currently reentry was not allowable.

CO-CHAIR HERRON asked if there was currently an opportunity for a dialogue with the courts, if OCS requested it.

[5:06:45 PM](#)

REPRESENTATIVE GARA pointed to Amendment 1, line 15, which stated that the court would decide what was in the best interest of the child.

[5:07:12 PM](#)

REPRESENTATIVE T. WILSON asked about a plan for transitioning the kids out of foster care. She asked for an explanation to the fiscal note of \$508,000 for transitioning out of state custody. She asked for an explanation of the fiscal note for \$93,600 for special needs costs which included extraordinary clothing, family vacations, and biological family visitations.

[5:08:37 PM](#)

REPRESENTATIVE CISSNA opined that if the policy issues were made on existing data, it would be easier to quantify dollar amounts in the fiscal notes. She expressed a need to compare the fiscal notes with the reasons why the costs were rising.

[5:10:43 PM](#)

[HB 126 was held over.]

[5:11:03 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:11 p.m.