

SENATE FINANCE COMMITTEE
February 25, 2009
9:03 a.m.

9:03:27 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Representative Bill Stoltze; Sharon Long, Staff, Senator Huggins; McHugh Pierre, Liaison, Department of Military and Veterans Affairs; Senator Gene Therriault, Sponsor; Nicki Neal, Director, Division of Personnel and Labor Relations, Department of Administration; Senator Bettye Davis, Sponsor; Don Burrell, Staff, Senator Bettye Davis, Sponsor; Rod Betit, President, Alaska Hospital Association; Jordan Nigro, President of the Alaska Association of Homes for Children; Jon Sherwood, Director, Office of Program Review, Department of Health and Social Services; Senator Bill Wielechowski, Sponsor; Michelle Sydeman, Staff to Senator Weilechowski; Marie Darlin, President, AARP Capital City Task Force.

PRESENT VIA TELECONFERENCE

Pat Luby, Advocacy Director, Alaska Association of Retired Persons (AARP), Anchorage; Joseph Fields, Self, Fairbanks; Carletta Mack, Director, Covenant House Alaska; Dahna Graham, Anchorage Faith and Action Congregations Together, Anchorage; Lorie Morris, Executive Director for AK Baptist Family Services; Pat Senner, Alaska Nurses Association.

SUMMARY

- SB 13 "An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date."
- SB 45 "An Act relating to state employment preferences for veterans, former prisoners of war, and members of the Alaska National Guard; authorizing the Department of Military and Veterans' Affairs to establish and maintain Alaska veterans' cemeteries; establishing the Alaska veterans' cemetery fund in the general fund; and authorizing the legislature to appropriate income from fees collected for commemorative veterans' plates to the Alaska veterans' cemetery fund."
- SB 87 "An Act expanding medical assistance coverage for eligible children and pregnant women; relating to cost sharing for certain recipients of medical assistance; and providing for an effective date."

#sb45

SENATE BILL NO. 45

"An Act relating to state employment preferences for veterans, former prisoners of war, and members of the Alaska National Guard; authorizing the Department of Military and Veterans' Affairs to establish and maintain Alaska veterans' cemeteries; establishing the Alaska veterans' cemetery fund in the general fund; and authorizing the legislature to appropriate income from fees collected for commemorative veterans' plates to the Alaska veterans' cemetery fund."

SHARON LONG, STAFF, SENATOR HUGGINS, presented the legislation to create a new veterans' cemetery in Fairbanks. Fairbanks is home to a significant military population, but does not have a designated veterans' cemetery. Alaskan veterans' cemeteries are located in Sitka and Anchorage. The Veteran Cemetery Fund will be a subaccount of the general fund pending legislation. The fund would receive deposits through appropriation, and proceeds from the purchase of special Veterans' license plates.

Senator Huggins stated that the proposed cemetery is a state veterans' cemetery, while the cemeteries in Sitka and Anchorage are national veterans' cemeteries. For a state cemetery, the state contributes the land, and the federal government builds the cemetery.

[9:07:41 AM](#)

Senator Huggins maintained that veterans in Fairbanks deserve the state's efforts. The land cost is \$750,000. The operation costs are the responsibility of the state and equal approximately \$250,000 per year. He stated that \$250 thousand were removed the upcoming budget for this effort by the Governor, which delays the project by one year.

[9:08:40 AM](#)

Co-Chair Hoffman noted his support for SB 45. He informed that Bethel developed a veterans' cemetery, with the city absorbing some costs. He wondered if the legislation utilizes fees to assist municipal veterans' cemeteries.

[9:09:27 AM](#)

Senator Huggins commented on Bethel's successful efforts. He noted that Bethel received a grant to assist in the cemetery's establishment.

Co-Chair Stedman expressed concern about creating another fund while the legislature worked to eliminate existing funds. He asked why the expense was not included in the capital budget process, which would eliminate the need for an additional fund.

Senator Huggins answered that veterans are purchasing cemetery license plates to display pride in representing their country and supporting their cause. He preferred not to debate the amount of existing funds and the creation of new funds.

[9:12:23 AM](#)

Co-Chair Stedman asked about the new fiscal note from the Department of Military and Veterans Affairs (DMVA) showing \$750 thousand in general fund appropriations for site planning and architectural design work. The funding reflects an approximately \$5 million federal match in FY11.

Senator Huggins explained that the legislation was a group effort shared by Senator Thomas, Senator Therriault, and himself. He stressed that the effort was to benefit the community and to support veterans.

MCHUGH PIERRE, LIAISON, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, discussed the fiscal note. The current plan is to accumulate \$750 thousand over three years, beginning in FY11 and ending in FY13, with the receipt of the federal money in FY14. Currently, 34 cemeteries exist in the national queue before Alaska. Eight cemeteries achieve funding each year. The pre-application will be submitted next week and the veterans' affairs administrator will review the application

with the federal veterans' administrator in DC, to recommended changes.

Mr. Pierre explained that the fiscal note reflects the bill's monetary requirement. The bill requires \$750 thousand in capital money. A land donation from the state is necessary.

Co-Chair Stedman stated that the federal government might produce funds for SB 45.

[9:15:36 AM](#)

Senator Huggins clarified that the \$750 thousand is in the Governor's budget. Mr. Pierre stated that the original estimate for the project was \$1 million, budgeted from 2010 to 2013, spanning four years, but the current low price of oil led to removal of the first year.

Co-Chair Hoffman asked about the possibility of beginning the first year with a smaller sum of money. Mr. Pierre answered that there would not be official action by the federal veteran's association until the \$750 thousand was appropriated.

Senator Thomas wanted greater understanding of the requested funds. He understood the federal action fund contingency. He asked about the federal government's time limits.

Mr. Pierre answered that the application period is July 2, 2008 to July 2 2009. He believed that date would remain consistent as long as the legislature allocated the \$750 thousand. The project will be delayed by one fiscal year if the date is missed.

[9:18:18 AM](#)

Co-Chair Stedman emphasized that the committee requires additional information from the administration about removing \$250 thousand from the FY10 capital budget. Mr. Pierre explained that the expense spans four years. He clarified that the fiscal note is not a request by the administration or by DMVA. The \$750 thousand appropriation is necessary to receive federal funding in one year.

Senator Huggins intended to pursue additional information regarding the Governor's budget items. He supposed that there were substitute items that this legislation could submit to enable this effort.

[9:20:33 AM](#)

Co-Chair Hoffman MOVED to ADOPT CSSB45 (STA) as the working document.

Senator Thomas MOVED to ADOPT Amendment 1, 26-LS0277\P.2,
Bullock/Wayne:

Page 1, following line 7:

Insert a new bill section to read:

"* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE INTENT. It is the intent of the legislature that, during fiscal year 2010, the Department of Military and Veterans' Affairs, in cooperation with federal authorities, begin the planning and design of an Alaska veterans' cemetery, authorized by AS 44.35.035, enacted by sec. 10 of this Act, to be located in or near Fairbanks, and that the Department of Military and Veterans' Affairs submit a report on the status of the cemetery project to the president of the senate and the speaker of the house of representatives before December 15, 2009."

Page 1, line 8:

Delete "**Section 1**"

Insert "**Sec. 2**"

Co-Chair Stedman OBJECTED for discussion

Senator Thomas explained the amendment expresses the intent that DMVA begin planning the design of the dedicated state veterans' cemetery in the Interior during the coming year and provide the legislature with a status report this December. The amendment was constructed with the idea that projects move forward quickly when information is adequately provided. The status reports will keep the legislature informed about the use of the \$750 thousand while aiding understanding of the cemetery's architectural design while monitoring the federal process. He noted that construction would not be included in the fiscal budget until FY11.

Senator Huggins supported the amendment because it brought about accountability.

[9:23:55 AM](#)

Senator Olson wanted to know the department's position on the legislation, and he understood that they were required to coordinate with the Department of Natural Resources (DNR) to acquire land for the cemetery. Mr. Pierre answered that the department's intention was to move forward with all due diligence to pursue this project. The project is a priority to the veteran's community and the goal is to proceed quickly in a responsible manner. The department supported the amendment.

SENATOR GENE THERRIAULT, SPONSOR, commented that the Fairbanks Borough government was in support of the effort, and was willing to aid in locating land for the cemetery. He expressed awareness about potential land. He supported the amendment and felt that it lent focus and communication.

Co-Chair Stedman REMOVED his objection

Amendment 1 was ADOPTED

[9:26:53 AM](#)

Senator Huggins stated that one section of the bill deals with hiring preferences. He noted that a representative from the administration was present to speak. He expressed that the bill does have a personnel hiring portion that deserves consideration.

NICKI NEAL, DIRECTOR, DIVISION OF PERSONNEL AND LABOR RELATIONS, DEPARTMENT OF ADMINISTRATION, stated that the bill only clarifies the language as opposed to making changes to the existing current preference.

Senator Huggins noted one change expanding the cemetery to include the National Guard.

Ms. Neal noticed that the summary by Legislative Council stated that National Guard Members already receive preference.

[9:28:44 AM](#)

AT EASE

[9:28:56 AM](#)

RECONVENED

Ms. Neal discussed section 6 line 16 and the language on Page 7 of the bill. The language deletes members of the National Guard and moves it to section 7.

Senator Huggins asked if members of the National Guard were denied preference. Ms. Neal could not recall an instance in which veterans did not have preference. Veteran applicants receive consideration and opportunities to interview, but they must first meet the minimum qualifications for the job. She wondered if the problem was that the person did not meet the minimum qualifications and therefore, did not advance to consideration or interview.

Senator Olson asked how the veteran's cemetery applies to the Alaska territory or guard members when disputes exist as to whether or not they are veterans.

Ms. Neal asked if the question was about the veteran cemeteries. Senator Olson answered yes and asked if the Alaska Guard members that were part of the Alaska

Territorial Guard (ATG) were eligible for burial in the veteran cemeteries.

[9:31:48 AM](#)

Mr. Pierre answered that ATG members will be eligible for burial in the veteran cemetery. Recognition as veterans occurs once they receive official discharge from the Army.

Senator Olson asked how many veterans have completed the paperwork establishing them as veterans. Mr. Pierre answered that there are 1200 to 1500 applications pending with approximately 700 certifications delivered. He explained that the majority of buried veterans exist on record. The remaining veterans are difficult to locate.

Senator Olson asked if living ATG members were not eligible for burial in the veteran cemetery.

Mr. Pierre answered that the opposite was true, and stated that the living ATG members who have received their official discharge certificate are eligible for burial in a national cemetery or a state veteran cemetery.

[9:33:37 AM](#)

PAT LUBY, ADVOCACY DIRECTOR, ALASKA ASSOCIATION OF RETIRED PERSONS (AARP), ANCHORAGE (testified via teleconference). He stated that AARP strongly supports SB45. He maintained that SB 45 would offer many veterans and their families an opportunity to have a closer burial.

JOSEPH FIELDS, SELF, FAIRBANKS (testified via teleconference). He spoke in support of SB 45. He maintained that Fairbanks was the appropriate location for such a cemetery.

SB45 was HEARD and HELD in Committee for further consideration.

[9:38:36 AM](#)

#sb13

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, SPONSOR, noted that there had not been opposition to this particular bill. She stated that the bill had received support in the form of telephone calls, letters, and e-mails with the goal of raising the eligibility level for Denali Kid Care (DKC) from 150 percent

to 200 percent of the federal poverty level (FPL). She requested that the committee refrain from amending the bill.

DON BURRELL, STAFF, SENATOR DAVIS, explained that SB 13 increases and restores the qualifying income eligibility standard for the Denali Kid Care Program to 200% of the Federal Poverty Line (FPL) to its original levels 12 years ago. As you know, Alaska is one of the nation's wealthiest states yet Alaska is only one of five states that still fund our SCHIP program below 200% FPL. SB 13 makes health insurance accessible to approximately 1,277 uninsured children and 225 pregnant women in Alaska.

Denali Kid Care is an "enhanced" reimbursement program with Alaska currently receives about 66% under the federal government's State Children's Health Insurance Program (SCHIP), created in 1997. Congress reauthorized the SCHIP program and President Obama signed into law on February 4, 2009. This reauthorization expanded the coverage to 4 million additional children and is re-authorized through 2013.

Consider the following information from the Kaiser Commission on Medicaid and the Uninsured, January, 2009:

- 45 states, including D.C., cover children in families with incomes at 200% FPL or higher.
- 33 states cover children in families with income between 200% and 250% FPL.
- 19 states including D.C., cover children in families with income at 250% or higher. 10 of these states cover children in families with income at 300% FPL or higher.
- 35 states allow premiums or enrollment fees, and 24 states have co-payments for selected services in SCHIP programs on a sliding scale of FPL.
- 46 states do not require asset tests.

Denali Kid Care serves an estimated 7,900 Alaska children and remains one of the least costly medical assistance programs in the state at about \$1,700 per child with full coverage, including dental, which is about 20% of the cost of adult senior coverage.

It is estimated that uninsured children with a medical need are five times as likely not to have a regular doctor as insured children and four times more likely to use emergency rooms at a much higher cost. Early intervention and preventative care under SB 13 will greatly increase Alaska children's health and yield substantial savings to the state, public and private sector hospitals, emergency rooms which are required to admit indigent and uninsured patients for non-emergency treatment.

There are still an estimated 18,000 uninsured children in Alaska. This is about 9% of the children age 18 and under. Private health care coverage for children has declined over 30% in the last ten years, and the deepening recession is pulling more children and families into the uninsured ranks. Alaska should do its share and take advantage of available federal matching funds by insuring its low income children and pregnant women up to and including 200% FPL under SB 13.

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Co-Chair Stedman asked for additional questions. He noted three fiscal notes from the Department of Health and Social Services (DHSS) showing an \$886 thousand increase in the general fund spending for FY10.

Senator Bettye Davis asked if the committee received the updated fiscal notes.

[9:46:32 AM](#) AT EASE
[9:46:42 AM](#) RECONVENED

Co-Chair Stedman stated that the committee did not have the updated fiscal notes.

Co-Chair Hoffman noted that approximately 7,900 children are served today by Denali Kid Care (DKC) and 18,000 remain uninsured. The proposed legislation would allow approximately 1300 additional children into the program, increasing the number served to 9,200. The change would drop

the number of uninsured children to 16,700. Senator Davis agreed that Senator Hoffman's estimates were correct.

[9:48:07 AM](#)

CARLETTA MACK, DIRECTOR, COVENANT HOUSE ALASKA (testified via teleconference). She spoke in support of SB 13. She maintained that Covenant House seeks health care outside of the emergency room for cost benefit purposes. Expanding the number of youth eligible for health care coverage would lead to greater health and decreased use of the emergency room for medical care and long-term costs.

DAHNA GRAHAM, ANCHORAGE FAITH AND ACTION CONGREGATIONS TOGETHER (AFACT), ANCHORAGE (testified via teleconference). She spoke in support of SB 13. She opined that this legislation was a bargain for the state, in light of the federal contribution. She stated that a visit to the emergency room fee would equal that of DKC's annual fee.

[9:51:45 AM](#)

ROD BETIT, PRESIDENT, ALASKA HOSPITAL ASSOCIATION (ASHNHA), noted that his membership strongly supports SB13. He believed that the legislation was the next logical step considering the available economic stimulus funds. The members of ASHNHA do not believe that the legislation would preempt recommendations of the Health Care Commission.

Senator Huggins asked about elements of the task force. Mr. Betit answered that there were many recommendations, but he could not report on the outcome. He believed that DHSS would have the information regarding recommendations.

[9:53:38 AM](#)

JORDEN NIGRO, PRESIDENT OF THE ALASKA ASSOCIATION OF HOMES FOR CHILDREN, approved of preventative care and supported the bill in its entirety. She explained that raising the DKC eligibility rate to 200 percent of the FPL would have a drastic affect on behavioral health services, as it is the primary funding source. Many children are unable to access services because they are on the cusp of eligibility.

MARIE DARLIN, COORDINATOR, AARP CAPITOL CITY TASK FORCE, spoke in favor of SB 13. She noted that AARP is one of the nation's largest organizations of grandparents. Many grandparents are responsible for raising children, while dependent on Medicare themselves. She expressed support of SB 13.

[9:57:35 AM](#)

LORIE MORRIS, EXECUTIVE DIRECTOR FOR AK BAPTIST FAMILY SERVICES (testified via teleconference), She noted support for SB 13.

JON SHERWOOD, DIRECTOR, OFFICE OF PROGRAM REVIEW, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, (DHSS) spoke in support of increasing the eligibility limits to 200 percent of the FPL, and expressed the administration's interest in cost sharing provisions.

Senator Elton asked what the administration meant by cost sharing. Mr. Sherwood answered that cost sharing can include premiums or co-payments. He noted that there are federal limits to cost sharing of 5 percent of a family's income. The department prefers premiums because they are easier to track, although there are also advantages to co-payments.

Senator Elton asked if support for the bill depends on additional cost sharing provisions. Mr. Sherwood answered that the department does not oppose an expansion to 200 percent of the FPL.

[10:01:22 AM](#)

Senator Huggins referred to a memorandum to Senator Bettye Davis from Jennifer Saunders (Copy on File). He noted that the second paragraph stated that under provisions of the Deficit Reduction Act, states generally could not impose cost sharing on children in families with an income below 150 percent of the federal poverty guidelines, except in certain circumstances. He asked about the increase to 200 percent of the FPL given this information.

Mr. Sherwood answered that the department looked at imposing cost sharing on income groups above 175 percent of the FPL. Below 150 percent of the FPL, limitations on cost sharing are cumbersome. A limited ability to cost share exists due to the exclusion of children.

Senator Huggins agreed that all children deserve affordable health insurance. He asked for an explanation of the hesitation he noticed during Mr. Sherwood's testimony.

Mr. Sherwood expressed that his hesitation was due largely to the fact that the department had proposed federal regulations on cost sharing. The new administration withdrew the regulations, and the department expects to see new ones. He stated that he was reluctant to disclose specifics due to the possibility that federal regulations may change. He thought that above 150 percent of the FPL, co-payments for emergency services, care for the terminally ill, and preventative care remained acceptable. Above 150 percent of the FPL, the rules are straightforward, yet are limited to charging less than 5 percent of the family's income.

Tracking co-pays can prove cumbersome, but he believed that there were reasonable methods available.

[10:05:10 AM](#)

Co-Chair Stedman asked if the cost and burden placed on the department to track the co-pays above 150 percent of the FPL equated to a net benefit for the state. Mr. Sherwood answered that the administration does support some kind of cost sharing. Premiums are easier to track against the five percent cap.

Co-Chair Hoffman noted that the sponsor statement illustrates that Alaska currently receives 66 percent federal funds under this program, and will receive a 70 percent match. He asked if the 70 percent match was contingent upon the passage of this legislation.

Mr. Sherwood believed that the 70 percent is the combination of children served for which the current match rate is 66 percent. Services provided through tribal health providers are included and claimed at 100 percent. The State Children's Health Insurance Program (SCHIP) match rate is currently under 66 percent and will move down to 65 percent in the next few years. Co-pays or premiums may offset expenditures.

Senator Olson asked if Mr. Sherwood referred to 5 percent per family or 5 percent per child. Mr. Sherwood understood that the 5 percent limit exists for the individual versus the whole family, and pregnant women are not subject to cost sharing provisions.

[10:08:43 AM](#)

Senator Thomas asked when the administration would be able to present information regarding cost sharing within the federal regulations. Mr. Sherwood answered that he was hesitant to set a target date. He planned to address the subject later. He hoped to revisit the committee in a reasonable amount of time.

Senator Thomas opined that the payment of premiums would encourage individuals to seek lesser plans that may or may not include preventative care.

[10:11:05 AM](#)

Mr. Sherwood stated that the department intended to offer all enrolled recipients of Medicaid full benefits, which includes preventative care. Federal law does not allow a program to offer health care to children that does not include preventative care.

Senator Davis wrapped up by repeating her initial statement. She stated that she had an opportunity to address cost sharing, and had consulted with the National Conference of State Legislatures (NCSL), and she understood that the administration's intention was to cost share. She stated that she had not found evidence of administrative action regarding cost sharing. She recommended against waiting for the administration to create a plan including federal regulations. She understood that the money is present in the current budget to cover the increase. She asked that the bill pass out in a timely manner. There is not opposition to this bill. She maintained that her goal was to bring eligibility requirements for DKC up to 200 percent of the FPL.

Co-Chair Stedman appreciated the volume of Senator Davis' voice as it made it easy to understand her position.

SB 13 was HEARD and HELD in Committee for further consideration.

[10:15:14 AM](#)

#sb87

SENATE BILL NO. 87

"An Act expanding medical assistance coverage for eligible children and pregnant women; relating to cost sharing for certain recipients of medical assistance; and providing for an effective date."

SENATOR BILL WIELECHOWSKI, SPONSOR, explained that the goal of SB 87 is to increase the eligibility requirements for DKC to 200 percent. He stated that 80 percent of children without health insurance are from working families. Private insurance for children can cost thousands of dollars, with a large deductible and co-pay. This bill would allow families with incomes up to 300 percent of the FPL to buy into DKC using a sliding fee scale for premiums and a 20 percent co-pay. Those with the greatest means would reimburse the state roughly 90 percent of its costs. An opportunity exists to take advantage of millions of federal dollars and provide the opportunity to allow all children access to health insurance.

[10:19:53 AM](#)

Mr. Wielechowski opined that the bill would save the state money. He stated that Providence and Alaska Regional Hospitals in Anchorage report providing \$89 million in uncompensated care in 2006. All premiums are increased when hospital care is uncompensated. In 2005, the total cost of health care in Alaska for the uninsured (excluding costs paid out-of-pocket by the uninsured) was \$125 million

(Families USA). He estimated that every Alaskan family would pay \$2248 in 2010 for increased premiums. The opportunity exists to spend millions of federal dollars resulting in significant cost savings for all Alaskans including the state's 14,000 employees. Providing health insurance to multiple families will ultimately save millions of dollars. He noted that there was not an increment in the HESS budget for DKC, which leads him to believe that the administration is not anticipating increase costs due to raising the eligibility limits.

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Co-Chair Stedman stated that the fiscal note included language regarding staff increases. Senator Wielechowski answered that he had been working with the administration to seek efficiencies in the administration of the bill.

Co-Chair Hoffman stated that even though the money for the expanded program is not in the operating budget, the fiscal note is a method of accommodating the increases, if the legislation passes.

[10:24:13 AM](#)

MICHELLE SYDEMAN, STAFF, SENATOR WEILECHOWSKI, mentioned the original fiscal note. She noted that there had been numerous meetings with the department to review the overall costs in terms of the general fund as well as the number of required positions. She stated that there is a revised fiscal note based on new understanding about available federal funds. She assured that the amount was substantially less than the one listed before the committee. The assumption is that there would be some changes in the bill with regard to the co-pay amount. The new fiscal note shows significantly fewer staff.

Co-Chair Stedman asked for the number of staff listed on the new fiscal note. Ms. Sydeman understood that there were eleven staff listed on the most current fiscal note. She stated that she had not seen the note.

Senator Huggins asked how many staff are employed.

Senator Thomas asked how many full time positions would be required for the changes in the bill.

Senator Wielechowski answered that the number of additional children in SB 13 is roughly 1500, and the number of additional children in SB 87 is roughly 1500.

Co-Chair Stedman stated that he would like to wait until he had updated information on SB 13.

[10:27:13 AM](#)

Senator Elton questioned the point that there was not a requested increment for DKC, even with the eligibility increase from 175 percent of the FPL to 200 percent of the FPL. He suggested that there might not be a requested increment because there is anticipation by the department of a co-pay/premium structure in place by the next fiscal year. Senator Wielechowski answered that the Health and Social Services(HSS) committee had not addressed the increment increase. The co-pay and premium system would require additional staff.

Senator Elton suggested that new staff would be necessary with a co-pay system. He asked for the additional increment of positions needed if the program increased from 200 to 300 percent of the FPL.

Senator Wielechowski stated that SB 87 does include a co-pay system from 200 to 300 percent of the FPL.

Senator Elton asked that if additional staff are required to implement a co-pay system for a program serving 150 to 200 percent of the FPL, could the same level of staff handle a co-pay system between 200 and 300 percent of the FPL? Senator Wielechowski answered that he would rather see the co-pay begin at 200 percent of the FPL and extend to 300 percent of the FPL. He felt concern about dropping the co-pay system down to 150 percent of the FPL.

Senator Elton explained that he was not suggesting that the co-pay drop to serve 150 percent of the FPL. He wanted to know what the number of additional staff required to implement the increase to 200-300 percent of the FPL.

[10:31:02 AM](#)

Senator Olson asked how the same number of staff needed to serve 200 percent of the FPL could also serve 300 percent of the FPL. Senator Wielechowski answered that the increase from 175 percent to 200 percent adds an additional 1579 people. To extend from 200 percent of the FPL to 300 percent of the FPL with the co-pay system adds an additional estimated 1500 children and pregnant women to the program.

[10:31:52 AM](#)

DAHNA GRAHAM ANCHORAGE FAITH AND ACTION CONGREGATIONS TOGETHER (AFACT) (testified via teleconference). She spoke in favor of income limits for DKC at 200 percent of poverty level. Above 200 percent of the FPL, she maintained that a co-pay or premium system would be appropriate.

PAT SENNER, ALASKA NURSES ASSOCIATION (testified via teleconference) She requested the exploration of cost sharing methods. She did not agree with cost sharing for people below 200 percent of the FPL. She spoke in favor of exploring all options to allow an increase of children covered above 200 percent of the FPL.

[10:35:38 AM](#)

ROD BETIT, PRESIDENT, ALASKA HOSPITAL ASSOCIATION, spoke in support of SB 87. He agreed with sharing financial responsibility as income increases. He agreed with language in SB 87 discouraging a shift of people currently covered by private plans to a public plan. The approach in SB 87 is similar to that of other countries' successful health plans.

JORDEN NIGRO, PRESIDENT, ALASKA ASSOCIATION OF HOMES FOR CHILDREN, stated that the Alaska Association of Homes for Children would like to see a co-pay established for families over 200 percent of the FPL only.

MARIE DARLIN, PRESIDENT, AARP CAPITAL CITY TASK FORCE, spoke in support of SB 87. She agreed that raising the floor to 200 percent was the most important factor.

[10:41:06 AM](#)

Co-Chair Stedman asked for the administration's view of the program expansion. Mr. Sherwood stated that the administration supports expanding the program and cost sharing. He stated that he could not provide a position on the bill.

Senator Elton asked if additional staff would be required to implement cost sharing for 200 to 300 percent of the FPL.

Mr. Sherwood answered that the administration's position is not to implement cost sharing for groups currently served. Pregnant women are exempt from cost sharing. The administration does not have plans to administer new staff to collect premiums or administer the co-pay provisions.

Senator Elton asked if the department was exempting expansion. He asked if the department was considering cost sharing from 175 to 200 percent of the FPL if SB 13 passes.

Mr. Sherwood stated that the administration's response to cost sharing has not been determined in regard to SB 13. The department will not implement cost sharing with SB 13. He assumed that the department would respect legislative intent.

[10:44:59 AM](#)

SB87 was HEARD and HELD in Committee for further consideration.

[10:46:08 AM](#)

ADJOURNMENT

The meeting was adjourned at 10:45 AM.