

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 9, 2009

1:34 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Paskvan, Vice Chair
Senator Johnny Ellis
Senator Joe Thomas

MEMBERS ABSENT

Senator Fred Dyson

COMMITTEE CALENDAR

SENATE BILL NO. 13

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

MOVED SB 13 OUT OF COMMITTEE

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."

MOVED SB 87 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 13

SHORT TITLE: MEDICAL ASSISTANCE ELIGIBILITY

SPONSOR(s): SENATOR(s) DAVIS

01/21/09	(S)	PREFILE RELEASED 1/9/09
01/21/09	(S)	READ THE FIRST TIME - REFERRALS
01/21/09	(S)	HSS, FIN
02/09/09	(S)	HSS AT 1:30 PM BUTROVICH 205

BILL: SB 87

SHORT TITLE: MEDICAL ASSISTANCE ELIGIBILITY

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/28/09	(S)	READ THE FIRST TIME - REFERRALS
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01/28/09 (S) HSS, FIN
02/09/09 (S) HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

TOM OBERMEYER, aid
to Senator Bettye Davis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Introduced SB 13 for the sponsor.

GEORGE BROWN M.D., representing himself
Douglas AK

POSITION STATEMENT: Supported both SB 13 and SB 87.

ROD BETIT, President
Alaska State Hospital and Nursing Home Association (ASHNHA)
Juneau, AK

POSITION STATEMENT: Supported both SB 13 and SB 87.

NANCY ST. JOHN-SMITH
Peninsula Community Health Services
Kenai, AK

POSITION STATEMENT: Supported SB 13.

JODYNE BUTTO M.D., President
Alaska Chapter, American Academy of Pediatrics
Anchorage, AK

POSITION STATEMENT: Supported both SB 13 and SB 87.

DONNA GRAHAM
Anchorage Faith and Action Congregations Together (AFACT)
Anchorage, AK

POSITION STATEMENT: Supported both SB 13 and SB 87.

JORDEN NIGRO, Residential Director
Juneau Youth Services
President, Alaska Homes for Children (AHFC)
Juneau, AK

POSITION STATEMENT: Supported both SB 13 and SB 87.

LAVERNE DEMIENTIEFF, President
National Association of Social Workers (NASW), Alaska Chapter
Clinical Assistant Professor, University of Alaska Fairbanks

POSITION STATEMENT: Supported both SB 13 and SB 87.

JON SHERWOOD, Medical Assistant Administrator

Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Answered questions about the fiscal note for SB 87.

SENATOR BILL WIELECHOWSKI
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 87.

MICHELLE SYDEMAN, aide
to Senator Bill Wielechowski
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained SB 87.

JERRY FULLER, Project Director
Medical Assistance Administration
Department of Health and Social Services
Anchorage, AK

POSITION STATEMENT: Answered questions about the administration's position on SCHIP.

ELLIE FITJARRALD, Director
Division of Public Assistance
Department of Health and Social Services

POSITION STATEMENT: Answered questions about the fiscal note for SB 87.

MARTHA KING, Group Director
National Conference of State Legislatures (NCSL)
Denver, CO

POSITION STATEMENT: Answered questions about what other states are doing in this area.

JENNIFER SAUNDERS
National Conference of State Legislatures
Denver, CO

POSITION STATEMENT: Answered questions about what other states are doing in this area.

ACTION NARRATIVE

[1:34:46 PM](#)

CHAIR BETTYE DAVIS called the Senate Health and Social Services Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Paskvan, Ellis, Thomas and Davis.

SB 13-MEDICAL ASSISTANCE ELIGIBILITY

CHAIR DAVIS announced consideration of SB 13.

[1:35:57 PM](#)

TOM OBERMEYER, aid to Senator Davis, introduced SB 13, saying it increases and restores the qualifying income eligibility standard for the Denali Kid Care program to the original levels at 200 percent of the FPL guideline and makes health insurance accessible to an estimated 1300 more uninsured children and 225 pregnant women in Alaska.

Denali Kid Care is an enhanced reimbursement program with up to 70 percent matching funds under the federal government's State Children's Health Insurance Program (SCHIP), which was created in 1997. Congress reauthorized the SCHIP program for five years; on February 4, 2009 President Obama signed a law expanding coverage to four million more children.

Alaska is only one of five states that fund SCHIP below the 200 percent guideline.

The Kaiser Commission on Medicaid and the Uninsured provided the following information in January of 2009: 44 states including Washington D.C. cover children and families with incomes of 200 percent of the FPL or higher; 33 states cover children and families with incomes between 200 and 250 percent of the FPL; 19 states including D.C. cover children and families with incomes of 250 percent or higher and 10 of those states cover children and families with incomes of 300 percent of FPL or higher; 35 states allow premiums, enrollment fees or co-payments on a sliding scale for selected services in the SCHIP programs.

MR. OBERMEYER continued; Denali Kid Care serves an estimated 7900 Alaska Children and remains one of the least costly medical assistance programs in the state at approximately \$1700 per child for full coverage including dental, which is about 20 percent of the cost of adult senior coverage. Early intervention and preventive care under SB 13 will greatly increase the health of Alaska's children and yield substantial savings to the state in public and private sector hospital emergency rooms, which must admit indigent and uninsured patients for non-emergency treatment.

[1:39:44 PM](#)

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 as likely to use emergency rooms at a much higher cost. There are still approximately 18,000 uninsured children in Alaska, about nine percent of the children aged 18 and under. Private health care coverage for children has declined over 30 percent in the last 10 years and the deepening recession is pulling more children and families into the ranks of the uninsured. The reauthorized SCHIP program and stimulus package should help, but Alaska is encouraged to do its share and take advantage of the federal matching funds by insuring its low income children up to and including 200 percent FPL under SB 13.

[1:40:30 PM](#)

CHAIR DAVIS advised the committee that Jerry Fuller with the Department of Health and Social Services (DHSS) was online and available for questions.

[1:41:39 PM](#)

GEORGE BROWN M.D., Douglas AK, has practiced pediatric medicine in Alaska since 1965. He said he is delighted that the federal government has expanded coverage for SCHIP and that the state has bills under consideration related to increasing coverage. He and his pediatric colleagues in Juneau are very much in favor of a 200 percent [qualification for] coverage for children without a co-pay, and are pleased that this seems to be moving forward with the governor's support.

DR. BROWN said he and his colleagues have also been discussing the issue of higher levels [of coverage] with co-pays. Whether or not co-pays really work is a difficult question. One of his colleagues has seen a problem with co-pays in Washington; families get behind in their co-pays and then are ineligible. On the other hand, if the care is all free, some people seem to think they don't need to keep appointments and become careless of their responsibility as parents; perhaps a simple, uniform co-pay of \$10 or \$15 per visit would provide the right incentive. He stressed that there should be no punitive results [for failure to keep or cancel appointments] however, because it sometimes takes many years for families who have not had health insurance before to realize they are welcome in a doctor's office. As those families continue to come in and be treated with respect, to see other families there who are being treated, they become good users of the preventive medical system.

In closing, he said that the whole idea of SCHIP is ultimately prevention; for every dollar we invest in prevention, we save from six to ten dollars in the long-run.

[1:45:22 PM](#)

CHAIR DAVIS advised that Jennifer Saunders and Martha King of the National Conference of State Legislatures (NCSL) are also online and available to answer questions.

[1:46:03 PM](#)

ROD BETIT, President, Alaska State Hospital and Nursing Home Association (ASHNHA), Juneau, AK, said he is very excited to see this bill before the committee. ASHNHA represents 28 health care providers throughout the state including tribal, military, private and city owned organizations and all of them support this legislation, which has been unanimously approved by ASHNHA's legislative committee. He added that bringing [the qualifying limit] to the 200 percent level is appropriate even though the health care commission process hasn't started yet, because he believes this is one of the first actions that commission would recommend. This action was recommended by the Health Care Strategies Planning Council last year.

[1:47:33 PM](#)

NANCY ST. JOHN-SMITH, Peninsula Community Health Services, Kenai, AK, said that their community health center, which was formerly called Central Peninsula Health Center, has been offering medical and dental care to communities on the Kenai Peninsula since 2002. They merged with Central Peninsula Counseling Services in October 2008 and are offering behavioral health care under their new name. She urged the legislature to pass this bill increasing the eligibility guideline to 200 percent of FPL because with Denali Kid Care they can offer preventive medical and dental care to many children who would not otherwise receive it. For example, she said, many people they see on an emergency basis have not received any dental care as children; by the time they come to the clinic, the tooth or teeth have to be pulled, which can affect their nutrition, heart health and other future health issues. She agreed with Dr. Brown that the ability to offer preventive services is important to improve the quality of life and to teach people about prevention so they will raise their children in good health. She thanked the committee for hearing her testimony and stressed how important this legislation is to people on the Kenai.

[1:49:53 PM](#)

JODYNE BUTTO M.D., President, Alaska Chapter, American Academy of Pediatrics, Anchorage, AK, said SCHIP has made a huge difference in the health of children across the United States. It is important that Alaska provide the best care possible to its children; that means providing access to care and part of that access is insurance. She agreed with prior testimony that the program cost is outweighed by the savings in health care costs represented by preventive care.

MS. BUTTO also stressed the importance of health to children's school performance. Although it can't be easily quantified, it is well known that children with good health, particularly good dental health, perform better in school, miss fewer days, are better behaved and enjoy greater academic success than those who do not. She applauded the legislature for tackling this issue.

[1:53:15 PM](#)

DONNA GRAHAM, Anchorage Faith and Action Congregations Together (AFACT), Anchorage, AK, is a school nurse and parish nurse. She said AFACT is thrilled that Alaska is finally getting back to the 200 percent [eligibility level]. This is the right way to go; Alaska is a rich state and can show it by not being at the bottom of the list of states that put their kids first. In summary, she said, this is a great step forward! Let's put more kids back into fitness and health to promote energy and learning.

[1:55:30 PM](#)

JORDEN NIGRO, Residential Director, Juneau Youth Services, President, Alaska Homes for Children (AHFC), Juneau, AK, said they are really excited to see all of the bills coming forward for Denali Kid Care. The only comment she cared to add to the previous testimony was that, if a sliding co-pay goes into effect, she hopes it won't affect those at 200 percent or less of the FPL. Behavioral health for youth is primarily funded through Denali Kid Care and many kids and families are unable to access the services because they are on the cusp of eligibility; Alaska has a high number of people on the cusp due to the fishing and subsistence lifestyles that are prevalent here.

[1:57:17 PM](#)

LAVERNE DEMIENTIEFF, President, National Association of Social Workers (NASW), Alaska Chapter, Clinical Assistant Professor, University of Alaska Fairbanks, Fairbanks, AK, said NASW strongly supports the efforts of this committee to raise the Denali Kid Care eligibility requirement to 300 percent of the

FPL. Alaska is one of only nine states with eligibility requirements below 200 percent. This makes us the fourth least responsive state to children who live in poverty. Raising eligibility to 200 percent will restore vital health insurance to 1300 children and 225 pregnant women; imagine what raising it to 300 percent would achieve for Alaskan families.

MS. DEMIENTIEFF recognized that fiscal responsibility is everyone's priority, but noted that Alaska won't shoulder the majority of the cost associated with this program; with the passing of SCHIP, the federal government will pay 70 to 75 percent of it. Finally, she said this is an important investment Alaska and in the future of Alaska's children and families.

[1:59:02 PM](#)

CHAIR DAVIS announced that she was closing public testimony on SB 13.

SENATOR THOMAS asked what the other referrals are for SB 13.

CHAIR DAVIS answered that it will go to Finance next.

SENATOR THOMAS asked if she intends to leave the explanation of the fiscal note to Finance.

CHAIR DAVIS said they can discuss it if he wishes; but she had not intended to get into it today.

SENATOR THOMAS said he wondered whether the savings that are expected to accrue from intervention and prevention were taken into consideration when preparing the fiscal note.

[2:01:55 PM](#)

JON SHERWOOD, Medical Assistant Administrator, Department of Health and Social Services (DHSS), Juneau, AK, explained that their assumptions on the fiscal note did not specifically take those preventive aspects into account, but they based their costs on the cost of care for children in the next lowest income group, which is covered [by Denali Kid Care]. Those children experience the same preventive effects from being covered by Denali Kid Care and they assumed the impacts would be comparable.

SB 87-MEDICAL ASSISTANCE ELIGIBILITY

CHAIR DAVIS announced consideration of SB 87.

[2:02:48 PM](#)

SENATOR BILL WIELECHOWSKI, sponsor of SB 87, explained that this is a bill he first introduced two years ago, which was not passed. He decided to introduce it again this year due in part to the opportunity represented by the increase in federal funds to Alaska from about \$10 million to over \$22 million.

This bill increases the base eligibility for Denali Kid Care to 200 percent of the federal poverty level and allows people to buy in up to the level of 300 percent of FPL. What he thinks this will do is to make health insurance available to every child in the state of Alaska. People at or under 200 percent of FPL will get it [for free] and the federal government will pick up 65 to 66 percent of the cost; people over 300 percent should probably be able to afford health care; so it is the people between 200 and 300 percent of FPL whom this expansion is intended to help.

SENATOR WIELECHOWSKI added that the fiscal note they received is very questionable. When he filed this bill two years ago, the fiscal note said it would require the addition of another 7 [DHSS] staff members; now for some strange reason, the number has increased to 17. In addition, SB 13, which adds about 1300 people [to Denali Kid Care], requires the addition of 2 staff members; this bill, which adds 2000 to 2500 people, requires another 15 staff. A fiscal note like this greatly undermines the credibility of the department.

[2:06:11 PM](#)

SENATOR ELLIS asked how this legislation would comport with the bill just signed by President Obama.

SENATOR WIELECHOWSKI turned the question over to Michelle Sydeman.

[2:06:40 PM](#)

MICHELLE SYDEMAN, legislative aid to Senator Wielechowski said the current federal bill would provide funding to get Alaska easily up to 200 percent of FPL; they have also heard assurances from Speaker of the House Nancy Pelosi and others that it is the intent of Congress to provide sufficient funding to cover all states' efforts to ensure that children are insured. The funding Alaska has received so far gets them up to 200 percent, but there are indications that they can go higher. Alaska simply needs to revise its plan and its allotment should increase as well.

[2:07:27 PM](#)

CHAIR DAVIS advised that there is someone in the audience who can speak to Senator Wielechowski's concerns about the fiscal note.

SENATOR WIELECHOWSKI said he would be curious to find out why the number of employees they think the department needs has increased by ten in the past year, when the bill has remained the same and why they think they need 15 more employees than they need for SB 13.

[2:08:17 PM](#)

JERRY FULLER, Project Director, Medical Assistance Administration, Department of Health and Social Services, Anchorage, AK, said Ellie Fitjarrald might have more information on that.

[2:08:32 PM](#)

ELLIE FITJARRALD, Director, Division of Public Assistance, Department of Health and Social Services, said they are treading new ground. The workload that goes into calculating costs and premiums for families up to 300 percent of FPL is something the department has not done before. The states that have done it have found that it is very labor intensive. She asked Chair Davis if she would like to go through the fiscal note today or wait until the bill gets to Finance.

CHAIR DAVIS answered that not all of the committee members serve on Finance, so it would be helpful if she would walk them through it today.

MS. FITZJARRALD said she can cover the Division of Public Assistance and Jon Sherwood can cover the other divisions, because Medicaid touches most divisions of the Department of Health and Social Services. She continued; the Division of Public Assistance estimated a need for 13 positions working with an assumption of what is adequate to serve the nearly 3000 eligible children and the increase in pregnant women. That number represents children who will be eligible and not the entire number who will apply for services. At any given time, about 30 percent of applications are denied; so they see an average of 4000 kids applying for services. With the higher income groups, they will have to verify the families' incomes to be sure they qualify, calculate their premiums per child and monitor their premiums as their incomes change. This represents a lot of accounting, not just during the determination of eligibility but on an ongoing basis.

She accepted that the previous fiscal note showed a need for fewer staff; but as they become more familiar with what this work will entail, they think more staff will be needed than previously estimated. She also noted that on page two of the fiscal note, where there is a breakdown of the 13 positions required in the eligibility field, they have included four lead-worker positions that would provide statewide outreach. They would contact health providers and clinics in the communities to make sure they know about the program and how it works: how to apply; how premiums are calculated; and as there are interruptions in coverage when people are unable to pay their premiums and benefits are suspended, how to get them reinstated.

MS. FITJARRALD asserted that it is like running another insurance program and this is the department's best estimation of the work it will take. They have requested:

- 2 Administrative Support Staff
- 5 Eligibility Technicians
- 4 Lead Eligibility Technicians to provide community outreach and quality assurance
- 1 Eligibility Supervisor
- 1 Public Assistance Analyst to oversee interpretation of the rules, develop policy, make system changes and provide technical support

These 13 positions represent about \$350,000 from the General Fund and \$350,000 from the federal government.

[2:12:29 PM](#)

CHAIR DAVIS asked if the four lead-eligibility worker positions were included in the fiscal note last year.

MS. FITJARRALD did not believe they were but was not sure. She said she would check and get back to the committee with that information.

[2:13:01 PM](#)

SENATOR THOMAS asked if the amount of \$15,000 per telephone shown under contractual services is typical of what the state is now paying across the board.

MS. FITJARRALD said that is the cost associated with the phones and some of the IT usage for their computer systems now that the phones are integrated.

[2:13:47 PM](#)

CHAIR DAVIS invited Senator Wielechowski to follow up.

SENATOR ELLIS asked Ms. Fitzjarrald if she had actually checked with other states that have a track record with this type of program, to find out what their experience has been.

MS. FITJARRALD admitted that they have not checked with other states; it is what they have heard nationally on state-to-state call chats. Their analysis is really based on the work as they know it here in Alaska.

SENATOR ELLIS concluded there is not any particular experience elsewhere informing their fiscal note.

MS. FITJARRALD answered "No, not specifically."

[2:15:12 PM](#)

MR. SHERWOOD asked if the committee would like him to discuss the Medical Assistance Administration fiscal note.

CHAIR DAVIS asked the committee if that is a concern at this time.

[2:15:33 PM](#)

SENATOR WIELECHOWSKI answered that his biggest concern is the fact that, to go from [eligibility of] 175 to 200 adds roughly 1,400 people and the department is adding only two additional staff. To go from 200 to 300, adds another roughly 2,000 people to the roles...

MR. SHERWOOD corrected that it adds approximately 1,700 people.

SENATOR WIELECHOWSKI continued; so to go from 200 to 300 adds roughly the same number of people and yet the department needs 15 additional staff. "Is that what you're trying to tell this committee?" he asked.

MR. SHERWOOD agreed that is what their fiscal notes say. He thinks a big part of that is around the issue of premiums; both premium collection and, because people's incomes change, modification of premiums. With the increase from 175 to 200 percent of FPL and with continuous eligibility for children, the department works the case once until the next review period and does not have to make additional adjustments; therefore the workload per case is significantly different.

[2:17:13 PM](#)

SENATOR WIELECHOWSKI asked if the administration supports SB 87.

MR. SHERWOOD answered that several proposals are under discussion and the Governor has supported expansion to 200 percent of FPL. In looking at the proposals, the administration has a preference for cost-sharing through premiums and an asset test, but does not have a position on the bill to share with him.

SENATOR WIELECHOWSKI opined that they do support the fundamental philosophy of what SB 87 is attempting to do with the cost sharing component.

MR. SHERWOOD agreed.

SENATOR WIELECHOWSKI asked if the administration worked on any amendments at the congressional level to stop the federal increase above 200 percent.

MR. SHERWOOD could not answer Senator Wielechowski's question. He said he knows the department responded to questions from their congressional delegation about different proposals, but that he did not have as much communication with them as did Mr. Fuller.

MR. FULLER answered that he responded to questions and comments from the senatorial delegation as they were working through the SCHIP reauthorization; so the answer to Senator Wielechowski's question is "yes."

CHAIR DAVIS advised Senator Wielechowski that there are two people from NCSL online for questions.

[2:19:47 PM](#)

SENATOR WIELECHOWSKI said his understanding was that requiring premiums or enrollment fees as a cost-sharing provision is fairly common and asked the NCSL representatives if that is correct.

MARTHA KING, Group Director, National Conference of State Legislatures (NCSL), Denver, CO, referred the question to Jennifer Saunders.

JENNIFER SAUNDERS, National Conference of State Legislatures, Denver, CO, said 24 states charge co-payments and 35 states have premiums or enrollment fees.

CHAIR DAVIS asked if that includes asset tests.

MS. SAUNDERS answered that 46 states and the District of Columbia do not require an asset test.

[2:21:12 PM](#)

SENATOR PASKVAN asked at what level the other states require co-payments or premiums.

MS. SAUNDERS said that nine states impose premiums on children and families with incomes below 150 percent of the federal poverty guidelines; 26 states charge premiums at an income level over 150 percent; 24 states charge premiums at 200 percent; 18 states charge at 250 percent of the federal poverty guidelines.

MS. KING added that there is a difference in the states' ability to charge co-pays depending on whether the state has a Medicaid expansion for its SCHIP program as Alaska does, or has a stand-alone insurance-like SCHIP program.

CHAIR DAVIS thanked Ms. King for that information and asked if that means Alaska cannot go down to 150 percent.

MS. SAUNDERS answered that below 150 percent, cost-sharing requirements are very restrictive under Medicaid rules; but she does not have the exact requirements.

CHAIR DAVIS requested that she provide further information on that at a later time.

[2:23:14 PM](#)

SENATOR THOMAS asked if, in NCSL's experience, some states have developed a particular formula to use when calculating the change in the amount of reimbursement of the federal poverty level.

MS. SAUNDERS told Senator Thomas that she is not aware of any but will try to find out.

[2:23:53 PM](#)

SENATOR ELLIS asked Ms. Fitzjarrald and Mr. Sherwood if they are saying that, of the 15 new employees and related equipment reflected in the fiscal note, 100 percent of their activity will be dedicated to this program.

MS. FITJARRALD said that is correct; determining eligibility for the higher income groups is the work they would be doing. She

added that, because Medicaid is so large, if applicants do not qualify for this program, the eligibility workers would look to see if they qualify for other types of coverage; but their work will be related primarily to Denali Kid Care.

[2:25:13 PM](#)

SENATOR WIELECHOWSKI stated that Alaska can go to 300 percent eligibility and provide insurance for most of the children in the state for an additional \$1.3 million according to the department's estimate, which he believes to be over generous. He added that, to say it will require 2 additional staff to handle an increase of 1,500 to 1,600 kids and pregnant mothers, but adding 1,500 more with the increase from 200 to 300 percent (a position they know the administration fought against at the congressional level) will require another 15 staff, stretches the imagination. However, he continued, even if that is accurate the amount is more than reasonable for the outcome. He urged the committee's support.

CHAIR DAVIS thanked the sponsor and announced that the committee would take public testimony for SB 87.

[2:26:47 PM](#)

JORDEN NIGRO, President* Alaska Association of Homes for Children* Anchorage, AK* said she supports this bill and urged the committee to pass it out.

[2:27:44 PM](#)

LAVERNE DEMIENTIEFF, President, National Association of Social Workers (NASW), Alaska Chapter, Fairbanks, AK, said her Association also supports SB 87.

[2:28:06 PM](#)

ROD BETIT, President, Alaska State Hospital and Nursing Home Association (ASHNHA), Juneau, AK, said he also supports SB 87. Having been a state health worker, he understands the difficulties of going forward with this proposal, but ASHNHA's membership really wants to see the state get [eligibility] to 200 percent and he believes this is a well-constructed piece of legislation. First, there is no cost sharing below 200 percent, which he believes is important. Second, there is significant cost sharing above 200 percent. It isn't a "give away," so there is a real attempt to promote individual responsibility in this program; above 250 percent, co-payments of 20 percent are required. Third, it contains a strong anti-crowd out measure, which is a very important component of the bill. He explained that "crowd out" refers to public programs shifting patients

away from the private programs, which shifts who pays for care rather than who is covered.

Finally, he said if there are federal and state dollars available, this is a good next step after going to 200 percent and he would really urge the committee to consider it.

[2:30:44 PM](#)

SENATOR ELLIS thanked Mr. Betit for his testimony. Coming from someone who watches the bottom line, he said, it is great testimony to carry through the process.

[2:31:11 PM](#)

SENATOR PASKVAN thanked him again and asked if the administration would be more efficient for the hospitals with a flat fee charge rather than a percentage of income.

MR. BETIT answered that typically those fees would be predetermined during the eligibility process and would be provided to the providers when the patient comes in for service; the hospitals and physicians would not have to do the calculation.

[2:32:04 PM](#)

SENATOR THOMAS asked if, as a humanitarian gesture, the hospitals would be interested in support of an incremental discount for every \$50 increment in the federal poverty level increase as it is applied.

MR. BETIT asked if Senator Thomas means an incremental discount in what the family is charged.

SENATOR THOMAS replied yes.

MR. BETIT explained that the hospitals are giving significant discounts already, because Medicaid and other federal programs are well below the going rate. They would come under the protection of the Medicaid rules, which say that once a person has been billed as a Medicaid patient, that is all the provider can charge.

[2:33:22 PM](#)

DONNA GRAHAM, representing herself, Anchorage, AK, agrees that SB 13 is very important; the state must get to 200 percent of FPL. But SB 87 is a wonderful bill and very fiscally responsible, as she reads it. Wellness and prevention make much more sense than waiting to treat problems.

2:34:23 PM

JODYNE BUTTO MD, American Academy of Pediatrics (AAP), Anchorage, AK, asked if anyone has considered thinking a little outside the box and to find solutions that would not require 15 positions. She said it seems as if there ought to be a better way to quantify eligibility for a longer period of time to reduce the amount of work required by the patient and the department. She encouraged some "brainstorming" to find ways to streamline the process.

CHAIR DAVIS thanked her for her suggestion and commented that a lot of the work Dr. Butto referred to will take place in Finance rather than in the Health and Social Services Committee. She also pointed out that there are other bills in the works this session that don't come up to this mark and, if Alaska is going to have health care for all of the children, this is the piece of legislation she would like to see passed.

TOM OBERMEYER, aid to Senator Davis, pointed out that the packet that was handed out to members of the committee includes a report from the Kaiser Commission on Medicaid and the Uninsured. Page 10 of that report indicates that 11 states have taken steps to reduce procedural barriers to coverage for children; this is a cost-saving arrangement he thinks the state should look at. These states were able to eliminate the requirement for families to participate in face-to-face interviews to obtain health coverage for children. Colorado adopted administrative verification and renewal, meaning that the state no longer requires families to provide paper documentation of their income and eligibility workers obtain that information from existing databases. So things have been done in other states that could help to reduce the numbers that were presented for SB 87.

CHAIR DAVIS thanked Mr. Obermeyer for bringing that forward and mentioned that the administration is working on some regulations to extend the time between personal interviews. She admitted that there is a lot of work to be done but repeated that it won't all be done in this committee. She expressed her desire to move both bills out today and asked the will of the committee.

2:38:40 PM

SENATOR PASKVAN moved to report SB 13 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

SENATOR PASKVAN moved to report SB 87 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

2:39:39 PM

There being no further business to come before the committee, Senator Davis adjourned the meeting at 2:39 p.m.