ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE
February 20, 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

Presentation: Alaska Native Tribal Health Consortium
HEARD

SENATE BILL NO. 10
"An Act requiring health care insurers to provide insurance coverage for medical care received by a patient during certain approved clinical trials designed to test and improve prevention, diagnosis, treatment, or palliation of cancer; directing the Department of Health and Social Services to provide Medicaid services to persons who participate in those clinical trials; relating to experimental procedures under a state plan offered by the Comprehensive Health Insurance Association; and providing for an effective date."
MOVED CSSB 10(HSS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 10
SHORT TITLE: MEDICAID/INS FOR CANCER CLINICAL TRIALS
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, L&C, FIN
02/18/09	(S)	HSS AT 1:30 PM BUTROVICH 205
02/18/09	(S)	Heard & Held
02/18/09	(S)	MINUTE(HSS)
02/20/09	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

ANGEL DOTOMAIN, President CEO
Alaska Native Health Board
Anchorage, AK
POSITION STATEMENT: Provided an overview of the Alaska Native Health Board.

VALERIE DAVIDSON, Senior Director
Legal and Governmental Affairs
Alaska Native Tribal Health Consortium
Anchorage, AK
POSITION STATEMENT: Presented information about the role of the Alaska Native Tribal Health Consortium.

ACTION NARRATIVE

1:34:58 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 Ellis, Paskvan and Davis.

CHAIR DAVIS announced a presentation by Alaska Native Tribal Health.

Presentation: Alaska Native Tribal Health Consortium

CHAIR DAVIS announced the first order of business is a presentation by the Alaska Native Tribal Health Consortium.

1:36:10 PM
VALERIE DAVIDSON introduced herself and Angel Dotomain. They will be doing a dual presentation providing overviews of the Alaska Native Health Board and the Alaska Native Health System.

ANGEL DOTOMAIN, President CEO, Alaska Native Health Board (ANHB), Anchorage, AK, said she would like to present some topics for discussion including the mission and operations of the board, their membership, the impact that ANHB has on the economy, their statewide priorities and their needs within tribal health. She encouraged the members to ask questions during her presentation.

Slide 3 - The mission of the Alaska Native Health Board is "to promote the spiritual, physical, mental, social and cultural well being and pride of Alaska Native People."

AHNB was founded in 1968; it has a 24 member board of directors whose focus is tribal health advocacy. They facilitate statewide forums and federal tribal consultation in Alaska and disseminate information to all of the tribes to ensure there is good two-way communication.

Slide 4 – The Alaska Native Health Board has members from all over the state; they range from small village tribal councils to large regional health organizations including the Alaska Native Tribal Health Consortium.

Slide 5 – There are eight tribal health members among Alaska's 100 largest employers, accounting for approximately 6400 employees.

Slide 6 – This slide illustrates the distribution and service levels of the facilities that make up the Alaska Native health care system, from small village health clinics to hospitals such as the Alaska Native Medical Center in Anchorage.

Slide 7 - Tribal Health care has improved health for Alaska Natives, particularly through improved access to health care. With Community Health Aids and the construction of many sub-regional health clinics, they touch 130,000 Alaska Native people across the state. In addition, public health measures such as vaccinations and water and sanitation facilities have had a huge impact, but there are challenges including chronic under-funding, staff shortages, increasing health care costs and a growing Alaska Native population.

1:40:04 PM
MS. DOTOMAIN said these multiple challenges combine to create a perfect storm (Slide 8). Socio-economic status has a major impact on health care; high unemployment rates and low income levels mean very little economic base in many rural communities. Their patients have to travel farther than others to receive health care services, many times with money they can't afford; they are usually sicker and have more medical issues when they are seen because they don't have access to a physician or health care provider very often and the facilities they can reach generally have fewer medical resources available. The costs at those facilities are generally much higher than other facilities in the United States.

MS. DOTOMAIN proceeded to Slide 9, which identifies The Alaska Native Health Board's six major state priorities. These are: energy solutions for health care, Medicaid support, behavioral health, water and sanitation, electronic health records and ensuring safe communities.

Slide 10 - Energy solutions for health care is the top priority this year; they are hearing from every tribal health organization that their power and energy costs have, in some places, more than doubled. Health organizations often have to make very tough decisions about whether they are going to pay their energy bills or provide direct services; in some cases the decision is between energy bills and employees. What they would like to encourage is an expansion of power cost equalization to include health clinics and regional health non-profits.

Slide 11 - Medicaid is also a major issue. About a year ago, the Alaska Native Tribal Health Consortium and Yukon Kuskokwim Health Corporation (YKHC) were awarded a tribal Medicaid reform grant which resulted in enhanced funding. As a result of that, Alaska Native beneficiaries who are served at an Alaska Native facility and are eligible for Medicaid are covered 100 percent under the Federal Medical Assistance Percentages (FMAP). There has been a lot of talk about long-term care and behavioral health capital investment because over the past year, data has revealed that these are the two major areas of Medicaid spending for tribal beneficiaries who are sent to non-tribal facilities. She encouraged the legislature to continue to support the Medicaid reform process and to think about capital investment in tribal long-term care and tribal behavioral health.

1:43:23 PM
Slide 12 – Behavioral Health has been very much in focus lately. Over the past three days, the health board has held their "mega-meeting" here in Juneau and the issue that has come up most often is suicide. Suicide prevention programs must be encouraged and funded across the state. Substance Abuse and Mental Health Services Administration (SAMSA) provided a $1.5 million grant yesterday to the State of Alaska; she hopes part of that grant will be directed to tribal health programs, especially since the Alaska Native Tribal Health Consortium has recently developed a suicide prevention plan.

Slide 13 - water and sanitation are critical issues and she encouraged continued support of the Village Safe Water Program. Public health is directly impacted by whether or not a village

has safe water and sanitation facilities; Alaska Native Health would like to ensure that those villages that do not currently have water and sanitation facilities are given the opportunity for greater public health. In addition, they have requested a $15 million subsidy to support water and sewer facility operations and maintenance and offset the difficulty presented by high energy costs.

Slide 14 - Electronic health records represent the opportunity for greater continuity of care, reduced medical and pharmaceutical errors and increased efficiency throughout the tribal heath system. It is not just the tribal health system however; Alaska eHealth Network would actually connect the tribal health system to all public and private health systems. There is an opportunity to obtain grant funding for this but it does require a ten percent match from the State of Alaska.

1:46:18 PM
MS. DOTOMAIN commented that many people wonder how "safe communities" fit into this discussion (Slide 15). She explained that village public safety officers (VPSOs) and community health aids work hand-in-hand to provide first responder services in villages; when there aren't enough VPSOs the community health aids end up taking on a lot of the work in response to sexual assault, domestic violence and child neglect and abuse. Alaska Native Health wants to be sure that their community health aids aren't so burdened that they burn out and can no longer do their jobs.

Slide 16 – An issue that did not make their top six but is very important is workforce development. Tribal health care has some of the highest vacancy rates of anyplace in the State. In most of the state, there is about an 11.5 percent vacancy rate, but in tribal health care the rate is 27 percent. The vacancy rate for dentists and pharmacists is running 17.7 percent in most of the state but 42.9 percent in rural areas. They need support for loan repayment and incentive programs to induce providers to come out to those areas to provide care and to increase outreach and workforce development opportunities to the young people who are the future of health care so they will continue to believe they can be doctors, nurses, pharmacists or community health aids.

She closed by saying she is encouraged by the meetings this week and hopes that the legislature will join in their efforts to improve health care for Alaskan Native people.

1:49:04 PM
VALERIE DAVIDSON, Senior Director, Legal and Governmental Affairs, Alaska Native Tribal Health Consortium, Anchorage, AK, provided an overview of the tribal health system; the role of the Alaska Native Tribal Health Consortium in that system; the sustainability issues facing tribal health and Medicaid's role in maintaining that infrastructure.

Slide 4 - Health care in Alaska used to be provided for American Indians and Alaska Natives by the Indian Health Service. Over the past 25 years or so, there has been a gradual transition away from management by the federal government.

Slide 5 – Self-management of health care here in Alaska makes sense; there are limits to how well the Indian Health Service can manage health care from Washington DC. She pointed out that tribal management of health care is possible only because of their tribal status; without tribal recognition, those resources would go away.

Slide 6 – The Alaska Tribal Health System (ATHS) is a voluntary affiliation of 30 tribes and tribal health organizations that provide health care. They serve a specific geographic region that includes about 130,000 Alaska Natives, but because they are often the only provider in rural communities, they actually serve everyone there whether or not they are Native.

1:51:14 PM
SENATOR THOMAS joined the meeting.

MS. DAVIDSON continued; ATHS has significant economic impact in the state, employing about 7000 people state wide. The good news is that because these employees are local, when resources come into the state they stay here.

Slide 7 – About 20 percent of the state's population is Native and most are very young.

Slides 8 – 9 illustrate the distribution of the ATHS service population by numbers and percentage of the total population, show the leading causes of death, some causes for primary care visits and the leading causes of hospitalization.

Slide 12 – What does the health care system look like? ATHS is a multi-tiered health care delivery system. Most of the care occurs in small community village clinics or primary care centers; there are about 180 of these throughout the state.

There are 25 sub-regional clinics that provide mid-level care, four physician health centers, six regional hospitals and the Alaska Native Medical Center, which provides tertiary care. Those who require more specialized care are referred to facilities outside the Native Medical Center as shown on the referral pattern map on slide 13.

MS. DAVIDSON explained that they have 550 community health aids and practitioners providing health care on a daily basis in the small community health centers. This is a unique Alaska provider type that receives more training than EMTs but not quite as much as nurses and does just about everything from prenatal and well-baby exams to immunizations. She stated that in 2006 they achieved an immunization rate of over 90 percent for Native children, due in large part to the Community Health Aid Program. They also rely heavily on public health nurses located in hub communities in rural Alaska to ensure that everyone is covered.

Many people don't know that for all intents and purposes, the Alaska Tribal Health System really is *the* public health agency in the state of Alaska for almost every community. She pointed out that the Alaska Department of Health and Social Services employs about 3000 people while ATHS employs 7000; so their capacity is about double that of DHSS.

MS. DAVIDSON said that ANHS is funded at only 51 percent of need and doesn't have the resources to hire a psychiatrist in every community, so they created a new provider type called a behavioral health aid that is trained to deal with emotional and substance abuse issues. The behavioral health aids can do screenings when kids come in for the [Early and Periodic Screening, Diagnosis and Treatment] EPSDT exams and are embedded in the community clinics so they can catch problems in the first encounter with a patient. A Recent study done in lower 48 of veterans returning from active duty who subsequently committed suicide, found that only about 33 percent of them had actually seen a mental health or substance abuse specialist even though they were displaying clear behavioral health indicator issues. However, the medical record review indicated that at least three out of four of them had been to see a primary care provider in that time. The symptoms they described at their primary care visits were things that a simple two minute screening would have picked up on and flagged for a behavioral health referral and treatment; these were symptoms like insomnia, loss of appetite and nightmares. Inserting those simple screening tools into every primary care visit, makes it much more likely that those problems will be caught and treated early.

1:58:09 PM
MS. DAVIDSON emphasized the importance of the relationship patients develop with their primary health care provider; if a provider the person knows and trusts suggests seeing a behavioral health professional, he or she is much more likely to take that advice.

The Alaska Native Health System is now extending the community health aid model to areas like dental, home-health and personal care attendants.

She showed pictures of some of their clinics. Some new clinics have been built thanks to the efforts of the Denali Commission and a variety of HUD resources.

Slides 18 – 30 show a number of regional health facilities and indicate the number of communities that each of those tribal health organizations serve; Yukon Kuskokwim Health Corporation serves 58 communities. She said that in the interior [Tanana Chiefs Conference] TCC area, they have an arrangement with the Fairbanks Memorial Hospital as well as sub-regional mid-level health centers. Southeast has a hospital in Sitka and relationships with hospitals in Juneau and Ketchikan. South-Central Foundation is considered the regional provider for the Anchorage area and manages the Alaska Native Medical Center jointly with the Alaska Native Tribal Health Consortium.

Slide 31 - ANTHC provides the statewide services that were previously provided by the Indian Health Service. They have about 1800 employees and do everything from tertiary and specialty medical care to community health and research, sanitation construction, health information technology and professional recruitment and training.

Slides 32 – 33 provide some information about the Alaska Native Medical Center in Anchorage. It has 150 beds, over 6000 admissions annually and over 1400 infants are delivered each year. Outpatient visits have quadrupled in the past ten years from about 100,000 to 400,000 annually without facility expansion or any increase in funding.

Slide 34 – There are a limited number of residential treatment centers throughout the state and the Indian Health Service has not historically funded behavioral health or long-term care programs; so the greatest number of expenditures from the General Fund to Alaska Native Medicaid beneficiaries is for

behavioral health issues and long-term care. There is a very long wait for services; people can expect to spend from six to nine months on a waiting list before they are able to get into a treatment program. Unfortunately, the people who do get into treatment are often those who are court-mandated to attend and others who need help cannot get it.

MS. DAVIDSON stated that Alaska has some of the highest oral health disparities in the country. As noted on slide 35, ANTHC has deployed a Dental Health Aid Therapy program modeled after programs offered in 42 other countries and graduated their first four Dental Health Aid Therapist students in December 2008. The United States is actually the only country that doesn't authorize a mid-level dental practice. She added that her children received their dental care from one of these dental health aids and that they now ask anyone who visits their home about their dental care and nutritional habits because their health aid has stressed the importance of these things to them.

Slide 36 – Community health services is another division of ANTHC. Although they are in the business of providing primary care, they would really like to focus more on health promotion, injury prevention and other prevention programs.

2:03:41 PM
Slide 38 – 42 Sanitation is a real problem in rural Alaska. In many villages children are responsible for chores such as disposal of the contents of "honey buckets" and children, she reminded the committee, are clumsy. When those buckets spill, it is a significant public health hazard. Babies in communities without adequate sanitation are 11 times more likely to be hospitalized for respiratory infections and 5 times more likely to be hospitalized for skin infections; so any time they have the opportunity to invest in sanitation they see a significant and immediate impact on the public health system.

Slide 45 – MS. DAVIDSON reiterated that the Indian Health Service funds only 51 percent of the level needed to provide basic health care services and the funding does not keep pace with inflation. With medical inflation running from seven to ten percent per year, that means a decrease of 60 to 80 percent in their buying power over a period of ten years. Why does that happen? Unfortunately, they represent a discretionary line item and compete with the national parks for funding because they fall under the Department of Interior budget rather than the Department of Health and Human Services (HHS).

Slide 46 – Sustainability issues result from inadequate funding and the things that have been most limited have been adult dental services, long-term care and behavioral health issues.

Slide 47 – Congress has recognized that even though they are non-profit tribal health organizations, IHS facilities have to operate as businesses if they are to be sustainable; so they rely upon Medicaid, Medicare and Denali Kid Care as well as grant programs to make up that funding shortfall.

Slides 48 – 50 After the Pacific Health Policy Group came out with their report about the impact and long-term sustainability of the Medicaid program, they partnered with the state to do a Tribal Medicaid Demonstration Project to focus on the issues of long-term care, behavioral health continuum of care and developing their financial and other infrastructure requirements for sustainability. They also looked at whether a managed care system would make sense. The study found that 40 percent of Alaska's Medicaid recipients are Alaska Native and American Indian; $378 million in Medicaid expenditures were for services provided to Alaska Natives and American Indians, of which $139 million were Medicaid resources to tribal providers and $238.9 million were to non-tribal providers.

2:08:03 PM
MS. DAVIDSON explained that if she was a Medicaid beneficiary and went to The Alaska Native Medical Center for her care, because that is an IHS facility the federal government would reimburse the state at 100 percent for providing that Medicaid care; however, if she went to a non-tribal provider, she would be treated like every other Medicaid patient. Once she moves outside the four corners of a tribal facility, the state has to kick in General Fund dollars for her care, so every time an Alaska Native Medicaid beneficiary goes outside the Alaska Native Health System, it costs the state General Fund 49 percent of that person's cost of care; that represents $238.9 million state wide to non-tribal providers. If the tribal health system is interested in providing more services but lacks capacity and the state can save General Fund resources, it makes sense to invest the money necessary to develop their capacity and reduce or reverse the trend toward treatment in non-native facilities.

She added that the reason she focused on long-term care and behavioral health is that these services offer the largest opportunities for savings. The biggest payments to non-tribal providers were $69 million for long-term care, over $50 million

for behavioral health and $36 million for acute hospital stays exceeding the capacity of the Alaska Native Medical Center.

2:10:14 PM
MS. DAVIDSON touched briefly on managed care feasibility. The Pacific Health Policy Group said they should focus on establishing a managed care organization for tribal providers in Alaska; she believes that is because their experience is in California where managed care is the norm. The challenge for states that establish managed care organizations is that until the programs are up and running, the only people who benefit are lawyers and accountants. So ANTHC determined that instead of using their limited resources to build a managed care structure, they would manage the care of people; they looked at changing their reimbursement structure, better managing patients' care to get the right person the right care at the right time and in the right sequence in order to accomplish the goals of managed care without the burden of more programmatic overhead.

2:12:06 PM
MS. DAVIDSON spoke about the energy impacts on health in Alaska (slide 51). She stressed that they are seeing a significant public health crisis directly attributable to the energy crisis. There is an increased demand for health care services and a decrease in their ability to provide them.

Slide 52 – Many families cannot keep up with their energy costs so they are combining households, resulting in 10 to 20 people living in one house. This tremendous overcrowding has caused an increase in the rates of infectious disease, which is especially problematic in communities without adequate sanitation. Families are also under tremendous emotional pressure and there has been a huge increase in behavioral health issues; people who do not seek help often self-medicate with alcohol or other substances.

MS. DAVIDSON pointed out that people who rely on durable medical equipment and cannot afford to pay the increased electricity costs to keep their equipment running end up being medevaced out of their communities at a cost of sometimes $16,000 per medevac.

Slide 53 – At the same time they have seen a huge increase in the demand for care, ANTHC has seen a decrease in their capacity to provide that care. Before the energy crisis, energy accounted for 33 percent of the cost of clinic operation; as energy costs have risen, clinics have had to limit their hours of operation or reduce services. Every major health organization has had to

implement reductions in service or staffing during the past three years.

She closed by saying that their vision at the Alaska Native Tribal Health Consortium is "Alaska Natives are the healthiest people in the world" and she knows they cannot realize it alone; to get where they need to be is going to take everyone working together. If people aren't enrolled in available services because they aren't informed or because care is not available in their communities and the system does not adequately reimburse people for the cost of providing that care so those programs can be sustained over time, then the system has failed.

2:19:29 PM
SENATOR ELLIS thanked Ms. Dotomain and Ms. Davidson for their presentations and said that Senator Begich is excited about the opportunities that the federal stimulus package will offer Alaskans. There are $2 billion in the bill for community health clinics but he did not ask Senator Begich whether that was purely capital or included operating funds as well. When the Denali Commission was established, the language provided that only rural community health clinics could participate in Denali Commission funding; the health clinic in his Anchorage community was not eligible for Denali Commission funding, but Senator Begich said that all community health clinics in Alaska, urban and rural, qualified for the $2 billion. He asked if Ms. Dotomain or Ms. Davidson were clear on whether the funds could be used for operating expenses such as increased energy costs.

MS. DAVIDSON said she thinks the funds are for both capital and operating costs; but not all community health centers or Section 330 clinics are tribal health clinics. There are some community health centers that are tribally operated in Alaska but not very many. What works in other states doesn't necessarily work in Alaska, so they end up with competing or dually operated health systems. She gave an example related to veterans' care, saying they have been struggling for the past several years to take care of their veterans in rural communities, but they have no access to veterans' services. She asserted that it makes more sense to utilize the tribal health system in those areas and provide a method for reimbursement than to create another level of care. She feels that there must be a way to ensure that energy programs and stimulus funding cover the health needs of clinics regardless of the category of the clinic; Alaskans have been incredibly creative about tailoring new funding streams and finding ways to make them work for people in the communities they serve.

2:23:15 PM
SENATOR THOMAS asked who trains their health care workers and community health aids.

MS. DAVIDSON answered that there are two- to three-year training programs for community health aids and community health aid practitioners in Bethel, Anchorage and in several other places throughout the state. Behavioral health aids are trained by the University of Alaska, but some tribal providers are interested in taking over that training themselves much as they have the community health aid training programs. The Dental Health Aid Therapy program is operated by ANTHC; the first year is done through a partnership with the University of Washington Dentex program, which is modeled after the University of New Zealand's and University of Canada's programs. Students do their second year of training in Bethel, after which they provide care under the supervision of a dentist and then go through the certification process. When that is complete, they can provide care independently under the general supervision of a dentist.

SENATOR THOMAS wondered where their funding comes from.

MS DAVIDSON responded that the Community Health Aid Program gets most of its funding from the Indian Health Service through their funding agreement; the Dental Health Aid Therapy Program was funded by a grant from the Kellogg foundation for $8 million; that grant runs out in 2010 and they are looking at other avenues for funding.

2:26:29 PM
SENATOR THOMAS said it seems to him that coordination and collaboration with the University of Alaska Nursing Program would be helpful.

2:27:37 PM
MS. DAVIDSON said they do a lot of collaboration with the University of Alaska and do a lot to recruit Alaska Natives into nursing; they provide clinical training opportunities in their facilities and there are a number of programs throughout the state that make sure resources are available so that those opportunities exist for Alaska Natives. She said they also collaborate with Allied Health Professions for everything from phlebotomy to pharmacy technician jobs. Because they have such a young population, the best opportunities are distance-delivery programs. Students start with one class at a time while working in the community, often supporting 15 to 20 family members. When

students have success in one class, they are often eager to take more classes.

2:29:44 PM
SENATOR THOMAS asked why the Indian Health Service does not fund behavioral health.

2:30:02 PM
MS. DAVIDSON couldn't answer that question. She thinks The IHS is limited by federal appropriations and for last 10 to 12 years they have been told that resources are not available to fund those programs; then they see that money go into a fund that provides millions or billions of dollars in health resources to other countries. It is frustrating, but the IHS is a federal agency and is only allowed to support a budget that is approved by the administration. President Obama seems to have a commitment to Alaska Natives and American Indians however, and she is hopeful that this new administration will place greater emphasis on minority health and narrowing disparities in the health care system.

2:31:56 PM
SENATOR PASKVAN said that he is working on an electronic health records bill now and they are working through some of the privacy issues that are so important. He thinks it will save a lot of money for all Alaskans in the long run. On the issue of distance delivery, his wife works with the Center for Distance Education and he thinks it is a very important part of the health of Alaska in general. Regarding energy costs, he is very aware of the issues raised last year by the huge increases in energy costs which forced some people to choose between heat and putting food on the table.

2:33:26 PM
MS. DAVIDSON said they are aware of Senator Paskvan's efforts with electronic health records and the health information exchange and think it's brilliant. The more they can improve administrative efficiencies, the more it will help them ensure that, as patients move from one place to another in Alaska or outside, their records will follow them, improving treatment and saving money.

2:34:29 PM
MS. DOTOMAIN encouraged Senator Paskvan to speak with the Alaska Federal Healthcare Access Network, which will be here on Tuesday of next week to testify about how they've worked through the security issues with HIPPA.

SENATOR PASKVAN commented that he believes more male mentors are needed in the schools. The female Natives have already seen the need and become active but men trail behind them in most communities.

SB 10-MEDICAID/INS FOR CANCER CLINICAL TRIALS

2:35:52 PM
CHAIR DAVIS announced the consideration of SB 10. [Version E CS for SB 10 was before the committee.]

SENATOR PASKVAN moved to report CS for SB 10 from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 10(HSS) moved from committee.

2:37:55 PM
There being no further business to come before the committee, Chair Davis adjourned the meeting at 2:37 p.m.