

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

February 25, 2009

1:32 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 96

"An Act relating to nonpayment of child support; relating to certain judicial and administrative orders for medical support of a child; relating to periodic review and adjustment of child support orders; relating to relief from administrative child support orders; relating to child support arrearages; relating to medical support of a child and the Alaska Native family assistance program; amending Rule 90.3, Alaska Rules of Civil Procedure; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 32

"An Act relating to medical assistance payments for home and community-based services."

MOVED CSSB 32(HSS) OUT OF COMMITTEE

SENATE BILL NO. 35

"An Act extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date."

MOVED CSSB 35(HSS) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 96

SHORT TITLE: CHILD SUPPORT/ CASH MEDICAL SUPPORT

SPONSOR(S): HEALTH & SOCIAL SERVICES

02/04/09           (S)           READ THE FIRST TIME - REFERRALS

02/04/09 (S) HSS, JUD, FIN  
02/25/09 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: SB 32

SHORT TITLE: MEDICAID:HOME/COMMUNITY BASED SERVICES

SPONSOR(s): SENATOR(s) ELLIS

01/21/09 (S) READ THE FIRST TIME - REFERRALS  
01/21/09 (S) HSS, FIN  
01/21/09 (S) PREFILE RELEASED 1/9/09  
02/04/09 (S) HSS AT 1:30 PM BUTROVICH 205  
02/04/09 (S) Heard & Held  
02/04/09 (S) MINUTE(HSS)  
02/23/09 (S) HSS AT 1:30 PM BUTROVICH 205  
02/23/09 (S) Heard & Held  
02/23/09 (S) MINUTE(HSS)  
02/25/09 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: SB 35

SHORT TITLE: EXTEND SUICIDE PREVENTION COUNCIL

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  
01/26/09 (S) HSS AT 1:30 PM BUTROVICH 205  
01/26/09 (S) Heard & Held  
01/26/09 (S) MINUTE(HSS)  
02/25/09 (S) HSS AT 1:30 PM BUTROVICH 205

**WITNESS REGISTER**

LINDA ZAUGG, staff to Senator Davis  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Commented on SB 96 for the sponsor.

GINGER BLAISDELL, Legislative Liaison  
Department of Revenue

**POSITION STATEMENT:** Commented on SB 96.

JOHN MALLONEE, Director  
Child Support Services Division  
Department of Revenue (DOR)

**POSITION STATEMENT:** Supported SB 96.

STACY STEINBERG

Department of Law (DOL)

**POSITION STATEMENT:** Available to answer questions on SB 96.

DANA L. OLSON, representing herself

**POSITION STATEMENT:** Commented on issues surrounding SB 96.

SENATOR ELLIS

Alaska State Legislature

Juneau, AK

**POSITION STATEMENT:** Sponsor of SB 32.

MAX HENSLEY, staff to Senator Ellis

Alaska State Legislature

Juneau, AK

**POSITION STATEMENT:** Answered questions on SB 32 for the sponsor.

JON SHERWOOD

Medicaid Special Projects

Department of Health and Social Services (DHSS)

**POSITION STATEMENT:** Supported SB 32.

DIANE CASTO, Manager

Prevention and Early Intervention Section

Department of Health and Social Services (DHSS)

**POSITION STATEMENT:** Supported SB 35.

PAT DAVIDSON, Legislative Auditor

Division of Legislative Audit

Legislative Affairs Agency

**POSITION STATEMENT:** Supported SB 35.

#### **ACTION NARRATIVE**

[1:32:02 PM](#)

**CHAIR BETTYE DAVIS** called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Paskvan, Ellis, Dyson and Davis.

#### **SB 96-CHILD SUPPORT/ CASH MEDICAL SUPPORT**

[1:32:13 PM](#)

CHAIR DAVIS announced consideration of SB 96.

LINDA ZAUGG, staff to Senator Davis, read the sponsor statement for SB 96 as follows:

In July 2008, the federal government issued new medical support regulations that require states to have guidelines addressing how either or both parents will provide for a child's healthcare needs through accessible health insurance coverage, cash medical support, or both. Under the federal regulations, states must order either or both parents to purchase reasonably-priced, accessible health insurance coverage, provide cash medical support or both. Cash medical support may be required in those states where no reasonably-priced health insurance coverage is accessible to the child. If a parent is ordered to pay cash medical support, the Child Support Services Division must enforce the ongoing cash medical support obligation as well as collect any cash medical support arrears. Failure to satisfy these mandates jeopardizes \$17 million in federal funding for the state's child support program. Alaska's request for a waiver was denied by the federal government in January 2009.

This bill adds to existing law the authority for a tribunal to order either or both parents to pay cash medical support, if warranted. In addition, the bill directs CSSD to review child support orders for modification on a federally mandated three-year cycle. The bill adds cash medical support to the definition of arrearage and the definition of support order, thereby enabling CSSD to use its existing enforcement tools to collect a cash medical support obligation on behalf of the child.

1:34:44 PM

Finally, the bill removes the language limiting who may request the correction of a clerical mistake in an administrative order or request the vacation of an administrative order based upon a default outcome.

This bill puts Alaska in compliance with the federal requirements. As explained above, this bill will assure that Alaska's children receive the medical support to which they are entitled.

1:35:14 PM

GINGER BLAISDELL, Legislative Liaison, Department of Revenue, introduced department staff on teleconference that would be providing information on SB 96.

[1:36:33 PM](#)

JOHN MALLONEE, Director, Child Support Services Division, Department of Revenue (DOR), said that this is a federally mandated program, and this bill allows the state its requirements for child support.

MR. MALLONEE explained that under the new federal regulations either or both parents must provide cash medical support. While insurance coverage is preferred, cash support may be required where it is not reasonably available. This adds to existing law and further assures that children receive the medical support to which they are entitled.

The bill says that CSSD clients can request a review at any time. Federal regulations require the state to have procedures under which child support orders must be reviewed and be appropriately modified every three years. This bill requires the agency to perform the reviews with the review cycle. However, it doesn't limit clients' ability to request a review at any time. CSSD has an automated system that collects income data from the parties in each case once a year to perform calculations to determine if the case meets the criteria. A notice is sent to both parties when modification criterion is met.

In addition to these federal requirements, the bill removes the language limiting who can request the correction of a clerical mistake in an administrative child support order or who may request vacation of an administrative order based on false income. Currently in those situations only the [indisc.] can request these actions.

[1:40:58 PM](#)

STACY STEINBERG, Department of Law (DOL), said she was available to answer questions.

[1:41:21 PM](#)

DANA L. OLSON, representing herself, said, "For the record, I am opting out of your proceedings, and I have a number of reasons why." She gave them notice that this issue is not reviewable under claim of privilege under National Defense Law. She said the state is subject to the 13th amendment of dictating slavery and that issue is already in federal courts. She also stated that HB 645 allows each state to adopt sovereignty, and that this bill seems to be part of the dictate of the federal government that gives children more rights than their parents.

CHAIR DAVIS asked Ms. Olson if she understood what bill is being considered.

MS. OLSON said she does understand.

MR. MALLONEE said he does not see how the previous testimony applies to this bill at all.

[1:50:21 PM](#)

SENATOR PASKVAN moved to adopt work draft CS for SB 96, labeled 26-LS0485\E, as the working document.

SENATOR THOMAS objected for discussion.

SENATOR DYSON asked if it's true that federal regulation states that either or both parents must provide health care insurance.

MR. MALLONEE answered that is correct; 42 US Code says that also.

SENATOR DYSON asked if a financially capable parent who wanted to pay his own bills and not have health insurance could do so.

MR. MALLONEE replied yes. Parents have to purchase reasonably priced insurance; if no insurance is available, they have to put up cash support.

[1:53:16 PM](#)

SENATOR DYSON said wanted to verify that he meant "yes" - the regulation says a person can't be self-insured.

MR. MALLONEE responded if the question is whether a person can elect not to buy health insurance and rather provide cash medical support that would not be okay.

[1:54:10 PM](#)

CHAIR DAVIS clarified if a parent has the cash and wants to pay for the insurance they can.

MR. MALLONEE agreed.

SENATOR DYSON asked if the sentence that says "states must order either or both parents to purchase reasonably priced accessible health insurance" should have said "or provide cash medical support".

CHAIR DAVIS said he was probably correct. She asked that they take this issue up at a later time rather than during the committee meeting.

[1:57:53 PM](#)

MR. MALLONEE said the purpose of the federal Uniform Interstate Family Support Act (UIFSA) is to provide efficient procedures to collect child support inter-state cases and to eliminate multiple support orders that were permitted under previous child support law. In 1995, Alaska adopted its version of UIFSA using a different definition of "state." In 1996, Congress passed legislation that mandated the states adopt the UIFSA to be eligible to continue receiving federal funding for their child support programs. Alaska's definition of "state" does not currently include two entities that are included in UIFSA - the U.S. Virgin Islands and an Indian Tribe. This bill would incorporate these two into the Alaska UIFSA statute.

SENATOR DYSON said that, having gotten pretty involved in this child support issue over the years, he is concerned that they might be doing something that would frustrate some advocacy group, and he wanted to know if anything in this bill could be perceived to be against the interests of any of the interested parties.

CHAIR DAVIS remarked that there were concerns about the original bill, but the CS addressed them.

[2:01:29 PM](#)

MS. BLAISDELL responded that the Department of Revenue (DOR) has not received any negative comment on it.

SENATOR DYSON said he thought that all of the custodial parents out there know that this is naïve.

CHAIR DAVIS set SB 96 aside.

**SB 32-MEDICAID:HOME/COMMUNITY BASED SERVICES**

[2:04:36 PM](#)

CHAIR DAVIS announced consideration of SB 32 [CS for SB 32, labeled 26-LS0218\C was before the committee].

SENATOR ELLIS, sponsor of SB 32, said he had the information requested by the committee at the last meeting.

[2:05:06 PM](#)

MAX HENSLEY, staff to Senator Ellis, said the committee requested data regarding potential increments in the Department of Health and Social Services (DHSS) budget that would cover an immediate increase in the rates paid to home and community-based providers. The original fiscal note for SB 32 said those increments would cost 2.8 percent for fiscal year 2010, which would be equivalent to the home health agency inflation factor that the department feels is the most similar inflation factor. It would cost \$3.9 million in the current year's budget.

[2:07:01 PM](#)

SENATOR DYSON said he wanted to hear about the administration's reservations.

CHAIR DAVIS said their concern was about immediate implementation and that had been resolved.

[2:08:29 PM](#)

JON SHERWOOD, Medicaid Special Projects, Department of Health and Social Services (DHSS), said the department had concerns with language around rate setting, but it is willing to take those up in the Finance Committee, and he was satisfied with the bill at this point.

[2:09:52 PM](#)

SENATOR PASKVAN moved to report CSSB 32(HSS) from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

### **SB 35-EXTEND SUICIDE PREVENTION COUNCIL**

[2:10:55 PM](#)

CHAIR DAVIS announced consideration of SB 35.

DIANE CASTO, Manager, Prevention and Early Intervention Section, Department of Health and Social Services (DHSS), said the Suicide Prevention Council recommended changes to the membership that had been part of the recommendations of Legislative Audit.

[2:12:58 PM](#)

SENATOR PASKVAN moved to adopt work draft CS for SB 35, labeled 26-LS0229\R, as the working document. There being no objection, version R was before the committee.

[2:14:24 PM](#)

PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, said the Audit's only recommendation that would involve

any statutory changes is the composition of the council. It found that the council had difficulty establishing quorums and filling positions. At first they encouraged the Governor's Office to make more timely appointments, but the same problems persisted. So they suggested modifying requirements for being on the council, but didn't recommend anything in particular. They wanted to see the council and legislature work together to find the interested people who are willing to serve.

SENATOR DYSON asked if the CS responds to that recommendation.

MS. DAVIDSON replied yes, if it is acceptable to the council and the legislature.

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SENATOR PASKVAN moved to report CSSB 35(HSS) from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[2:17:42 PM](#)

There being no further business to come before the committee, Chair Davis adjourned the meeting at 2:17.