

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

March 15, 2010

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. 307

"An Act relating to residential shelters for runaway minors."

- MOVED SB 307 OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 13

Supporting senior caregivers and encouraging the Department of Health and Social Services to provide additional education on the effects of aging and the importance of senior caregivers.

- MOVED CSSCR 13(HSS) OUT OF COMMITTEE

SENATE BILL NO. 250

"An Act requiring insurance coverage for autism spectrum disorders, describing the method for establishing a treatment plan for those disorders, and defining the treatment required for those disorders; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 307

SHORT TITLE: SHELTERS FOR RUNAWAY MINORS

SPONSOR(S): HEALTH & SOCIAL SERVICES

03/10/10	(S)	READ THE FIRST TIME - REFERRALS
03/10/10	(S)	HSS, JUD

03/15/10 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: SCR 13

SHORT TITLE: SUPPORTING SENIOR CAREGIVERS

SPONSOR(s): BUNDE

02/24/10 (S) READ THE FIRST TIME - REFERRALS

02/24/10 (S) HSS

03/15/10 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: SB 250

SHORT TITLE: INS. COVERAGE: AUTISM SPECTRUM DISORDER

SPONSOR(s): HEALTH & SOCIAL SERVICES

02/01/10 (S) READ THE FIRST TIME - REFERRALS

02/01/10 (S) HSS, FIN

03/15/10 (S) HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

CELESTE HODGE, Staff to Senator Davis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Introduced SB 307.

KIMBERLEE COLBO, Attorney
Covenant House
Anchorage, AK

POSITION STATEMENT: Was available for questions.

WILDA LAUGHLIN, Legislative Liaison
Special Assistant to the Commissioner
Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Supported SB 307.

LAUREN RICE, Director of Public Affairs
Covenant House
Anchorage, AK

POSITION STATEMENT: Supported SB 307.

TREVOR FULTON, Staff for Senator Con Bunde
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Read the sponsor statement for SCR 13.

LORNA MILLS, representing herself

Anchorage, AK

POSITION STATEMENT: Testified on SCR 13.

KAY BRANCH

Elder Health Program Coordinator
Alaska Native Tribal Health Consortium (ANTHC)
Anchorage, AK

POSITION STATEMENT: Supported SCR 13.

JOANNE GIBBENS, Deputy Director
Division of Senior and Disability Services
Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Testified that the administration supports HCR 13.

MARIE DARLIN

AARP Capitol City Task Force
Juneau, AK

POSITION STATEMENT: Testified in support of SCR 13.

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

POSITION STATEMENT: Testified in support of SCR 13.

KEVIN TURKINGTON, Chief Executive Officer
Senior Care of Alaska
President, Board of National Private Duty Association (NPDA)
Anchorage, AK

POSITION STATEMENT: Testified in support of SCR 13.

REPRESENTATIVE PETE PETERSEN

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 250

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

POSITION STATEMENT: Gave an overview of the CS for SB 250.

LORRI UNUMB, Attorney

Autism Speaks
Columbia, SC

POSITION STATEMENT: Testified in support of SB 250.

SHEELA TALLMAN, Legislative Affairs
Premera Blue Cross Blue Shield of Alaska
POSITION STATEMENT: Testified in opposition to SB 250.

ACTION NARRATIVE

[1:32:29 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, and Davis. Senator Dyson arrived soon thereafter.

SB 307-SHELTERS FOR RUNAWAY MINORS

[1:32:48 PM](#)

CHAIR DAVIS announced consideration of SB 307.

SENATOR DYSON joined the meeting.

[1:33:39 PM](#)

CELESTE HODGE, Staff to Senator Davis, sponsor of SB 307, said this bill will allow shelters like Covenant House Alaska (CVA) to continue to apply for federal grants. In 2007 CVA was awarded the federal Basic Center Grant (BCG) through the Administration for Children and Families (ACF), but they were recently notified that they are out of compliance because they have more than 20 beds, which is what the grant allows. However, ACF did concede that a state law requiring more beds would override the federal requirement. SB 307 does that and therefore will allow CVA to continue to compete for federal grants by operating under the terms of their license.

This will not increase the cost or workload of the CVA staff so there is a zero fiscal note, she concluded.

SENATOR THOMAS joined the meeting.

[1:36:45 PM](#)

SENATOR DYSON said this is absolutely common sense and he can't imagine that there is any opposition. He suggested that the chair ask if there is any negative testimony and, if not, the committee can move ahead with the bill.

KIMBERLEE COLBO, Attorney, Covenant House, Anchorage, Alaska, said she was available for questions.

[1:39:02 PM](#)

WILDA LAUGHLIN, Legislative Liaison, Department of Health and Social Services (DHSS), thanked the committee for carrying the bill and Covenant House for working with DHSS. She stated that the administration has no concerns with the bill.

LAUREN RICE, Director of Public Affairs, Covenant House, Anchorage, Alaska, thanked Chair Davis and the committee for bringing the bill forward.

[1:40:29 PM](#)

CHAIR DAVIS closed public testimony and asked the will of the committee.

SENATOR PASKVAN moved to report SB 307 from committee with individual recommendations and attached fiscal note(s). There being no objection, SB 307 moved from the Senate Health and Social Services Standing Committee.

At ease from 1:40 p.m. to 1:42 p.m.

SCR 13-SUPPORTING SENIOR CAREGIVERS

CHAIR DAVIS announced consideration of SCR 13.

[1:42:28 PM](#)

TREVOR FULTON, staff for Senator Con Bunde, introduced SCR 13 paraphrasing the following sponsor statement:

Alaska's senior population is growing. The number of Alaskans 65 years of age or older is expected to increase by nearly 60 percent in the next 20 years and the population of those 85 years or older is projected to double by 2050. Per capita, Alaska has the fastest growing 85 and over population in the entire nation.

While advances in medicine, technology, and assisted living practices are enabling seniors to live longer, more productive, and more comfortable lives than ever before, the fact remains that many of our aging loved ones will at some point require some form of caregiving. In fact, more than 25 percent of all seniors need some level of assistance with their daily activities.

It is critical that we as a state are prepared to meet and manage the needs of our aging population.

By supporting senior caregivers and encouraging the Department of Health and Social Services to provide additional education on the effects of aging and the importance of senior caregivers, SCR 13 draws attention to the changing demographics of aging in Alaska and the critical role played by senior caregivers.

[1:45:28 PM](#)

SENATOR PASKVAN moved to adopt the work draft committee substitute (CS) for SCR 13, labeled 26-LS1481\P, as the working document. There being no objection, version P was before the committee.

[1:46:30 PM](#)

LORNA MILLS, representing herself, said she is a registered nurse and the owner of Care Net Inc., a private-duty home care provider in Anchorage that employs caregivers who help people in their own homes. Because un-monitored care opens the possibility for exploitation of vulnerable older persons, there is a big difference between hiring someone from a reputable private-duty home care organization and hiring someone from a newspaper ad, she said. As a member of the National Private-Duty Association (NPDA) and the Alaska chapter, she said she speaks for the group in saying they are dedicated and have made it their mission to preserve the integrity of the private-duty home care industry by adhering to certain standards. A goal of the association is educate the community about the importance of using an NPDA agency.

She asked Mr. Fulton what the sponsor hopes to accomplish with SCR 13, what he will do to support businesses like hers, and how she can help.

CHAIR DAVIS advised Ms. Mills to contact either her office or the sponsor's.

[1:49:43 PM](#)

KAY BRANCH, Elder Health Program Coordinator, Alaska Native Tribal Health Consortium (ANTHC), said ANTHC supports SCR 13 on behalf of their tribal health partners, the 16,000 Alaska Native elders in the state, and caregivers. And they encourage DHSS to ensure that caregiving resources and education embraces the cultural and linguistic traditions of Alaska Native people. As part of the Medicaid reform initiative, Alaska tribal health organizations collaborated to design a tribal long term care service development plan that would increase access to both home

and community-based and facility services for Alaska Native elders and people with disabilities. This includes components like SCR 13 that encourages family caregivers to provide care and supplement with formal services only when necessary. This maintains the family structure and honors the long-standing tradition of caring for elders, she said.

Tribal health system partners continue to work with DHSS to increase home and community-based services at all levels. This includes traveling to rural regions to better understand the challenges of rural service delivery and tribal health organizations thereby ensuring equal access to services statewide. Culturally appropriate nursing and assisted living homes are also needed to provide the full range of long term care services to Alaska Native elders and people with disabilities. ANTHC therefore also seeks support for the tribal facility capital projects in Anchorage, Kotzebue, and Bethel, she concluded.

[1:52:56 PM](#)

JOANNE GIBBENS, Deputy Director, Division of Senior and Disability Services, Department of Health and Social Services (DHSS), stated that the administration supports SCR 13.

SENATOR DYSON said the implication of the resolution is that DHSS needs a kick in the pants, but it appears that DHSS doesn't look at it that way. He asked what the resolution really accomplishes and why the department supports it.

MS. GIBBENS replied the department supports the resolution because it recognizes the need and is committed to doing what it can with existing and future resources to meet that needs of caregivers. Through a combination of federal and state funds they currently provide funding for eight agencies statewide to provide caregiver support services. That's probably not sufficient to meet the statewide need, but they are committed to do what they can and to continue working with the Alaska Commission on Aging to identify strategies to improve service delivery statewide.

[1:55:57 PM](#)

SENATOR DYSON referenced the resolve on page 2 and asked what the impact is for the Legislature to say it recognizes senior caregiving as a profession.

MS. GIBBENS said she believes that recognizing something as a profession recognizes it as a calling and a life's task and

work. Also, family caregivers can sometimes get paid for providing services and in that respect it's a profession for them.

SENATOR DYSON asked if she sees this as a precursor to formal training and/or licensing.

MS. GIBBENS replied DHSS already provides training to caregivers, counseling and support groups to families, and respite services for family members.

SENATOR DYSON observed that she's saying "no."

MS. GIBBENS agreed.

SENATOR DYSON asked Mr. Fulton if he and the sponsor believe that the resolution commits the Legislature provide funding to do everything outlined in the resolve section on page 2.

CHAIR DAVIS suggested he take the resolution at face value. She believes it's appropriate for the department to express support and doesn't feel that it will bind the Legislature.

SENATOR DYSON said it could be argued differently but he won't push it.

[2:01:09 PM](#)

MARIE DARLIN, AARP Capitol City Task Force, expressed support for SCR 13. It's important to educate people about the growing need for caregiver services because that need for those services is growing rapidly. She suggested that a little more emphasis might be given to letting people know what services are available through the state or community organizations.

[2:03:12 PM](#)

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Department of Health and Social Services (DHSS), said Alaska's senior population is growing faster than any state in the nation, but not because seniors are moving here. It's that the people who moved here in the '70s and '80s are aging and choosing to remain in Alaska. This is an important population in terms of their investment in Alaska. According to a study done by the University of Alaska, seniors contribute more than \$1.5 billion to the state economy each year and this doesn't include the seniors who continue to work and volunteer. SJR 13 calls attention to the changing demographics and the need to look at

the types of services that are provided and whether they are sufficient to keep seniors living here.

[2:06:09 PM](#)

KEVIN TURKINGTON, CEO, Senior Care of Alaska; President, Older Persons Action Group and Alaska chapter of the National Private Duty Association (NPDA), said he is testifying in support of SCR 13. It can bring a better balance to supporting the entire senior population. Many resources are focused to the low-income seniors and, while that is important, about 75 percent of seniors don't qualify for these services. The best way to serve seniors and lower the costs of doing so is to empower seniors and family and professional caregivers. This can be accomplished by filtering all current regulations and subsequent legislation through SCR 13 and the powerful statement it makes on behalf of seniors and their families.

[2:09:54 PM](#)

CHAIR DAVIS called an at ease due to a teleconference system malfunction.

[2:17:16 PM](#)

CHAIR DAVIS reconvened the meeting and closed public testimony.

[2:17:57 PM](#)

SENATOR PASKVAN moved to report CSSCR 13, labeled 26-LS1481\P, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSCR 13(HSS) moved from the Senate Health and Social Services Standing Committee.

At ease from 2:18 p.m. to 2:20 p.m.

SB 250-INS. COVERAGE: AUTISM SPECTRUM DISORDER

[2:20:05 PM](#)

CHAIR DAVIS announced consideration of SB 250. She asked Representative Peterson if he would like to present the companion to SB 250, which he introduced in the House.

REPRESENTATIVE PETE PETERSEN, sponsor of HB 187, encouraged the committee to ask questions of the autism experts that were online.

CHAIR DAVIS said it was not her intent to move the bill today. She asked Mr. Obermeyer to present the bill.

[2:22:13 PM](#)

TOM OBERMEYER, staff to Senator Davis, said he was speaking to the committee substitute (CS) for SB 250, labeled 26-LS1400\R. He read the sponsor statement into the record. [A copy is in the bill file.]

He related that SB 250 mandates coverage for diagnosis and treatment of autism spectrum disorders (ASD) in any plan offered by the health care insurer. Early treatment has been shown to improve the symptoms of ASD and sometimes eliminate the need for special education for a child with ASD. This is the proper way to deal with this problem and it saves a great deal of money, Mr. Obermeyer said.

MR. OBERMEYER pointed out that self-funded health plans, including the "Alaska Care" plan, would likely be exempt from the bill because they are preempted by the federal ERISA law. However, the state historically has complied with state insurance laws.

The Center for Disease Control (CDC) reports that about 1 in 110 children are affected by ASDs, but it is much more prevalent among boys. This is an increase from 10 years ago, but it's unclear if this increase is due to a broader definition of ASDs, better diagnoses, or a combination. Many children who have been diagnosed go untreated because ASD often is not covered by insurance plans. The cost to families is overwhelming.

MR. OBERMEYER related that the federal Autism Treatment Acceleration Act of 2009 is pending legislation and implementing SB 250 now would allow insurers and the state time to adjust to the requirements of this law. Also, he said, it would bring health care professional and jobs to the state. Since March of 2009, 11 states have passed legislation similar to SB 250 and 19 states have introduced legislation. SB 250 will significantly help the hundreds of Alaskans suffering from these disorders, he concluded.

[2:29:19 PM](#)

SENATOR PASKVAN moved to adopt the proposed committee substitute (CS) for SB 250, labeled 26-LS1400\R, as the working document. There being no objection, version R was before the committee.

[2:29:44 PM](#)

LORRI UNUMB, Senior Policy Advisor and Counsel, Autism Speaks, Columbia, South Carolina, said this is a national autism science, research, and advocacy organization. She informed the committee that she is a former law professor and the parent of a

child with autism; she now advocates full time for children with autism and work nationwide on autism insurance reform. She noted that she would speak to the PowerPoint handout in the packets focusing on the experience in other states that have passed autism insurance reform.

Slide 6 depicts a map of the U. S. showing the states that have passed autism insurance reform. At Autism Speaks they consider that 15 states have enacted meaningful reform, she said. In these states kids can get the kind and close to the amount of therapy that's been prescribed for them. Indiana and Minnesota passed legislation in 2001 so cost data is available, but it's nearly ten years old. South Carolina and Texas were the next states to pass legislation in 2007; more states followed suit in 2008 and 2009. As previously mentioned, legislation is pending in 19 states.

MS. UNUMB directed attention to slide 7 that contains excerpted data from an insurance advocacy association report titled "Health Insurance Mandates in the States." It indicates that covering autism has impacted premiums by less than 1 percent. This is compared to other mandated treatments like alcoholism, contraceptives, in vitro fertilization, and prescriptions all of which are higher.

Slide 8 contains actual cost data from South Carolina after the autism insurance statute became applicable to the state employee health plan in January 2009. The state has a population of 4.5 million and the state employee health plan has 350,000 members. When the legislation was introduced the state budget office initially estimated that this coverage would cost the state \$18.9 million and that was later revised down to \$9 million. The actual claims date for all of 2009 shows that it cost the state \$856,371. This translates to a 20 cent premium increase per member per month to provide all the kids with autism in South Carolina with the coverage they need. The South Carolina statute is a little different than what SB 250 proposes because it provides coverage only through age 16 and it caps applied behavior analysis (ABA) therapy at \$50,000 per year. The Harvard study indicates that the lifetime cost for each child with autism who does not get treated is \$3.2 million so if you're not motivated by the human aspect, think about it from the fiscal perspective, she said. Fully 50 percent of the kids who receive treatment will go right into a mainstream first grade classroom, saving the state an awful lot of money, she concluded.

[2:38:42 PM](#)

SENATOR PASKVAN asked what policy issues caused [South] Carolina to cap coverage at age 16 and \$50,000.

MS. UNUMB replied she selected age 16 somewhat randomly without any scientific basis. Most of the states that have reform selected age 18-22. The original legislation didn't have a therapy cap, but the insurance industry argued in favor of one on the ABA therapy because they couldn't estimate that cost. When the legislature asked her to write in a cap, she put in \$75,000 because that's the cost of her son's therapy. Shortly before the bill passed the cap was negotiated down to \$50,000.

Slide 10 has a chart comparing the age and ABA therapy caps in six states with reform statutes. She offered to provide a chart that compares all 15 states in some detail.

CHAIR DAVIS said that would be helpful.

[2:42:18 PM](#)

SENATOR DYSON questioned why treatment for this disability isn't paid for out of the tax base as opposed to insurance. Here in particular it would be a very selective and disproportionate sharing of the burden.

MS. UNUMB replied some states have attempted to provide coverage through the Medicaid waiver program, but it isn't sufficient to treat all the kids. Even with a very favorable 70 percent federal match, South Carolina has two to three year waiting lists of several hundred children. That doesn't do a child with autism any good because the early intervention window is critical for rewiring the brain. She added that autism is at core a medical issue and for the people who have private insurance it seems only fair that private insurance play a part.

SENATOR DYSON thanked her for a thoughtful response.

[2:46:24 PM](#)

SENATOR THOMAS referenced the actual 2009 cost data she provided for the South Carolina state employee plan and expressed disbelief that treatment per child could cost so little. He asked how she arrived at \$856,000.

MS. UNUMB said she believes that cost will rise as more people take advantage of the coverage, but she doesn't it will ever approximate the state's \$9 million estimate.

She referenced slide 2 showing the five pervasive developmental disorders (PPD). Within the five PDDs there are three autism spectrum disorders (ASDs): autistic disorder, Asperger's syndrome, and pervasive developmental disorder - not otherwise specified (PDD-NOS). Autistic disorder accounts for 1/3 of all ASDs, Asperger's syndrome accounts for less than 1/6 of all ASDs, and the milder PDD-NOS accounts for 1/2 of all autism spectrum disorders. The kids in the first category are severe and they are prescribed the intensive behavioral therapy. While the prevalence of PDD is 1 in 110, only 1/3 have a severe diagnosis and only some of those will be prescribed a full 40 hour per week ADA therapy program. And not all of the ones who are prescribed the intensive program will take advantage of it because it takes place in your home and is incredibly intrusive. Not every family is willing to make the lifestyle adjustments and in rural areas there may be provider issues.

One reason that South Carolina's fiscal note was so far off is that the budget analyst took the prevalence number and multiplied it by the cap. They assumed that every child would be prescribed and get the maximum treatment, but it doesn't work that way. In South Carolina 62,000 kids were within the age 2-16 target range and just 64 were actually prescribed and took advantage of the therapy in 2009.

SENATOR THOMAS asked if she has examples from other states that have had legislation in place for a longer period of time and why she included a slide that lists businesses that have self-funded ERISA plans.

[2:53:07 PM](#)

MS. UNUMB said it's difficult to get detailed data because private insurers are less forthcoming, but she does have data from Minnesota. That benefit has neither an age nor a dollar cap and it's been in effect for nine years. Blue Cross/Blue Shield said that the average utilization on an ABA program was \$30,000 per year and the premium increase has been \$.83 per member per month. She noted that Autism Speaks hired an independent actuary to conduct an analysis on the companion bill to SB 250 and he projected a cost of \$1.34 per member per month.

She explained that she included the information on the ERISA plans because she likes to point out that when a state chooses to mandate a benefit many ERISA regulated plans voluntarily follow suit. The slide offers a small list of companies that have elected to provide an autism benefit. She believes that the

Microsoft administrator is Premera Blue Cross Blue Shield and she understands they are a predominant insurer in Alaska.

SENATOR PASKVAN asked if there's a rational explanation for some states placing a different dollar cap on therapy based on age.

MS. UNUMB replied they're the result of a political process. Some states have decided that kids don't need as much treatment once they enter school and that might be true depending on severity.

2:57:28 PM

SHEELA TALLMAN, Legislative Affairs, Premera Blue Cross Blue Shield of Alaska, confirmed that this legislation will not impact self-funded plans, which are subject to ERISA and it's not subject to state mandates. However, the bill will impact the 40 percent of the market that represents individuals and small employers in Alaska that are already price stressed. It imposes a mandate on health insurers like Blue Cross by requiring all policies to include coverage for ASDs including social skills-based therapies that generally considered outside the realm of health care. They estimate that this mandate could increase health insurance premiums up to 3 percent so it's not cost free.

2:59:15 PM

SENATOR PASKVAN asked if she disputes the estimated \$1.34 per person per month premium increase.

MS. TALLMAN replied they believe it will be slightly higher but she doesn't have the exact number.

SENATOR PASKVAN asked if the premium would likely be lower if it were spread over a larger population base.

MS. TALLMAN replied their calculations already include the small and large groups of insured.

CHAIR DAVIS asked if she could meet with the committee again and provide the additional information.

MS. TALLMAN agreed to do so.

CHAIR DAVIS held SB 250 in committee.

3:00:50 PM

There being no further business to come before the committee, Chair Davis adjourned the Senate Health and Social Services Standing Committee hearing at 3:00 p.m.