ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE
March 12, 2009
1:34 p.m.

MEMBERS PRESENT

Senator Joe Paskvan, Chair
Senator Joe Thomas, Vice Chair
Senator Bettye Davis
Senator Kevin Meyer
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 39
"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."
MOVED SB 39 OUT OF COMMITTEE

SENATE BILL NO. 125
"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."
MOVED SB 125 OUT OF COMMITTEE

SENATE BILL NO. 114
"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; and providing for an effective date."
MOVED CSSB 114(L&C) OUT OF COMMITTEE

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 39
SHORT TITLE: EXTEND BOARD OF PUBLIC ACCOUNTANCY
SPONSOR(s): SENATOR(s) THERRIAULT

01/21/09	(S)	PREFILE RELEASED 1/9/09
01/21/09	(S)	READ THE FIRST TIME - REFERRALS
01/21/09	(S)	L&C, FIN
03/10/09	(S)	L&C AT 1:30 PM BELTZ 211
03/10/09	(S)	Heard & Held
03/10/09	(S)	MINUTE(L&C)

BILL: SB 125
SHORT TITLE: AK AEROSPACE CORPORATION
SPONSOR(s): SENATOR(s) PASKVAN

02/27/09	(S)	READ THE FIRST TIME - REFERRALS
02/27/09	(S)	L&C
03/12/09	(S)	L&C AT 1:30 PM BELTZ 211

BILL: SB 114
SHORT TITLE: EXT BD OF ARCHITECTS, ENGRS, & SURVEYORS
SPONSOR(s): LABOR & COMMERCE

02/19/09	(S)	READ THE FIRST TIME - REFERRALS
02/19/09	(S)	L&C, FIN
03/12/09	(S)	L&C AT 1:30 PM BELTZ 211

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
02/20/09	(S)	Moved CSSB 10(HSS) Out of Committee
02/20/09	(S)	MINUTE(HSS)
02/23/09	(S)	HSS RPT CS 4DP SAME TITLE
02/23/09	(S)	DP: DAVIS, ELLIS, THOMAS, PASKVAN
03/12/09	(S)	L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

JEFF STEPP
Staff to Senator Paskvan
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Commented on SB 125 and SB 114 for the sponsor.

DALE NASH, CEO
Alaska Aerospace Development Corporation
POSITION STATEMENT: Supported SB 125.

RICHARD HEIEREN, Member
Alaska Board of Registered Architects, Engineers and Land Surveyors
Fairbanks, AK
POSITION STATEMENT: Supported SB 114.

TERRY SCHOENTHAL
Alaska Chapter
American Society of Landscape Architects
Anchorage, AK
POSITION STATEMENT: Supported SB 114.

TOM OBERMEYER
Staff to Senator Davis
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Commented on SB 10 for the sponsor.

JON SHERWOOD
Medicaid Special Projects
Department of Health and Social Services
POSITION STATEMENT: Commented on SB 10.

JACK MCCRAY, Sr. Vice President
Primera Blue Cross
POSITION STATEMENT: Answered questions on SB 10.

KRISTA RAYGITSCH, cancer research nurse
Providence Alaska Medical Center
POSITION STATEMENT: Supported SB 10.

EMILY NENON, Director
Alaska Government Relations
Cancer Action Network
American Cancer Society (ACS)

POSITION STATEMENT: Supported SB 10.

CLAIRE WADDOUP, representing herself
Anchorage, AK
POSITION STATEMENT: Supported SB 10.

DR. LATH SUBRAMANIAN, medical oncologist
Representing herself
Anchorage, AK
POSITION STATEMENT: supported SB 10.

DR. JEANNIE ANDERSON, Oncologist
Representing herself
Anchorage, AK
POSITION STATEMENT: Supported SB 10.

DOUGLAS BLANEY, President-elect
American Society of Clinical Oncology (ASCO)
POSITION STATEMENT: Supported SB 10.

MARIE DARLIN
AARP Capital City Task Force
POSITION STATEMENT: Supported SB 10.

DENNIS BAILEY, Legislative Counsel
Legislative Affairs Agency
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Available to answer questions on SB 10.

ACTION NARRATIVE

1:34:31 PM

CHAIR JOE PASKVAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Davis, Meyer, Thomas and Paskvan.

SB 39-EXTEND BOARD OF PUBLIC ACCOUNTANCY

1:36:26 PM
CHAIR PASKVAN announced SB 39 to be up for consideration.

1:37:05 PM
SENATOR BUNDE moved to report SB 39 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

CHAIR PASKVAN announced an at ease from 1:37 p.m. to 1:39 p.m.

SB 125-AK AEROSPACE CORPORATION

1:39:49 PM
CHAIR PASKVAN announced SB 125 to be up for consideration.

JEFF STEPP, staff to Senator Paskvan, sponsor of SB 125, explained this measure was requested by the Alaska Aerospace Development Corporation, and it simply seeks to change their name from the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation. Dropping the word “Development” from their title reflects their mature status as a full-blown launch facility.

DALE NASH, CEO, Alaska Aerospace Development Corporation, said Mr. Stepp explained it very well. The facility has had 14 launches so far. He said they are often confused with being an economic development agency, but as they are pretty much like a small Boeing or Lockheed, they contract with the government for launches. This will help clarify that they have the people to provide the entire package for their launch customers versus some other development organizations within other states that are there to provide the tax incentives for aerospace corporations to come to their state.

1:43:19 PM
He explained that they are growing the facility "from the ground up" and this name would more accurately reflect what they are doing.

SENATOR THOMAS asked if the fiscal note was to change the logos on pencils and things like that.

MR. NASH replied yes.

1:44:13 PM
SENATOR BUNDE moved to report SB 125 with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

CHAIR PASKVAN announced an at ease from 1:44 p.m. to 1:48 p.m.

SB 114-EXT BD OF ARCHITECTS, ENGRS, & SURVEYORS

1:48:18 PM

CHAIR PASKVAN announced SB 114 to be up for consideration. He said it was introduced by the Labor and Commerce Committee.

JEFF STEPP, staff to Senator Paskvan, introduced SB 114 for the chairman. He said the measure seeks to extend the Board's sunset date from June 30, 2009 to June 30, 2017. The audit appears to be solid, and has several recommendations that are being satisfactorily addressed by the Board.

1:49:49 PM
He noted that page 17, the audit lists the number of people who are licensed under this legislation – 539 architects, 478 land surveyors, and nearly 3,000 civil engineers. Obviously they want to keep these professionals registered and certified to keep Alaskans safe in their work.

1:50:23 PM
RICHARD HEIEREN, member, Alaska Board of Registered Architects, Engineers and Land Surveyors, said he supported SB 114. The audit was very thorough, he stated, and he is proud to be on the Board.

1:51:45 PM
MR. STEPP noted a proposed amendment, the result of an oversight. Several years ago a temporary non-voting member was added to the board, and that needs to be included in the statute otherwise it will expire.

SENATOR BUNDE asked Mr. Heieren if he supported the amendment.

MR. HEIEREN answered yes.

SENATOR BUNDE said the Professional Design Council indicated they wanted to make the Board permanent and asked why they didn't want to "open that can of worms" at this time.

MR. STEPP replied that as a practical matter, they wanted to keep the bill clean and just extend the sunset understanding that that issue has been a can of worms in previous legislatures.

1:54:23 PM
SENATOR MEYER moved to adopt Amendment 1.

26-LS0498\R.1
Bullard

AMENDMENT 1

Page 1, line 2, following "**Surveyors;**"
Insert "**extending the term of a temporary member of the State Board of Registration for Architects, Engineers, and Land Surveyors;**"

Page 1, line 7:
Delete all material and insert:

"*** Sec. 2.** The uncodified law of the State of Alaska enacted in sec. 31, ch. 47, SLA 1998, as amended by sec. 2, ch. 46, SLA 2001, and sec. 2, ch. 38, SLA 2005, is amended to read:

Sec. 31. TEMPORARY BOARD MEMBER. After considering recommendations made by the Alaska chapter of the American Society of Landscape Architects, the governor shall appoint a landscape architect to the Board of Registration for Architects, Engineers, and Land Surveyors. The person appointed under this section

(1) must have been a resident in the state for three consecutive years immediately preceding appointment;

(2) serves in an advisory, nonvoting capacity on the board;

(3) is entitled to receive state money for per diem or travel expenses for work as a board member;

(4) serves a term that expires June 30, **2017** [2009]; and

(5) must be registered as a landscape architect under AS 08.48.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: TEMPORARY BOARD MEMBER. The term of office of a person holding a temporary position on the Board of Registration for Architects, Engineers, and Land Surveyors before July 1, 2009, expires June 30, 2009. Unless the temporary member has served all of two successive terms as described under AS 08.48.021(c), the temporary member is eligible for reappointment under sec. 2 of this Act to a term beginning July 1, 2009, so long as the temporary member continues to meet the qualifications set out in sec. 2 of this Act. The temporary member may remain in

the position until the governor names a new appointee or reappoints the temporary member.

*** Sec. 4.** Section 2 of this Act takes effect July 1, 2009.

*** Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect immediately under AS 01.10.070(c)."

There were no objections and it was so ordered.

1:55:09 PM
TERRY SCHOENTHAL, Alaska Chapter, American Society of Landscape Architects, supported SB 114. He explained that the amendment maintains the status quo that has existed for 10 years. He said they are looking into making the position a full voting member, but that would be better introduced as a stand-alone bill. Without the amendment representation on the Board goes away on June 30. Their concern is that the Board is responsible for reviewing and licensing applicants from landscape architects in the state and without a representative on the Board, they have no way of actually participating in that.

1:57:00 PM
SENATOR BUNDE moved to report CSSB 114 (L&C) from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

CHAIR PASKVAN announced an at ease from 1:57 p.m. to 1:59 p.m.

SB 10-MEDICAID/INS FOR CANCER CLINICAL TRIALS

1:59:42 PM
CHAIR PASKVAN announced SB 10 to be up for consideration; CSSB 10(HSS), labeled 26-LS0073\S, was before the committee.

2:00:10 PM
TOM OBERMEYER, staff to Senator Davis, sponsor of SB 10, explained the CS for SB 10. He said the CS regards cancer clinical trials and requires health care insurers to provide insurance for medical care received by a patient during certain approved clinical trials designed to test and improve prevention, diagnosis, treatment or palliation of cancer. It directs the Department of Health and Social Services (DHSS) to provide Medicaid services to persons who participate in those clinical trials relating to the experimental procedures under a state plan offered by a comprehensive health insurance association and provides for an effective date.

He explained that clinical trials are research studies that test how well new medical approaches work in patients. Each study answers specific scientific questions and tries to find better ways to prevent, screen for, diagnose or treat disease. Patients who take part in cancer clinical trial have an opportunity to contribute to the knowledge of and progress against cancer. They also receive state-of-the-art treatment from experts in the field. The National Cancer Institute is part of the U.S. National Institutes of Health reports 6,000 cancer trials in the U.S. at any one time.

MR. OBERMEYER explained that SB 10 removes important barriers to the participation of patients in cancer clinical trials in Alaska. It requires that applicable health care plans, including Medicaid, cover routine patient care costs for patients enrolled in all phases of clinical trials. Currently, Alaska health plans may exclude coverage for routine patient care costs while a patient with cancer is enrolled in a clinical trial thinking it saves them money. However, these patients who have not enrolled in clinical trials, continue to receive conventional therapy at roughly the same or slightly increased cost in the short-run.

Over 2,600 Alaskans are diagnosed with cancer each year. In FY 2007, an estimated 4,600 patients received cancer treatments through Alaska's Medicare program at a cost of $21.5 million. The average payment for beneficiaries is about $4,675. The federal government reimburses the state at about 50 percent of total costs. Without in-state facilities in support of clinical trials, participants from Alaska must now travel out-of-state increasing the cost of non-emergency transportation, which is about 3 percent of total Medicaid costs.

Studies have shown that only about 2-3 percent of adult cancer patients and less than 0.5 percent Medicare patients enroll in clinical trials of the approximately 20 percent who are eligible – largely due to fear of denial of insurance. A recent study found only a slight increase in the costs for adult clinical trials with patients compared to non-participants – 35,000 versus 33,000 or about a 6-percent increase in costs.

MR. OBERMEYER noted even if enrollment were increased to the full eligible 20 percent, it is unlikely these numbers would significantly impact the overall cost of health plans per the National Conference of State Legislatures, "Clinical Trials: What are the States Doing," February 2009 update.

He said that at least 23 states have passed legislation or instituted special agreements requiring health care plans to pay for the cost of routine medical care patients receive while participating in clinical trials. Passage of SB 10 will result in more successful outcomes in cancer treatments in Alaska, increase retention of patients in Alaska for their cancer care and also after full implementation, result in cost savings in the short and long run.

MR. OBERMEYER said they should be encouraging participation in clinical trials, not discouraging it by removing coverage for routine care. Were it not for patients who have enrolled in past trials, the medical advancements we have experienced toward finding a cure for cancer would not be possible.

2:06:21 PM
SENATOR BUNDE said anyone with common sense in this arena wants progress made in the treatment of cancer. He asked if anyone covered by the Employee Retirement and Income Security Act of 1974 (ERISA) would be covered by this legislation.

MR. OBERMEYER replied that was his understanding.

SENATOR BUNDE asked, in reference to the zero fiscal note. if there would be an impact on Medicaid.

MR. OBERMEYER responded there was a zero fiscal note, dated February 4, regarding Medicaid insurance.

2:08:48 PM
JON SHERWOOD, Medicaid Special Projects, Department of Health and Social Services, said they did submit a zero fiscal note. They don't cover experimental treatment, but they do cover the routine costs of care. Making it a statutory requirement would not impact their budget.

SENATOR BUNDE asked if someone under Medicaid would be impacted by this legislation.

MR. SHERWOOD responded that this legislation would require them to pay for what they are already paying for through regulations.

SENATOR THOMAS asked if anyone considered the idea that some change in a Medicaid cancer patient's situation would cause someone to say this experimental treatment is causing it and, therefore, deny payment for it.

2:11:05 PM
MR. SHERWOOD answered they didn't factor that in because they already pay for ancillary costs, and their program would continue to operate the way it is today.

2:12:35 PM
SENATOR MEYER asked if SB 10 imposes the same mandate on self insured groups.

MR. SHERWOOD replied that he understands that ERISA largely applies to self-insured entities. But he is not an expert on insurance.

SENATOR MEYER asked how many people this bill would impact.

MR. SHERWOOD didn't have that information.

SENATOR BUNDE said he thought this would affect only people with private insurance, and most people in Alaska have state insurance.

SENATOR THOMAS said ERISA plans could be either self funded bid on by various insurance companies.

2:14:37 PM
JACK MCCRAY, Sr. Vice President, Primera Blue Cross, said they cover phase 2 and 3 of cancer clinical trials. The main reason phase 1 clinical trials aren't covered is because those get a tremendous amount of funding from pharmaceutical companies and others just because it is so experimental. They don't cover phase 4 clinical trials, because there may be other treatments or procedures that are be better for the patient than the clinical trial. That needs to be evaluated by the doctor at the time.

He said Premera Blue Cross is not required to cover phase 1 or 4 in Oregon or Washington. Since they don't pay for it in Washington or Oregon, he doesn't have any idea of how much it would be. If they start paying for phase 1, there would possibly be more phase 1 treatments done not using some of the grants and Institute of Health funding. Their costs would increase, therefore, in Alaska.

2:17:53 PM
CHAIR PASKVAN asked him to clarify when he uses the term "better for the patient" with respect to either phase 1 or 2 that he wasn't offering that as a medical opinion.

MR. MCCRAY answered it is not a medical opinion, but they do discuss different options with the patient's doctor.

SENATOR BUNDE asked from Blue Cross' point of view would this bill impact the policies they write for private industry in Alaska, but not the state policies that they administer.

MR. MCCRAY replied yes; it would not affect any ERISA self-funded plans, but it would impact the individual market and the small group marketplace.

SENATOR BUNDE said he thought it was ordinary business practice to pass increased costs on to the consumer.

MR. MCCRAY answered yes.

2:19:37 PM
KRISTA RAYGITSCH, cancer research nurse, Providence Alaska Medical Center, said she is testifying on her own behalf. She supported SB 10 saying everyone should be have the equal opportunity to participate in a clinical trial if they so choose.

She explained when a clinical trial is recommended to patients by their physician as the best treatment option, they are referred to her office. Part of her discussion with the patient includes informing them that the insurance company may not cover some or all of the routines costs associated with treating their cancer while on the study. This is the stage at which they encounter the majority of barriers to patient enrollment to clinical trials. Patients go through a lot emotionally and financially when being diagnosed with cancer, and the last thing they should have to worry about is finding out whether their insurance will cover a clinical trial that their doctor feels is in their best interest.

MS. RAYGITSCH said she has noticed the ever-increasing reason for patients not enrolling in clinical trials is because of lack of or fear of lack of insurance coverage. Sometimes because of the severity of the cancer and the necessity to start treatment immediately, there isn't enough time to find out if the insurance company will cover the clinical trial expenses or the company takes too long to determine coverage. "If insurance companies were mandated to cover routine care costs associated with clinical trials, I'm confident that many more people would be able to participate in clinical trials which in turn would

hopefully increase the likelihood of improved cancer treatments and maybe someday lead to a cure."

2:22:00 PM
CHAIR PASKVAN asked if she saw any distinction between phase 1 and phase 4 as compared to phases 2 or 3 for coverage.

MS. RAYGITSCH replied that phase 1 clinical trials are many times covered by cooperative groups or the pharmaceutical companies, so she didn't see that there would be any increased cost. She couldn't speak to phase 4, because she doesn't get many of those and doesn't have any of those open at the time.

2:23:04 PM
EMILY NENON, Director, Alaska Government Relations, Cancer Action Network, American Cancer Society (ACS), said this legislation is a key piece in a much broader effort to remove barriers and increase participation in clinical trials. The State and Alaska Native Comprehensive Cancer Control Partnerships are working together on developing and disseminating provider and patient education and increasing understanding of clinical trials. They are also working with non-state regulated plans and specifically with some of the larger self insured plans to educate them on providing this coverage. Providence has just decided to add this coverage for its employees. It is important to include all the phases of the trials. She recommended that they look at the collection of ACS studies that look specifically at the costs.

2:26:05 PM
CLAIRE WADDOUP, representing herself, Anchorage, supported SB 10. She said she has benefited personally from her breast cancer treatment gained through clinical trials, and she wouldn't be able to participate in them if financial hardship was added.

DR. LATH SUBRAMANIAN, medical oncologist representing herself, Anchorage supported SB 10. She said she takes care of cancer patients and is a strong proponent of clinical trials. The reason is because she has run into many situations where she helps patients decide that the best treatment for them is a clinical trial. She remembered two patients, in particular. One had esophageal cancer, which is often a death sentence, and he had the opportunity to receive a new drug, which was only available for that cancer under a clinical trial. He opted to be treated under that clinical trial, but he found out that his insurance wouldn't pay for it. They even appealed it "to the

limit." When he had surgery, his esophageal cancer was found to be in remission because of it.

She said another patient has sarcoma and couldn't enter the clinical trials because of lack of insurance. This happens to real people, and cancer is one of the commonest diseases. She stated the only way to make advances in cancer treatment is through clinical trials, and it is one of those diseases that doesn't have a lot of time or a lot of effective standard treatments. All the benefits they have seen have come through patients who have been brave enough to enter clinical trials and through the insurers who have paid for these patients.

DR. SUBRAMANIAN said they are not talking about covering the cost of the whole clinical trial, but just one little piece - the routine patient care costs. There are several other costs, but a majority of those are borne by the sponsor and the study groups. The routine care would be covered under insurance anyhow if the patient was not participating in a clinical trial and not covering it for clinical studies - "It just doesn't make any sense."

DR. SUBRAMANIAN said one thing that has not been mentioned is that phase 1 studies involve a very small number of patients – sometimes as few as 20 or maybe as many as 80. Phase 2 and 3 trials involve 3-4,000 people; phase 2 trials involve a couple hundred. The cost of a phase 1 trial for routine patient care cannot be that enormous, and there is no reason that would drive up the cost of insurance for everybody. The picture for phase 4 trials, especially for cancer, has changed; there are more new drugs and more knowledge available. Since companies are "antsy" to get the new drugs out into the market, they are conducted to fully study the safety and other possible benefits of the drug. It may have been approved for a certain condition, but a phase 4 trial could find it works for something else. A good example of this is Temoxifin, which is an old drug for treating breast cancer; a phase 4 study was conducted and it was shown to work for prevention of breast cancer, as well.

2:32:29 PM
She also pointed out that when a patient has a successful clinical trial, he gets better and saves money by not needing further expensive treatment. Also, she said, Medicare patients are covered, so why not cover younger patients, too?

She questioned where the data was that would back up claims that paying for routine care during clinical trials would drive up

premium costs, because it is already being covered for traditional treatments.

2:34:57 PM
SENATOR BUNDE said the actual drugs are incredibly expensive, thousands of dollars per treatment, and asked what she means in talking about routine care – is it the I.V. that administers the drug, the infusion room and things like that?

DR. SUBRAMANIAN replied yes.

SENATOR BUNDE asked if someone was in for a cancer fighting infusion drug that might cost $3-$4,000 per treatment, what the routine care for that infusion would cost.

DR. SUBRAMANIAN replied the infusion charge is the same no matter whether it is for a clinical trial drug or not. Clinical trials collect data, as well, that might benefit future patients or sometimes a patient gets a drug that might otherwise not be available commercially to them. If that turns out to be the better treatment, then those patients have benefited from it.

SENATOR BUNDE asked what routine care costs per visit.

DR. SUBRAMANIAN replied it depends on how long the infusion is. Some are just 30 minutes; some are three hours. She didn't know the costs.

2:37:57 PM
DR. JEANNIE ANDERSON, Oncologist, representing herself, aid she is a member of the Katmai Oncology Group in Anchorage, and she supported SB 10. From Linda Hall's testimony last year, she knows that about 40 percent of Alaskans would benefit from this bill. The other 60 percent are self-insured. The benefits of participating in clinical trials are clear to patients and physicians.

She said some health care insurers have refused to cover these routine care costs because the perception has been that it will make costs increase. However, one popular study indicated that including patients on clinical trials would make costs only 6.5 percent higher; and as several people have already testified (including her Oncology Group) costs may become even lower. Since the year 2000, Medicare beneficiaries have been allowed to participate in these trials, and there have been no reports of increased cost for those patients.

She emphasized that participation in clinical trials can actually reduce costs. In the 80s and 90s patients with breast cancers thought they would live longer if they received high-dose chemotherapy followed by bone marrow transplants, which is a very costly treatment. Many patients sued their health care insurers and that resulted in thousands of these procedures being done outside the guidelines of clinical trials and without the information that could be obtained from them on safety and efficacy. Eventually patients did enroll in clinical trials and this aggressive treatment was compared to standard treatment, and transplantation was found to be neither effective nor safe as treatment for breast cancer. In her opinion, if patients and health care insurers had been more motivated to participate and more able to participate in these carefully controlled clinical trials, they would have obtained the results of the study sooner, thus maximizing their safety and reducing health care costs.

The second example she mentioned was an on-going national study at Providence Alaska Medical Center, in which she enrolled four patients. The study takes a simple blood test to predict whether or not patients respond to chemotherapy after they have been on treatment for only three weeks. Typically, a patient not on a clinical trial like this will get treated for six or eight weeks before making that prediction. If that prediction can be made in three weeks, treatments could be stopped earlier reducing the risks of chemotherapy and preventing additional treatments that patients may not benefit from in a much sooner fashion.

2:42:01 PM
Finally, on the issue of safety in participating in studies, multiple layers of safety are built into a clinical trial. She emphasized that all phases of a trial have sound rationale behind them. She recommended all phases to be opened to allow unrestricted consideration of them that would result in positive outcomes for all cancer patients.

2:43:32 PM
SENATOR BUNDE said he was still trying to understand what routine costs would be for non-experimental people.

DR. ANDERSON said she didn't know, because she doesn’t deal with the billing. Furthermore, she very intentionally stays out of that because she wants her decision making to be based on what is best for the patient, not what the treatment would cost. The cost of many drugs that are FDA approved and still on patent, but not generic, are in the order of thousands of dollars, she

explained, but the office visit and infusion is in the order of hundreds of dollars. She tries to remember what doses of drugs to give rather than how much it costs.

She explained that for most clinical trials the drug is supplied, especially when it is relatively new and they are sorting out the indications. Generic drugs are used in just comparing one schedule drug against another one, and those are not extremely expensive or they would be given anyway even if the patient were not on a clinical trial.

2:46:26 PM
DOUGLAS BLANEY, President-elect, American Society of Clinical Oncology (ASCO), a 26,000-member professional association, said ASCO has helped many states' legislatures understand and move forward with clinical trial legislation such as this.

He wanted to submit three points in regards to previous testimony. First, the issue of phase 1 clinical trials: new drugs are given to patients with a known diagnosis of cancer with the intent of determining the toxicity, the dose and effectiveness in that type of tumor. Clearly phase 1 drugs in cancer are different than phase 1 when used in normal volunteers. Often, high blood pressure medicines, headache remedies, et cetera will be used in normal volunteers. He suggested it would be useful for them to distinguish phase 1 drugs for cancer, which are used with some therapeutic intent and are covered by Medicare.

2:48:21 PM
Second, with regard to phase 4 studies, these are drugs that are approved for marketing so they are paid for by insurance companies already or third-party payers. The clinical study is done to determine side effects and gain larger experience with these drugs. So, the costs of collecting the data or making the observations are paid for by the sponsors of the study. But the drugs are typically given with therapeutic intent as they would be routinely even if the patient was not participating in a clinical study. He advocated that all phases be covered.

In response to routine care costs, he said, costs of infusion are typically about $100/hr. The more important aspect is what happens if a patient suffers a complication from the therapy. For instance, people with lung cancer often get plural effusions or collections of fluid around their lung that has to be drained so that breathing can be restored and other symptoms of the cancer can be managed. Often they have seen these routine care

costs denied coverage after a complication occurs, another discouragement to enrollment.

Finally, he said, allowing your oncologist in Alaska to participate in clinical trials will keep patients Alaska close to home, and not have them go to cancer centers outside of Alaska – and this is better for all concerned.

2:51:48 PM
MARIE DARLIN, AARP Capital City Task Force, supported SB 10. Most of the significant advances in cancer have come about because of clinical trials, she added.

2:53:34 PM
MR. OBERMEYER reminded them of the letter in their packets from the American Association of Cancer Research dated December 1, 2008 indicating the tremendous need for phase 1 trials.

2:55:31 PM
DENNIS BAILEY, Legislative Counsel, Legislative Affairs Agency, said he was available to answer questions on SB 10.

CHAIR PASKVAN observed there were no questions, and closed public testimony.

SENATOR DAVIS said this bill had gone through the Health and Social Services Committee already, and the issue was before them last year when it passed the Labor and Commerce Committee, but couldn't get out of the Finance Committee. Many people who have gone through clinical trials have said their expensive drugs were paid for through grants or pharmaceutical companies because it was their product; it did not leave that much for the private insurers to pay. Helping 40 percent of the people is better than not helping any.

2:58:18 PM
SENATOR MEYER asked her why SB 10 has to go to Finance if it has a zero fiscal note.

SENATOR DAVIS replied that she was going to ask to have the Finance referral waived.

SENATOR BUNDE commented that it's important to note that the major expense for cancer treatment is the drugs; routine costs are a lot smaller. The state would follow for the other 60 percent if this passed. His concern is for the people this affects.

3:00:36 PM
SENATOR BUNDE moved to report CSSB 10(HSS) from committee with individual recommendations and zero fiscal note. There were no objections and it was so ordered.

3:01:06 PM
There being no further business to come before the committee, Chair Paskvan adjourned the meeting at 3:01 p.m.