

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

March 8, 2011

3:02 p.m.

MEMBERS PRESENT

Representative Wes Keller, Chair
Representative Alan Dick, Vice Chair
Representative Bob Herron
Representative Paul Seaton
Representative Bob Miller
Representative Charisse Millett

MEMBERS ABSENT

Representative Sharon Cissna

COMMITTEE CALENDAR

HOUSE BILL NO. 1

"An Act stating a public policy that allows a person to choose or decline any mode of securing health care services."

- HEARD & HELD

HOUSE BILL NO. 78

"An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

- HEARD & HELD

PRESENTATION: ALASKA HEALTHCARE WORKFORCE PLAN

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 1

SHORT TITLE: POLICY FOR SECURING HEALTH CARE SERVICES

SPONSOR(S): REPRESENTATIVE(S) GATTO, LYNN

01/18/11	(H)	PREFILE RELEASED 1/7/11
01/18/11	(H)	READ THE FIRST TIME - REFERRALS
01/18/11	(H)	HSS, JUD
03/01/11	(H)	HSS AT 3:00 PM CAPITOL 106

03/01/11 (H) Scheduled But Not Heard
03/08/11 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 78

SHORT TITLE: INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

SPONSOR(s): REPRESENTATIVE(s) HERRON

01/18/11 (H) PREFILE RELEASED 1/14/11
01/18/11 (H) READ THE FIRST TIME - REFERRALS
01/18/11 (H) HSS, FIN
03/08/11 (H) HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

KAREN SAWYER, Staff
Representative Carl Gatto
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 1 on behalf of the joint prime sponsor, Representative Carl Gatto.

PAT LUBY, Advocacy Director
AARP

POSITION STATEMENT: Testified and answered questions during discussion of HB 1.

SIGNE ANDERSON, Chief Assistant Attorney General - Statewide
Section Supervisor
Commercial/Fair Business Section
Civil Division (Anchorage)
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during discussion of HB 1.

LIZ CLEMENT, Staff
Representative Bob Herron
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 78 on behalf of the bill sponsor, Representative Bob Herron.

DR. MARY LOEB, Medical Director
Sunshine Community Health Center
Talkeetna, Alaska

POSITION STATEMENT: Testified in support of HB 78.

NANCY DAVIS, Executive Director
Alaska Pharmacists Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 78.

ELIZABETH RIPLEY, Executive Director
Mat-Su Health Foundation
Wasilla, Alaska

POSITION STATEMENT: Testified in support of HB 78.

JULIE MCDONALD, Pharmacist
Prince of Wales, Alaska

POSITION STATEMENT: Testified in support of HB 78.

JIM TOWLE, Executive Director
Alaska Dental Society
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 78.

RICHARD PECK, Board President
Iliuliuk Family and Health Services, Inc.
Unalaska, Alaska

POSITION STATEMENT: Testified in support of HB 78.

SHELLEY HUGHES, Government Affairs Director
Alaska Primary Care Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 78.

RHONDA RAYE, Physical Therapist
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 78.

JUSTIN RUFFRIDGE
Pharmacist
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 78.

KAREN PERDUE, CEO & President
Alaska State Hospital and Nursing Association
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 78 and presented a PowerPoint on the Alaska Healthcare Workforce.

PAT CARR, Chief
Health Planning and Infrastructure
Division of Health Care Services

Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during discussion of HB 78.

DELISA CULPEPPER, Chief Operating Officer
Alaska Mental Health Trust Authority
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 78 and presented a PowerPoint on the Alaska Healthcare Workforce.

MARIE DARLIN, Coordinator
AARP Capital City Task Force
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 78.

JAN HARRIS, Vice Provost
University of Alaska
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint on the Alaska Healthcare Workforce.

ACTION NARRATIVE

[3:02:47 PM](#)

CHAIR WES KELLER called the House Health and Social Services Standing Committee meeting to order at 3:02 p.m. Representatives Keller, Miller, Dick, Herron, Seaton, and Millett were present at the call to order.

HB 1-POLICY FOR SECURING HEALTH CARE SERVICES

[3:03:20 PM](#)

CHAIR KELLER announced that the first order of business would be HOUSE BILL NO. 1, "An Act stating a public policy that allows a person to choose or decline any mode of securing health care services."

[3:05:44 PM](#)

KAREN SAWYER, Staff, Representative Carl Gatto, Alaska State Legislature, presented HB 1 and stated:

This bill is not really about health insurance or health care services, but it's rather about state rights. We allege that the new federal law passed last year, "Patient Protection and Affordable Care Act," otherwise also known as Obamacare, infringes upon the constitutional rights of U.S. individuals by mandating all citizens and legal residents have qualifying health care coverage or pay a tax penalty. By imposing such a mandate, this law exceeds the powers of the United States under the Constitution. We're not challenging the authority of the federal government, they've actually challenged our authority, and it's up to us to defend ourselves. If we don't, this is just the beginning of more federal take-over. Therefore, this bill will codify as state policy that every person in the State of Alaska is and shall continue to be free from federal government force in the selection of health insurance options, and that such liberty is protected by the constitutions of the United States and the State of Alaska. This bill also removes the authority of any state official or employee from enforcing any penalty which violates the policy.

[3:07:07 PM](#)

MS. SAWYER referred to the handout, titled "HB 1-Explanation of:" [Included in members' packets]. She stated that the sponsor was agreeable to having this explanation included in the bill.

CHAIR KELLER clarified that HB 1, Version A, was in front of the committee.

MS. SAWYER, referring to the "Patient Protection and Affordable Care Act," reported that nationwide, 40 state legislators had "introduced legislation to limit, alter, or oppose selected federal actions regarding this bill, including single care provisions and mandates that would require purchase of insurance." She asked that Alaska join the seven other states which enacted legislation "to establish the individual's right in their state to be free of federal government force to make their own choice about health care." She quoted a statement by former Supreme Court Justice Sandra Day O'Connor regarding the federal regulation of states.

[3:08:58 PM](#)

REPRESENTATIVE SEATON offered his belief that HB 1 limited state action, not federal action. As he did not see any naming of the federal government, he opined that the requirement was for the state or within the state.

MS. SAWYER replied that HB 1 would put into policy that Alaska guaranteed for individuals to have the right to choose.

[3:10:39 PM](#)

REPRESENTATIVE SEATON, referring to an initiative for managed care on the Kenai Peninsula, asked if HB 1 would prevent health care by a subdivision of the state.

MS. SAWYER offered her belief that HB 1 prevented a mandate for Alaskans to buy health care, except for those provisions listed on page 1, line 12.

[3:11:58 PM](#)

REPRESENTATIVE MILLER asked to clarify that the bill sponsors deemed the "Patient Protection and Affordable Care Act" as unconstitutional. He stated that of the five court cases regarding this, three had ruled for its constitutionality. He pointed to the recent court ruling in Florida which directed that portions of the federal health care act should be implemented. He asked if HB 1 was a bit premature.

MS. SAWYER offered her understanding that the recent Florida ruling was a 7 day stay for appeal. She declared that the sponsors still desired that HB 1 become a state policy "that will protect us."

[3:13:55 PM](#)

REPRESENTATIVE MILLER asked to clarify that HB 1 stated that Alaskans are free to choose or decline any mode of obtaining health care, but that HB 1 does not apply to health care services that might be required by the State of Alaska.

MS. SAWYER concurred, and she directed attention to the handout, "HB 1-Explanation of:"

REPRESENTATIVE MILLER opined that HB 1 stated that "the federal government can't mandate anything, but the state still retains its ability to do so."

MS. SAWYER concurred.

[3:14:50 PM](#)

REPRESENTATIVE HERRON asked how HB 1 addressed the problem of uninsured people going to hospital emergency rooms.

MS. SAWYER replied that HB 1 did not address any provisions for health care service. She offered her belief that HB 1 was "about just the federal government telling the states, the individuals of our state, that they have to do something, or be taxed." She stated that her limited understanding of the "Patient Protection and Affordable Care Act" was that there would "still be a significant number of individuals who will still not have health care." She opined that many more people would be added to Medicaid.

[3:16:23 PM](#)

REPRESENTATIVE HERRON, reading from HB 1, summarized that Alaska was creating "a policy of the State of Alaska that [a person has] the right to choose or decline any mode of obtaining health care services without penalty or threat of penalty." Offering an assumption for the passage of HB 1, he inquired to the efficacy for the passage of a policy to stop any chosen federal law or mandate to which some people disagree.

MS. SAWYER replied that HB 1 could set an important precedent for future federal mandates. She declared that Alaska was an important state to the federal government.

[3:17:43 PM](#)

REPRESENTATIVE MILLETT asked how many states had passed similar legislation.

MS. SAWYER replied that seven states had similar legislation.

REPRESENTATIVE MILLETT asked about any anticipated federal response.

MS. SAWYER offered her belief that the federal government "was just waiting to see what's going to happen." She opined that even with passage of the Patient Protection and Affordable Care Act, there was no enforcement to non-compliance. She declared

that President Obama had relaxed some of his provisions, allowing states to offer alternative choices.

[3:19:54 PM](#)

REPRESENTATIVE MILLETT asked to clarify that greater opposition to the federal health care act would lead to removal of the more stringent requirements.

MS. SAWYER offered her belief that a majority of the country was opposed to the mandate, and that would make a difference.

[3:21:02 PM](#)

REPRESENTATIVE MILLER asked whether there was a state requirement for vaccines to children attending public school.

MS. SAWYER offered her belief that it was a requirement, and, in response to Representative Miller, she relayed that the vaccines would still be required. She emphasized the importance of the list on the handout.

[3:21:45 PM](#)

REPRESENTATIVE MILLER, referencing the vaccines, asked if there were any health mandates that came from federal legislation.

MS. SAWYER replied that she would look into it.

[3:22:24 PM](#)

REPRESENTATIVE MILLER, referring to the mandatory vaccine for smallpox in 1969, opined that HB 1 would allow him to now decline anything similar.

MS. SAWYER, referring to (9) of the handout, said that the committee could include something to cover this.

[3:23:30 PM](#)

REPRESENTATIVE MILLER offered his belief that vaccines for any naturally occurring diseases, listing HIV, tuberculosis, polio, malaria, or dengue fever, would not be mandatory under HB 1.

MS. SAWYER opined that vaccinations were not mandatory for Alaskans.

REPRESENTATIVE MILLER agreed, stating that HB 1 would enforce that, no matter whether public health was threatened.

[3:24:37 PM](#)

MS. SAWYER declared that even knowingly having a disease still did not mandate a vaccination.

REPRESENTATIVE MILLER, directing attention to page 2, line 3, suggested the addition of prevention.

[3:25:14 PM](#)

CHAIR KELLER opened public testimony.

[3:26:17 PM](#)

PAT LUBY, Advocacy Director, AARP, declared that "many well meaning people have completely opposite positions on the federal health care reform bill, especially the individual mandate." He pointed out that people had declined health insurance for many years. He noted that many others, including older people, wanted health insurance but could not secure it. He stated that 19 percent of Alaskans between 50 and 64 were uninsured. He reported that the uninsured ended up in the emergency room, which was paid for by those who had insurance. He estimated that every Alaskan family spent \$1900 annually toward people without insurance. He emphasized that the State of Alaska, and private employers who provided insurance, among others, paid for the uninsured, as the costs were shifted to those with coverage. He pointed out that proposed HB 1 would continue the practice of cost shifting.

[3:28:33 PM](#)

MR. LUBY relayed the story of an accident to a 54 year old with no health insurance. He defined cost shifting as the payment for these incidences by those who did have health insurance. He declared that HB 1 had nothing to do with freedom of choice, it had to do with cost shifting. He established that the Patient Protection and Affordable Care Act would subsidize those who could not afford health insurance. He affirmed that HB 1 would continue cost shifting to those who did have insurance.

[3:30:06 PM](#)

CHAIR KELLER asked which was more important, choice or paying your own way. He offered his belief that it was unprecedented for any government to declare that it was mandatory to buy a commodity or a service.

MR. LUBY compared the federal health care act to social security, and stated that it provided for retirement or disability. He noted that it was mandatory, and it ensured that the public would not have to provide for an individual. He indicated that this was the basis for the Patient Protection and Affordable Care Act.

[3:31:56 PM](#)

REPRESENTATIVE SEATON asked to clarify that if an individual declined health insurance, they would be responsible for any costs incurred.

MR. LUBY replied that the Supreme Court had ruled that an individual had to be treated; however, the cost would be paid by those with insurance.

[3:33:13 PM](#)

REPRESENTATIVE SEATON, pointing to line 10, referred to "without penalty or threat of penalty," and asked if this could include personal liability as an individual consequence.

MR. LUBY determined that the only exclusion within the Patient Protection and Affordable Care Act was to decline the purchase of insurance for religious reasons. He explained the sliding scale for payment of basic health coverage, and confirmed that there was a tax penalty for failure to purchase health insurance. He declared that even the payment of a tax penalty would still require hospital payment by someone else.

[3:35:27 PM](#)

REPRESENTATIVE SEATON declared that proposed HB 1 concerned itself with a policy of the state, and not with the Patient Protection and Affordable Care Act. He questioned whether HB 1 removed personal liability for an individual who refused health insurance. He asked Mr. Luby if inclusion of personal liability would address some of the AARP concerns.

MR. LUBY opined that the health exchange would offer many choices, and that some individuals would choose to pay the penalty and pay for their own health care costs.

[3:38:09 PM](#)

REPRESENTATIVE HERRON asked if proposed HB 1 would affect federal law. He questioned whether a lawsuit would be a substitute for the bill.

[3:38:39 PM](#)

SIGNE ANDERSON, Chief Assistant Attorney General - Statewide Section Supervisor, Commercial/Fair Business Section, Civil Division (Anchorage), Department of Law (DOL), replied that the state was already a party to a lawsuit challenging the Patient Protection and Affordable Care Act. She offered her belief that proposed HB 1 was a policy statement in support of the lawsuit.

[3:39:00 PM](#)

REPRESENTATIVE SEATON, referring to page 1, line 9, asked if "decline any mode of obtaining health care services without penalty or threat of penalty" could be amended to ensure personal liability for the costs associated with health care service.

MS. ANDERSON replied that HB 1 could be amended. She stated that the definition of "penalty" only included a fine, tax, surcharge fee, or similar. She declared that all ambiguity could be removed with an amendment.

[3:40:25 PM](#)

CHAIR KELLER closed public testimony.

[3:40:49 PM](#)

CHAIR KELLER commented that HB 1 "is so easy to understand" if individuals take responsibility for paying for their own health care.

[HB 1 was held over.]

HB 78-INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

[3:41:45 PM](#)

CHAIR KELLER announced that the next order of business would be HOUSE BILL NO. 78, "An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

CHAIR KELLER offered an analogy for HB 78 to that of investing in new tires for an old car that has everything wrong. He offered his belief that the destiny of the Patient Protection and Affordable Care Act was still in the court system, and that the costs of the health care system were no longer supportable. He opined that a government subsidy for loans, as proposed by HB 78, was not a solution.

[3:43:29 PM](#)

REPRESENTATIVE HERRON expressed his appreciation for the opportunity to hear testimony regarding incentives for medical providers and for the "possible passage of this bill through the House."

[3:44:25 PM](#)

LIZ CLEMENT, Staff, Representative Bob Herron, Alaska State Legislature, directed attention to the latest proposed committee substitute.

[3:44:51 PM](#)

REPRESENTATIVE DICK moved to adopt the proposed Committee Substitute (CS) for HB 78, 27-LS0147\I, Mischel, 3/2/11, as the working document. There being no objection, Version I was before the committee.

[3:45:10 PM](#)

MS. CLEMENT emphasized the challenges to the health care workforce in rural and urban areas. She explained that proposed HB 78 offered incentives to attract certain medical providers to Alaska. She reported that 46 states had sponsored "support for service programs" and that many states had found these to be extremely beneficial for immediate alleviation of workforce shortages. She confirmed that research had indicated that loan repayment and incentive programs, similar to proposed HB 78, had been among the most effective methods for recruitment and retention of quality health care providers. She pointed out

that medical providers could receive either loan repayment assistance or direct cash incentives. She pointed out that few states offered a direct cash incentive, which could attract recent graduates as well as experienced mid-career medical professionals.

[3:47:22 PM](#)

MS. CLEMENT announced that the program would be administered by Department of Health and Social Services (DHSS) and allow for 90 participants each year, from 10 approved health care professions, which included dentists, pharmacists, nurse practitioners, and physical therapists. She reported that the various levels of loan repayment or financial incentive would be determined by community location and profession. She noted that these determinations would be in statute and monitored by DHSS. She pointed to the numerous letters of support [Included in members' packets].

[3:48:59 PM](#)

REPRESENTATIVE MILLETT asked for the definition to "a very hard-to-fill position."

MS. CLEMENT explained that these would be designated by DHSS, based, in part, by the time necessary to recruit a provider for that position.

[3:50:37 PM](#)

REPRESENTATIVE MILLETT asked if this would be determined by the DHSS commissioner.

MS. CLEMENT agreed.

[3:51:06 PM](#)

CHAIR KELLER suggested that a question to be asked would be for the determination of the criteria.

[3:51:35 PM](#)

CHAIR KELLER opened public testimony.

[3:51:49 PM](#)

DR. MARY LOEB, Medical Director, Sunshine Community Health Center, testified to the difficulty in filling key medical positions. She detailed that it was 18 months to recruit a dentist, 24 months to recruit a behavioral health specialist, and another 18 months to recruit for numerous provider positions. She stated that this would offer needed support for recruitment of qualified personnel.

[3:54:02 PM](#)

NANCY DAVIS, Executive Director, Alaska Pharmacists Association, informed the committee that there were no public programs in Alaska to actively recruit and retain pharmacists. She reported that Alaska was one of only four states without a pharmacy school, so recruitment was the only method to obtain the necessary pharmacists. She testified that the 250 association members were in support of HB 78.

[3:55:18 PM](#)

ELIZABETH RIPLEY, Executive Director, Mat-Su Health Foundation, explained that the Mat-Su Health Foundation was a non-profit organization, which invested into grants to improve the health and wellness of Alaskans living in Mat-Su. She detailed that one of the four strategies to reach the goal of becoming the healthiest borough in Alaska was to reduce the barriers to health care access, which included a lack of health care professionals. She directed attention to her letter detailing the recruitment experience and offering support for proposed HB 78 [Included in members' packets]. She acknowledged that all recruits reviewed opportunities before making a decision, as competition was quite robust. She pointed out that culture, climate, geography, and lack of amenities all combined to make recruitment even more difficult. She identified these as significant difficulties for recruitment in rural clinics and community health centers. She opined that the work force had numerous options throughout the United States, as 47 states had loan repayment programs. She stressed the necessity for a quality health care work force in the primary care settings in order to keep people out of costly acute care. She declared that an investment in loan repayment and direct incentive programs was a solid investment with a healthy return. She offered support of proposed HB 78.

[4:00:26 PM](#)

MS. RIPLEY, in response to Chair Keller, said that the direct incentive programs were highly successful in other states.

[4:01:24 PM](#)

REPRESENTATIVE SEATON, referring to page 3, line 22 of Version I, asked if the loan repayment differential between urban and rural health care professionals was adequate.

MS. RIPLEY replied that although she was not specifically addressing the payment differential, it was adequate, but that urban hospitals had other tools to assist in recruitment.

[4:03:17 PM](#)

JULIE MCDONALD, Pharmacist, shared her story of pharmacy school, and her consequent work history, and she reported that her student loans exceeded \$200,000. She declared that costs were a major factor and that proposed HB 78 would be a powerful incentive to bring people here.

[4:08:10 PM](#)

JIM TOWLE, Executive Director, Alaska Dental Society, shared a story of an inquiry from a person interested in dentistry in Alaska, but burdened with student loans, who expressed that incentives would influence her decision. He stated that these inquiries were not uncommon. He stressed that proposed HB 78 was a valuable incentive for recruitment.

[4:09:49 PM](#)

REPRESENTATIVE SEATON asked if the loan repayment differential for urban and rural health care professionals was adequate.

MR. TOWLE agreed that it was adequate.

[4:10:23 PM](#)

RICHARD PECK, Board President, Iliuliuk Family and Health Services, Inc., stated that proposed HB 78 was necessary to attract and retain medical providers. He offered the support of the board for HB 78.

[4:11:40 PM](#)

SHELLEY HUGHES, Government Affairs Director, Alaska Primary Care Association, shared that she had been a member of the stakeholders working group in 2008 looking for a solution. She emphasized that this strategy was "the best bang for the buck." She reported that nationally there was a shortage of physicians and Alaska was getting hit hard. She reported that it was expensive and difficult to recruit and retain, and even more so in rural areas. She relayed that the physician vacancy in tribal positions was over 28 percent, and the vacancy rate for other medical provider positions was over 35 percent. She stated that the medical directors from the Community Health Centers had relayed that applicants always inquired about incentive and loan repayment programs. She stated that the turnover rate for medical professionals was about three years. She remarked that the incentive and loan repayments would also complement the "grow our own" program, as Alaskans would return to Alaska. She compared the average loan debt to that of a mortgage. She pointed out that proposed HB 78 targeted people who were ready to work and, as there was not any pay until there was service, the return was 100 percent. She asked the committee to consider the costs of no action, as rural health care clinics generated revenue and were "economic engines." She opined that Medicaid costs would increase without additional medical providers in the bush. She pointed out that proposed HB 78 included a financial match so that the health care industry also had "skin in the game." She also noted that the Alaska Health Care Commission had recommended loan repayment and incentives as a strategy for increasing the medical workforce in Alaska. She directed attention to the wide spread support from all the medical industry sectors.

[4:18:11 PM](#)

RHONDA RAYE, Physical Therapist, pointed out that there was not a physical therapy program in Alaska. She commented that a loan repayment program was a big incentive when searching for jobs. She spoke in support of HB 78.

[4:20:29 PM](#)

REPRESENTATIVE HERRON asked if the financial incentive was enough to compete with other states, and he asked for a comparison with Alaska.

MS. HUGHES, in response, said that the amounts were competitive, and she offered to report back with actual comparative numbers.

She pointed to the importance of hiring experienced professionals in rural locations.

[4:22:11 PM](#)

REPRESENTATIVE HERRON asked to confirm that "a very hard to fill position" was not designated solely to rural areas.

MS. HUGHES replied that it was based on the length of the vacancy and the difficulty for hiring. She offered her belief that this would tend toward smaller, more remote locations.

[4:23:39 PM](#)

JUSTIN RUFFRIDGE, Pharmacist, reported that there was little opportunity for loan repayment from the State of Alaska, especially as there was not a pharmacy school in the state. He stated his support of HB 78. He offered his belief that HB 78 was a necessary component in order for Alaska to be competitive with other states.

[4:24:56 PM](#)

KAREN PERDUE, CEO & President, Alaska State Hospital and Nursing Association, reported on the medical work force shortages in Alaska, noting that some professions in the urban areas were doing well. She relayed that hiring was cyclical in Alaska, and she opined that the hiring situation would worsen with shortages in both rural and urban areas. She pointed to specialist areas which were very difficult to fill. She offered her belief that proposed HB 78 would offer much greater help to smaller clinics and community health centers than to hospitals. She stated that health care was defined by the providers and the service to the patients. In reference to an earlier analogy by Chair Keller, she suggested that HB 78 was a replacement for the motor, not the tires.

[4:29:03 PM](#)

CHAIR KELLER asked if HB 78 offered an appropriate incentive.

MS. PERDUE replied that the bill was a good start.

[4:30:04 PM](#)

PAT CARR, Chief, Health Planning and Infrastructure, Division of Health Care Services, Department of Health and Social Services, stated that HHSS had been following HB 78.

[4:30:45 PM](#)

CHAIR KELLER asked what the determinater of success would be in 5 years.

MS. CARR replied that an evaluation for measures of success would include increased access to care, with increased providers. She referenced HB 78 and detailed that, among others, the number of applicants, the enrollees, the geographical area, the length of vacancies, the employment patterns, and the enrollment of professionals would be included in the evaluation process. She pointed to other surveys, including the Behavioral Risk Factor Survey, which could also be used in evaluation. She summarized that a tracking tool to determine the dispersal of the funding and to measure any decrease in length of job vacancies would be necessary for the evaluation.

[4:34:22 PM](#)

CHAIR KELLER asked if criteria needed to be developed for the selection of applicants.

MS. CARR replied that the criteria were not yet available. She directed attention to a current HHSS repayment program which would act as a model, and noted that the advisory group would also make suggestions.

[4:35:38 PM](#)

REPRESENTATIVE HERRON, referring to Version I, pointed to page 2, line [17], and stated concern with "a lifetime maximum period of 12 years." He asked for a better definition of "hard to fill," and if any of these professions would be eligible for hire with the State of Alaska.

MS. CARR, reflecting on discussions about "a lifetime maximum period of 12 years," stated that support for retention should be extended to people returning to school for continued education. She stated that the time frame was still under advisement. In response to Representative Herron, she said that "hard to fill" could either be defined in statute or be added as a program

regulation for the discretion of the advisory committee or the commissioner.

[4:38:50 PM](#)

REPRESENTATIVE HERRON asked if a recipient of the incentives or loan repayments in HB 78 could work for the State of Alaska.

MS. CARR replied that this had not yet been defined. She noted that some of the professional categories referenced in the bill were employed by the state, and that the state also had difficulty with recruitment of certain health care providers.

[4:39:37 PM](#)

REPRESENTATIVE SEATON, referring to the lifetime maximum period of 12 years, asked about any limitations.

MS. CARR offered her belief that the bill did not preclude an individual from staying in the same position for the entire time. She pointed out that, within the 12 year period, there were periods of application renewal.

[4:41:16 PM](#)

REPRESENTATIVE SEATON reflected that the program had a 90 person enrollment maximum, but that there was not a priority for any new entrants.

MS. CARR, in response to Representative Seaton, said that this was not specified in the bill.

[4:42:35 PM](#)

REPRESENTATIVE SEATON pondered whether the intent for the incentive program was to have someone receive payment for 12 years, if others were applying for the program.

MS. CLEMENT, in response to Representative Seaton, said that more changes to HB 78 were forthcoming.

[4:44:34 PM](#)

DELISA CULPEPPER, Chief Operating Officer, Alaska Mental Health Trust Authority, Department of Revenue, said that the Alaska Mental Health Trust Authority supported long term loan repayment

and direct incentives and that these were important factors for workforce strategies.

[4:46:03 PM](#)

MARIE DARLIN, Coordinator, AARP Capital City Task Force, directed attention to its letter of support for HB 78 [Included in members' packets]. She stated that HB 78 was important to increase the number of health care providers for seniors. She pointed out that proper medical care would allow seniors to remain in Alaska, and she noted that seniors provided an economic input of more than \$1.5 billion to Alaska.

[4:47:14 PM](#)

CHAIR KELLER closed public testimony.

[HB 78 was held over.]

PRESENTATION: Alaska Healthcare Workforce Plan

[4:48:11 PM](#)

MS. CULPEPPER introduced a PowerPoint entitled "Alaska's Health Workforce. [Included in members' packets]

MS. PERDUE, pointing to slide 1, "Health Care-One of the Biggest Players Alaska's Labor Market," said that there were about 80 professions with 26,000 jobs in health care in Alaska. She said that the Alaska Health Workforce Coalition came together to set priorities for commonality of purpose. She noted that health care comprised 9 percent of the workforce and that half of these jobs were in hospitals and nursing homes. She opined that there would be growth in all health care areas, especially in outpatient home health areas.

[4:50:19 PM](#)

MS. PERDUE moved on to slide 2, "Health Care - The Number One Job Generator In The 2001-08 period," and pointed to the addition of 7400 health care jobs during that time period. She noted that it was economically better for Alaska if the jobs were filled by Alaskans. She turned to slide 3, "Continued Growth is Expected," and shared that the Department of Labor & Workforce Development had forecast for continued growth. She pointed to slide 4, "Demographic Pressures," and shared that Alaska's senior population was the fastest growing in the

nation. She reported that the new federal health reform could potentially add 64,000 Alaskans to the health rolls. She speculated that, should the health reform not be implemented, there would still be workforce shortages.

[4:52:26 PM](#)

JAN HARRIS, Vice Provost, University of Alaska, directed attention to slide 6, "Plan Development," and reflected that the Alaska Health Workforce Coalition had met with many stakeholders, reviewed the data, and submitted the Alaska Health Workforce Plan, which was approved by the Alaska Workforce Investment Board in May, 2010. She pointed to slide 7, "Health Care Workforce Plan Overview," which was a schematic of the plan. She referred to slide 8, "Initial Priority Occupations," which listed 15 selected occupational groups. She moved on to slide 9, "Alaska's Health Care Workforce Plan," which projected the action plans to attain the strategic priorities.

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MS. CULPEPPER shared slide 10, "What Will It Take To Resolve These Issues?" and stated that it required investment from the state, the federal government, and the health care industry. She spoke about the support for medical residency development, and for the University of Alaska to recruit and retain new staff. She directed attention to the Area Health Education Center (AHEC), a workforce development system that would also receive funding. She reported that implementation of the plan would be ongoing for prioritizing, strategizing, and implementing.

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MS. CULPEPPER emphasized that this would always be an industry partnership. She reported that more details would be forthcoming for strategic priorities. She reminded the committee that health care reform was the top growth industry.

[4:59:08 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:59 p.m.