ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE
March 1, 2012
3:05 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION: ALASKA STATE HOSPITAL AND NURSING HOME ASSOCIATION

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

MIKE POWERS
Fairbanks Memorial Hospital
Fairbanks, Alaska
POSITION STATEMENT: Testified and answered questions during a PowerPoint presentation titled "Overview of Alaska's Hospitals and Nursing Homes."

RICK DAVIS, CEO
Central Peninsula Hospital
Soldotna, Alaska
POSITION STATEMENT: Testified and answered questions during a PowerPoint presentation titled "Overview of Alaska's Hospitals and Nursing Homes."

ROBERT LETSON, CEO
South Peninsula Hospital

Homer, Alaska
POSITION STATEMENT: Testified and answered questions during a PowerPoint presentation titled "Overview of Alaska's Hospitals and Nursing Homes."

LIZ WOODYARD, CEO
Petersburg Medical Center
Petersburg, Alaska
POSITION STATEMENT: Testified and answered questions during a PowerPoint presentation titled "Overview of Alaska's Hospitals and Nursing Homes."

MILLIE DUNCAN, Administrator
Wildflower Court
Juneau, Alaska
POSITION STATEMENT: Testified and answered questions during a PowerPoint presentation titled "Overview of Alaska's Hospitals and Nursing Homes."

KAREN PERDUE, President/CEO
Alaska State Hospital & Nursing Home Association (ASHNHA)
Juneau, Alaska
POSITION STATEMENT: Answered questions during the overview of Alaska's Hospitals and Nursing Homes.

ACTION NARRATIVE

3:05:19 PM

CHAIR WES KELLER called the House Health and Social Services Standing Committee meeting to order at 3:05 p.m. Representatives Keller, Miller, Seaton, and Dick were present at the call to order. Representatives Millett, Herron, and Kerttula arrived as the meeting was in progress.

Presentation: Alaska State Hospital and Nursing Home Association

3:06:52 PM

CHAIR KELLER announced that the only order of business would be a presentation by the Alaska State Hospital and Nursing Home Association (ASHNHA).

3:06:58 PM

MIKE POWERS, Fairbanks Memorial Hospital, established that hospitals and nursing homes were economic anchors for a community, as they were a recession proof industry. He directed attention to the Silver Tsunami, the population over 65 years of age, and noted that this group will increase 127 percent by 2034. He affirmed that hospitals were also education partners, and he reported that an earlier 17 percent vacancy rate for nurses had almost been filled by the University of Alaska nursing program. In Fairbanks, more than 1000 students had an educational experience through the Area Health Education Centers. He confirmed that major life passages occurred between the walls of the hospital. He directed attention to slide 1, "Alaska is Beyond Rural when compared to other States," and observed that Alaska was very unique, as it was still a frontier state.

3:10:56 PM

MR. POWERS indicated slide 2, "78% of Health Facilities in Alaska have Special Federal Designation," and pointed out that almost 80 percent of the health care facilities in Alaska had a federal designation, which allowed flexibility in reimbursement and regulation relative to the uniqueness of the critical access hospitals in rural areas.

3:11:21 PM

MR. POWERS moved on to slide 3, "Health Care is a Major Employer in Alaska," and reported that almost 1 out of every 10 jobs in Alaska was health care related, with a payroll of $1.5 billion.

3:11:34 PM

MR. POWERS supplied slide 4, "Half of all Health Care Employment is in Hospitals & Nursing Homes," and stated that hospitals, nursing homes, and physician clinics accounted for 80 percent of health care jobs.

3:11:50 PM

MR. POWERS moved on to slide 5, "Health Care Employment is throughout the State," noting that health care employment followed the population patterns of the state. He shared slide 6, "Health Facilities are Impacted by Higher Costs," pointing to the cost of living index and various costs within the major cities of Alaska.

3:12:43 PM

MR. POWERS stated that, compared to other states, the cost of living in Alaska was about 30 percent higher and the hospital costs were about 38 percent higher, slide 7, "Alaska Costs Compared to Comparison States."

MR. POWERS, showing the pictures on slide 8, "Cost Drivers Impacting the Cost of Care in Alaska," stated that the cost drivers for health care tended to be recruiting, retaining, and training the work force.

MR. POWERS pointing to slide 9, "Alaska Pays More for Health Care Practitioners than 8 Comparison States," shared that the high hourly annual salary in Alaska allowed many people to stay in their community to work in health care.

3:13:25 PM

MR. POWERS directing attention to slide 10, "The Silver Tsunami," stated that the increase of Alaska seniors was "a freight train headed our way and we need to address...." He declared hospitals and long term care to be an important part of the solution.

3:13:56 PM

MR. POWERS confirmed that more than 36 percent of the transportation for trauma care was in excess of 60 miles, slide 11, "Patients Must Travel to Receive Care."

3:14:25 PM

MR. POWERS, slide 12, "Hospitals Must Serve All Who Need Care," reported that uncompensated care in Alaska, $178 million in 2009, was a driver of costs.

CHAIR KELLER asked for an explanation to the difference between lost revenue and uncompensated care.

MR. POWERS said that he would look into the answer.

3:15:11 PM

MR. POWERS declared that Alaska communities were defined by the rural health care facilities, the sole community providers, whose service included normal birth deliveries, psychoses,

alcohol abuse, and pneumonia, slide 14, "Who Do We Serve." He described the unique relationship between the native and military health care communities in Fairbanks.

3:16:18 PM

MR. POWERS indicated slide 15, "Economic Impact," and detailed that Fairbanks Memorial Hospital had 1350 employees, spent $107 million for salaries and benefits, and had gross revenues of $360 million. He shared that sufficient capital was an on-going issue, and explained the upcoming 10 year campaign of fund raising.

MR. POWERS, slide 16, described the key "Challenges" at Fairbanks Memorial Hospital which included adolescent behavioral health services and the contracts with Boys and Girls homes, community behavioral health centers, and counseling centers. He cited community ownership, physician recruitment, and the focus on nursing programs as "Sources of Pride."

3:18:14 PM

MR. POWERS offered slide 17, "Going Forward," and said that physician integration with the Tanana Valley clinic was an opportunity to co-ordinate care and keep expenses down.

3:18:52 PM

RICK DAVIS, CEO, Central Peninsula Hospital, directed attention to slide 18, "Central Peninsula Hospital," and summarized that Central Peninsula was a 49 bed acute care hospital, with 8 outpatient clinics, and a 60 bed long term care facility. He noted that there were 720 employees, with 25 MDs. He moved on to slide 19, "Who Do We Serve," and listed the primary service area to be the 37,000 residents from Cooper Landing to Nikiski to Kenai to Clam Gulch. He listed the secondary service area of 50,000 residents to include Seward, Homer, and the entire Kenai Peninsula. He reported that the hospital was owned by the Kenai Peninsula Borough and managed through a lease operating agreement.

3:20:31 PM

MR. DAVIS stated that Central Peninsula Hospital was community owned, with 25 staff and 25 independent physicians, and a strong ownership culture, slide 20, "Sources of Pride/Special Challenges." He pointed to competing entities attempting to

take over the profitable services as the biggest challenge to the hospital.

3:21:29 PM

MR. DAVIS directed attention to slide 21, "Going Forward," and discussed each of the following: preparation for the federal health care reform, hardwiring the quality and patient satisfaction process, implementing the Electronic Health records, and exploring contracting possibilities beyond the hospital services.

3:22:41 PM

MR. DAVIS addressed slide 23, "Two Specific Categories of Value Based Purchasing," and detailed that quality of care and patient satisfaction would determine the reimbursement from Medicaid and Medicare. He explained that this was designed to shift hospital care delivery from a quantity base to a quality service base. He stated that there were 17 process-of-care measures for quality service included in the five core measure categories.

3:24:55 PM

MR. DAVIS detailed slides 24 and 25, "Core Measures," listing the five core measures: heart failure, heart attack, pneumonia, health care associated infections, and surgical care improvement. He clarified that these core measures would account for 70 percent of the hospital's value based purchasing payment. He shared that the remaining 30 percent would be based on eight patient satisfaction measures. He stated that 1 percent of the Medicare payment would be based on compliance with these two measures. He reported that these measures were evidence based, best demonstrated practices which had been proven to lower infections and hospital medication errors, while increasing quality outcomes.

3:26:51 PM

MR. DAVIS pointed to the graph on slide 27, "Central Peninsula Hospital Perfect Care Scores," depicting the quarterly hospital scores for patient care. He stated that the goal for the hospital had been for a 95 percent rating, which had been consistently maintained for the past three years.

MR. DAVIS listed the eight measures for patient satisfaction on slide 28, "Patient Experience," and stated that this information

was available on-line. Referring to slide 29, "Strategies to Improve the Patient Experience," he affirmed that the hospital administration reviewed every patient satisfaction survey, with follow up phone calls to address any patient concerns. He shared that hourly nursing rounds had been implemented, and that the management team also made rounds.

3:28:37 PM

MR. DAVIS moved on to slide 30, "Percentage of Patients Rating the Hospital 9 or 10," a bar graph comparing Central Peninsula Hospital with the U.S. and Alaska averages.

3:29:10 PM

MR. DAVIS furnished slide 31, "Awards and Recognition," calling it the "bragging awards and recognitions slide." He confirmed that Central Peninsula Hospital had been named a top hospital in core measure compliance in the State of Alaska in 2011. He opined that the Patient Protection and Affordable Care Act was refocusing delivery systems toward good quality service.

3:30:27 PM

ROBERT LETSON, CEO, South Peninsula Hospital, confirmed that he had been in hospital administration for 35 years, with the last 4 years as the CEO at South Peninsula Hospital. He directed attention to slide 32, "South Peninsula Hospital Homer, Alaska," summarizing that the hospital had 22 acute beds and 28 long-term beds, was a non-profit owned by the Kenai Peninsula Borough, and had 285 employees with an annual payroll of $16.5 million. He shared that there were 22 active physicians working in the two family practice clinics, the two surgery clinics, and the orthopedic clinic. He reported that there were an average of 10 patients daily in the acute care, 26 patients daily in the long-term care, and more than 29,000 outpatients annually. Moving on to slide 33, "Who Do We Serve," he explained that the service for 12,700 residents covered an area of 8317 square miles. He noted that it was 75 miles to the next closest hospital. He relayed that the senior population was growing at a rate of 25 percent, faster than the state and national average. He detailed the payer mix to be 33 percent from Medicare, 32 percent by commercial insurance, 24 percent from Medicaid, and 11 percent from either charity or self pay.

3:33:47 PM

MR. LETSON stated that South Peninsula Hospital was the largest employer on the southern peninsula and its economic multiplier translated to a $96 million impact in the local community, slide 34, "Economic Impact." He reported on a recent Alaska State Hospital and Nursing Home Association (ASHNA) community benefit study which found that Alaska hospitals supplied $151 million in community benefits. He stated that, in 2011, the cost of charity care at the hospital had been $789,000.

3:35:26 PM

MR. LETSON introduced slide 35, "Special Challenges," listing recruitment and staffing for pharmacists, nurses, physical therapists, lab technicians, psychiatrists, and family practice physicians as ongoing major hurdles. He stated that a psychiatric residency program would be a boon, as psychiatric issues were 15 percent of the emergency room visits. He stated that the mandatory requirement for electronic health records was burdensome for small hospitals. He pointed to the stress placed on the long term care facility by an aging population with multiple complex diagnoses. He discussed the challenge of rising energy costs, and reported that a change to natural gas power would save $300,000 annually for South Peninsula Hospital. He shared that inconsistent patient volume in small hospitals resulted in a drop in revenue, while costs remained fixed. He called attention to the community support for the hospital as a major source of pride.

3:39:00 PM

MR. LETSON reviewed slide 36, "Going Forward," stating "change is the new norm" due to health care reform. He emphasized that this was the only way that hospitals would survive in the new climate of "more service for less reimbursement." He pointed out that reimbursement would now be based on quality measures, and not just on a provided service and that it was essential for alignment between physicians and providers. He projected that there would be an increase in outpatient clinics and a decrease for in-patient services, observing that the growing number of seniors could alter that trend.

3:40:07 PM

MR. LETSON offered slides 37 and 38, "Critical Access Hospital-CAH," and disclosed that there were 1300 critical access hospitals in the U.S. Noting that CAHs were designated in 1997, he listed the requirements, which included location in a rural

area, more than 35 miles from another hospital; and, 25 or fewer beds, with an average length of stay of less than 96 hours. It must also have 24 hour emergency service, participate in a rural health network, and establish credentialing and quality assurance agreements with a larger hospital. He confirmed that CAHs were paid 101 percent of reasonable costs, instead of the usual prospective payment system which reimbursed by diagnosis. He reported that most CAHs had a low operating margin, usually 2-3 percent, although in Alaska this could be 5 percent.

3:42:15 PM

MR. LETSON shared that, in 2011, South Peninsula Hospital was recognized as one of the "Top 100 Critical Access Hospitals" nationwide by the National Rural Health Care Association. He declared the CAH to be an economic engine in small communities, as they offered a broad scope of health care to many citizens. He opined that any reduction for reimbursement to CAHs could be disastrous for the local economy and rural health care.

3:44:22 PM

LIZ WOODYARD, CEO, Petersburg Medical Center, explained that Petersburg Medical Center was not similar to other CAHs, slide 40, "Petersburg Medical Center," as there were many areas of challenge. She explained that the hospital was non-profit, and although it was owned by the city, it did not receive any financial support from the city. She stated that 70 percent of the operating budget was for labor, and that recruitment of physicians was a challenge. She noted that there were 4 physicians, as it was necessary for cycled time, and 95 employees. She reported that the acute daily care patient average was less than 1, but the long-term care daily patient average was 13. She explained that the swing care daily average for those patients who were not long term care, but not quite ready to go home, was 3 patients.

3:48:32 PM

MS. WOODYARD, discussing slide 41, "Who Do We Serve," reported that although the population of the Petersburg region was 3000, there had been an 8 percent population decline in the region since 2000, with a corresponding 27 percent decline in school enrollment. She stated that there were not as many young families staying in Petersburg. She declared that commercial fishing was the biggest industry. She noted that the medical center had 12 acute care and 15 long term care beds. She stated

that long term care financially supported the other hospital services.

3:49:41 PM

MS. WOODYARD described the services offered by the medical center to include physical therapy, wound care, home health in the community, and chemotherapy, slide 42, "Petersburg Medical Center." She explained the difficulty of not offering services in ICU, OB deliveries, and anesthesia, declaring that this lack of service affected whether young families moved to Petersburg. She noted that a lack of patients in OB, OR, and ICU did not allow nurses to gain the necessary competencies.

3:53:44 PM

MS. WOODYARD declared that although Petersburg was a wonderful community, the financial stability of the hospital was in jeopardy, slide 43, "Special Challenges." She announced the financial loss to be $800,000 in the last year. She shared that there was a reserve of $3.7 million, but that financials needed to turn around. She noted that the key was for an increase of patients. She declared the need for a new roof on the long term care facility, as it was more than 50 years old, leaked, and could not be patched. She stated that the architectural design would cost $70,000. She confirmed another challenge to be for replacement of broken equipment, as shipping and installation schedules could often delay these projects. She emphasized that all the employees were proud to be working at the hospital.

3:56:06 PM

MILLIE DUNCAN, Administrator, Wildflower Court, directed attention to slide 44, "Wildflower Court," stating that the nursing home was a non-profit organization, was not connected to Bartlett Hospital, and had opened in 1977. Moving on to slide 45, "Who Do We Serve," she reported that, as this was one of only two assisted living programs in Juneau, there was a younger population at Wildflower Court, and more physically capable than the state and national averages.

3:57:56 PM

MS. DUNCAN addressing slide 46, "Who Do We Serve," shared that 66 percent of admissions were for rehabilitation services and wound care, with 55 percent of the residents being discharged to home care after 2 months at Wildflower Court. Referring to

slide 47, "Economic Impact," she reported that Wildflower Court employed 105 staff with a payroll, including benefits, of $6.7 million. She stated that $172,000 was paid for professional contract services, and that $1 million was spent locally for supplies and equipment. She declared that Wildflower Court had 57 beds and could provide services for an average of 100 individuals each year.

3:59:05 PM

MS. DUNCAN summarized slide 48, "Special Challenges," declaring that the complexity of the residents' conditions and diagnosis was increasing, and pointing to the growing number of residents with mental health diagnosis, including dementia, schizophrenia, and depression. She established that the majority of staff at Wildflower Court were certified nursing assistants, with only 13 weeks of training for dealing with these complex medical and mental health issues. She affirmed the necessity for providing a quality of life for a relatively young population, sharing that "trying to do bingo or big band sing along for activities just doesn't cut it for our population."

4:01:52 PM

MS. DUNCAN proudly stated that Wildflower Court had, for two years, received the Bronze Quality Award by the American Health Care Association, and was nationally ranked in the top 10 percent for staff, resident, and family satisfaction. She mentioned that the program had twice received the Mountain-Pacific Quality award and also participated in a program, "The Eden Alternative," which developed a community, rather than an institution, within a nursing home, slide 49, "Sources of Pride." She observed that the ultimate, long term goals were to receive the Malcolm Baldridge Quality Award, the Well Workplace Award, and the Employer of Choice Award, as shown on slide 50, "Going Forward." She stated that the journey was important to both the staff and the residents of Wildlife Court.

4:03:26 PM

MS. DUNCAN shared a definition for nursing homes:

> The nursing homes of the past may once have been a retirement home for the unhealthy but today they have evolved into highly skilled medical centers serving a very different population with complicated medical

issues needing treatment for longer periods than what is practical in a hospital.

MS. DUNCAN, directing attention to slide 52, "Nursing Homes: Confronting Today's Challenges," stated that, as one in seven residents of nursing homes is under 65, an increase of 22 percent in the last eight years, the psychological and social needs were a greater challenge than the physical needs. She stated that half of the residents had dementia, Alzheimer's, or a related disorder, while one third had behavior disorders. She shared that research studies showed that nursing homes provided better care for individuals with pneumonia or infections, and that nursing home residents, when admitted to acute care hospitals, often returned to the nursing home "more functionally and cognitively impaired."

CHAIR KELLER asked the panel to state the most immediate needs.

4:07:09 PM

MR. POWERS, in response, stated that typically health care was thought of in terms of cost, quality and access. He directed attention toward two small, specific programs, perioperative nursing and psychiatric residency. Explaining that the perioperative nursing program was an effort to train the next generation of nurses in Operating Room (OR) procedures, he declared a need for an additional $85,000 in funding. He pointed out that the hospital industry had already supplied $375,000 toward the program. He explained that the three Anchorage medical centers had set up the program for the "best and the brightest from the facilities to come in, train, go back to the communities, and train for an additional 27 weeks." He cited that the University of Alaska nursing program was "a great process, but now what happens is, within the hospital, these specialty areas ... need special training." He declared "the WWAMI [Washington, Wyoming, Alaska, Montana, and Idaho Area Health Education Center] program had been a wonderful workforce engine" as residents were returning to their communities, but that psychiatry was needed for many vulnerable patients. He declared that this request for $75,000 would allow residency sites, through the WWAMI program, to be established throughout Alaska.

4:10:07 PM

MS. DUNCAN agreed with the need for the psychiatric program, explaining that it was essential, though often difficult, for

Wildflower Court to receive psychiatric consultation for direction to best serve its residents.

4:11:09 PM

REPRESENTATIVE DICK observed that this need for psychiatric help was a statewide issue, probably necessitating more than one travelling psychiatrist.

4:12:48 PM

MR. LETSON observed that his family doctors and emergency room staff had reported that 20 percent of their patients had psychiatric issues in addition to their other illnesses. He declared that many doctors remained where they had performed their medical residency. He suggested that tele-medicine might also provide solutions for remote areas.

4:13:`57 PM

MR. POWERS agreed with Representative Dick that this was critical for all the hospitals, especially for the long term care facilities. He agreed that a psychiatric residency was a good idea, explaining that Bartlett Memorial Hospital, in Juneau, had hired psychiatrists and then contracted their services with outpatient agencies. He pointed out that the hospital could offer a better benefit package than a smaller agency, with a more flexible schedule.

4:15:55 PM

REPRESENTATIVE MILLER asked what was driving this cost explosion in every aspect of health care over the last 30 years. He declared that this cost increase was much greater than the rate of inflation. He asked what could be done to control this.

4:17:13 PM

MR. POWERS replied that labor and capital depreciation were the most expensive issues. He stated that an alignment of physicians and hospitals would bring a co-ordination of care, and efficiencies for recruitment and retention. This would have a significant impact on costs, and would "help bend that exorbitant cost curve." He declared that the embracement of technology would lower costs, but that some older staff members were threatened by the new technology.

4:19:22 PM

MR. LETSON stated that the salaries and benefits were 60 percent of the costs at South Peninsula Hospital. He declared that the medical home concept, when a family doctor was the gatekeeper to procedures and had incentive to keep the patient well, was necessary to get control of the costs. He stated, "Health care is insatiable. There's all kinds of health care needs, and unless someone's trying to keep people well, it will never slow down enough...." He reported that conditions such as obesity and diabetes were getting worse, and, instead of just treating the episode, incentives were needed to stay healthy.

4:22:04 PM

KAREN PERDUE, President/CEO, Alaska State Hospital & Nursing Home Association (ASHNHA), in response to Chair Keller, said that ASHNA represented all the hospitals and nursing homes in Alaska, except two in Barrow.

4:22:22 PM

REPRESENTATIVE DICK asked if the proposed Indian Health Service (IHS) facility would affect Central Peninsula Hospital.

4:22:39 PM

MR. DAVIS, in response, said that he had heard the facility would not be available for non-beneficiary participants. He agreed to keep the committee apprised of any future developments.

4:23:19 PM

CHAIR KELLER expressed concern with the short term costs for the perioperative nurses program. He declared a need for more competition.

4:24:58 PM

MR. LETSON emphasized the importance for the Certificate of Need program. He explained that hospitals did not function under an economic model of "more competition is better." He gave an example of a competing specialty center, pointing out that only a few departments created revenue for a hospital. "If someone cherry picks those services away from the hospital, the hospital's left with the charity care, bad debt, and they lose

the paying services, and they either lose their hospital or it becomes a band-aid station or the taxes go up for the citizens." He stressed the importance for Certificate of Need, as duplication of the most profitable services could destroy a local health care system. He opined that smaller hospitals in Alaska would be destroyed without the Certificate of Need.

4:27:18 PM

REPRESENTATIVE SEATON, reflecting on the long term solution for preventive medicine, referred to House Concurrent Resolution (HCR) 5, which passed unanimously during 2011. He relayed that the resolution calls on the State of Alaska to embark on a prevention of disease model for health care. He shared that the resolution also provides awareness for the benefits of Vitamin D. He directed attention to the Fraser Health [British Columbia] health care residential provider program, which had adopted a protocol of 20,000 IU of Vitamin D each week. He noted that the goal of this protocol was to reduce the number of fractures by 10 - 25 percent, pointing out that the prevention of one fracture would pay the annual cost for the entire Vitamin D program. He asked if the nursing homes and hospitals were aware of HCR 5 and the Vitamin D studies. He listed some of the attributes cited for Vitamin D, which included a 30 percent decrease for Type 2 diabetes, and significant improvement for seasonal affective disorder. He offered an example of a required regimen of 10,000 IU of Vitamin D for the 10 days prior to elective orthopedic surgery, which resulted in a 50 percent reduction in infection.

4:31:55 PM

MS. DUNCAN reported that, although the Wildflower Court dietician, medical director, and staff were in agreement to the benefits of Vitamin D use, and a regimen had been started for all the residents, she could not substantiate any results. She opined that a reduction in the need for psychoactive drugs was attributable, in part, to Vitamin D. She offered her belief that most of the patient falls were a result of poor judgment, caused when residents leaned too far.

4:34:04 PM

CHAIR KELLER asked for a prediction to the determination by the U.S. Supreme Court for the Patient Protection and Affordable Care Act.

4:34:44 PM

MR. POWERS, in response, predicted that, except for the individual mandate, the act would pass.

MR. LETSON emphasized that health care was not sustainable as it is, so a course of action will need to be taken. He declared that the challenge was ahead of us, regardless of the Supreme Court decision.

4:35:39 PM

MR. DAVIS offered his belief that the incentives driving the Patient Protection and Affordable Care Act were the same as those issues just discussed. He opined that the quality initiatives in the act would "provide better outcomes for everyone." He shared that the concepts might need adjustment, but that it was necessary to clinically integrate the physician and the hospital. He referenced an earlier presentation he had attended by Commissioner Streur (Department of Health and Social Services) and Commissioner Hultberg (Department of Administration) which compared the significant difference in charges by physicians in Alaska to those by physicians in the State of Washington. He declared a need for motivation toward change, and he expressed his agreement that the act would pass.

4:37:29 PM

REPRESENTATIVE SEATON, returning to discussion of HCR 5, stated that the main purpose of the resolution was to move toward a prevention model for health care. He directed attention to national studies for the use of check lists in hospitals, which resulted in a dramatic lowering of infections. He asked if the hospitals and nursing homes in Alaska used check lists for procedures.

4:38:15 PM

MR. LETSON, in response, said that hospitals used check lists, with many surgeries scheduling a time out prior to the procedure in order to double check. He shared that evidence based medicine had check lists for complex procedures. He allowed that although this standard was not yet complete, it was more prevalent for complex procedures.

4:39:10 PM

REPRESENTATIVE SEATON referenced a study which determined that infection rates were lower when check lists were used during catheter procedures. He expressed a desire for the full integration of check lists and other preventive methods.

4:40:31 PM

CHAIR KELLER, offering a final thought on the upcoming [health care] crisis, referred to an ISER [Institute of Social and Economic Research] study which compared the spending [for health care] to the cumulative wages for all Alaskans, and stated "I know I don't spend half my income on health care, and I do spend some, so the point that hit home with me because of that comparison is that the difference, all that money that is being spent, is evident throughout our society, construction, spin off jobs, whatever..." He declared that the U.S. Supreme Court decision did not matter, as there was a greater crisis, especially for those with the least ability to pay.

4:42:06 PM

MR. POWERS paraphrased comments by Commissioner Hultberg (Department of Administration) during an earlier presentation:

> don't tell me about all these jobs you're creating, I consider that an opportunity cost. What about everything else we've gotta do. We're putting this money into health care and we could be doing something else.

MR. POWERS offered his belief that this was "an excellent philosophic suggestion." He questioned the point of balance for health care spending in Alaska and keeping services in the state, noting that Commissioner Hultberg had responded to "keep the dialogue going." He expressed his gratitude for the opportunity to present with the committee, and in reference to the current health care spending, he declared "we know this is unsustainable."

4:43:32 PM

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:43 p.m.