

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

April 9, 2012

1:33 p.m.

**MEMBERS PRESENT**

Senator Bettye Davis, Chair  
Senator Dennis Egan  
Senator Kevin Meyer  
Senator Fred Dyson

**MEMBERS ABSENT**

Senator Johnny Ellis

**OTHER LEGISLATORS PRESENT**

Senator Cathy Giessel

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 310(FIN)

"An Act temporarily reinstating the child and adult immunization program in the Department of Health and Social Services; and providing for an effective date."

- MOVED CSHB 310(FIN) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 218(L&C)

"An Act prohibiting an insurer from using a drug formulary system of specialty tiers under certain circumstances; and providing for an effective date."

- MOVED CSHB 218(L&C) OUT OF COMMITTEE

CONFIRMATION: BOARD CERTIFIED DIRECT-ENTRY MIDWIVES

- HEARD

PRESENTATION: ALASKA eHEALTH NETWORK

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 310

SHORT TITLE: STATE IMMUNIZATION PROGRAM

SPONSOR(s): REPRESENTATIVE(s) HERRON

02/01/12 (H) READ THE FIRST TIME - REFERRALS  
02/01/12 (H) HSS, FIN  
02/14/12 (H) HSS AT 3:00 PM CAPITOL 106  
02/14/12 (H) Heard & Held  
02/14/12 (H) MINUTE(HSS)  
02/28/12 (H) HSS AT 3:00 PM CAPITOL 106  
02/28/12 (H) Moved CSHB 310(HSS) Out of Committee  
02/28/12 (H) MINUTE(HSS)  
02/29/12 (H) HSS RPT CS(HSS) 5DP 1NR  
02/29/12 (H) DP: KERTTULA, DICK, SEATON, MILLER,  
HERRON  
02/29/12 (H) NR: KELLER  
04/03/12 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
04/03/12 (H) Moved CSHB 310(FIN) Out of Committee  
04/03/12 (H) MINUTE(FIN)  
04/04/12 (H) FIN RPT CS(FIN) 4DP 4NR 2AM  
04/04/12 (H) DP: COSTELLO, GUTTENBERG, GARA, EDGMON  
04/04/12 (H) NR: T.WILSON, DOOGAN, STOLTZE, THOMAS  
04/04/12 (H) AM: FAIRCLOUGH, NEUMAN  
04/05/12 (H) TRANSMITTED TO (S)  
04/05/12 (H) VERSION: CSHB 310(FIN)  
04/06/12 (S) READ THE FIRST TIME - REFERRALS  
04/06/12 (S) HSS  
04/09/12 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: HB 218

SHORT TITLE: PRESCRIPTION DRUG SPECIALTY TIERS

SPONSOR(s): HEALTH & SOCIAL SERVICES

03/31/11 (H) READ THE FIRST TIME - REFERRALS  
03/31/11 (H) HSS, L&C  
02/28/12 (H) HSS AT 3:00 PM CAPITOL 106  
02/28/12 (H) Heard & Held  
02/28/12 (H) MINUTE(HSS)  
03/15/12 (H) HSS RPT 2DP 4NR  
03/15/12 (H) DP: KERTTULA, MILLER  
03/15/12 (H) NR: MILLETT, SEATON, HERRON, KELLER  
03/15/12 (H) HSS AT 3:00 PM CAPITOL 106  
03/15/12 (H) Moved Out of Committee  
03/15/12 (H) MINUTE(HSS)  
03/16/12 (H) L&C AT 3:15 PM BARNES 124  
03/16/12 (H) Heard & Held  
03/16/12 (H) MINUTE(L&C)  
03/26/12 (H) L&C AT 3:15 PM BARNES 124

03/26/12	(H)	Moved CSHB 218(L&C) Out of Committee
03/26/12	(H)	MINUTE(L&C)
03/28/12	(H)	L&C RPT CS(L&C) NT 3DP 4NR
03/28/12	(H)	DP: HOLMES, MILLER, OLSON
03/28/12	(H)	NR: CHENAULT, THOMPSON, SADDLER, JOHNSON
04/05/12	(H)	TRANSMITTED TO (S)
04/05/12	(H)	VERSION: CSHB 218(L&C)
04/06/12	(S)	READ THE FIRST TIME - REFERRALS
04/06/12	(S)	HSS
04/09/12	(S)	HSS AT 1:30 PM BUTROVICH 205

**WITNESS REGISTER**

REPRESENTATIVE BOB HERRON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 310.

WARD HURLBURT, M.D.  
Director  
Division of Public Health  
Department of Health and Social Services

**POSITION STATEMENT:** Testified during the hearing of HB 310.

GEORGE RHYNEER, M.D.  
Alaska Physicians and Surgeons  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 310.

MARIE DARLIN, AARP  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 310.

BILL SORRELLS, Executive Director  
Alaska eHealth Network (HIMSS)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the presentation of the Alaska eHealth Network.

JANET OGAN, Staff  
Representative Wes Keller  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 218 on behalf of the House Health and Social Services Committee, sponsor.

BRENDA ROBERTSON, representing herself,  
Eagle River, Alaska

**POSITION STATEMENT:** Testified in support of HB 218.

CECIL BYKERK, Executive Director  
Alaska Comprehensive Health Insurance Association (ACHIA)  
Omaha, Nebraska

**POSITION STATEMENT:** Testified in support of HB 218.

REPRESENTATIVE WES KELLER,  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking on behalf of the House Health and  
Social Services Committee, offered information on HB 218.

MARILYN KASMAR, Volunteer Board Member  
Alaska Comprehensive Health Insurance Association (ACHIA),  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 218.

JIM FREEBURG, Advocacy Director  
National Multiple Sclerosis Society  
Seattle, Washington

**POSITION STATEMENT:** Testified in support of HB 218.

#### **ACTION NARRATIVE**

[1:33:51 PM](#)

**CHAIR BETTYE DAVIS** called the Senate Health and Social Services  
Standing Committee meeting to order at 1:33 p.m. Present at the  
call to order were Senators Dyson, Meyer, and Chair Davis.  
Senator Egan arrived shortly thereafter.

#### **HB 310-STATE IMMUNIZATION PROGRAM**

[1:35:34 PM](#)

CHAIR DAVIS announced that the first order of business would be  
HB 310. She recognized Senator Giessel in attendance.

SENATOR EGAN noted that CSHB 310(FIN), version I, was before the  
committee.

REPRESENTATIVE BOB HERRON, sponsor of HB 310, presented the  
bill. He thanked several people for their work on the bill,  
including Senators Giessel and Olson. He related that the Alaska  
Immunization Program was once under the watch of the late

Senator Ted Stevens. In 2010 federal monies for immunization dropped from \$4.3 million to \$700,000. He said it was time that Alaskans figure out how to run a fully funded immunization program. He related that SB 144 is just a temporary act and over the next few years the legislature will figure out how to provide an immunization program for Alaska. The Health Care Commission does not endorse any legislation, but does support a program for immunization for disease prevention.

He pointed out that the legislation does not affect a family's choice to not vaccinate their children.

[1:38:53 PM](#)

SENATOR EGAN noted there was an attached fiscal note.

SENATOR MEYER recalled hearing SB 144 previously and wondered if HB 310 was different.

REPRESENTATIVE HERRON explained that both bills were once nearly identical. The House Finance version [I] includes a list of school-required vaccines plus, on page 3, line 5, meningococcal rotavirus, influenza, and pneumococcal vaccines, as well as zoster, or shingles, on line 8. Lines 9 through 15 give the responsibility and the authority to the commissioner to add vaccines or subtract vaccines based upon criteria. Lines 16 through 20 provide that if there is scientific evidence a vaccine can be subtracted. Lines 19 and 20 provide that if the revenue stream declines, vaccines can be dropped from the recommended list. He noted that the bill passed the House 37 to 0.

[1:41:48 PM](#)

WARD HURLBURT, M.D., Director, Division of Public Health, Department of Health and Social Services, testified during the hearing of HB 310. He noted that there have been more than 600 cases of whooping cough in Washington State and about 35 in Idaho. The funding from the bill will enable Alaska to protect the 25 percent of children for whom there are no other resources, which will, in turn, protect the whole population.

[1:43:03 PM](#)

GEORGE RHYNEER, M.D., Alaska Physicians and Surgeons, testified in support of HB 310. He emphasized that the bill provides so much for so little. He called it an extremely cost-effective way of improving the health of Alaskans and it is the humane thing to do.

MARIE DARLIN, AARP, testified in support of SB 310. She noted a letter of support by AARP. She discussed how important it is to have free immunizations for older citizens. She mentioned the large number of grandparents who are raising their grandchildren and the importance of vaccinating their grandchildren.

[1:46:59 PM](#)

CHAIR DAVIS noted that the committee heard Senator Giessel's companion bill to HB 310.

She closed public testimony.

SENATOR EGAN moved to report CSHB 310(FIN), version I, from committee with individual recommendations and the attached fiscal note. There being no objection, CSHB 310(FIN) was reported from the Senate Health and Social Services Standing Committee.

At-ease from 1:49 p.m. to 1:50 p.m.

[1:50:04 PM](#)

**Confirmation: Board Certified Direct-Entry Midwives**

CHAIR DAVIS announced that the next order of business would be a confirmation of the governor's appointment to the Board Certified Direct-Entry Midwives. The nominee is Deborah Schneider of Wasilla.

CHAIR DAVIS asked if any members have any questions. She read a statement that said Ms. Schneider's name would be forwarded for confirmation.

**Presentation: Alaska eHealth Network**

[1:52:04 PM](#)

CHAIR DAVIS announced that the next order of business would be a presentation by the Alaska eHealth Network.

BILL SORRELLS, Executive Director, Alaska eHealth Network (HIMSS), testified during the presentation of the Alaska eHealth Network. He addressed the goals of HIMSS and shared its vision. He noted that HIMSS is the expert on organization and education for improving health care all over the world.

[1:54:33 PM](#)

MR. SORRELLS spoke of the membership of HIMSS, which includes 43,000 individual members, 500 corporate members, 90 plus committees, 54 chapters and 150 plus not-for-profits. He stated that offices are located in the United States and overseas.

He shared Health Information Technology (HIT) policy guidance for state-level decision-makers. He discussed the reference for development of state health policy, executive orders, and legislation. He shared the goal to help streamline care delivery by leveraging HIT. HIMSS can help state officials through legislative analyses, forecasting and HIT specific information.

[1:58:56 PM](#)

MR. SORRELLS related how HIMSS provides state officials guidance on protecting and supporting funding and incentives, supporting consumer engagement, privacy and security, role of publicly funded programs, and government relations and regional affairs.

He provided information about the HIMSS federal health community, which is a complimentary networking platform and community of professionals for HIMSS members who are also federal government employees. The FHC works to foster cross-agency information sharing and in order for members to network.

[2:03:16 PM](#)

MR. SORRELLS related that HIMSS entertains global conferences in various places: Las Vegas, Copenhagen, Singapore, Abu Dhabi, and Washington, D.C.

He discussed current regulatory tracking. He shared information about various agencies and their publications and key dates of release of information. He described several publications such as the Electronic Fund Transfer Standard.

He continued to discuss HIMSS's involvement with various federal agencies and with several programs. He discussed HIPPA, civil rights, security, and privacy.

[2:08:13 PM](#)

MR. SORRELLS concluded by listing where more information on HIMSS and the state health IT policy guidance can be found.

CHAIR DAVIS thanked the presenter. She voiced concern about those who travel not knowing information about their own medications.

MR. SORRELLS spoke of the ability of electronic health records to provide that information. He spoke of a personal experience in the military with having an electronic health care record. One of HIMSS's goals is to make information, resources, and education available to all.

[2:11:24 PM](#)

SENATOR DYSON asked if HIMSS does consulting work for pay.

MR. SORRELLS said they do not. It is a non-profit organization but can provide analytical expertise at a cost.

SENATOR DYSON asked if HIMSS works for pay in Alaska.

MR. SORRELLS said no. It provides educational programs at no cost.

SENATOR DYSON asked if any has to do with drug registries.

MR. SORRELLS explained that HIMSS helps provide expertise on best practices for that complex issue.

SENATOR DYSON noted the importance of security for health records. He requested more information.

MR. SORRELLS related how personal health care information stored electronically could be a concern. He said the industry has matured well regarding safe-guarding personal information. He talked about privacy rules developed in 2003. He noted there has been only one breach since then, which is a good record. He spoke as a consumer who would want ER's to have access to health records. The goal is to give the provider information at the point of care that is timely, relevant, and maintains the consumer's trust.

[2:16:58 PM](#)

CHAIR DAVIS thanked Mr. Sorrells for his presentation.

#### **HB 218-PRESCRIPTION DRUG SPECIALTY TIERS**

[2:17:25 PM](#)

CHAIR DAVIS announced the consideration of HB 218.

SENATOR EGAN noted that CSHB 218(L&C), version D, was before the committee.

JANET OGAN, staff to Representative Wes Keller, introduced HB 218 on behalf of the House Health and Social Services Committee, sponsor. She described the history of specialty tier drugs and the differences in cost depending on the tier of the drug. Tier 4 drugs are especially expensive and are used to treat those with chronic illnesses.

She related that the bill extends the notification time the insurance companies have to give to their clients regarding changes in their reimbursement policies. Insurance companies must allow 90 days rather than 30 days for notification of changes which would allow clients to look for alternative therapies or finances to pay for the expensive drugs. She noted the effective date was extended to January 2013.

She referred to a letter of support from the ACHIA Board.

CHAIR DAVIS noted the presence of Representative Wes Keller.

[2:22:36 PM](#)

BRENDA ROBERTSON, Eagle River, Alaska, testified in support of HB 218. She shared a personal story of her husband's co-pay being increased greatly and providing a hardship. She noted that tiers were originally set up by insurance companies to give patients a choice. She requested that patients be given a 90-day notice.

CECIL BYKERK, Executive Director, Alaska Comprehensive Health Insurance Association (ACHIA), testified in support of HB 218. He suggested having a re-insurance program for children. He pointed out that there are no child-only health insurance policies currently available for purchase in Alaska. He pointed out ACHIA's plan for coverage and limitations. He concluded that ACHIA has a goal of developing a children's coverage program. Currently, statute does not allow this proposal. He spoke in favor of adding an amendment that would allow that to happen.

[2:31:54 PM](#)

CHAIR DAVIS said she has not received any amendments and she questioned how Mr. Bykerk's proposal would fit into the bill.

REPRESENTATIVE WES KELLER, speaking on behalf of the House Health and Social Services Committee, offered information on HB 218. He suggested that the bill would be a carrier to solve the problem of the lack of a child-only insurance policy.

MS. OGAN reported that she spoke to legal services about this issue and discovered the need for a title change.

CHAIR DAVIS stated that she has not received the information and is not prepared to move forward on the bill.

REPRESENTATIVE KELLER apologized. He said he wished to complete public testimony.

[2:34:49 PM](#)

SENATOR DYSON asked if Representative Keller would accept an amendment.

REPRESENTATIVE KELLER said he would.

CHAIR DAVIS called an at-ease.

At-ease from 2:35 p.m. to 2:38 p.m.

[2:38:15 PM](#)

MARILYN KASMAR, Volunteer Board Member, Alaska Comprehensive Health Insurance Association (ACHIA), testified in support of HB 218. She said she supports the statements of the previous testifier. She agreed with providing insurance for children under 19 and allowing ACHIA to administer the program.

[2:41:15 PM](#)

JIM FREEBURG, Advocacy Director, National Multiple Sclerosis Society, testified in support of HB 218. He spoke in favor of providing additional transparency around the use of specialty drug tiers is a tool those with MS should have. He hoped that eventually insurers would provide additional coverage for pharmaceutical benefits. He noted that some states have outlawed the use of specialty tiers.

[2:43:49 PM](#)

CHAIR DAVIS closed public testimony.

She stated that she would like to accommodate the addition of children' insurance, but she preferred not to have an amendment. She said she did not think she could get a 2/3 vote for the title change.

REPRESENTATIVE KELLER asked her to proceed with the bill as it is.

CHAIR DAVIS requested a motion to move the bill.

2:45:42 PM

SENATOR EGAN moved to report CSHB 218, version D, from committee with individual recommendations and the accompanying fiscal note.

CHAIR DAVIS announced that without objection, CSHB 218(L&C) was reported from the Senate Health and Social Services Standing Committee.

2:46:12 PM

There being no further business to come before the committee, Chair Davis adjourned the Senate Health and Social Services Standing Committee at 2:46 p.m.