

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 1, 2011

2:03 p.m.

MEMBERS PRESENT

Senator Dennis Egan, Chair
Senator Joe Paskvan, Vice Chair
Senator Bettye Davis

MEMBERS ABSENT

Senator Linda Menard
Senator Cathy Giessel

COMMITTEE CALENDAR

SENATE BILL NO. 92

"An Act relating to dental hygienists, dentists, dental assistants, dental hygiene, and dentistry."

- MOVED CSSB 92(L&C) FROM COMMITTEE

SENATE BILL NO. 68

"An Act relating to the examinations, board, loans, records, and lobbying contracts of the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective date."

- MOVED SB 68 FROM COMMITTEE

SENATE BILL NO. 87

"An Act establishing a program in the Department of Commerce, Community, and Economic Development for payment of grants to health care providers for care of patients who are 65 years of age or older."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 92

SHORT TITLE: DENTISTS/DENTAL HYGIENISTS/ASSISTANTS

SPONSOR(s): SENATOR(s) EGAN

02/21/11	(S)	READ THE FIRST TIME - REFERRALS
02/21/11	(S)	L&C, FIN

02/24/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/24/11 (S) Heard & Held
02/24/11 (S) MINUTE(L&C)
03/01/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)

BILL: SB 68

SHORT TITLE: COMMERCIAL FISHING & AGRICULTURE BANK
SPONSOR(s): SENATOR(s) COGHILL

01/26/11 (S) READ THE FIRST TIME - REFERRALS
01/26/11 (S) L&C, FIN
02/24/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/24/11 (S) Heard & Held
02/24/11 (S) MINUTE(L&C)
03/01/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)

BILL: SB 87

SHORT TITLE: GRANTS FOR SENIORS' MEDICAL CARE
SPONSOR(s): SENATOR(s) FRENCH

02/11/11 (S) READ THE FIRST TIME - REFERRALS
02/11/11 (S) L&C, FIN
03/01/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DANA OWEN

Staff to the Senate Labor and Commerce Committee
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained CSSB 92 (L&C) version D.

JOSH BANKS

Staff to Senator Coghill
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Available to answer questions on SB 68 for the sponsor.

SENATOR FRENCH

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 87.

ANDY MODEROW

Staff to Senator French
Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Provided sectional analysis of SB 87 for the sponsor.

PAT LUBY, Advocacy Director

AARP Alaska

Anchorage, AK

POSITION STATEMENT: Supported SB 87.

JON SHERWOOD, Director

Medicaid Special Projects

Division of Health Care Services

Department of Health and Social Services (DHSS)

POSITION STATEMENT: Explained how SB 87 would work for his department.

ACTION NARRATIVE

[2:03:13 PM](#)

CHAIR DENNIS EGAN called the Senate Labor and Commerce Standing Committee meeting to order at 2:03 p.m. Present at the call to order were Senators Paskvan, Davis, and Chair Egan.

SB 92-DENTISTS/DENTAL HYGIENISTS/ASSISTANTS

CHAIR EGAN announced SB 92 to be up for consideration [CSSB 92(L&C) version I was before the committee.]

DANA OWEN, staff to the Senate Labor and Commerce Committee, said there is a new committee substitute (CS), version D.

SENATOR PASKVAN moved to adopt CSSBL 92(L&C) 27-LS0403\D.

CHAIR EGAN objected for discussion purposes.

MR. OWEN explained that this version contains two recommendation changes. On page 4, line 2, reference to the board requiring the fees has been deleted; testimony said the department was supposed to set the fees in consultation with the board. In section 5, on page 4, lines 12-26, language has been updated to make notification less specific than original language that had the department notifying licensees by mail. New language allows notification and renewal over the Internet.

CHAIR EGAN found no questions and moved to report CSSB 92(L&C), version D, from committee with individual recommendations and

attached fiscal note(s). There were no objections and it was so ordered.

[2:06:32 PM](#)

At ease from 2:06 to 2:07 p.m.

[2:07:27 PM](#)

SB 68-COMMERCIAL FISHING & AGRICULTURE BANK

CHAIR EGAN announced SB 68 to be up for consideration.

JOSH BANKS, staff to Senator Coghill, sponsor of SB 68, said he would answer questions.

SENATOR PASKVAN moved to report SB 68 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[2:08:16 PM](#)

At ease from 2:08 to 2:09 p.m.

[2:09:06 PM](#)

SB 87-GRANTS FOR SENIORS' MEDICAL CARE

CHAIR EGAN announced SB 87 to be up for consideration.

SENATOR FRENCH, sponsor of SB 87, read the sponsor statement into the record as follows:

Our Medicare system is broken in Alaska. Too many seniors cannot find a primary care doctor. Physicians who do accept Medicare patients are losing money with each visit, as the cost of providing care exceeds the federal reimbursement rate.

We can't wait for the federal government to fix Medicare; instead, we need to act today. This legislation will immediately improve seniors' access to primary care services in Alaska.

SB 87 establishes a grant fund for health care providers serving Alaskans who are sixty-five years of age or over. The grants will be paid to medical providers that increase primary care access for Alaska's seniors. All health care providers - including physicians, nurse practitioners, and physician assistants - would be eligible for grants.

Access to primary care improves health outcomes and reduces medical costs. Instead of waiting for small ailments to become serious problems, primary care prevents expensive medical treatments. Instead of requiring an emergency room visit, primary care keeps our seniors healthy.

Without this bill, doctors can't afford to provide seniors with these crucial preventative services. For most primary care visits, a physician receives \$60 less from Medicare than they receive from private health insurance. In some instances, physicians lose well over \$100 per visit.

This legislation is an ounce of prevention that will prevent the need for a pound of cure. It makes fiscal sense. Our seniors have paid into the Medicare system all their life. I urge your support of this legislation, to make sure that our seniors receive the care that they deserve.

SENATOR FRENCH explained that Senator Begich was able to insert a provision that states would be able to make up difference in Medicare payments.

ANDY MODEROW, staff to Senator French, went through a sectional analysis of SB 87 as follows:

- Section 1 of this bill, on page 1, lines 5-7, provides a short title for the act. That title is the Alaska Medical Care for Seniors Act.
- Section 2 of the bill, starting on page 1, line 8, adds a new article in title 18, which pertains to Health, Safety and Housing.
- Section 18.28.200 establishes this grant program in the department of commerce, community and economic development. The goal is outlined by the second part of subsection (a), which states the purpose of the law is to assist in the provision of primary medical care for seniors by health care providers in this state.
- Health care provider is described on page 2 of the bill, and includes physicians, osteopaths, physician assistants, nurses, physical therapists, occupational therapists or chiropractors licensed in Alaska and qualified to provide primary care services.

-Section 18.28.200(b) on page 1 lines 13-14 directs the department to award grant funding to eligible providers, if funding is made available.

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-Section 18.28.200(c) starts on page two line 1, and requires the department to adopt regulations that carry out the program. It requires that these regulations match federal law, and include (in the order listed in the bill):

- An application and award procedure
- Eligibility requirements based on the lack of ability for the provider to receive adequate compensation for their services
- Proof that a grant is necessary to increase primary care availability
- A priority for providers that serve a high percentage of medically underserved populations where patients over 65 have been turned away.
- A 'bang for your buck' provision that gives priority to providers which will show the greatest increase of patients for the lowest grant amounts
- Any other requirements to carry out this program.

-Section 18.28.200(d) - now we are on page 2, lines 16-20 - specifically disallows grant funds being used to supplement the care of patients with public or private health coverage that adequately compensates an applicant for primary care, as defined by the Department of Health and Social Services commissioner.

-Section 18.28.200(e) allows for DCCED to consult with and enter agreements to DHSS, to the extent permitted by law.

-Section 18.28.200(f) provides definitions in this legislation - we've discussed them above.

Finally on page 3, line 1, Section 3 of the bill provides Revisor instructions.

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SENATOR PASKVAN, focusing on language on page 2, lines 13-14, asked if the health care provider charges just \$10 more, would they have a higher priority to get the grant than another provider that wants \$50 more. He wanted to know how that would work.

SENATOR FRENCH replied it's not just the lowest price that they are willing to do the job for, but someone who can demonstrate the greatest increase in service for the lowest grant amounts. So, it's a combination of, "I'll see X many more patients for X many dollars."

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PAT LUBY, Advocacy Director, AARP Alaska, supported SB 87 creating a grant system that would provide a method for the state to supplement federal Medicare reimbursement. He said many Medicare beneficiaries cannot find a primary care provider. Physicians and advanced nurse practitioners lose money when they see a Medicare beneficiary. They hope SB 87 will provide enough of an incentive so that primary care providers will see more Medicare beneficiaries and stop turning patients away when they reach their 65th birthday.

SENATOR DAVIS asked the Department of Health and Social Services (DHSS) representative how he felt about the bill.

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JON SHERWOOD, Medicaid Special Projects, Division of Health Care Services, Department of Health and Social Services (DHSS), said he was prepared to talk about the DHSS' role in this bill. Under SB 87 the primary responsibility is with Department of Commerce, Community and Economic Development (DCCED). A specific provision in the federal law the sponsor referenced would prohibit the State Medicaid Agency (his department) from operating this grant program. The bill gives them a role to help identify medically underserved populations and look at adequate reimbursement. They are comfortable in working with DCCED to fulfill those functions.

SENATOR DAVIS asked him why federal law prohibits DHSS from administering this.

MR. SHERWOOD answered that the federal Affordable Care Act and its amendments provide that the grant program cannot be operated by the state Medicaid agency.

SENATOR DAVIS asked if it could be done now because the law was changed, that it has to be done by some other agency.

MR. SHERWOOD said that was correct.

SENATOR PASKVAN asked if he saw a need for this type of service - to increase the number of people who might receive care.

MR. SHERWOOD replies yes. They have received complaints and observations from dual eligible Medicaid/Medicare beneficiaries that they have trouble accessing primary care in many of the major communities. Typically for doctors in the state of Alaska, Medicaid pays more than Medicare, but under the rules for Medicare, the state can't pay a Medicare provider more than the Medicare-allowed amount. So, it limits the state even for their dual eligibles.

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CHAIR EGAN thanked him for testifying and said he would hold the bill for further hearing. Finding no further business to come before the committee, he adjourned the meeting at 2:24 p.m.