

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

January 22, 2013

3:03 p.m.

**MEMBERS PRESENT**

Representative Pete Higgins, Chair  
Representative Wes Keller, Vice Chair  
Representative Benjamin Nageak  
Representative Lora Reinbold  
Representative Paul Seaton  
Representative Geran Tarr

**MEMBERS ABSENT**

Representative Lance Pruitt

**COMMITTEE CALENDAR**

PRESENTATION: DEPARTMENT OF HEALTH AND SOCIAL SERVICES

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

WILLIAM STREUR, Commissioner  
Office of the Commissioner  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Presented a PowerPoint overview of the Department of Health and Social Services.

**ACTION NARRATIVE**

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**CHAIR PETE HIGGINS** called the House Health and Social Services Standing Committee meeting to order at 3:03 p.m. Representatives Higgins, Seaton, Reinbold, Nageak, Keller, and Tarr were present at the call to order.

**Presentation: Department of Health and Social Services**

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CHAIR HIGGINS announced that the only order of business would be a presentation by the Department of Health and Social Services.

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WILLIAM STREUR, Commissioner, Office of the Commissioner, Department of Health and Social Services (DHSS), introduced members of the Department of Health and Social Services who were present, including Wilda Laughlin, Ree Sailors, Melissa Stone, Duane Mayes, Dave Cote, and Ron Kreher.

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COMMISSIONER STREUR introduced a PowerPoint, titled "Innovation & Change," and directed attention to slide 1, an organizational chart of the Department of Health and Social Services (DHSS). He reported that there were 3600 employees, with a budget of \$2.6 billion. He pointed out that the search to fill the vacancies of both the Deputy Commissioner for Medicaid and Health Care Policy, and the Assistant Commissioner for Finance Management Services were moving along. He shared his philosophy: "I'm going to hire right, I'm not going to hire to fill the position and put a body in place."

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COMMISSIONER STREUR moved on to slide 2, "Priorities," and commented that this priority system would be responsive to the needs and expectations of the state residents. Noting that each priority had equal weighting, he listed the first of three priorities: Health & Wellness across the Lifespan, pointing out that, although there was an aging population in Alaska, it was necessary to provide for the next generation, as well. He reported that 80 percent of our health care expenditures occurred in the last 10 years of our lives. He directed attention to the second priority: Health Care Access, Delivery and Value. He declared that it was necessary to reach out, and ensure that quality, cost efficient services were available to everyone in the state. He noted that the third priority, Safe and Responsible Individuals, Families, & Communities, included Medicaid, children's services, and public health.

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COMMISSIONER STREUR addressed slide 3, "Priority 1: Health & Wellness Across the Lifespan," and noted that it was necessary to promote and protect the health of Alaskans, while providing quality of life in a safe living environment.

COMMISSIONER STREUR, commenting on slide 4, "Priority 2: Health Care Access, Delivery and Value," said that it was necessary to manage health care coverage for Alaskans in need, and to facilitate access to affordable health care for Alaskans.

COMMISSIONER STREUR continued on with slide 5, "Priority 3: Safe and Responsible Individuals, Families, and Communities," listing these core services: Strengthen Alaskan families, protect vulnerable Alaskans, and promote personal responsibility and accountable decisions by Alaskans. He clarified that it was necessary to include the residents of Alaska in health care discussions with the payers and the providers.

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COMMISSIONER STREUR emphasized his "Service Philosophy," slide 6, stating: "Deliver the right care to the right person at the right time for the right price." He shared an anecdote of hearing his philosophy stated at a national meeting.

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COMMISSIONER STREUR moved on to slide 7, "Chart in millions of dollars," and reported that there were health expenditures not only for Medicaid, but also for Corrections, Workers Compensation, and Alaska Care. He declared that it was necessary to maximize the more than \$2 billion spent on health care by working with the providers for more efficient, cost effective care. He reflected on his aforementioned priorities, stating that these were now measured by the effectiveness and efficiency of each division. He revealed that measurement had previously been reflected in "138 pages of deliverables, where we report a whole bunch of numbers and don't really say anything."

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COMMISSIONER STREUR indicated slide 8, "Alaska Pioneer Homes," and called them "one of the greatest experiments that Alaska has done." He noted the services, the home environment, and the protection for its residents and declared these to be a great

resource for Alaskans. He shared that Alaskans always voiced support for the Pioneer Homes during budget discussions.

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COMMISSIONER STREUR discussed slide 9, "Division of Behavioral Health," stating that behavioral health issues affected everyone, whether it was substance abuse, mental health services, suicide, or fetal alcohol syndrome. He noted that innovation was going to be a major aspect for moving forward with these issues.

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COMMISSIONER STREUR moved on to slide 10, "Office of Children's Services," declaring that its director, Christy Lawton, had "the toughest job in the department and that includes my job." He shared that often almost any course of action the division pursued would be called into question. He allowed that a major challenge was to protect the social workers, as even the Alaska State Troopers would not go alone into homes with the potential situation for domestic violence. He declared that there would be a push to better equip the social workers, the children, and the families for their own protection and safety. He announced that "safe children, strong families" would be the theme.

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COMMISSIONER STREUR directed attention to slide 11, "Division of Juvenile Justice," and established that the juvenile facilities throughout Alaska were treatment centers for juveniles. He reported that the centers were investigating the trauma experiences of the juveniles, in order to better address their needs. He shared that this informed care had led to major reductions in negative incidences within the facilities. He endorsed the two focuses: rehabilitation and return to a home environment.

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COMMISSIONER STREUR introduced slide 12, "Division of Health Care Services," reporting that the majority of hospital services, physician services, and Medicaid were paid through this division. He noted the importance of work with the tribal partners and access from the communities.

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COMMISSIONER STREUR directed attention to slide 13, "Division of Public Assistance," and explained that this division managed a wide range of programs, including Adult Public Assistance, Child Care, Chronic and Acute Medical Assistance, Denali Kid Care, and Food Stamps.

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COMMISSIONER STREUR, addressing slide 14, "Division of Public Health," stated that Chief Medical Officer Dr. Ward Hurlburt and Acting Director Kerre Fisher were administering the division. He noted that this division ensured that immunizations were being provided.

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COMMISSIONER STREUR reviewed slide 15, "Senior and Disabilities Services," and stated that this was the fastest growing population in Alaska, having grown by more than 70 percent according to the most recent census, compared to the national increase of 15 percent. He declared that this significantly aging population contributed to the cost increases, the complexities, and the challenges encountered in dealing with seniors, disabled, and personal care attendant operations, and that it could eclipse the Medicaid budget.

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COMMISSIONER STREUR affirmed that the vision of the Department of Health and Social Services was for Alaskan individuals, families and communities to be safe and healthy (slide 16).

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COMMISSIONER STREUR, in response to Representative Tarr, said that DHSS was unclear as to the direction of many federal programs. He stated that indications in some areas such as adoption, children's services, and foster care were that funding was decreasing.

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REPRESENTATIVE NAGEAK, referring to the Pioneer Homes, suggested that there needed to be a partnership for senior support among areas of the state, as space to care for the elderly was limited. He declared that there were not enough beds in his

district to care for all the elders, and that it became necessary to send them to other areas. He shared that his personal platform was to encourage intervention for potential suicides. He urged people to "butt in," "be rude," and "talk to them" if they encountered someone who was despondent. He emphasized the necessity to talk and to confront this issue, especially with the young people, and to tell them "they are wanted; they are needed; especially in Bush Alaska."

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REPRESENTATIVE REINBOLD asked about any effects of the Patient Protection and Affordable Care Act on the Department of Health and Social Services.

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COMMISSIONER STREUR, in response, said that Medicaid expansion in Alaska would add at least 40,000 people to the program, and, although the federal government would pick up the cost of care, the State of Alaska would incur the associated infrastructure cost. He noted that a new eligibility information system was being implemented for enrollment. He expressed his desire for more time to allow completion of the new enrollment system. He reported that the current system would continue to enroll individuals, but this 30 percent increase to Medicaid enrollees would add significant costs. He estimated annual operating costs of \$5-\$8 million with an increased expense to \$33-\$40 million in 2019, when the state would assume responsibility for 10 percent of the cost of care. Directing attention to the federal health care exchange, he confirmed that the State of Alaska had decided to pursue the federal option, as the state option would have included \$5-\$8 million in operating expenses for "a relatively small number of lives to enroll;" whereas, the federal option would be paid by the federal government. He declared that DHSS was presently evaluating Medicaid expansion. He affirmed that although federal support would be 100 percent in 2014-15, and would decline to 90 percent in 2019, it was unclear what the payments would be beyond this date. He compared this to the current federal Medicaid expense support of 50 percent.

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REPRESENTATIVE REINBOLD asked how many people were currently enrolled in Medicaid in Alaska.

COMMISSIONER STREUR, in response, said that 135,000 individuals were currently enrolled in Medicaid, with an estimated 40,000 more to be added. He assessed that the "woodwork effect," those individuals who were eligible for Medicaid but had not signed up, included an estimated 7700 individuals.

REPRESENTATIVE REINBOLD asked if this included Denali KidCare.

COMMISSIONER STREUR explained that Denali KidCare was a part of the Medicaid program.

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REPRESENTATIVE SEATON reflected on a State of Alaska resolution, House Concurrent Resolution 5, unanimously adopted in 2011, which had declared that prevention of disease would be the primary model for health care. He pointed out that this resolution also recognized the potential of Vitamin D as an aid in the prevention of disease. He announced that the Department of Administration had recognized the cost savings and now offered free Vitamin D testing. He asked what the Department of Health and Social Services had done to promote the prevention of disease model for health care, as well as to create awareness for the value of Vitamin D, as determined in House Concurrent Resolution 5.

COMMISSIONER STREUR offered his belief that this had been previously discussed with Dr. Hurlburt, who, as the Director of the Division of Public Health, would be in charge. He stated that awareness bulletins had been issued immediately after passage of the resolution, and he opined that there had been a subsequent follow up. He reported that neither active promotion, prescription, nor testing had occurred.

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REPRESENTATIVE SEATON, referring to a recent US military study on suicide of veterans, reported that veterans with the lowest levels of vitamin D were twice as likely as those with higher levels to successfully commit suicide. He asked if the suicide prevention methods in Alaska included reviews of Vitamin D.

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COMMISSIONER STREUR replied that he was not aware of this military study. He offered to get back to the committee with an answer.

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CHAIR HIGGINS, referring to the Division of Seniors and Disabilities Services, asked if the increase in cost was a result of the cost of service, or the number of people served.

COMMISSIONER STREUR, in response, said that there had been an increase to both the cost of services and those accessing the services. He offered his belief that this upward trend had been occurring for the past five years.

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REPRESENTATIVE REINBOLD asked to compare the difficulty for enrollment between the State of Alaska programs and those of other states. She also asked who was the director for the Medicaid programs.

COMMISSIONER STREUR asked for clarification for what to compare.

REPRESENTATIVE REINBOLD asked to compare the eligibility and the length of the programs. She opined that the number of Medicaid enrollees seemed excessive given the size of the general population. She asked if the Medicaid enrollment was the result of lack of jobs, or lack of employee health insurance.

COMMISSIONER STREUR clarified that the Medicaid enrollment in Alaska was "about average." He stated that Alaska Medicaid enrollment ranged from 18-20 percent of the population, whereas the national average was 16-24 percent. He pointed out that enrollment in Alaska had "a bit of an uptick the last couple of years," which he attributed to "the recession in the Lower 48." He reported that enrollment had "flattened out now again," and he expressed his hope that the enrollment would remain "flattened out." He offered to provide the statistics over the previous five years.

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REPRESENTATIVE NAGEAK, referring to the earlier discussion regarding the effectiveness and efficiency of each division, asked if there had been an assessment for each division within DHSS.

COMMISSIONER STREUR reported that there had been an assessment, stating "that's a continuing, unfolding thing." He explained

that the aforementioned 138 pages of performance measures were now used in conjunction with the earlier discussed three priorities for evaluation of each division.

REPRESENTATIVE NAGEAK asked if these studies had reflected effectiveness, and were there any resulting changes to the programs.

COMMISSIONER STREUR replied that "the intent of the entire program is to do just that; to begin to take a look at, is it effective and is it efficient." He expressed the desire to review all the DHSS programs for value and quality, and to measure each for effectiveness. He opined that it was necessary for the division directors to embrace and support these studies.

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REPRESENTATIVE TARR asked to clarify that the federal government reimbursement for Medicaid was 50 percent. She also asked for the income guidelines for Medicaid.

COMMISSIONER STREUR offered to provide the guidelines, noting that it was based on a variety of factors.

REPRESENTATIVE TARR asked if the Medicaid rate in Alaska was based on the federal poverty rate.

COMMISSIONER STREUR replied that he did not know.

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CHAIR HIGGINS, recounting his work as a health care professional, expressed his appreciation for the efforts of the Department of Health and Social Services. He opined that this department "was one of the best in the nation, and I'd like to see it kept that way." He suggested that there were some bureaucracy issues to be addressed.

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#### **ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 3:48 p.m.