

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 4, 2013

3:02 p.m.

MEMBERS PRESENT

Representative Pete Higgins, Chair
Representative Wes Keller, Vice Chair
Representative Benjamin Nageak
Representative Lance Pruitt
Representative Lora Reinbold
Representative Paul Seaton

MEMBERS ABSENT

Representative Geran Tarr

COMMITTEE CALENDAR

CONFIRMATION HEARING(S):

Alaska State Medical Board

Dr. Grant Roderer - Anchorage

- CONFIRMATION(S) ADVANCED

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 38(FIN)

"An Act extending the termination date of the State Medical Board; relating to the executive secretary of the State Medical Board; and providing for an effective date."

- MOVED CSSB 38(FIN) OUT OF COMMITTEE

PRESENTATION: ALASKA HEALTH WORKFORCE COALITION

- HEARD

PRESENTATION: AFFORDABLE CARE ACT

- HEARD

HOUSE BILL NO. 134

"An Act requiring Medicaid payment for scheduled unit dose prescription drug packaging and dispensing services for specified recipients."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 38

SHORT TITLE: EXTEND STATE MEDICAL BOARD

SPONSOR(s): SENATOR(s) OLSON

01/25/13	(S)	READ THE FIRST TIME - REFERRALS
01/25/13	(S)	L&C, FIN
02/07/13	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/07/13	(S)	Heard & Held
02/07/13	(S)	MINUTE(L&C)
02/19/13	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/19/13	(S)	Moved SB 38 Out of Committee
02/19/13	(S)	MINUTE(L&C)
02/20/13	(S)	L&C RPT 4DP 1NR
02/20/13	(S)	DP: DUNLEAVY, ELLIS, STEDMAN, MICCICHE
02/20/13	(S)	NR: OLSON
03/14/13	(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/14/13	(S)	Moved CSSB 38(FIN) Out of Committee
03/14/13	(S)	MINUTE(FIN)
03/15/13	(S)	FIN RPT CS 7DP NEW TITLE
03/15/13	(S)	DP: KELLY, MEYER, HOFFMAN, DUNLEAVY, FAIRCLOUGH, BISHOP, OLSON
04/02/13	(S)	OLSON CHANGED L&C RECOMMENDATION FROM NR TO DP
04/02/13	(S)	TRANSMITTED TO (H)
04/02/13	(S)	VERSION: CSSB 38(FIN)
04/03/13	(H)	READ THE FIRST TIME - REFERRALS
04/03/13	(H)	HSS, FIN
04/04/13	(H)	HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

GRANT RODERER, M.D.
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the confirmation hearing for his appointment to the Alaska State Medical Board.

DAVID SCOTT, Staff
Senator Donny Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 38 on behalf of the bill sponsor, Senator Olson, and answered questions.

DON HABEGGER, Director
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community & Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during discussion of SB 38.

ED HALL, Former Chair
Alaska State Medical Board
Anchorage, Alaska

POSITION STATEMENT: Answered questions during discussion of SB 38.

KATHY CRAFT, Coordinator
Alaska Health Workforce Coalition
Fairbanks, Alaska

POSITION STATEMENT: Presented a PowerPoint titled, "Alaska Health Workforce Coalition."

DELISA CULPEPPER, COO
Alaska Mental Health Trust Authority
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint titled, "Alaska Health Workforce Coalition."

KATY BRANCH, Director
Alaska's Area Health Education Center (AHEC)
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint titled, "Alaska Health Workforce Coalition."

ILONA FARR, M.D.
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint titled "ACA Impacts on Medical Care in Alaska, Exchanges and Medicaid Expansion."

ACTION NARRATIVE

[3:02:52 PM](#)

CHAIR PETE HIGGINS called the House Health and Social Services Standing Committee meeting to order at 3:02 p.m. Representatives Higgins, Reinbold, and Nageak were present at

the call to order. Representatives Seaton, Pruitt, and Keller arrived as the meeting was in progress.

CONFIRMATION HEARING(S):
Alaska State Medical Board

[3:03:44 PM](#)

CHAIR HIGGINS announced that the first order of business would be the confirmation hearings for the Alaska State Medical Board.

[3:04:49 PM](#)

CHAIR HIGGINS noted that any signing of a confirmation committee report did not reflect the intent of any member of the committee to vote for or against an individual in any further session for the purpose of confirmation.

[3:05:08 PM](#)

GRANT RODERER, M.D., said that his medical specialty was for pain management and prescription opioids, and that he wanted to assist with public safety in Alaska and the decisions for licensing and disciplining physicians.

[3:07:06 PM](#)

REPRESENTATIVE KELLER moved to advance the confirmation for Dr. Grant Roderer to the Alaska State Medical Board referred to the House Health and Social Services Standing Committee for consideration to the joint session of the House and Senate for consideration. He noted that each member's signature on the committee's report in no way reflects the member's vote during the joint floor session. There being no objection, the confirmation was advanced.

[3:07:45 PM](#)

The committee took a brief at-ease.

SB 38-EXTEND STATE MEDICAL BOARD

[3:09:06 PM](#)

CHAIR HIGGINS announced that the next order of business would be CS FOR SENATE BILL NO. 38(FIN), "An Act extending the termination date of the State Medical Board; relating to the

executive secretary of the State Medical Board; and providing for an effective date."

3:09:16 PM

DAVID SCOTT, Staff, Senator Donny Olson, Alaska State Legislature, explained that SB 38 extended the sunset date for the State Medical Board through 2020. He reported that the Legislative Audit Division had reviewed the activities of this board, concluded that this board was serving in the public interest, and recommended for an extension to the sunset date. He detailed that the State Medical Board was responsible for the licensing, regulation, and discipline of physicians, podiatrists, physician assistants, and paramedics. He reported that the Board had two full time employees, and the operating costs associated with the Board were paid by revenue generated from license fees. Directing attention to the committee substitute for the proposed bill, which had been added in the Senate Finance Committee, he reported that there had been a request to increase the salary of the executive secretary to the Board, which was reflected on page 1, lines 7 - 10. He pointed out that a fiscal note was not necessary as the Board had unanimously agreed to raise its fees to cover this additional expense.

3:11:02 PM

REPRESENTATIVE REINBOLD asked if the annual expense of almost \$500,000 requested in the fiscal note was a reflection of past expenses.

MR. SCOTT replied that this was his understanding.

REPRESENTATIVE REINBOLD offered her belief that it was the same, but that she wanted confirmation.

3:11:56 PM

REPRESENTATIVE REINBOLD asked to clarify whether the fiscal note for SB 38 [Included in members' packets] reflected any increase, and if it was indeed paid by revenue generated by the licensing fees.

DON HABEGGER, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community & Economic Development, in response to Representative Reinbold, said that "this is a traditional fiscal note for a sunset

review." He stated that fees were collected from licensees for application and renewal, and were used to pay for supported services.

CHAIR HIGGINS asked to clarify if "they were paying their way."

MR. HABEGER offered agreement, and, in response to Representative Reinbold, said that there was a slight increase to the salary range, which would be covered by an adjustment to the licensing fees.

[3:13:33 PM](#)

CHAIR HIGGINS opened public testimony.

[3:13:47 PM](#)

ED HALL, Former Chair, Alaska State Medical Board, said that the Alaska State Medical Board had unanimously supported the extension of the sunset, as well as the increase to the salary of the executive secretary. He pointed out that the Alaska State Medical Board had annually "rolled over" more than \$1 million. He pointed out that the duties of the executive secretary, as well as the licensing examiner, were expanding with the increase to the number of licenses in Alaska. He clarified that he had just retired as chair of the board on March 1, 2013.

[3:15:31 PM](#)

MR. HALL, in response to Chair Higgins, said that he did not know the amount of the fee increase, and that the current fees varied for each professional occupation.

[3:16:14 PM](#)

CHAIR HIGGINS closed public testimony.

[3:16:43 PM](#)

REPRESENTATIVE KELLER moved to report CSSB 38(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 38(FIN) was reported from the House Health and Social Services Standing Committee.

[3:17:00 PM](#)

The committee took a brief at-ease.

Presentation: Alaska Health Workforce Coalition

[3:18:42 PM](#)

CHAIR HIGGINS announced that the next order of business would be a presentation by the Alaska Health Workforce Coalition.

[3:19:20 PM](#)

KATHY CRAFT, Coordinator, Alaska Health Workforce Coalition, said that the Alaska Health Workforce Coalition was a public and private partnership with both government and industry entities. She listed the membership to include: Alaska State Hospital & Nursing Home Association, the Alaska Workforce Investment Board, the Alaska Mental Health Trust Authority, the University of Alaska, the Alaska Health Education Center, and the Department of Health and Social Services, slide 3, "Alaska Health Workforce Coalition, Leadership." She stated that this policy group met to assist workforce efforts. She shared slide 4, "Coalition Approach," depicting the infrastructure, which was built around a base of workforce data. She noted that the group had focused on six occupational priorities, and six systems change and capacity building issues to help build a qualified health workforce.

[3:21:35 PM](#)

MS. CRAFT addressed slide 5, "Priority Occupations Determination," which listed the plan adopted by the Workforce Investment Board in 2010, with a subsequent action agenda from 2012 - 2015. She shared that there were 43 objectives, with 31 currently on target, and 6 already completed. She noted that the majority of the action agenda would be completed prior to 2015, and a new tier of priorities would be selected based on the vacancy study.

[3:22:26 PM](#)

MS. CRAFT directed attention to slide 6, "Environmental Factors," and stated that several environmental factors affected health, including growing industries, an aging population and workforce, and a national recession.

[3:23:08 PM](#)

DELISA CULPEPPER, COO, Alaska Mental Health Trust Authority, introduced slide 7, "Value-Added Health Services," noting that it was a large industry with a long history of working together. She pointed out that, as Alaska did not have the economy of scale, focus was necessary to meet health care needs in the most efficient, effective way. She declared the need for a trained, accessible, quality workforce in all of the communities, noting, however, that the training was not always available in Alaska and that recruitment was often difficult. She stated that health service needed to be safe, effective, efficient, personalized, timely, and equitable across the state.

[3:24:34 PM](#)

MS. CULPEPPER presented slide 8, "Value-Added Health Services," stating that it was necessary to have the appropriate, available workforce, which was also prepared for the future with continuing education. She explained that, although it was not always possible to be served by the doctor, there were other professionals and technicians who were equally qualified for many health care needs.

[3:25:58 PM](#)

MS. CULPEPPER offered slide 9, "Employment Growth," and she defined health care as the largest growing sector in Alaska and the nation for the past 10 years, and also projected to be for the next 10 years. She furnished slide 10, "Fast-Growing Jobs," and noted that although the overall growth in Alaska was projected to be more than 12 percent from 2010 to 2020, the growth in the health care industry was projected to be far greater. She shared slide 11, "Health Care Industry Impact," which noted the health care employment and total wages in various regions of Alaska.

[3:27:14 PM](#)

MS. CULPEPPER indicated slide 13, "Preparing Health Care Workers," and discussed the training by required education level for health care jobs. She listed short term, on the job training, vocational training, and advance level degrees, both academic and non-academic training.

[3:28:08 PM](#)

MS. CRAFT called attention to slide 14, "Action Agenda, 2012-2014," which listed the six occupational priorities that the coalition had focused on over the past eighteen months.

MS. CULPEPPER declared that a strength of the coalition was to recognize the commonalities of the workforce, and that the systems that served them needed the correct policies for support.

[3:29:16 PM](#)

REPRESENTATIVE NAGEAK asked if the professional training, workforce recruitment, and information for Alaska youth would be on-going.

MS. CRAFT replied that, as systems change, it became necessary for capacity building to be ongoing, across all the occupations. She said that training and professional development would be ongoing to engage and prepare Alaska youth for health careers.

MS. CULPEPPER emphasized the need to "grow our own."

MS. CULPEPPER, in response to Representative Nageak, said that Alaska needed a system to make the ongoing certification and accreditation available. She said that there were strategies to make this happen.

[3:32:06 PM](#)

MS. CRAFT assessed slide 15, "Action Agenda Scoreboard," and slide 16, "FY12 Successes," which listed the status of the objectives and the successes of the coalition.

[3:32:24 PM](#)

KATY BRANCH, Director, Alaska's Area Health Education Center (AHEC), addressed slide 18, "Health Workforce Vacancy Study," and declared that the decisions and focuses relied on the relevancy and accuracy of the available data. She said that this was the third vacancy study and it incorporated the newly developed Alaska Standardized Health Occupations Taxonomy (AK SHOT), which correlated the myriad health occupations with the federal Department of Labor Standardized Occupation Classification (SOC) System. She defined the health workforce to include occupations relevant to primary care, behavioral health, dental, long term care, and other allied health occupations. She noted that the SOC system yielded a lot of

data which was used to project workforce needs and allowed planning for an adequately trained and highly qualified workforce. It was also possible to compare the data with other available data sets for a broader, more comprehensive picture of the needs and projections. She reported that the AK SHOT identified 164 occupations allowing comparison of "apples to apples across data sets."

[3:34:44 PM](#)

MS. BRANCH moved on to slide 19, "Magnitude of the Data," stating that the health force vacancy study reviewed health occupations across the regions of the state, and not just by industry. Slide 20, "Magnitude of the Data," reflected data from the industries which represented 90 percent of the health care workers in Alaska.

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REPRESENTATIVE NAGEAK asked if the data was concentrating on occupations in Rural Alaska, stating that several health care disciplines were needed for the prevalence of illnesses, which included diabetes, cancer, and dental. He asked for a program to relieve these problems, as few health care professionals stayed very long in the villages.

[3:38:13 PM](#)

MS. BRANCH opined that it was necessary to keep the data separate for rural and urban areas. She noted that it was also possible to compare the separation rates by occupation and region, in order to determine the work force need. She reported that one question from the vacancy study queried the number of workers by occupation who were working on a temporary basis, even though the employer preferred a regular employee. She relayed that temporary employees were often paid at a higher rate to meet the needs of that region, especially when a regular employee was not available.

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MS. BRANCH referred back to slide 20, "Magnitude of the Data," which listed health related occupations within the grand total of workers statewide, by industry type.

CHAIR HIGGINS directed attention to slide 19, and asked about the difference in the grand total count and the count of health care workers in the sample.

MS. BRANCH explained that, as the employers reported to the DOL the number of workers, the sample had invited all the employers with at least 50 health care workers to respond. For companies having fewer than 50 health care workers, the Coalition had polled a random sample, which reflected in the lower number.

[3:41:04 PM](#)

MS. BRANCH said that data collection had ended at the beginning of March, and they were in the process of reviewing and running the data analysis, slide 21, "Anticipated Outcomes." She stated that subsequently a report and a presentation would be available, and the Department of Labor & Workforce Development and the Alaska Health Care Workforce Coalition would use it extensively to drive resource allocation, program development, and identification for high needs occupations.

[3:42:40 PM](#)

MS. BRANCH declared that they were working to make AK SHOT replicable in other industries, and to develop even closer communication between industry and the Department of Labor & Workforce Development. She noted, as there was a need to protect the identity of the respondents to the survey, that small sample bases were suppressed, and reported at a higher level.

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CHAIR HIGGINS asked about the funding source.

MS. CULPEPPER, in response, said that it had been started by the coalition, ASHNA, and the University of Alaska, but that currently the Trust was the sole funder. She shared that a merger and new agreements were being discussed, so that federal grants, and the corresponding agendas, would not have to be depended upon.

[3:44:44 PM](#)

CHAIR HIGGINS asked about the distribution of the information which the group collected.

MS. CRAFT explained that there were three levels of involvement: a core of eleven policy leaders, which met monthly; a coalition of champions for the various objectives, which met quarterly; and, a larger independent stakeholder base who were invited to the coalition meetings and would vary its individual involvement depending on the immediate action agenda for occupations and systems.

MS. CULPEPPER clarified that the group was also working on issues that were not directly represented by the core group.

[3:47:12 PM](#)

CHAIR HIGGINS asked if the coalition would advocate for preventive measures, if that was what the data suggested. He offered an example of items available for purchase under the federal food stamp program, which, he opined, should not be included in that program.

[3:47:59 PM](#)

MS. CULPEPPER replied that the coalition only worked with the work force issues.

MS. CRAFT, in response to Chair Higgins, said that the core team met on the fourth Wednesday of every month, and that the coalition would next meet on June 13. She explained that the meetings were also video and tele-conferenced.

[3:48:53 PM](#)

CHAIR HIGGINS asked if the House Health and Social Services Standing Committee members could attend.

MS. CULPEPPER replied that the meetings were open to the public, and that the group was trying to embrace new stakeholders and new priorities.

[3:49:50 PM](#)

MS. CRAFT declared that the director position was necessary to keep the program focused and moving forward.

MS. CULPEPPER expressed her support for dedicated staffing.

[3:51:17 PM](#)

MS. CRAFT offered to include the House Health and Social Services Standing Committee to the contact list.

MS. CULPEPPER shared that an additional 152 page report with all the details of the strategies and objectives was available.

[3:51:49 PM](#)

The committee took an at-ease from 3:51 p.m. to 3:57 p.m.

Presentation: Affordable Care Act

CHAIR HIGGINS announced that the next order of business would be a presentation by Dr. Ilona Farr on the Affordable Care Act.

[3:57:30 PM](#)

ILONA FARR, M.D., directed attention to a PowerPoint titled, "ACA Impacts on Medical Care in Alaska, Exchanges and Medicaid Expansion," and presented slide 1, "Access to Care." She read that Medicare would no longer pay for services ordered by un-enrolled providers. She expressed concern for the possibility for lack of coverage to other services for Medicare patients.

DR. FARR, in response to Chair Higgins, said that this ruling had been made by the federal Department of Health and Human Services, and started on March 1. She explained that an un-enrolled provider could no longer include laboratory services, x-rays, durable medical goods, consultations, and some pharmaceuticals for reimbursement.

CHAIR HIGGINS clarified that an un-enrolled provider to Medicare would not be reimbursed for billings. He asked to clarify that it was necessary for a provider to be enrolled with Medicare to get reimbursed.

DR. FARR said that physicians who were licensed providers in the State of Alaska, but not enrolled in Medicare, were paid directly by the patient.

[3:59:39 PM](#)

DR. FARR said that lab tests by an un-enrolled provider had previously been paid by Medicare, but this was no longer the case. She spoke about the [health] exchanges, stating that there was now a 15 - 60 page application, with limits on eligibility, and limits to which insurance companies could

participate. She expressed her concern for the limitations to the current insurance companies in Alaska. She acknowledged that there would be incremental repayments for any subsidies for which the personal income becomes higher than estimated in the initial application.

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DR. FARR reported that employers with more than 50 employees were cutting back on hours or days of employee work time, in order to avoid the payment for health insurance. She opined that there would be penalties or fines for not having the appropriate insurance. She suggested that health savings accounts be modeled after the Healthy Indiana Program, as it offered a much better option for less cost and less fraud with better outcomes, and that these be linked to the permanent fund as a way to less expensively cover more people, and allow them to be in charge of their own health care.

DR. FARR moved on to slide 2, "Increasing Costs," and stated her concern that a state could not opt out once it expanded Medicaid. She shared that attorneys general from other states had also expressed concerns. She stated that federal funding was only guaranteed for the first three years, and expressed her concern for the current federal unfunded liability. She estimated that annual costs to the state could range from \$68 million to \$278 million with Medicaid expansion. She stated her support for health coverage, but she offered her belief that an increase to Medicaid coverage would increase private sector and private insurance costs, because of cost shifting. She reported that Blue Cross had estimated a 30 - 70 percent increase of premiums. She offered her belief that, by 2018, private insurance in Alaska would be taxed 40 percent. She declared that the Patient Protection and Affordable Care Act (PPACA) would require more coverage of services by the insurance companies, so that premiums would increase. She summarized that the expansion of Medicaid would increase the cost to the state and the federal government, which would be paid by an increase in taxes, fees, and penalties. She opined that this would be a burden on taxpayers, companies, and private individuals. She reported that Rhode Island was researching the use of block grants as an alternative, and a means for savings.

[4:06:25 PM](#)

DR. FARR presented slide 3, "Problems with Medicaid," stating that a problem with Medicaid was that "many who need help fall

through the cracks." She offered a personal anecdote. She cited a recent study which determined that Medicaid patients had poorer outcomes than the uninsured.

[4:07:57 PM](#)

DR. FARR reported that many people were choosing not to get married in order to maintain Denali KidCare, even though the father of the child often had a high paying job. She said that some of her patients were deliberately unemployed, or under employed, to obtain Medicaid, although others who needed Medicaid were not able to qualify for it. She said that some people were moving to Alaska because of its robust Medicaid program, which covered more services.

[4:08:36 PM](#)

DR. FARR stated that 60 percent of Alaskans were now dependent on the federal government for services. She offered her belief that this was not sustainable. She noted that a smaller number of people were paying the actual cost of health care. She said that PPACA was transferring \$700 billion from Medicare to fund the health exchanges, which would require the coverage of elective procedures, as well as sex-change operations. She offered an anecdote about a discrepancy in the system for necessary services. She noted that there were confusing rules and regulations. She said that both the state and the federal government were removing decision making from patients and providers. She offered another anecdote about physicians closing their practices in Colorado because of low reimbursement rates.

[4:10:49 PM](#)

DR. FARR moved on to slide 4, "Exchanges," and said that the mandated exchanges had confusing requirements and a 60-page application. She opined that the health care exchanges would be expensive to set up and to run, and that there would be duplicative administrative costs. She indicated that Medicaid and the health exchange would restrict participation to those within 400 percent of the [federal] poverty level. She opined that, although there were not any penalties under the federal exchange to private companies for not meeting insurance requirements, there were penalties under the state exchanges, so that "it was smarter for us to go with federal exchanges." She stated that it was unclear for the cost or savings from the health exchanges.

4:13:06 PM

DR. FARR reviewed slide 5, "Providers," stating that there would soon be a shortage of providers in Alaska, as 50 percent of physicians were over the age of 50. She reported that it was necessary for 32 new doctors to practice in the Anchorage area annually, whereas there were currently only 8 new doctors each year. She offered her belief that an eventual goal of PPACA was for individual physician decisions for patients to be superseded by government protocols. She expressed her concern for the security and the efficiency of the electronic health records, while necessitating more staff. She observed that the number of medical codes would increase by 2014. She ascertained that she could now be audited and fined by 18 organizations, and she expressed her support for educational rather than punitive audits.

4:16:29 PM

REPRESENTATIVE REINBOLD asked her sister, Dr. Farr, for a definition to RAC and ACA.

DR. FARR replied that RAC were commission based audits and ACA was the Affordable Care Act.

REPRESENTATIVE REINBOLD asked when the coding changes would go into effect, and if there was concern for them driving up the costs of health care.

DR. FARR replied that the coding changes would go into effect for Medicare on October 1, 2014, while the insurance codes would go into effect on January 1, 2015. She opined that it would increase the costs of health care.

4:18:04 PM

REPRESENTATIVE NAGEAK stated that he had had a desire to say something since Dr. Farr began her presentation. He asked whether anyone would be speaking about the redeeming qualities of the PPACA and the Medicaid Expansion. He pointed out that Dr. Farr had not expressed any redeeming qualities for the legislation, and he opined that there must be something, "otherwise the government wouldn't be giving it to us, or offering it." He stated that he wanted to hear something positive, "instead of all this," and he offered his belief that what she was saying was not happening. He asked for information

as to what exactly the legislation would accomplish. He emphasized, "I don't think the federal government is gonna jam something down our throat that's bad for the state or the United States of America." He assessed that Rural Alaska would be impacted and hurt if this legislation was not accepted, as Rural Alaska depended on the federal government "because there's nothing else in the state. Who's taking care of these people in the villages, he asked. Nobody's taking care of those villages because there's no doctors, since there's a shortage of doctors in the villages." He expressed his desire to hear something positive, and reiterated "I don't think the federal government is gonna be jamming something down the throat that's gonna be bad for us."

[4:20:21 PM](#)

CHAIR HIGGINS said that he had "seen both sides of the story," and that it was necessary to listen to the presented information and personally debate it. He offered his belief that Dr. Farr was telling the truth.

REPRESENTATIVE NAGEAK stated his desire to hear an opposing opinion to Dr. Farr.

CHAIR HIGGINS said that there had already been two presentations from the other side, and that it was necessary to now listen to this side, to "keep an open mind, and we continue to move forward."

[4:21:02 PM](#)

CHAIR HIGGINS asked if state legislation could prevent the proposed commission based audits.

DR. FARR replied that these were federally mandated audits, and that many federal organizations were exempt from many of these regulations. She said that Medicare would soon require that physicians bill directly to hospitals in certain circumstances surrounding hospital visits, even if the physician visit was unrelated to the hospital visit, and that this would create confusion for billing. She assessed that underpayment by Medicare, Medicaid, insurance, and large corporations was driving independent practitioners out of business.

[4:23:00 PM](#)

DR. FARR indicated that federal mandates, limits on services, and required, but unnecessary, services had created ethical concerns with compliance. She suggested that many pro-life physicians would choose not to participate in the mandates, and that the need for additional pre-authorizations and increasing regulations would create problems.

[4:24:22 PM](#)

DR. FARR reviewed slide 6, "Summary," and stated that "ACA is a very expensive tax and regulatory bill, it's gonna drive private practitioner providers out of business, it's gonna increase insurance premiums and have a very detrimental impact on the economy of Alaska, especially in the private sector." She suggested that it would be necessary to limit Medicaid, and encourage the use of health savings accounts. She declared that the state health insurance exchanges were not a good idea, and that it was necessary to limit the rules, regulations, and punitive audits in order to control the costs. She declared that it was necessary to support programs for the training of medical providers, continue efforts toward liability reform, pass legislation to allow boutique practices, and support health care freedom acts that put the patient back in charge of their health care. She offered her belief that the PPACA was directed primarily toward the private sector.

DR. FARR offered slide 7, "Better Solutions than ACA," and indicated that block grants for Medicaid, educational audits, preventive care, school and Internet educational programs, and health savings accounts were all good directions. She advocated to allow tax right-offs for waivers for charity care, and to pass legislation to allow boutique practices. She reported a need to increase the vocational education programs for home care and other professional medical programs. She opined that payment of medical bills with VISA or debit cards would reduce costs. She stated that it was necessary for a health care freedom act in Alaska.

DR. FARR acknowledged that the PPACA was favorable to funding the Alaska Native Medical Center and its healthcare, and to "a subset of the Alaskan population, it really is a boon, and it really is going to help that subset." She shared that she had grown up in Rural Alaska, had worked with Indian Health Service, and that she wanted to see "good care for all people of Alaska."

[4:28:55 PM](#)

The committee took a brief at-ease.

CHAIR HIGGINS brought the committee back to order.

4:29:29 PM

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:29 p.m.