

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 13, 2014

3:05 p.m.

MEMBERS PRESENT

Representative Pete Higgins, Chair
Representative Wes Keller, Vice Chair
Representative Benjamin Nageak
Representative Lance Pruitt
Representative Paul Seaton
Representative Geran Tarr

MEMBERS ABSENT

Representative Lora Reinbold

COMMITTEE CALENDAR

HOUSE BILL NO. 269

"An Act providing immunity for certain licensed temporary health care providers who provide free health care services."

- MOVED CSHB 269(HSS) OUT OF COMMITTEE

HOUSE BILL NO. 281

"An Act relating to prescription of drugs by a physician without a physical examination."

- HEARD & HELD

PRESENTATION: FAIRBANKS RESOURCE AGENCY

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 269

SHORT TITLE: IMMUNITY FOR TEMP. HEALTH CARE PROVIDER

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

01/21/14	(H)	READ THE FIRST TIME - REFERRALS
01/21/14	(H)	HSS, JUD
02/13/14	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 281

SHORT TITLE: PRESCRIPTION WITHOUT PHYSICAL EXAMINATION
SPONSOR(s): REPRESENTATIVE(s) GATTIS

01/27/14 (H) READ THE FIRST TIME - REFERRALS
01/27/14 (H) HSS, L&C
02/13/14 (H) HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE STEVE THOMPSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 269 as the sponsor of the bill.

DAVID LOGAN
Legislative Committee and DAPAC Chair
Alaska Dental Society
Juneau, Alaska

POSITION STATEMENT: Testified during discussion of HB 269.

JULIE ROBINSON
Alaska Dental Society
Alaska Mission of Mercy
Anchorage, Alaska

POSITION STATEMENT: Testified in support of the bill during discussion of HB 269.

RANDI SWEET, Director
Health Impact
United Way of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of the bill during discussion of HB 269.

REPRESENTATIVE LYNN GATTIS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 281 as the sponsor of the bill.

REID HARRIS, Staff
Representative Lynn Gattis
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions for the bill sponsor, Representative Lynn Gattis, during the introduction of HB 281.

HENRY DEPHILLIPS, Corporate Chief Medical Officer
Teladoc
Greenwich, Connecticut

POSITION STATEMENT: Testified during discussion of HB 281.

EMILY ENNIS, Executive Director
Fairbanks Resource Agency
Fairbanks, Alaska

POSITION STATEMENT: Presented a PowerPoint titled "The Link to Aging Successfully: Fairbanks Resource Agency Has a Solution."

ACTION NARRATIVE

[3:05:25 PM](#)

CHAIR PETE HIGGINS called the House Health and Social Services Standing Committee meeting to order at 3:05 p.m. Representatives Higgins, Keller, Tarr, Seaton, and Pruitt were present at the call to order. Representative Nageak arrived as the meeting was in progress.

HB 269-IMMUNITY FOR TEMP. HEALTH CARE PROVIDER

[3:06:40 PM](#)

CHAIR HIGGINS announced that the first order of business would be HOUSE BILL NO. 269, "An Act providing immunity for certain licensed temporary health care providers who provide free health care services."

REPRESENTATIVE KELLER moved to adopt the proposed committee substitute (CS) for HB 269, labeled 28-LS1251\U, Martin\Wallace, 2/4/14, as the working draft. There being no objection, it was so ordered.

REPRESENTATIVE STEVE THOMPSON, Alaska State Legislature, reading from a prepared statement:

An act providing immunity for certain licensed temporary health care providers who provide free health care services. HB 269 was drafted due to liability concerns surrounding an inaugural Alaska Mission of Mercy (AKMOM) event organized by the Alaska Dental Society, and scheduled in Anchorage this coming

April. The Mission of Mercy program was started by a group of dentists thirteen years ago in Virginia. The MOM programs provide free dental care to local residents who would not otherwise have access to affordable dental care. To date, the Mission of Mercy Program in Alaska has 187 dentist volunteers, 7 are from out of state. The AKMOM program will provide extractions, fillings and cleanings as well as other procedures that can be appropriately performed in a mission setting. Out-of-State dental professionals will be licensed to provide pro bono service under courtesy licenses issued by the Alaska Board of Dental Examiners. A courtesy license is a medical professional license issued by the Board for the purposes of providing free services and enforcing state disciplinary provisions.

The issue is that there is no clear answer as to whether an out-of-state dentist professional issued a courtesy license is covered under Alaska Statute 09.65.300. AS 09.65.300 provides statutory immunity against civil damages resulting from an act or omission of a health care provider who provides free health care service, within the scope of their license. Under AS 09.65.300 a patient must receive written notice of this immunity as well as give informed consent before any medical service is provided. Under AS 09.65.300 patients still have the right to sue the medical provider for civil damages resulting from the provider's gross negligence, or reckless or intentional misconduct. Unfortunately, an attorney general's opinion indicated that it would take a court case to definitively decide if courtesy licenses have protections.

The original intent of the statute was to allow retired Alaska physicians to volunteer their services.

The Department of Law opines that the meaning of the law as to out of state providers will ultimately have to be interpreted by the court.

HB 269 will clarify AS 09.65.300, ensuring that civil immunity is extended to these out-of-state medical professionals who are licensed to provide dental services in Alaska during the Mission of Mercy Event,

without having the issue come before a lengthy proceeding before the Court.

REPRESENTATIVE THOMPSON urged the support of the committee.

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CHAIR HIGGINS asked whether military dentists, when volunteering their time, had immunity coverage. He shared that the legal opinion from the Department of Law was for immunity status, unless the courts stated otherwise. He noted that he was a dentist.

[3:11:54 PM](#)

DAVID LOGAN, Legislative Committee and DAPAC Chair, Alaska Dental Society, in response to Chair Higgins, explained that, as a general rule, military dentists did not carry malpractice insurance policies, unless they worked away from the military base.

CHAIR HIGGINS relayed a concern from Timothy M. Lynch [Included in members' packets] whether a temporary courtesy provider license would be in conjunction with the requirements for a temporary permit under AS 08.64.270. Mr. Lynch asked, if the proposed bill removed the requirement for state licensing, would someone other than a State Medical Board have the authority to license physicians under this approach, which, he opined, would create an ambiguous situation regarding licensing. He questioned whether this would prompt a conflict between the State Medical Board and the Alaska State Medical Association.

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DR. LOGAN replied that the proposed bill would extend AS 09.65.300, which defined that a health care provider could hold a temporary courtesy license under AS 08.01.62. He pointed out that courtesy licenses were very different from temporary licenses, which were issued under AS 08.064.270, and allowed work and remuneration in any capacity. He noted that courtesy licenses were reserved for unique situations, and specified under various professions. He shared that a courtesy license was issued for short term pro bono work. He pointed out that there could not be any earnings with a courtesy license, other than reimbursement for travel.

REPRESENTATIVE TARR asked for information about any necessary follow-up procedures for patients after the AKMOM event.

DR. LOGAN deferred the question to Dr. Julie Robinson, as she could speak more specifically to the procedures and any follow up care. He surmised that many of the procedures would be limited, as this was not the setting for more complicated needs.

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REPRESENTATIVE SEATON asked why the proposed bill did not cover military courtesy licensing for these voluntary services.

DR. LOGAN explained that the Alaska Board of Dental Examiners allowed military dental courtesy licenses. He opined that most of the other medical boards had provisions in place for military courtesy licensing.

[3:19:56 PM](#)

CHAIR HIGGINS opened public testimony.

JULIE ROBINSON, Alaska Dental Society, Alaska Mission of Mercy, in response to Chair Higgins, explained that the Alaska Mission of Mercy program had 1058 volunteers, and 202 dentists. She declared that Alaska was the 27th state to offer this program, and that there was a follow up care protocol. She pointed out that, in this type of setting, the scope of practice was limited. She stated that the main goal was to eliminate pain and infection, and to restore smiles. She relayed that patients were informed that the dentists may be from out-of-town or out-of-state. The registration, which must be signed, has an immunity clause printed on the back of the form. After treatment, there was post-operative care during which the treatment was reviewed and written instructions for care were provided, which included an emergency phone number that was monitored by a dentist for the following two weeks. She reported that the Anchorage Neighborhood Health Center had also agreed to see ten people for no charge, following the Alaska Mission of Mercy program. Other dentists had also offered to see post-operative patients. She reported that these programs in other states with similar numbers of participants would usually have fewer than six post-operative calls.

DR. ROBINSON explained that dentists not able to see post-operative patients had so indicated on their registration. She reported that of the 202 participating dentists, 8 were military

or federal service dentists, and 9 were previous volunteers, with dental licenses from many other states. She expressed the goal to serve 2000 Alaskans in two days, and that the long term goal was for this to be an annual event throughout Alaska. She noted the greater challenges for a program in Alaska than for the contiguous states. She asked that immunity protection for the courtesy license be extended.

[3:26:31 PM](#)

DR. ROBINSON, in response to Chair Higgins, said that the treatment dates were April 11 and 12, with service beginning at 4:30 a.m.

CHAIR HIGGINS declared his desire for the program to focus on the working class who could not afford to go to the dentist and did not have insurance, stating that people covered by Medicaid already had coverage. He offered his services if he was granted time off from the legislative session. He declared his support for the program.

REPRESENTATIVE TARR asked how to promote the event in the future.

[3:29:06 PM](#)

RANDI SWEET, Director, Health Impact, United Way of Anchorage, reported that the United Way was a partner in the event. She spoke in support of HB 269, declaring that the current volunteer health care provider immunity act provided protection to Alaska health care providers who volunteered their time to help Alaskans. She reported that Alaskans were among the least insured in the nation, with a recent study showing that 20.6 percent of the state did not have insurance. She noted that only five other states had a higher percentage of un-insured. She read appreciative comments from individuals participating in the earlier free clinics offered by University of Alaska Anchorage and the Anchorage Project Access. She asked for support for proposed HB 269.

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REPRESENTATIVE KELLER moved to report CSHB 269, Version 28-LS1251\U, Martin\Wallace, 2/4/14, out of committee with individual recommendations and the accompanying fiscal notes. There being no objections, CSHB 269(HSS) was moved from the House Health and Social Services Standing Committee.

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The committee took an at-ease from 3:33 p.m. to 3:39 p.m.

HB 281-PRESCRIPTION WITHOUT PHYSICAL EXAMINATION

[3:39:13 PM](#)

CHAIR HIGGINS announced that the next order of business would be HOUSE BILL NO. 281, "An Act relating to prescription of drugs by a physician without a physical examination."

[3:39:32 PM](#)

REPRESENTATIVE LYNN GATTIS, Alaska State Legislature, declaring "I think it's a relatively simple bill," read from a prepared statement. She explained that proposed HB 281 would clarify in statute that physicians would not be sanctioned for dispensing or administering prescription medications without a physical examination of the patient. She stated that this practice was "called telemedicine. Telemedicine based medical care would be delivered by primary care physicians within the State of Alaska. Anyone needing medical care would be a candidate for this system." She noted the benefits for a working mother with a sick child, a rural homesteader, or an employee not able to take the time from work. She stated that the proposed bill would allow patients to obtain, through over the phone and on-line consultations when physicians were able to diagnose an ailment, any necessary prescription. She pointed out that the proposed bill would not allow physicians to prescribe controlled substances. She listed the benefits to include convenience to patients, lower cost, immediate access, and higher productivity for a healthier workforce. She noted that this would lead to quicker access for primary care for rural residents. She declared that telemedicine did not replace a relationship with a primary care provider, although a telemedicine provider could be designated as the primary care provider. This telemedicine consultation would be considered a doctor-patient relationship. She acknowledged the concerns for updates to patient background information, stating that these would also be required prior to telemedicine conferences.

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REPRESENTATIVE GATTIS, in response to Representative Tarr, said that there would be testimony by individuals from other participating states.

CHAIR HIGGINS pointed out that a requirement for health history and informed consent was not included in the proposed bill. He asked if there was an assumption for this to be conducted by the physician.

REPRESENTATIVE GATTIS expressed her assumption that the doctor would take the relevant information necessary for "good service to me and back up their license."

CHAIR HIGGINS expressed his agreement that the medical profession would ensure the proper documentation, although he surmised that it would be prudent to include this in the proposed bill.

[3:46:09 PM](#)

REID HARRIS, Staff, Representative Lynn Gattis, Alaska State Legislature, shared that, as the medical community in Alaska was tight knit, any questionable performance would be quickly reviewed. Referencing paragraph (3), page 1, lines 12-14, of the proposed bill, "the person consents to sending a copy of all records of the encounter to the person's primary care provider," he offered his belief that a telemedicine provider would become the primary care physician if the patient did not have a physician, and the telemedicine provider would "take all your information." He pointed out that this information would be sent to an already existing primary care physician.

[3:47:16 PM](#)

REPRESENTATIVE SEATON pointed out that the proposed bill required the physician to be in the State of Alaska. He asked whether treatment by outside physicians would allow prescriptions to be altered.

REPRESENTATIVE GATTIS replied that the proposed bill did not address specialists or specialty care. She explained that telemedicine offered consultation for relatively common issues, such as respiratory illness, skin problems, and abdominal, joint, and back pain.

REPRESENTATIVE SEATON, asking for clarification that Version 28-LS1234\A of the bill was in front of the committee, questioned

where the aforementioned limitation to prescriptions was mentioned in the proposed bill.

REPRESENTATIVE GATTIS explained that, although not mentioned specifically in the proposed bill, telemedicine only allowed the aforementioned care.

[3:49:43 PM](#)

CHAIR HIGGINS, referencing paragraph (3), page 1, lines 12-14, of the proposed bill, asked who was required to send the forms, and how would they know who to send the forms.

MR. HARRIS replied that, although the telemedicine provider would be required to send the forms to the designated primary care physician, the bill did not address a timeline for transmission.

CHAIR HIGGINS noted that Teladoc was available to testify, and he lauded its program. He asked about the procedures and requirements for transfer of information with a program other than Teladoc, as the proposed bill would allow consultation with any telemedicine group.

REPRESENTATIVE GATTIS offered her belief that, as this was the same situation with Instant Care, "we have that situation already in place with our doctors."

CHAIR HIGGINS pointed out that the forms were filled out when a patient attended Instant Care and Urgent Care.

REPRESENTATIVE GATTIS expressed her agreement, noting that this was the same as filling out forms on-line. She stated "that's really all this bill does, is it allows us to do it on-line, or have it done over the phone. It's the same process that we go to when we walk into a doctor's office, and tell them our health history."

[3:52:36 PM](#)

REPRESENTATIVE TARR referenced the Alaska Federal Health Care Access Network (AFHCAN), the telemedicine program for the Alaska Native Tribal Health Consortium (ANTHC). She asked to better understand what was already happening with telemedicine in Alaska, and how the proposed bill would complement this program.

MR. HARRIS explained that AFHCAN was "a little bit different than telemedicine." He explained that AFHCAN supplied a provider and a medical cart to assist the patient while the physician was on the other end of the phone. He said that the proposed bill only specified the patient with the physician at the other end. He relayed some complaints from rural areas that the intermediate connection with the provider and the medical cart, between the physician and the patient, was possibly not as helpful as a direct connection with the physician.

REPRESENTATIVE GATTIS stated that "this relatively simple bill" clarified in statute that physicians may not be sanctioned for dispensing or administering prescription medications without a physical examination of the patient, and "quite frankly, that already happens right now." She offered her belief that many people already called their physician with their problems and symptoms, and requested prescriptions. She stated that the proposed bill "clarifies and keeps them out of hot water."

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REPRESENTATIVE SEATON asked if the proposed bill restricted doctors from out of state, specifically Veterans' Administration or Indian Health Service physicians.

MR. HARRIS replied that, as military and ANTHC doctors had a federal exemption which allowed them to operate, the proposed bill would clarify this for an in-state doctor.

[3:56:14 PM](#)

CHAIR HIGGINS opened public testimony.

HENRY DEPHILLIPS, Corporate Chief Medical Officer, Teladoc, described Teladoc as the oldest and largest telehealth company in the United States. Describing the telemedicine industry, he stated that he would clarify if there was something specific to Teladoc which did not apply to the rest of the industry. He said that the concept of telemedicine was comparable to a doctor reference, if your primary care physician was not available. He reported that Teladoc was the oldest in the telemedicine industry, operating for 12 years, and that about 15 million Americans were covered in a telemedicine program through their employer or their health insurance company. He shared that more than 500,000 consultations had taken place throughout the United States, and to date, there had not been any liability issues. He noted the telemedicine programs features which were different

than traditional cross coverage, and included: no DEA controlled substances were allowed; a limited number of diagnosis were treated, primarily common, uncomplicated medical problems that were usually recurrent for the patient; the treatments were straightforward; and, the majority of prescriptions were generic, falling into three classes, antibiotics, anti-allergy medications, and inhalers. He offered his observations for the telemedicine industry, noting that there had been internet scam offerings in the late 1990s, which had allowed for prescriptions to DEA controlled substances. He reported that many state medical boards had then implemented a "prior in-person visit requirement," which entailed a physical examination. He opined that this requirement had stopped the scams. He explained that there was then a realization for the similarity of cross coverage consultations with telephonic encounters, both without the prior in-person visit. Therefore, as regulations for exceptions became necessary, emergency situations and cross coverage were exempted. At this point, attorneys for the industry ascertained that telemedicine was a cross coverage service, and was subject to that exemption. He reported that the Alaska State Medical Board had disagreed with this interpretation which leads to the current proposed legislative solution. He offered his belief that the Alaska State Medical Board had concerns that the care of Alaskans would move to doctors outside of Alaska. He shared that the Teladoc business model called for Alaskan care to be performed by physicians licensed and living in Alaska. He spoke about the perception that, if there was not a prior in-person physical exam, the quality of care would be compromised. He declared that the data argued against this perception, as the common, uncomplicated medical problems had not had any liability issues. He reported that telemedicine providers usually covered the liability insurance for the consulting doctors, and the premiums were at the lowest levels, Class I. He reminded the committee that telephonic diagnosis and treatment had occurred for many years in the cross coverage situation. He pointed to the three take home points in the Rand Corporation telemedicine study which was recently published in Health Affairs. The first point reported was that people without the option for telemedicine made emergency room visits for a non-emergency problem about 25 percent of the time. The second conclusion of the study was that telemedicine was especially valuable for people without an established relationship with a primary care physician. The third conclusion was that the cost for medical care was reduced with telemedicine. He noted that improved access and cost were two important issues in Alaska. He explained that the proposed bill would curtail intervention by the Alaska State Medical

Board with telemedicine. In response to an earlier question, he noted that the telemedicine industry had worked in conjunction with the Alaska State Medical Association to arrive at the language in the proposed bill. He responded to a question regarding medical history, and expressed his agreement that although the telemedicine industry needed oversight and structure, this should be a similar standard to that applied to the in-person setting. He offered his belief that there was not a legal or regulatory requirement for a copy of the record to be sent to the primary care physician, but he emphasized that it was good medical practice. He questioned whether it was necessary to legislate the requirement in the telemedicine environment.

[4:05:29 PM](#)

CHAIR HIGGINS mentioned that there was a standard of care to which physicians were held responsible, which included an intake form, a consent form, and a health history. He pointed out that, although this was not written, obeying the standard of care was necessary.

DR. DEPHILLIPS expressed his agreement, and stated that the standard of care should be applied in all settings.

CHAIR HIGGINS suggested that the use of telemedicine needed to be further reviewed, as the savings to Medicaid could be substantial. He pointed out that the Alaskan Native Corporations had offered telemedicine for many years, and that it was working. He stated that the public sector "should be able to do the same thing." He expressed his appreciation for the proposed bill to further the conversation.

[4:06:51 PM](#)

REPRESENTATIVE TARR, reflecting on the use of emergency rooms for non-emergency visits by patients who did not have a primary care provider, asked how people could learn about the option for the use of telemedicine.

DR. DEPHILLIPS opined that there would soon be "direct to consumer telemedicine, there are some start-up companies that are starting to go there." However, the majority of telemedicine programs were sponsored by health care plans and employers. He reported that Teladoc had about 1,750,000 Medicaid recipients, as well.

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REPRESENTATIVE TARR asked if the proposed bill would allow Medicaid recipients to enroll.

DR. DEPHILLIPS offered his understanding that the proposed bill would allow physicians in Alaska to enroll in a telemedicine program, and be compensated by Alaskans not already enrolled in a federal program. He clarified that telemedicine was already allowed in the federal programs, and could not be regulated by the Alaska State Medical Board. The proposed bill would allow patients not in a federal program to have these same opportunities. He shared that there was discussion for adding telemedicine to the Alaska Medicaid program, allowing for increased access and cost savings. He pointed out that it was necessary for passage of the proposed bill, as it would offer regulatory cover for Alaska physician licenses.

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REPRESENTATIVE SEATON asked for an explanation for the operation of the telemedicine program.

DR. DEPHILLIPS explained that, for the sponsored primary care model, a person would pick up the telephone and talk with a customer service intake representative, who would collect the appropriate information and medical history. The same process could be conducted on line. He shared that, during the request process, it was important to know the age of the patient and where you were calling from, so the appropriate licensed physician could respond. He pointed out that it could be required for the patient to fill out the medical history and for the doctor to review this before contact with the patient. He explained that the physician would receive and review the consultation request, and would contact the patient, by telephone audio video, which had to be a Health Insurance Portability and Accountability Act (HIPAA) compliant, secure platform. The physician would communicate in real time with the patient for as long as necessary to conclude with either a treatment plan or a reference for an in-person consultation, which resulted about 4 percent of the time. He pointed out that there was not any financial incentive for a referral. He stated that Teladoc hired highly trained, highly qualified physicians, and then empowered them to make the best decisions for each patient.

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REPRESENTATIVE SEATON asked if a patient would get the same physician on a follow up call.

DR. DEPHILLIPS replied that, as the Teladoc program did not want to interfere with any existing relationships with primary care physicians, Teladoc did not allow any choice for physician, similar to an emergency room or Urgent Care visit. He noted that, however, some telemedicine programs did allow selection of a physician.

REPRESENTATIVE SEATON directed attention to page 1, line 10 of the proposed bill, and read: "the physician is located in this state and available to provide follow-up care." He asked how this was satisfied if the initial physician was not available for the follow up care.

DR. DEPHILLIPS replied that there was a 72 hour window after the initial telemedicine consultation for direct contact between the patient and the same physician. He offered his belief that, with a physician in Alaska, the patient could directly contact the physician. The telemedicine industry was designed to get patients over the acute problem, and then back in touch with their primary care physician. He offered his belief that the proposed bill allowed this continued "safety valve" contact in Alaska, as these licensed telemedicine physicians resided in Alaska.

REPRESENTATIVE SEATON expressed concern for the aforementioned wording, and suggested a change to read: "follow-up care is provided through the telemedicine group." He compared the telemedicine program to his neighborhood clinic, where he was served by whichever doctor was available. He opined that, even though the telemedicine model would not allow for the same physician, that physician would often become the primary care physician, hence the wording on page 1, line 10 of the proposed bill needed to change.

[4:18:23 PM](#)

DR. DEPHILLIPS suggested viewing the telemedicine service industry as a physician cross coverage service. He recommended not to put any additional burden on the telemedicine industry that was not put on an in-person doctor. He reminded the committee that each telemedicine doctor had access to the medical records from the patient's previous visit.

REPRESENTATIVE SEATON noted that the state did not have a statute requiring the prescribing doctor to be available for follow-up, whereas the proposed bill did state this.

CHAIR HIGGINS, directing attention to page 1, line 10, of the proposed bill, suggested to delete "and available to provide follow up care;" which would maintain the current state standard for all the physicians.

REPRESENTATIVE SEATON offered his belief that this specified something that could not always be accomplished.

[4:21:04 PM](#)

REPRESENTATIVE PRUITT asked to research the intent of the bill drafter, and the intended definition of "available."

DR. DEPHILLIPS shared that the language for paragraphs (1), (2), and (3) was drafted collaboratively with the Alaska State Medical Association, and he suggested discussion with the drafter.

[4:22:31 PM](#)

The committee took an at-ease from 4:22 p.m. to 4:25 p.m.

[4:25:27 PM](#)

CHAIR HIGGINS announced that the committee intended to hold the proposed bill.

DR. DEPHILLIPS explained that the intent of the follow up care provision in the proposed bill, page 1, line 11, was to allow the opportunity to obtain medical attention if there was a problem. He shared that this could either be re-contact with the telemedicine provider or the primary care physician.

CHAIR HIGGINS stated the desire of the committee to hear from the Alaska State Medical Board, the bill drafter, and the Alaska State Medical Association.

REPRESENTATIVE SEATON asked whether anyone with prescriptive ability, including a physician's assistant, would also be included.

[4:28:22 PM](#)

CHAIR HIGGINS left public testimony open, and stated that proposed HB 281 would be held over.

Presentation: Fairbanks Resource Agency

[4:28:45 PM](#)

CHAIR HIGGINS announced that the final order of business would be a presentation from the Fairbanks Resource Agency.

EMILY ENNIS, Executive Director, Fairbanks Resource Agency, stated that she would speak about assisted living services for seniors throughout the State of Alaska, as well as a proposed assisted living project in Fairbanks. Directing attention to slide 1, "FRA History," she stated that Fairbanks Resource Agency (FRA) had been offering services to seniors since the late 1980s, and currently served more than 250 seniors in the Fairbanks area. She reported that many discussions during the past ten years for assisted living options outside the family home had met roadblocks.

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MS. ENNIS moved on to slide 2, "FRA Senior Services," which listed an array of service options to be expanded, along with assisted living. She mentioned care coordination for help to families with finding necessary services, and respite care to give caregivers a break, as, 75 percent of the elder care came from the family. She pointed out that most seniors wanted to stay with family, and this was a much more cost effective option. She reported that adult day centers for out of home respite care, chore services for in-home services, and family caregiver services for support to the caregiver were all offered to sustain care in the family home. She mentioned Senior Outreach [Assessment and Referral (SOAR)] which was "a really novel program" offering training to the employees of local businesses to help identify, and refer, when care was needed for seniors. She addressed assisted living, where seniors could live when it was no longer possible to live in the family home. She referenced a report from Fairbanks Memorial Hospital which stated that many seniors, when leaving the hospital after care for an acute condition, were determined by staff to not be safe for discharge. This often resulted in an out of the area search for assisted living, as space was so limited in Fairbanks, and could necessitate that the senior wait in an acute care bed for days or weeks until assisted living space was located. She pointed out that, as those days in the hospital were not covered

by insurance, it could be difficult for the hospital to collect payment.

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MS. ENNIS introduced slide 3, "Residential Options for Seniors." She stated that there was independent senior housing throughout Alaska. In Fairbanks, there was Raven Landing and South Hall Manor; however, if the senior started to decline, there were no services at these residences. She reminded that nursing homes provided for those with a need of skilled nursing care. Most seniors with dementia and Alzheimer's did not need this level of care, but instead needed, and qualified for, assisted living care, which provided support for the activities of daily living for a quality of life. She offered the Pioneer Home as the primary example of assisted living in Alaska, noting that it was a high quality model.

CHAIR HIGGINS interjected that there was a six year waiting list to get into the Pioneer Home.

MS. ENNIS shared that the average age of entrants into the Pioneer Home in Fairbanks was 85 years.

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MS. ENNIS discussed the key points of slide 4, "Assisted Living Services." She said that these residences were most commonly in an adult home-like setting, not a large institutional setting, with full-time support and assistance with ADL (activities of daily living) and physical activities. There was an opportunity to socialize and recreate within the facility, and, most importantly, the "chance to age in place." She declared that this was often seen as the last place of residence. Seniors were no longer living independently, as there was a need for help, with the average time in assisted living being 18 months. She emphasized the need to ensure the avoidance of helplessness, boredom, and loneliness for seniors. She declared a need for novelty in seniors' lives, when developing assisted living projects. She stated that the Pioneer Home had an excellent philosophy, and was an example of the Eden Alternative, which encouraged continued growth, development, and participation in activities. She reported that the aforementioned assisted living project being proposed by the FRA was based on the Eden Alternative, and the similar Greenhouse model. The physical design allowed for home-like modules with six to ten beds in

each home. This allowed for a sense of home and identity within the facility.

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REPRESENTATIVE TARR asked if there were any updates to an earlier hearing which had discussed proposed regulations for the lowering of the reimbursement rate to assisted living homes.

MS. ENNIS replied that the proposed reduction to the Medicaid waiver rate had been put on hold for further study. She expressed concern for this rate, as it was "far too low to sustain positive operating budgets."

MS. ENNIS addressed slide 5, "Senior Population Facts," which she also called "the grim facts." She stated that the senior population facts in Alaska were startling, with four times the rate of growth compared to the rest of the United States. She stated that the odds for dementia and Alzheimer Disease were 1 in 2 after 75 years of age.

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MS. ENNIS pointed to slide 6, "Alaska Regional Data" reflecting the tremendous growth of the senior population, which she declared to be compelling.

MS. ENNIS, in response to Chair Higgins, explained that the projection from Department of Labor & Workforce Development for the Gulf Coast Region suggested a levelling out with some future decline. She pointed to improved health care, expanded specialized medicine, an increase in rural health care, and the importing of seniors as reasons for an increase of the senior population in the state.

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MS. ENNIS projected slide 8, "Fairbanks Area Picture," and directed attention to a handout titled, "Fact Sheet." [Included in members' packets] She offered her belief that the project was replicable throughout Alaska, and that the model was operationally sustainable. She reported that she had been involved in a survey in December, 2012, for the number of seniors requesting assisted living. She shared that the survey total of 1100 seniors had included the Pioneer Home waiting list, as well as the responses from the surveys in the

community. She projected that this number would nearly double in six years.

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MS. ENNIS moved to slide 9, "Fairbanks Assisted Living Residences," which listed the number of assisted living beds available in Fairbanks. She compared the need for 1100 beds with the current capacity for 182 beds in Fairbanks. She noted that this gap existed everywhere in Alaska. She reported that two new facilities had recently opened in Fairbanks, noting that they were, however, exclusively private pay. She pointed out the significant difference between the cost of private pay, \$7,000 per month, and the Medicaid waiver reimbursable rate of less than \$4,000 per month. She stated that small businesses needed the higher rate to succeed.

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MS. ENNIS presented slide 10, "Challenges to Assisted Living Development," and noted that there had not been the commercial development for assisted living which had occurred in the Lower 48. She explained that developers in Alaska were most discouraged by the economic risks, including the high cost of building and the high cost of land, as there was a need to be centrally located near hospitals. She noted the concerns for the health care work force shortages, and that the reimbursement rates were considered inadequate for operation. She opined that a mix of full pay seniors with Medicaid waiver seniors would be essential for financial success.

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MS. ENNIS directed attention to slide 11, "The Solution," and stated that the FRA had developed a pilot project which was sustainable, with help from investment by the State of Alaska for some of the start-up costs. She declared that the biggest concern was for the debt service on land and construction, as "there was no way to keep the doors open" if the seniors served would only use Medicaid waivers and state reimbursement. She emphasized the essential need was assistance with the development costs, if these assisted living options were to be offered. She proposed that this initial assistance in up front funding was an answer to the state interest for a public-private partnership. She opined that other communities had non-profit organizations "to step up" if a model could be replicated.

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MS. ENNIS explained slide 12, "Added Community Benefit," and listed the benefits that assisted living brought to a community, which included new jobs, an economic boost from increased purchasing power, and that seniors could remain in town with families.

MS. ENNIS looked at slide 13, "Next Steps," and referenced the aforementioned Fact Sheet [Included in members' packets]. She said that these questions were the ones most often posed in discussion over the past six months.

MS. ENNIS expressed thanks to Rosalynn Carter for the quote on slide 14, "There are only four kinds of people in this world." She stressed that Alaska was approaching a crisis for senior care, as "the numbers were staggering, the waiting lists are exceptionally high, the length of time to find this care in our community is unforgiveable ... if we don't start today, I'm not sure how we're going to be able to address it."

MS. ENNIS pointed to item 1 on the Fact Sheet, which compared the cost per bed with the Fairbanks Pioneer Home. She stated that the proposed project would cost about \$63,000 per bed each year, compared to \$119,000 per bed each year for the Pioneer Home. She shared that the investment for the 30 bed home, \$13.9 million, would be paid back in about 8 years.

CHAIR HIGGINS expressed his agreement that this was an important issue and needed to be done for the senior citizens.

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REPRESENTATIVE TARR asked if the proposed project was similar to the Providence facility.

MS. ENNIS replied that this was the Horizon House; however, it was a private pay facility which asked patients for a subsidy to the cost remainder after payment with the Medicaid waiver.

REPRESENTATIVE PRUITT, reflecting on a projected need for 2000 beds and the proposed cost of \$15 million to provide 30 beds, asked what other options were available "to fill the gap." He asked if this was sustainable.

MS. ENNIS, expressing her agreement that this was a tiny fraction of the iceberg, stated that the 30 bed project her

organization had proposed was a start toward fulfilling the need in the Fairbanks area and would, hopefully, lead to three such facilities. First, however, FRA wanted to ensure this was a viable project for a non-profit organization. She stated that FRA was offering \$1.7 million toward the project. She offered her belief that the program would need a bed mix of "60 percent private pay, 40 percent Medicaid." She admitted that it was not possible to ensure that the next patron for an open bed would have the necessary payment type. She declared that she had not heard of much development around Alaska, as there was great concern for the cost of operations and development. She reminded the committee that those services kept in-home was another answer to the projected expenses for senior care.

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REPRESENTATIVE KELLER asked for clarification to the difference in comparative costs with Pioneer Homes.

MS. ENNIS relayed that there were several factors, which included union wages and benefits, and annual maintenance. She said that a new facility, designed for energy efficiency, would also save money.

REPRESENTATIVE KELLER asked for her input to any state regulations that would help minimize the cost.

MS. ENNIS explained that FRA had used the lower reimbursement rate for the Medicaid waiver in their budget, although they would prefer that it be increased. She remarked that the small "mom and pop" assisted living home care operations were in homes that were already paid for.

CHAIR HIGGINS declared that it would be necessary to bring the stakeholders together to address the many layers.

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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 5:01 p.m.