ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE
March 27, 2014
3:03 p.m.

MEMBERS PRESENT

Representative Pete Higgins, Chair
Representative Wes Keller, Vice Chair
Representative Lora Reinbold
Representative Geran Tarr

MEMBERS ABSENT

Representative Benjamin Nageak
Representative Lance Pruitt
Representative Paul Seaton

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 169(FIN)
"An Act establishing in the Department of Health and Social Services a statewide immunization program and the State Vaccine Assessment Council; creating a vaccine assessment account; requiring a vaccine assessment from assessable entities and other program participants for statewide immunization purchases; repealing the temporary child and adult immunization program; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 319
"An Act relating to wholesale drug or device distributors; relating to prescription benefits under the state health insurance plan; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 355
"An Act establishing in the Department of Health and Social Services a first aid training program for mental health interventions."

- HEARD & HELD

HOUSE BILL NO. 347

"An Act relating to the disqualification of persons convicted of certain felony drug offenses from participation in the food stamp and temporary assistance programs."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 169
SHORT TITLE: IMMUNIZATION PROGRAM; VACCINE ASSESSMENTS
SPONSOR(s): SENATOR(s) GIESSEL

02/10/14	(S)	READ THE FIRST TIME - REFERRALS
02/10/14	(S)	HSS
02/21/14	(S)	HSS AT 1:30 PM BUTROVICH 205
02/21/14	(S)	Heard & Held
02/21/14	(S)	MINUTE(HSS)
02/24/14	(S)	HSS RPT CS 4DP NEW TITLE
02/24/14	(S)	DP: STEDMAN, MICCICHE, MEYER, ELLIS
02/24/14	(S)	FIN REFERRAL ADDED AFTER HSS
02/24/14	(S)	HSS AT 1:30 PM BUTROVICH 205
02/24/14	(S)	Moved CSSB 169(HSS) Out of Committee
02/24/14	(S)	MINUTE(HSS)
03/03/14	(S)	FIN AT 5:00 PM SENATE FINANCE 532
03/03/14	(S)	Scheduled But Not Heard
03/05/14	(S)	FIN AT 5:00 PM SENATE FINANCE 532
03/05/14	(S)	Moved CSSB 169(FIN) Out of Committee
03/05/14	(S)	MINUTE(FIN)
03/07/14	(S)	FIN RPT CS 5DP NEW TITLE
03/07/14	(S)	DP: MEYER, KELLY, BISHOP, DUNLEAVY, OLSON
03/21/14	(S)	TRANSMITTED TO (H)
03/21/14	(S)	VERSION: CSSB 169(FIN)
03/24/14	(H)	READ THE FIRST TIME - REFERRALS
03/24/14	(H)	HSS, FIN
03/25/14	(H)	HSS AT 3:00 PM CAPITOL 106
03/25/14	(H)	Heard & Held
03/25/14	(H)	MINUTE(HSS)
03/27/14	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 319
SHORT TITLE: DRUG/DEVICE DISTRIBUTORS; COMPOUNDED RX
SPONSOR(s): REPRESENTATIVE(s) T.WILSON

02/21/14	(H)	READ THE FIRST TIME - REFERRALS
02/21/14	(H)	HSS, L&C
03/20/14	(H)	HSS AT 3:00 PM CAPITOL 106

03/20/14	(H)	Heard & Held
03/20/14	(H)	MINUTE(HSS)
03/27/14	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 355
SHORT TITLE: MENTAL HEALTH FIRST AID TRAINING
SPONSOR(s): REPRESENTATIVE(s) TARR

02/26/14	(H)	READ THE FIRST TIME - REFERRALS
02/26/14	(H)	HSS, FIN
03/27/14	(H)	HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

DAVID TEAL, Legislative Fiscal Analyst
Legislative Finance Division
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided information to the committee on SB 169.

JILL LEWIS, Deputy Director - Juneau
Central Office
Division of Public Health
Department of Health and Social Services
Juneau, Alaska
POSITION STATEMENT: Testified during discussion of SB 169.

JANE CONWAY, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Answered questions on SB 169 for the bill sponsor, Senator Cathy Giessel.

WARD HURLBURT, MD, Chief Medical Officer/Director
Division of Public Health
Central Office
Department of Health and Social Services
Anchorage, Alaska
POSITION STATEMENT: Testified and answered questions during discussion of SB 169.

PATRICIA SENNER, Professional Practice Director
Alaska Nurses Association
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 169.

JODYNE BUTTO, Past President
American Academy of Pediatrics
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of SB 169.

PAUL RICHARDS
Pharmaceutical Research and Manufacturers of America (PhRMA)
POSITION STATEMENT: Offered to answer questions during discussion of the proposed bill.

KURT STEMBRIDGE, Task Force Chair
PhRMA
Idaho
POSITION STATEMENT: Testified during discussion of SB 169.

DENISE DANIELLO, Executive Director
Alaska Commission on Aging
Division of Senior and Disabilities Services
Department of Health and Social Services (DHSS)
Juneau, Alaska
POSITION STATEMENT: Testified in support of SB 169.

REPRESENTATIVE TAMMIE WILSON
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Testified and answered questions as the sponsor of HB 319.

RICHARD HOLM, Pharmacist
Fairbanks, Alaska
POSITION STATEMENT: Testified during discussion of HB 319.

JILL RAMSEY, Training Coordinator
Center for Human Development
University of Alaska
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of HB 355.

DAVID D'AMATO, Senior Director
Health Policy
Alaska Primary Care Association
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of HB 355.

ACTION NARRATIVE

3:03:53 PM

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

SB 169-IMMUNIZATION PROGRAM; VACCINE ASSESSMENTS

3:04:48 PM

CHAIR HIGGINS announced that the first order of business would be CS FOR SENATE BILL NO. 169(FIN), "An Act establishing in the Department of Health and Social Services a statewide immunization program and the State Vaccine Assessment Council; creating a vaccine assessment account; requiring a vaccine assessment from assessable entities and other program participants for statewide immunization purchases; repealing the temporary child and adult immunization program; and providing for an effective date."

3:05:44 PM

DAVID TEAL, Legislative Fiscal Analyst, Legislative Finance Division, Alaska State Legislature, referred to Fiscal Notes 6 and 7 [Included in members' packets], and explained that Fiscal Note 6 was for the fund capitalization, and Fiscal Note 7 was for epidemiology. He directed attention to Fiscal Note 7, and pointed to the almost $4.5 million in the governor's Fiscal Year 2015 budget from general funds, which was also listed as a negative figure in the requested appropriation. He explained that $4.5 million was being taken away from epidemiology and the Division of Public Health, Fiscal Note 6, and moved to the Vaccine Assessment Account fund, Fiscal Note 7. He clarified that there was not any spending of new general funds, that the purpose of the funds remained the same, and that this would create a more permanent program. Referring back to Fiscal Note 6, he pointed to the almost $27 million from the general fund receipts, which were raised from the assessment fee for vaccines. He explained that these funds are used to buy more vaccine, which was distributed after payment of assessment fees, and then these fees were sued to maintain the cycle. He pointed out that there would not be any need for additional general funds, as long as the assessment fees were used to replenish the fund. He had questioned whether the $31 million in Fiscal Note 6 was sufficient, and Department of Health and Social Services

had assured him that the $31 million would not be exceeded. He concluded that the net effect on the general fund was zero, as money was simply being moved from one place to another.

3:10:04 PM

JILL LEWIS, Deputy Director - Juneau, Central Office, Division of Public Health, Department of Health and Social Services, clarified that the vaccine was not sold or re-sold, but that the assessments were based on the projected cost for the annual purchase of vaccines. She said that there were also assessments and payments made throughout the year that generated the revenue over the course of the year to keep pace. She reported that the program bought vaccine every month, allowing management for the expiration dates and the necessary volume to respond to any disease outbreaks or demand in the state. She explained that the aforementioned $4.5 million was enough capitalization as 50 percent of the children's vaccine was purchased with a federal grant, which, as it was not forwarded to the state coffers, did not reflect in the fiscal notes. She pointed out that, as there was already vaccine on the shelf to use, this would be enough capital to get started. She declared that this system had worked well in other states.

CHAIR HIGGINS offered his understanding that the program worked well in other states as those were only pediatric programs, whereas the proposed bill included adult vaccines. He asked if the assessment value to the insurers had been determined.

MS. LEWIS replied that the amount of assessment per dosage had not yet been determined, although it was $50 - $200 per person in other states. She explained that there were a variety of variables for determining the assessment.

CHAIR HIGGINS returned attention to the assessment formula and asked about letters of support from the insurance carriers.

MS. LEWIS offered her belief that there had only been the letter of support from Premera Blue Cross [Included in members' packets], although the Medicaid program had plans to participate, and its program covered "a significant portion of the population."

CHAIR HIGGINS asked if, as payment of the assessment was important, it would be beneficial to have letters of support from the insurance industry.

MS. LEWIS replied that there had been discussions with the human resource departments and Dr. Hurlburt regarding the willingness to participate in the program. She pointed out that Premera Blue Cross served almost 75 percent of the private health care market in Alaska.

CHAIR HIGGINS surmised that a lot of confusion had arisen from the Fiscal Note.

3:17:27 PM

JANE CONWAY, Staff, Senator Cathy Giessel, Alaska State Legislature, referred to the sectional analysis [Included in members' packets]. She directed attention to the two graphics titled SB 169 Statewide Immunization Program [Included in members' packets] which offered a pictorial analysis of each step of the program.

MS. CONWAY paraphrased from the SB Statewide Immunization Program Sectional Analysis (LS 1219\I), which read:

> Sec. 18.09.200(a). Establishes a statewide immunization program in the Department for the purpose of monitoring, purchasing, and distributing vaccines to providers.
>
> Sec. 18.09.200(b). The Department of Health and Social Services shall maintain a list of recommended vaccines for inclusion in the program; establish the 1st year's assessment
> & thereafter make annual assessments based on commission determinations; notify insurers and other program participants of the assessment amount; devise a method for crediting overpayments; coordinate the bulk purchase of vaccine; set procedures for distributing vaccines; and review appeals for errors.
>
> Sec. 18.09.210. Establishes the State Vaccine Assessment Council within HSS for the purpose of determining the assessment amount. The commission has 8 members appointed by the Commissioner: the state's Chief Medical Officer (chair); Division of Insurance Director; 3 health care insurers, one of whom must be a plan administrator; 2 health care providers; and 1 representing a tribal or public health insurance plan who serve without compensation or reimbursement of expenses. Terms are 3 years with a 2- term limit. HSS

will provide staff and other assistance to the commission. The commission establishes and implements a plan of operation, submits an annual financial report to HSS each July 1st, and monitors compliance with the program.

CHAIR HIGGINS asked who would run the assessment council.

MS. CONWAY directed attention to page 2, line 19, of the proposed bill, which discussed the makeup of the council. She reported that the council would be chaired by the Chief Medical Officer for the [Division] of [Public] Health. She directed attention to page 2, line 24, which described that the council consisted of eight members appointed by the commissioner, and included the "department's chief medical officer for public health," two health care providers licensed in the state, and three members representing health care insurers licensed in the state, one of whom must be a health care plan administrator. She noted that each insurer member must represent a different organization in the state. She continued, and stated that there would also be a representative of a tribal or public health insurance plan, and the director of the division of insurance or the designee.

CHAIR HIGGINS acknowledged that, although Vermont included an adult portion in their program, the state was "still working out the nuts and bolts even though they've been at it for a few years." He pointed out that Vermont was now having a company run this program, and he asked if the bill sponsor had investigated this option.

MS. LEWIS directed attention to page 3, line 8, which read: "The department shall provide staff and other assistance to the council." She relayed that seven of the nine states with similar programs had contracted with a company experienced in administration of these programs. She noted that those costs were included as a surcharge in the assessment and program receipts, so there were no state general funds in support. She estimated that cost to be about one percent, $300,000, each year.

CHAIR HIGGINS reported that the fee in Vermont for the overall cost of vaccines was $50,000 annually, three percent the first year, two percent the second year, and one percent for the third year.

3:23:06 PM

MS. CONWAY returned to her discussion of the sectional analysis, and paraphrased the section, which read:

> Sec. 18.09.210(f)(1). The "plan of operation" must include the method for calculating the assessment amount for each covered individual; the method for determining proportional costs to assessable entities/participants; procedures for the collection and deposit of assessment fees; procedures for collecting data which includes at a minimum the number of covered individuals and vaccine usage; and a system for crediting overpayments.
>
> Sec. 18.09.220(a). Requires the assessable entities/participants to pay the assessment to the department for each covered individual; provide information about number of covered individuals and actual usage; and provide audited financial statements upon request.
>
> Sec. 18.09.220(b). Requires that the assessment include reasonable costs for overhead. The provider's fee for administration of the vaccine is excluded from the assessment.
>
> Sec. 18.09.220(c). States that an assessment is a medical expense for the assessable entity/participant.
>
> Sec. 18.09.220(d). Provides for a process to appeal the assessment determination to the commissioner.
>
> Sec. 18.09.225. Allows health care providers to opt into the program to purchase vaccine.
>
> Sec. 18.09.230. Creates a special account in the general fund for the purpose of purchasing vaccines. The legislature may appropriate program receipts from vaccine assessments, money from other sources, and interest earned. Appropriations do not lapse.

REPRESENTATIVE KELLER, referencing Sec. 18.09.225, asked why someone would not be approved.

MS. LEWIS explained that she could only think of a very rare instance when a provider was not already enrolled with the immunization program, and had not yet completed the paperwork.

She stated that the department would work with the provider to fulfill the requirements.

3:26:27 PM

MS. CONWAY paraphrased the next section, which read:

> Sec. 18.09.240. Allows the commissioner to determine a monetary penalty for noncompliance.

MS. LEWIS, in response to Chair Higgins, explained that should an entity not pay, the commissioner may assess a penalty "on top of the assessment," although the penalty was not required.

CHAIR HIGGINS asked for clarification that assessment payments would be quarterly.

MS. LEWIS replied that this was currently being discussed, as it was the most common payment schedule in other states. She shared that there was also the possibility for monthly payments, and could be determined by the best cash flow scenario for the payers and providers.

CHAIR HIGGINS suggested that quarterly payments be paid up front, prior to the start of the quarter, to ensure participation in the program and to eliminate any need for a penalty.

MS. LEWIS expressed her agreement.

MS. CONWAY moved on to paraphrase Section 2, page 5, line 16, which read:

> **Section 2. 18.09.900. Defines the terms assessable entity, commissioner (Health & Social Services), council, covered individual, other program participant, program, provider, recommended vaccine, and vaccine.**
>
> Sec. 18.09.900(3). An “assessable entity” means a health care insurer, the state health care plan, a public or private entity that offers a publicly funded plan (to the extent allowed by law), and third-party administrators.

MS. CONWAY paraphrased Section 3, Section 4, Section 5, Section 6, and Section 7, which read:

Section 3. Requires assessable entities to provide information to the department under (AS 21.09.242)

Section 4. Adds the vaccine assessment account to the list of special accounts for program receipts in (AS 37.05.146(c))

Section 5. Repeals Ch. 24, SLA 2012 (HB310), a temporary statewide immunization program.

Section 6. Redirects the remaining HB310 funds to be deposited to the vaccine account.

Section 7. Makes the act effective July 1, 2014.

3:30:05 PM

CHAIR HIGGINS opened public testimony.

3:30:34 PM

WARD HURLBURT, MD, Chief Medical Officer/Director, Division of Public Health, Central Office, Department of Health and Social Services, declared that five years earlier, Alaska had been 49th nationally in immunization rates for two year olds; however, the vaccine money for the uninsured and underinsured had improved the immunization rates for 2 year olds in Alaska to 37th or 38th. He stated that although this was not good, it was significantly better than it had been, and further improvement was intended. Directing attention to the aforementioned comparable programs in nine other states, he offered his belief that the proposed program presented the best of these programs. He noted that Premera Blue Cross was the chair for the vaccine advisory commission in the State of Washington, and had shared its experiences. He stated that essentially all the insurers in Alaska had participated in that Washington vaccine advisory council. He mentioned that New Hampshire had improved its immunization rates for two year olds and was now second only to Hawaii. He explained that the approach by Alaska was to do "the right thing" and provide all Alaskans with the immunizations recommended for national standards by the [Advisory] Committee on Immunization Practices (ACIP), although it was understood that the state could not be placed in financial risk for more general funding to the program. He stated that the insurers and the vendors needed an assurance of no risk for double payment or a higher cost. He offered examples that the proposed

legislation offered the flexibility to prioritize. He noted that if there were any savings over current costs, and the surcharge covered administrative costs with sufficient funding for the uninsured and underinsured, then the program would offer all the recommendations of vaccines for all Alaskans. However, kids would have priority over adults, and certain diseases would have priority. He noted that there would be a review of the return on investment, as some vaccines were a much better investment for the benefits. He declared that the state would continue to purchase children vaccines on the favorable federal schedule, and there were multi-state purchasing cooperatives for adult vaccines, if necessary. He shared that some states included Employment Retirement Income Security Act (ERISA) employers. He stated that the administrative surcharge would be kept as low as possible, with a long term projection of 1 percent. He pointed out that Alaska could not mandate participation by federal programs or the Tribal Health system, although there had been discussion with these entities for the level of participation. He noted that Tricare wanted to pay retail prices to providers after the fact, although there were discussions for the advantages to saving money and getting better immunization rates. He relayed that Idaho had allocated some general funds to provide immunizations for Tricare children beneficiaries. In the other states with similar programs, it was about 60 percent more likely for protection of the population through immunizations. He declared that there was strong support in Alaska from the Alaska chapter of the American Academy of Pediatrics, the Alaska Primary Care Association, Premera Blue Cross, and the Alaska Nurses Association. He noted that the proposed bill would allow medical professionals to provide immunizations more easily. He reiterated that the administration of the program would be contracted, and that the vaccine assessment council would be comprised of representatives of providers and payers. He declared that involvement from the private sector would be much stronger.

REPRESENTATIVE REINBOLD asked which adult vaccines would be provided.

DR. HURLBURT replied that the most cost effective adult vaccines were the annual flu vaccine and the once-given pneumococcal vaccine to prevent pneumonia. He reported that the shingles vaccine, which was not recommended until 60 years of age, was more expensive and was about 50 percent effective.

REPRESENTATIVE REINBOLD offered her belief that it was necessary to have vaccine plans for adults, and asked whether it was the

state, the federal government, the insurance company, or the patient who would save money with this program.

DR. HURLBURT replied that the Affordable Care and Patient Protection Act required the provision of vaccines, although not everyone would be insured. He noted that those insured through a private company or Medicaid would purchase vaccines at retail, while there could be significant increases to premiums in the plans under the Affordable Care and Patient Protection Act in the next year. Lower cost for vaccines could mitigate these premium increases, as well as the costs to Medicaid. He opined that there would be fewer people either underinsured or without coverage.

REPRESENTATIVE REINBOLD asked who was going to save money.

DR. HURLBURT replied that, as the costs of the immunization services were divided and would cost less for those with coverage, then the premiums would cost less, it would lower Medicaid costs, and it would save tax dollars.

3:45:42 PM

REPRESENTATIVE KELLER expressed his approval that the providers were engaged in the program. He opined that the size of the fund defined the number of immunization services offered. He asked if there would be a higher assessment to the providers if the wholesale price changed. He opined that this system would fluctuate with supply and market demand, and that the council would have to make these decisions.

DR. HURLBURT replied that vaccines did become more expensive and there were more diseases that could be prevented with vaccines. He offered his belief that the cost of vaccines for a two year old was now about $1700, and was continuing to increase. He welcomed any constraints for expenses, and opined that, even if the costs go up, the savings would still come to the payers, insurance companies, and the employers. This program made the vaccines more available and easier for the providers. He explained that providers that chose not to participate would not receive the vaccines.

REPRESENTATIVE KELLER asked to confirm that the priority for use would be set by the council, and would be determined by cost effectiveness.

DR. HURLBURT said that the upper limit would be all the vaccines recommended by ACIP for all the citizens. He relayed that 50 percent of children were vaccinated through funding by the federal program, Vaccines for Children. He said that about 25 percent now had insurance coverage. He stated that the goal was to get immunizations for all the Alaskans who accepted it. He reminded the committee that the priorities would be implemented if there was not enough money.

CHAIR HIGGINS asked for clarification regarding the vaccines for tribal health.

DR. HURLBURT replied that the Vaccines for Children program covered all the Alaskan Native children, as well as those on Medicaid. He said that the tribal entity was able to purchase vaccines through the federal authority, and they could be a community resource.

CHAIR HIGGINS pointed out that the tribal health was not part of the assessment value, as they did not contribute to it. He noted that the other providers would have to "front that portion out for that." Reading from the proposed bill, he asked whether an individual residing in the state was provided coverage for recommended vaccines if they did not have insurance coverage.

DR. HURLBURT said that the intent of the proposed bill was to cover everybody, whereas a portion of the savings by the insurers would be paid as an assessment to provide the pool of money.

3:56:33 PM

PATRICIA SENNER, Professional Practice Director, Alaska Nurses Association, testified in support of SB 169. She relayed that she had directed a clinic serving homeless teenagers, and service had included immunizations for youth and its staff. She explained that current Universal Coverage legislation required separation when purchasing and storing the vaccines. She pointed out that market rates for vaccines not eligible for state vaccine programs were much more expensive. She reminded the committee that young parents also needed vaccines in order to protect their children who were too young to be vaccinated. She reported that it was not possible to buy single doses of vaccines, as most were sold in packages of ten, whether or not that quantity was necessary. Reimbursement only came after patient use, and the price to her clinic had been much more than either the government or large providers paid. She stated that

access to vaccines sold through a state exchange would afford a great savings to the providers. She pointed out that providers were already familiar with the state vaccine depot. She offered an anecdote about a case of polio in her clinic, and the rapidity for transmission of diseases throughout the world. She offered her belief that the proposed bill would reduce the amount of reimbursement for immunizations by insurance companies to providers.

4:00:09 PM

JODYNE BUTTO, Past President, American Academy of Pediatrics, stated her agreement with the earlier testimony supporting the proposed bill. She pointed to the ease for a universal system, instead of a separate stash of vaccines, and separate documentation for its use.

4:02:08 PM

PAUL RICHARDS, introduced another PhRMA representative and offered to answer questions.

KURT STEMBRIDGE, Task Force Chair, PhRMA, relayed that Idaho had started a pediatric [vaccine] assessment program in 2010. He shared that PhRMA recommended three amendments to the proposed bill. He directed attention to page 5, line 27, and recommended that "an adult" be deleted, which would make this a pediatric only program, similar to the other states. The second recommendation was on page 2, line 19, and he suggested that a member of each body of the Alaska State Legislature be added to the State Vaccine Assessment Council. His final recommendation was to designate that one of the health care provider council members be a pediatrician.

MR. STEMBRIDGE, referencing his first suggestion for making the immunization program pediatric only, explained that Idaho had struggled with ERISA plans, which were governed by federal, not state, control and allowed an option to either pay-in or pay-out. He stated that Tricare was one of the biggest ERISA plans, and that Tricare had not paid in in Idaho. He reported that, as Idaho had to keep the program solvent, it was necessary to support the program with state money. He pointed out that Alaska had $4.6 million to cover the cost of getting the pediatric program "up and running," and that there was time to work through any problems if the ERISA plans did not pay into the assessment. He declared that the problem with the ERISA plans would be compounded with an adult program. He stated that

the Tricare adult program would not pay if the Tricare pediatric program did not pay. He reported that there was also the possibility that Medicare would not pay into the assessment. He opined that there would be more time to get the program running if it was pediatric only. He pointed out that there was only one other state with an adult vaccination program, which limited the modeling possibilities. He declared that there was a "vibrant, growing adult market out there right now, where people, because of the ACA [Affordable Care and Patient Protection Act], requires that all insurance companies cover preventative services." He stated that the adult portion would only cover people with insurance. He offered his belief that, although the bill declared that this was voluntary, it was not, and he offered an anecdote in support. He explained that, under the ACA, a person could not be charged for any out of pocket expenses, and that any reimbursement to the pharmacist would be denied because once an insurance company paid into the assessment they would sever the reimbursement mechanism so they would not be billed twice. He opined that there were only two choices: join the program or don't give immunizations.

MR. STEMBRIDGE directed attention to the second recommendation he had presented regarding the appointment of legislators to the assessment council. He pointed out that, otherwise, there were no elected officials on a council which had been given the ability to tax without any accountability to the voting public. He noted that Idaho had put two legislators on its vaccine assessment council. Referring to his third suggestion to add two practicing pediatricians to the council, he explained that they would provide expertise on vaccines. He declared that the proposed adult program would subsidize insurance companies "off the back of the pharmaceutical industry." He reported that the industry spent billions every year to invent medications and vaccines to prevent diseases, and that the ACA coverage of vaccines was built into the premiums. He declared his pride for working in an industry that was "looking for the next cure" and preventing more diseases.

CHAIR HIGGINS asked for clarification whether the provider submitted billing for vaccinations was denied by the insurance companies under the Idaho pediatric assessment program.

MR. STEMBRIDGE replied that insurance companies would not reimburse for vaccines after the pediatric assessment program was initiated, as the insurance companies declared this was a double billing. He said that this would happen with an adult assessment program, as well.

MR. STEMBRIDGE said that PhRMA wanted to provide as many vaccines as possible to the people of Alaska, as vaccines saved money and benefited the citizens.

CHAIR HIGGINS said that Alaska worked toward taking care of its people. He offered an anecdote about enhanced dentistry treatment in rural Alaska for adults.

MR. STEMBRIDGE added that the proposed bill did not address patients without insurance. He referred to the analysis of Fiscal Note 7, and read "all except uninsured adults and there is not payer." He suggested putting effort and money into support for those with no insurance, as opposed to subsidizing the insurance industry.

4:14:03 PM

MR. STEMBRIDGE, in response to Representative Reinbold, said that, as insurance companies were already paying into the assessment program, they did not want to also reimburse claims for vaccines.

REPRESENTATIVE REINBOLD asked who were the potential winners and losers.

MR. STEMBRIDGE replied that, without the proposed PhRMA amendments for this to become a pediatric bill, the winners were the insurance companies, as they would receive a benefit for covering all the immunizations. He declared that the adult provision was merely a subsidy to the insurance companies.

REPRESENTATIVE KELLER asked for clarification that the drug industry controlled the prices.

MR. STEMBRIDGE replied that competition set the prices. He explained that multiple pharmaceutical companies were soliciting flu vaccines for the upcoming year. He reported that the contract had been designed and negotiated with Centers for Disease Control and Prevention (CDC) for a very specific clientele, those with no insurance, or insurance that does not cover, as well as Native Alaskans. He questioned the consequence if CDC said that this contract could not be accessed.

4:19:06 PM

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Division of Senior and Disabilities Services, Department of Health and Social Services (DHSS), explained that the Alaska Commission on Aging was a governor appointed commission that planned services for seniors, educated Alaskans about senior issues, and advocated for the needs of older Alaskans. She declared support for the proposed bill, and reported that the commission had been involved in prior legislation for ensuring those un-insured and under-insured for access to vaccines. She explained that the immune systems of seniors weakened with age, hence the importance for access to vaccines. She listed the recommended vaccines, which included influenza, shingles, and pneumonia vaccines. She allowed that there was some underutilization for some of these vaccines, noting that only 11 percent of seniors took advantage of the shingles vaccine. She reported that lack of co-payment and deductible funds was often the reason. She opined that the proposed bill would offer improved access to the vaccines. She pointed out that the proposed bill would also benefit grandparents who were living on a fixed income and raising grandchildren.

4:22:24 PM

CHAIR HIGGINS said that public testimony would be kept open and SB 169 was held over.

4:22:40 PM

The committee took an at-ease from 4:22 p.m. to 4:24 p.m.

HB 319-DRUG/DEVICE DISTRIBUTORS; COMPOUNDED RX

4:24:10 PM

CHAIR HIGGINS announced that the next order of business would be HOUSE BILL NO. 319, "An Act relating to wholesale drug or device distributors; relating to prescription benefits under the state health insurance plan; and providing for an effective date."

4:24:12 PM

REPRESENTATIVE KELLER moved to adopt the proposed committee substitute (CS) for HB 319, labeled 28-LS0199\P, Martin, 3/21/14, as the working draft. There being no objection, it was so ordered.

4:24:48 PM

REPRESENTATIVE TAMMIE WILSON, Alaska State Legislature, explained the changes to the proposed CS. She said that the proposed bill required that all wholesalers be similarly licensed. She stated that more than 400 out of state companies did business in Alaska without the same license or regulation as those in-state businesses. She relayed that a second part of the proposed bill addressed compound prescriptions and access to them by retirees. She stated that these compound prescriptions had been available for many years, and that retirees had been assured that access to these would not change with the new [health care] administrator. She reported that the Department of Administration (DOA) had requested more time "to study this issue." She relayed that DOA had stated that compounding prescriptions could have negative effects, although there had not been any reported cases in Alaska. She reminded the committee that it was the physicians prescribing the compound prescriptions, and not the pharmacists. She opined that this was "about big business running our local pharmacies out of business." She asked what message was being sent to Alaska retirees if they were no longer able to obtain the necessary medication. She explained that compound medication was a pill made from a specific recipe for an individual. She offered her belief that DOA did not need to study the issue, and that it had been an oversight to not notice the lack of authority for paying for compound prescriptions when the health care administrator changed. She read a memorandum from DOA which stated that payment for compound prescriptions would be allowed throughout the remainder of the year. She declared that there had not been any problems with compound prescriptions in Alaska.

CHAIR HIGGINS offered his belief that this was an oversight.

REPRESENTATIVE WILSON stated that pharmacists were not doing anything wrong.

4:31:10 PM

REPRESENTATIVE WILSON, in response to Representative Reinbold, said that medical devices were brought into Alaska by more than 400 wholesalers without any licensing or oversight.

REPRESENTATIVE KELLER asked for clarification that the proposed bill requested similar treatment for licensing to both in-state and out-of-state distributors of medical devices.

REPRESENTATIVE WILSON said that was correct.

REPRESENTATIVE KELLER stated that he needed to review the language for licensure in the proposed bill.

4:33:21 PM

CHAIR HIGGINS said that the proposed bill would be held over.

4:33:45 PM

REPRESENTATIVE REINBOLD stated that she had concerns for the medical device issue, as she was unsure of the unintended consequences. She requested further discussion.

REPRESENTATIVE WILSON explained that the request for licensing was directed toward the companies, and not the devices. She declared that she wanted the same process for in-state and out-of-state companies.

REPRESENTATIVE REINBOLD asked again about the unintended consequences, and whether other states also required a wholesaler to register.

REPRESENTATIVE WILSON, in response, said, "honestly, I don't care what other states are doing." She reiterated her belief that she wanted the same process for in-state and out-of-state companies.

REPRESENTATIVE REINBOLD asked for testimony from the providers.

CHAIR HIGGINS re-opened public testimony.

4:37:14 PM

RICHARD HOLM, Pharmacist, relayed that he was the immediate past Chair of the Board of Pharmacy. He stated that the board was interested in regulating the out-of-state wholesalers, as they also sold drugs, chemicals, and devices. He declared that the board should have the ability to regulate these wholesalers, not the devices. He declared that this was a protection for Alaska business owners, and allowed business owners to register any complaints for investigation.

4:40:37 PM

CHAIR HIGGINS said that HB 319 would be held over.

4:40:48 PM

The committee took an at-ease from 4:40 p.m. to 4:42 p.m.

HB 355-MENTAL HEALTH FIRST AID TRAINING

4:42:27 PM

CHAIR HIGGINS announced that the next order of business would be HOUSE BILL NO. 355, "An Act establishing in the Department of Health and Social Services a first aid training program for mental health interventions."

4:42:38 PM

REPRESENTATIVE TARR, as the sponsor of proposed HB 355, spoke about mental health first aid (MHFA) training. She paraphrased from the Sponsor Statement, which read:

> Alaska has the highest suicide rate per capita in the country, at almost twice the national rate. There is an average of 136 suicides a year in Alaska and between 2000 and 2009, there was at least one suicide in 176 different Alaskan communities. Alaska Native men between the ages of 15-24 have the highest rate of suicide among all demographics in the United States, and the rate of suicide for all Alaska youth in this age group was nearly twice as high as the rate for adults over 25. Compounding this problem, youth exposed to suicide or suicidal behaviors are more likely to attempt suicide. Notably, 90% of suicide victims have a diagnosable, treatable mental or substance abuse disorder. We must reverse this trend.
>
> In your life, you are more likely to see a person having a panic attack than you are to see someone having a heart attack. Though many of us know how to properly respond to a heart attack, few of us know what to do when confronted with someone having mental or emotional crises. Creating an environment where people know how to properly respond to these situations is a small step towards treating Alaska's problems with suicide, addiction, and abuse. Mental Health First Aid courses teach people how to recognize the signs and symptoms of mental health problems and how to provide initial aid before guiding a person toward appropriate professional help.

MHFA was introduced to the United States in 2008 and since then over 50,000 state and municipal employees, clergy members, police officers, and citizens have been trained in 47 states and the District of Columbia. Participants learn how to detect a number of mental illnesses, including schizophrenia, bipolar disorder, psychosis, substance use disorders, depression, anxiety and eating disorders, and how to respond to people who have them. This ultimately saves municipalities money. People with untreated mental illnesses frequently consume fire and police department time, as well as emergency room costs. By recognizing when mental health treatment is necessary for young Alaskans, a community can begin to take care of itself.

I ask for your consideration and support for Mental Health First Aid training for our youth so that we can have a healthier future and healthier Alaskans.

4:46:07 PM

CHAIR HIGGINS opened public testimony.

4:46:16 PM

JILL RAMSEY, Training Coordinator, Center for Human Development, University of Alaska, relayed that she was the training coordinator for mental health first aid, as well as other trainings. She reported that the training had been coordinated through the trust training cooperative for the past two and a half years, and had been able to respond to the many different populations requesting the training. She said there was a wide group of people interacting with the public and seeking training to deal with common mental health problems before they became a crisis. She reported that 22 states and municipalities had appropriated money for mental health first aid training, with a focus on prevention and early intervention for mental health and substance use problems. She relayed that many states had put this on par with standard first aid, and, as the outcomes of the training were being tracked, the barriers for help were being broken down. She shared that Colorado had appropriated $750,000 to expand its mental health first aid program. She reported that the lifesaving and cost saving effects were bringing national attention.

CHAIR HIGGINS asked about the difference between a behavioral health analyst and a mental health first aid provider.

MS. RAMSEY explained that this was a public education course for anyone and not a clinical training. She shared that there were calls from people who had lost a loved one, from high schools and college campuses, all with a need to know what to do and how to detect before there was any presentation of a threat to harm.

REPRESENTATIVE KELLER exclaimed that this was an innovative model. He asked if they had approached employers, similar to Red Cross training, instead of asking for general funds.

MS. RAMSEY replied that a number of large employers nationally were interested. She explained that mental health first aid was brand new in Alaska, and that they were currently targeting direct service providers for trainings. She stated that community wide public education was a new avenue in Alaska, and that other states and employers were requiring this alongside standard first aid training.

MS. RAMSEY, in response to Representative Reinbold, said that a large percentage of completed suicides had a diagnosable mental health issue and/or substance use issue. She explained that an isolated or disenfranchised feeling, with depression or substance use, and a lethal means often created a dangerous situation.

MS. RAMSEY, in response to Chair Higgins, said that she had received a Master's degree in Psychiatric Rehabilitation with a Bachelor's degree in social work and psychology.

CHAIR HIGGINS asked about her training for mental health first aid training.

MS. RAMSEY explained that two and a half years prior she was hired to be a training coordinator for the Alaska Mental Health Trust Authority training cooperative and the advisory council had suggested including mental health first aid.

CHAIR HIGGINS asked about her training program.

MS. RAMSEY replied that the mental health first aid training had been provided by the National Council on Behavioral Health Care in Seattle. She explained that it had originated in Australia in 2001, had been introduced into the United States in 2008, and had been brought to Alaska in 2011.

4:56:08 PM

MS. RAMSEY, in response to Representative Reinbold, said that the Alaska Mental Health Trust Authority had funded the initial startup with a small grant that sent people from Alaska to become mental health first aid trainers. She noted that, as this was a public education course, there was a desire for other funding support.

REPRESENTATIVE TARR, addressing the fiscal note, said that costs could be reduced by almost 66 percent in the first year, with additional reductions in future years.

4:58:02 PM

DAVID D'AMATO, Senior Director, Health Policy, Alaska Primary Care Association, explained that the association recognized that mental health first aid was significant for its populations. He reported that the association was comprised of 160 community health care centers throughout Alaska. The association had decided to bring trainers to Alaska community health centers, as this was a good place to start breaking down the barriers regarding mental health matters in that community. He said that there were now 30 trainers and teachers. He explained that part of the agenda was to train trusted, respected people in each community, even if they were not trained in specific behavioral health areas. They could then begin to teach basic elements of mental health recognition and intervention. He shared that intervention was the piece that had been missing. He offered an anecdote comparing mental health first aid with CPR, as Alaska had a serious mental health epidemic. He stated that a goal of the Alaska Primary Care Association (APCA) was to break down the barriers that prevented true behavioral health and primary care integration. He reported that the APCA and the Alaska Mental Health Trust Authority were working in partnership on this project. He acknowledged that trainings would be necessary for other specific areas, including veterans, elders, and rural issues, as this training had focused on children.

5:02:30 PM

CHAIR HIGGINS said that HB 355 bill would be held over and that public testimony would be kept open.

5:03:04 PM

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:03 p.m.