

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 3, 2014

3:09 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
Representative Geran Tarr

MEMBERS ABSENT

All members present

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

SENATE BILL NO. 162

"An Act authorizing a licensed optometrist to prescribe a pharmaceutical agent containing hydrocodone."

- HEARD & HELD

HOUSE BILL NO. 290

"An Act relating to eligibility for medical assistance coverage; and providing for an effective date."

- BILL HEARING CANCELED

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
03/27/14 (H) Heard & Held
03/27/14 (H) MINUTE(HSS)
04/03/14 (H) HSS AT 3:00 PM CAPITOL 106

BILL: SB 162

SHORT TITLE: HYDROCODONE PRESCRIPTION BY OPTOMETRISTS

SPONSOR(s): SENATOR(s) OLSON

02/07/14 (S) READ THE FIRST TIME - REFERRALS
02/07/14 (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 1DP 3NR
02/24/14 (S) DP: MEYER
02/24/14 (S) NR: STEDMAN, MICCICHE, ELLIS
02/24/14 (S) HSS AT 1:30 PM BUTROVICH 205

02/24/14 (S) Moved SB 162 Out of Committee
02/24/14 (S) MINUTE(HSS)
03/24/14 (S) TRANSMITTED TO (H)
03/24/14 (S) VERSION: SB 162
03/25/14 (H) READ THE FIRST TIME - REFERRALS
03/25/14 (H) HSS
04/03/14 (H) HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

TOM STUDLER, Staff
Representative Pete Higgins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced the House committee substitute (CS), labeled 28-LS1219\T, Wallace/Mischel, 4/2/14, for CSSB 169 and answered questions.

SENATOR CATHY GIESSEL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions as the sponsor of SB 169.

JANE CONWAY, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions about SB 169 on behalf of the bill sponsor, Senator Giessel.

MARISSA WATKINS
Director of State Policy
PhRMA
Washington, DC

POSITION STATEMENT: Testified in opposition to SB 169.

SHEELA TALLMAN
Premera Blue Cross Blue Shield of Alaska
Seattle, Washington

POSITION STATEMENT: Testified during discussion of SB 169.

LAURA SARCONI
Nurse Midwife
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 169.

CARRIE DOYLE, MD
Alaska Clinical Nurse Specialist Association
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 169.

JANETTA SHOCKMAN, President
Alaska Nurses Association
Anchorage, Alaska
POSITION STATEMENT: Testified during discussion of SB 169.

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

MARIE DARLIN, Commissioner
Alaska Commission on Aging
Juneau, Alaska
POSITION STATEMENT: Testified in support of SB 169.

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

DAVE SCOTT, Staff
Senator Donald Olson
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented SB 162 on behalf of the bill sponsor, Senator Olson.

RACHEL REINHARDT, MD
American Academy of Ophthalmologists
Mill Creek, Washington
POSITION STATEMENT: Testified in opposition to SB 162.

JEFF GONNASON, OD
Alaska Optometric Association
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 162.

DAVID KARPIK, OD
President

Alaska Optometric Association
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 162.

ACTION NARRATIVE

[3:09:19 PM](#)

CHAIR PETE HIGGINS called the House Health and Social Services Standing Committee meeting to order at 3:09 p.m. Representatives Higgins, Reinbold, Keller, Tarr, and Seaton were present at the call to order. Representatives Nageak and Pruitt arrived as the meeting was in progress.

SB 169-IMMUNIZATION PROGRAM; VACCINE ASSESSMENTS

[3:10:12 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." [In front of the committee was CSSB 169(FIN), labeled 28-LS1219\I.]

REPRESENTATIVE KELLER moved to adopt the proposed committee substitute (CS) for CSSB 169, labeled 28-LS1219\T, Wallace/Mischel, 4/2/14, as the working draft. There being no objection, it was so ordered.

[3:10:53 PM](#)

The committee took an at-ease from 3:10 p.m. to 3:12 p.m.

[3:12:49 PM](#)

TOM STUDLER, Staff, Representative Pete Higgins, Alaska State Legislature, directed attention to the changes proposed in the working draft: page 2, line 4, which established a three year phase in program, and provided for voluntary participation; page 2, lines 30 - 31, which included two health care providers licensed in the state, one of whom must be a pediatrician, for

the council; page 4, lines 1 - 4, which added a requirement to submit to the commissioner and the legislature an annual financial report, including assessment determinations and overall costs of the program, for an on-going review of the program; page 4, line 13, which added an incremental phase-in of the entities at the discretion of the commissioner; page 5, lines 5 - 6, which added an opt out of the program clause under procedures approved by the commissioner; page 5, lines 10-12, which stated that an assessable entity may not deny a claim for coverage of vaccines based on the decision of a health care provider to elect not to participate in the program; page 7, line 7, which extended the sunset date for repeal to allow three years of a phase in period with an additional two years of operation to determine the viability of the program; and [page 7], line 15, which declared that this would take effect on January 1, 2015. He explained that an amendment by the committee could resolve an inadvertent error on [page 7] line 15, which included Section 7 to take effect on January 1, 2015. He explained that Section 6, page 7, line 8, repealed the act, removed the money, and placed it in the unobligated funds; however, waiting for an effective date of January 1, 2015 meant that the department could not access those funds until that date, and would miss the flu season vaccines.

[3:17:29 PM](#)

REPRESENTATIVE SEATON referred to page 2, line 4, and asked if, after three years to implement the procedure for phase in to the program, everyone was then included.

MR. STUDLER replied that this was correct.

CHAIR HIGGINS explained that the three year phase in period would allow the commissioner latitude to make the program work. He pointed to the opt out language which allowed any entity out during the transitional period. He opined that this three year period allowed plenty of time for each entity to determine if the program worked for them.

MR. STUDLER pointed out that this was detailed on page 5, line 5.

REPRESENTATIVE SEATON asked where it stated that the program was mandatory participation, or voluntary participation, after three years.

CHAIR HIGGINS explained that it was mandatory under the earlier version, but that the proposed CS allowed "a slow but sure process, a three year transitional period for the entities." He declared that the point was to bring everyone on board, and to ensure that self-insured third party payers could come on board immediately or at a slower rate if need be.

[3:20:06 PM](#)

REPRESENTATIVE KELLER asked how this would affect the vaccine pricing, as the point was to get the purchase cost down.

CHAIR HIGGINS replied that he did not know the answer, as they did not know who would participate. He opined that Premera covered the most people in the state, and would most likely cover 70 percent.

[3:21:06 PM](#)

REPRESENTATIVE SEATON directed attention to page 3, line 5, the director of the division of insurance or the director's designee, and page 2, line 28, the department's chief medical officer for public health, and asked if there was any intention to allow a designee for the chief medical officer.

CHAIR HIGGINS asked that the sponsor address this.

[3:22:31 PM](#)

SENATOR CATHY GIESSEL, Alaska State Legislature, explained that there was a not yet proposed committee substitute (CS) which had made that change to include chief medical officer or designee. She pointed out that, as this was a council and not a board or commission, there was not any cost. In response to Representative Keller and Chair Higgins, she clarified her agreement for the change to add "or designee" after chief medical officer.

JANE CONWAY, Staff, Senator Cathy Giessel, Alaska State Legislature, pointed to page 2, line 28, for the addition of "or designee" after chief medical officer.

[3:24:32 PM](#)

CHAIR HIGGINS opened public testimony.

[3:25:02 PM](#)

MARISSA WATKINS, Director of State Policy, PhRMA, explained that PhRMA represented the leading bio-pharmaceutical researchers in the country, and its "members are committed to finding tomorrow's cures and treatments for some of the most serious diseases." She stated opposition by PhRMA for SB 169, and offered the belief that the proposed legislation would not achieve its goal for ease of vaccine administration and high vaccination rates. She stated that the proposed bill would make the vaccine market more complex. She noted that the Affordable Care and Patient Protection Act "ensures much more comprehensive, first dollar coverage for vaccines for the insured population." She stated that the "complicated program envisioned by SB 169 is unnecessary to raise vaccination rates and adds administrative burden on providers." She opined that the proposed bill could jeopardize the competitive vaccine market. She warned that the use of Medicaid funding for vaccine purchase for non-Medicaid recipients could warrant review by the federal government and jeopardize the Medicaid funding to Alaska. She detailed that PhRMA members wanted to ensure the existence for all possible avenues to achieve the widest vaccination rates in every state. She opined that SB 169 would do more harm than good.

[3:27:22 PM](#)

CHAIR HIGGINS asked if PhRMA had also rejected the other eight states which currently had this program.

MS. WATKINS replied that PhRMA companies had worked with some of these states to implement the programs however, PhRMA now opposed the creation of universal purchase programs. She suggested that there were better solutions for more vaccinations.

[3:28:17 PM](#)

CHAIR HIGGINS asked for clarification that PhRMA previously supported these programs, however PhRMA now believed that these programs for adults or children should not be implemented.

MS. WATKINS expressed her agreement, stating that PhRMA member companies no longer felt it was in the best interest of the vaccine community for a universal purchase program.

CHAIR HIGGINS relayed that he had spoken with other states having this program, and "it seems to be working very well for

them." He asked why PhRMA was opposed to the program, other than its claim that the program was "directing market forces."

3:29:44 PM

REPRESENTATIVE TARR asked for clarification about the aforementioned statement regarding Medicaid dollars.

MS. WATKINS explained that PhRMA believed that the use of Medicaid dollars to purchase vaccines for non-Medicaid recipients could warrant review by the federal government, thereby jeopardizing Medicaid funding to Alaska.

CHAIR HIGGINS expressed his agreement that Medicaid funding could not be used for private insurance.

3:30:47 PM

SHEELA TALLMAN, Premera Blue Cross Blue Shield of Alaska, relayed that Premera Blue Cross Blue Shield had been working with the Division of Public Health, as well as other stakeholders, and were supportive of the concept of the proposed bill to maintain the universal vaccine program. She referenced the letter of support, [Included in members' packets] which was for a previous version of the proposed bill. She noted that the Alaska Health Care Commission had included a recommendation in its 2011 report to ensure that the vaccine program was adequately funded, and had included consequences for the elimination of the vaccine program in Alaska. She reported that Premera had not had a chance to review the most current proposals. She expressed concern for making the program voluntary for the payers. She pointed out that a critical component of the program was that all payers participate and pay for the share of vaccines for its membership. If all entities did not participate, the costs would increase for Alaska residents. She stated that vaccines were more cost effective than treatment of illness and disease. She offered the belief that a statewide universal vaccine program would help to alleviate any issues for access, especially with a goal of improvement to the immunization rate.

MS. TALLMAN, in response to Chair Higgins, explained that her understanding was that the opt-in, opt-out option for providers was directed predominantly at the adult population.

CHAIR HIGGINS replied that the previous version had not designated for children or adults.

MS. TALLMAN offered her belief that the opt-in was not an issue for the payer accessible entity side.

CHAIR HIGGINS asked for clarification that it was now a concern, although it had not previously been a concern. He stated that it had not been changed in this version of the proposed bill.

MS. TALLMAN expressed her understanding that this was now voluntary for the payers.

CHAIR HIGGINS said this was the same as previously.

[3:34:38 PM](#)

MS. TALLMAN said that Premera had concerns for unintended consequences from the changes in the proposed bill, as it could undermine the entire program. She suggested that there would be few, if any, vaccines purchased by the state, and costs would increase. She pointed out that Premera participated in the universal vaccine programs in other states, and was key in development of the successful program in Washington State, which was very similar to the concept of proposed SB 169.

CHAIR HIGGINS replied that SB 169 was different than the program in Washington State, as the proposed bill included adults, similar only to Vermont.

MS. TALLMAN replied that Premera was aware that the proposed bill included adult vaccines. She suggested that the program begin with vaccine for kids, and then implement the vaccine for adults.

CHAIR HIGGINS asked that testimony be limited to the mechanics of the proposed bill.

[3:37:23 PM](#)

LAURA SARCONI, Nurse Midwife, said that her testimony was based on the essential nature of vaccines for pregnant women, as the immune system was compromised during pregnancy. She spoke about the risks and dangers of flu for pregnant women, including pre-term labor, respiratory failure, and premature birth. She reported that Centers for Disease Control and Prevention (CDC) had recommended that all pregnant women be vaccinated against tetanus, diphtheria, and pertussis in the third trimester of pregnancy, regardless of prior history for this vaccination.

She declared that the proposed bill would allow private obstetric and family practice providers to provide the recommended vaccine protection to pregnant patients. She urged support for the proposed bill.

[3:39:48 PM](#)

CARRIE DOYLE, MD, Alaska Clinical Nurse Specialist Association, said that she was concerned with the health of adult patients, especially for those patients administered to hospitals. She reported that immunized patients were less likely to require hospitalization from illnesses that were preventable through vaccinations. She declared that the cost and availability of immunizations was of the utmost concern. She urged support of proposed SB 169.

[3:41:10 PM](#)

JANETTA SHOCKMAN, President, Alaska Nurses Association, said that she specialized in adult, critical care medicine. She spoke in support of SB 169. She declared that illnesses can be life threatening, and life altering, and that it was necessary for the vaccines to be easily accessible and affordable to protect all Alaskans. She stated that the Alaska Nurses Association supported the proposed bill.

[3:43:07 PM](#)

PATRICIA SENNER, Professional Practice Director, Alaska Nurses Association, spoke about the need for a vaccine program for the uninsured in order to buy vaccines at a much lower rate.

[3:44:17 PM](#)

MARIE DARLIN, Commissioner, Alaska Commission on Aging, pointed to the letter from AARP in support of the bill [Included in members' packets]. She stated that the Alaska Commission on Aging was in support of vaccines for all. She declared that seniors needed to have the option and the ability for vaccines. She spoke of the concern for shingles and the need for its vaccination. She explained that she wanted to see an immunization program to cover both adults and children. She declared full support of the proposed bill.

[3:47:36 PM](#)

WARD HURLBURT, MD, Chief Medical Officer/Director, Division of Public Health, Central Office, Department of Health and Social Services, directed his response to questions previously posed to him. He explained that the patients, the public, the payers, and the providers would all benefit from the vaccine program presented in SB 169. He reported that it would result in a more efficient system with less administrative workload and a lower cost for the pharmaceutical manufacturers. He expressed his agreement that the pharmaceutical industry was a critical partner for keeping Americans healthy. He said that vaccine prices would increase, and the assessments would also increase. He reported that the Idaho vaccine program was different than the proposed program in Alaska, as the Alaska program would not draw from the general fund. He relayed that tribal entities would continue to receive the state distributed vaccine under the Vaccines for Children program. He said that the tribal program would have the option to opt in to the program. He said that the proposed program was designed to pay for people without insurance, as 30-45 million Americans would still be uninsured, by choice or by need, even with the Affordable Care and Patient Protection Act. He referred to herd immunity which protected all of society. Directing attention to the adult programs, he reported that the Vermont program, the only state program for adults, was working very well. He stated that ERISA plans cannot be mandated for coverage by the state, although other states had successfully established that an assessment can be imposed on the ERISA plans. He reported that payers who elected to buy the vaccine themselves were reimbursed at a comparable rate, often less than the retail purchase price; hence, an incentive to participate. He explained that a successful program would have a small positive economic impact on the insurance companies, about a 2 percent profit margin. He said there was an option to purchase adult vaccines through multi state purchasing cooperatives. He explained that providers who had purchased vaccines would have a phase in period, in order to allow for reimbursement to those previous purchases. He stated that 75 percent of Medicaid enrollees were women and children, and were already covered. He clarified that federal dollars would not be used inappropriately. He expressed concern for opt-out payers and third party administrators, as it would make it more difficult to have a successful program without their participation.

[3:55:19 PM](#)

CHAIR HIGGINS said that many providers had contacted him requesting a choice for the opt-out option, as their concern was

for directing market forces toward competitors. He explained that it was up to the insurance companies how to pay. He declared that insurance companies were very good at figuring the rates. He stated that there was concern by the providers for the unknown cost of the assessment.

3:58:46 PM

DR. HURLBURT pointed out that the assessment would be on the payers, with an assurance that there was not double payment. He said that the only possibility that providers pay an assessment would be an optional participation by some unique providers. He said that a disadvantage for non-participation would be the increased administrative requirements for double record keeping and double storage facilities. He noted that providers would only have an assessment if they were both a payer and a provider, such as Veterans Administration or the tribal programs.

CHAIR HIGGINS directed attention to page 4 of the original bill, which described the annual assessment reporting requirements. He said that the aforementioned "other program participants" created "a little bit of a grey area."

4:01:15 PM

REPRESENTATIVE SEATON directed attention to Version T, page 4, line 18, and asked if there was any reason for "or other program participant" if there were assessable entities.

DR. HURLBURT offered his understanding that the private practice doctors would not be assessed. He offered that Indian Health Service received vaccines at no cost for Native American children and Medicaid enrollees, although the facilities often also functioned as a community hospital for other payers. He said that this gave the tribal program the option to participate in order to lower their vaccine costs to the public, although participation could not be mandated.

CHAIR HIGGINS directed attention to page 4, line 31, [Version I] and said that a health care provider or group of providers may opt into the program, if approved by the commissioner.

CHAIR HIGGINS, in response to Representative Seaton, clarified that although he had referenced Version C, this was also stated in Version T, page 5, line 7. He stated that any concerns were corrected with the option to opt-in or opt-out.

DR. HURLBURT referenced earlier testimony for pregnant mothers, stating that this allowed the opportunity to opt in, without becoming an assessable entity.

4:04:48 PM

REPRESENTATIVE SEATON directed attention to page 4, lines 16-19, and asked if the definition for program participant was better clarified if included in the assessment portion.

DR. HURLBURT noted that he did not have expertise for writing legislation, although the intent of the suggestion for clarification was consistent.

REPRESENTATIVE SEATON clarified that the assessable entities were being assessed, and not the providers; therefore, both should not be included in the same sentence. He asked that this be considered for clarification.

CHAIR HIGGINS explained that this language had been included in Version T, page 4, lines 13 - 15, and it allowed the commissioner to approve who were the program participants.

4:07:23 PM

REPRESENTATIVE KELLER shared that this was tied to page 2, line 3, in which "the commissioner shall establish a procedure to phase in the program over a three-year period." He stated that the discretion of the commissioner had increased.

REPRESENTATIVE SEATON clarified that page 2 referenced an assessable entity and not a program participant.

CHAIR HIGGINS read page 4, line 13, "an assessable entity and other program participant." In response to Representative Seaton, he offered his understanding that "other program participant" could constitute other than a provider, such as a third party insurer; hence, the decision to leave it in the proposed bill.

REPRESENTATIVE SEATON suggested a review of this, so that there would not be any confusion in the proposed bill.

REPRESENTATIVE KELLER expressed his agreement for the confusion, and he pointed out that some entities were in both of the categories, insurers and providers.

CHAIR HIGGINS offered his belief that this had been resolved when providers were allowed to opt out.

[4:10:14 PM](#)

REPRESENTATIVE SEATON asked for clarification of the opt-out provision on page 5, line 5, whereby an assessable entity could opt-out at any time, and he asked if the providers should be added to this provision. He stated that there would not be a large enough assessment pool if the assessable entities, the insurance companies, could opt out. He pointed out that the sunset clause was only four years.

CHAIR HIGGINS asked whether insurance companies should be mandated for their participation in the State of Alaska. He declared that the Affordable Care and Protection Act mandated, and "one of the things that offends me the most" was the mandate. He offered his understanding that "this thing [the proposed program] is the best thing since buttered toast." He declared that all insurance companies wanted to opt-in to this program, and therefore, there should not be any problems. He noted that the insurance companies had three years to make this determination. He declared that "I have a real problem mandating insurance companies, forcing them to do a program." He offered his belief that a mandate was not "the American way."

REPRESENTATIVE SEATON suggested that the flexibility to opt-out at any time could affect the purchase for quantities of vaccines.

CHAIR HIGGINS, directing attention to page 5, line 5, replied that the opt-out only extended for the first three years of the phase in period.

REPRESENTATIVE SEATON pointed out that, as vaccines had to be ordered ahead, it would be beneficial to have an opt-out window equivalent to the order period for vaccines.

CHAIR HIGGINS replied that was the idea of the three years.

REPRESENTATIVE SEATON asked about a window for commitment during each year to allow for the order of vaccines.

CHAIR HIGGINS expressed his understanding and agreed to give this idea more consideration.

4:14:48 PM

DR. HURLBURT said that he had concerns with the opt-out for the assessable entities, the payers. He expressed his agreement that the insurance companies should not be told what to do, even if participation was in their best interest. He explained that the proposed bill was for assessments to insurance companies that were required, or had decided, to cover the vaccines, and the assessment was only for the vaccine doses they required. This proposed bill saved the insurance companies money, and it also generated the funding to pay for vaccines for uninsured individuals, which benefited everyone.

4:16:07 PM

REPRESENTATIVE KELLER asked for clarification that the insurance companies were obligated to supply the vaccines, and that, in reality, they did not have the choice.

DR. HURLBURT expressed his agreement, and "to date, it's been their option, their enlightened option, because they save money if they can prevent somebody my age from getting pneumonia with the pneumococcal vaccine." He pointed out that the Affordable Care and Patient Protection Act also mandated this coverage.

CHAIR HIGGINS said that the insurance company only had to pay when the provider billed them for the services.

DR. HURLBURT explained that the two methods to levy the assessment were based on either vaccine doses given or covered lives. He relayed that Premera had expressed its preference for the vaccine dosage basis. He opined that this may not be the most favorable pricing approach. He said that the covered lives liability could be adjusted according to the numbers of people who refused the vaccine.

4:19:38 PM

REPRESENTATIVE TARR asked if there was an option for two years, instead of the current three years.

DR. HURLBURT replied that, as the first year was transitional under the proposed bill, it was necessary to give the program enough years to see if it was successful. He reported that the New Hampshire program was in its eleventh year, and its immunization rate for two year olds had increased by 20 percent and was now the second best in the United States.

[4:21:37 PM](#)

REPRESENTATIVE SEATON, directing attention to page 7, line 7, asked if those dates should be June 30 to repeal and July 1 to take effect, in order to correspond to the fiscal year, or was that not the most optimal when ordering an assessment.

DR. HURLBURT offered his belief that the fiscal year basis would make more sense. He pointed out that currently there was still funding and a supply of vaccine for the startup.

[4:23:10 PM](#)

CHAIR HIGGINS closed public testimony, and said that SB 169 would be held over.

[4:23:52 PM](#)

The committee took a brief at-ease.

SB 162-HYDROCODONE PRESCRIPTION BY OPTOMETRISTS

[4:25:18 PM](#)

CHAIR HIGGINS announced that the next order of business would be SENATE BILL NO. 162, "An Act authorizing a licensed optometrist to prescribe a pharmaceutical agent containing hydrocodone."

[4:25:22 PM](#)

DAVE SCOTT, Staff, Senator Donald Olson, Alaska State Legislature, stated that the proposed bill created an exception in law in case of federal action. Currently, optometrists were entitled to prescribe hydrocodone for four day prescriptions. The proposed bill did not change the scope of the practice of optometry, however, as the U.S. Food and Drug Administration (FDA) was considering a change for hydrocodone from Schedule III to Schedule II, there would be a lapse in allowable coverage by optometrists. He pointed out that there was a difference between living in the bush and urban communities, especially with access to optometrists. He noted that often a generalist doctor needed to administer to eye injuries in rural Alaska, until the patient could visit an eye specialist. He stated that the mechanics of the proposed bill were to allow optometrists in Alaska to continue to prescribe oxycodone in the event the FDA decided to make any change.

4:28:26 PM

REPRESENTATIVE NAGEAK asked about the cost of hydrocodone versus other similar alternative prescriptions.

MR. SCOTT replied that he did not know the costs.

REPRESENTATIVE NAGEAK asked about the availability for hydrocodone versus the alternative prescriptions in the bush communities.

MR. SCOTT replied that he did not know the availability.

4:29:29 PM

CHAIR HIGGINS [opened public testimony].

RACHEL REINHARDT, MD, American Academy of Ophthalmologists, stated that she was the current president of the Washington Academy of Eye Physicians and Surgeons. She reported that, after several years of research, the FDA had recommended to the U.S. Drug Enforcement Administration (DEA) to change hydrocodone containing narcotics to a more restricted class. She shared that the agencies concluded that there was a national crisis with a 300 percent increase in prescription narcotics over the past 20 years, and that hydrocodone was "at the top of that list." She relayed that there had also been a 500 percent increase for prescription narcotic deaths in the United States. These prescription narcotic deaths now outnumbered the combined total deaths from illegal narcotics, with Alaska ranking fifth in the nation. She pointed out that one step toward a solution was to restrict the number of providers who can prescribe these narcotics. She addressed a possible concern that some rural patients would suffer, stating that there were numerous alternatives. She relayed that she prescribed other narcotics such as codeine, as well as non-narcotic pain medications. She relayed that a lot of painful eye conditions were treated with bandages, contact lenses, and drops. She referred to a list of 15 non-narcotic pain medications as alternatives for moderate to severe pain. She expressed her understanding to the concern for rural areas. She addressed the proposed limitations to prescriptions, which, although it sounded helpful, still allowed access to the narcotics by a non-patient. She stated that the medical community at large was responsible for the drug epidemic, and this state of emergency had led to the "conscious, intentional effort" to reclassify some drugs to a more

restrictive class, and thereby limit the number of providers allowed to prescribe. She declared that this was about protecting patients. She reported that prescription narcotic deaths were the number one cause of unintentional death in the United States, surpassing car accidents. She requested opposition to SB 162.

REPRESENTATIVE KELLER pointed out that the Alaska State Legislature had been working on a proposed bill for a database of opioid prescriptions, which did not appear to having funding to continue beyond July 1, 2014. He expressed his frustration with this.

DR. REINHARDT replied that an increase to the number of providers for these prescriptions would necessitate a database. She stated that there also needed to be regular wide spread distribution of medications for overdose. She offered to voluntarily stop prescription of Vicodin [hydrocodone] just to make a point to the dangers of prescription drug abuse.

[4:38:15 PM](#)

JEFF GONNASON, OD, Alaska Optometric Association, explained that a controlled substance was a drug or chemical which was regulated by the government, and classified according to schedules for the potential of abuse. He said that each schedule had a more restrictive prescription procedure, including tighter record keeping and databases to track the medication to prevent abuse. He reported that the Alaska State Legislature, in 2000, had voted to authorize Alaska optometrists to prescribe medications, including schedule II narcotics, although this was subsequently vetoed by the governor. He noted that a later law allowed prescriptions for Schedules III, IV, and V narcotics, with a maximum 4-day supply, only for eye conditions. He stated that this compromise had been acceptable as eye pain was often acute, but resolved itself in less than four days. He noted that hydrocodone combination drugs were included in Schedule III. In response to an earlier question, he said that these generic drugs were not very expensive. He declared that there had been zero instances of abuse, and zero complaints or actions by the state board or any other drug enforcement agency against any Alaska optometrist. He emphasized that these drugs were important for managing severe eye pain. He pointed out that the proposed reclassification of the drugs would "once again be the federal government regulation overriding our state law." He stated that this drug was the best tool for managing acute eye pain. He stressed that the

national drug abuse problem had nothing to do with Alaska optometrists. He said that, as optometry was qualified and well trained, people did not come to them for illicit drugs. He expressed his disagreement with Dr. Reinhardt, stating that the federal purpose was "to tighten the abuse potential from problematic users," which he claimed did not include optometry because of the restrictions. He offered an anecdote about an incident in a rural community. He opined that the proposed bill did not make any changes from the current practice by optometrists in Alaska.

CHAIR HIGGINS asked if there was a medical doctor for prescriptions in the bush communities.

DR. GONNASON replied that very often there was not a medical doctor in the villages. He declared that he could go to a bush clinic and not be allowed to give antibiotics, whereas a health aide was allowed to give them.

[4:44:46 PM](#)

DAVID KARPIK, OD, President, Alaska Optometric Association, stated that the Alaska Optometric Association supported SB 162. He declared that the proposed bill was merely "a technical addition to existing optometry law." He relayed that strong measures already existed to prevent abuse by prescribers, and tighter record keeping and tracking requirements also worked toward this. He expressed his agreement with the problem for addictions to prescription medications however, infrequent, short term prescriptions were not contributing to this addiction problem. He said there had been no complaints of abusive prescribing of controlled substance toward optometrists in Alaska in the seven years since statute had allowed the prescription of controlled substances. He concluded that the proposed bill maintained the opportunity for "continued, compassionate relief of their eye related pain in an acute setting."

[4:47:56 PM](#)

MR. SCOTT reported that the sponsor was well aware of the concern for the abuse of prescription drugs. He noted that his concern was assuaged by the four day limit on prescriptions. He pointed out that Rural Alaska, without roads, was far more inaccessible than rural Washington.

[4:48:40 PM](#)

CHAIR HIGGINS closed public testimony, and said that SB 162 would be held over.

[4:48:54 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:48 p.m.