

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

April 10, 2014

3:07 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**

SENATE BILL NO. 162

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

- MOVED SB 162 OUT OF COMMITTEE

HOUSE BILL NO. 356

"An Act establishing the Advisory Committee on Wellness; and relating to the administration of state group health insurance policies."

- MOVED HB 356 OUT OF COMMITTEE

HOUSE BILL NO. 380

"An Act relating to the selection by the Department of Health and Social Services of vendors under the federal Special Supplemental Food Program for Women, Infants, and Children."

- MOVED HB 380 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

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  
 04/03/14 (H) Heard & Held  
 04/03/14 (H) MINUTE(HSS)  
 04/10/14 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 356

SHORT TITLE: ADVISORY COMMITTEE ON WELLNESS

SPONSOR(s): REPRESENTATIVE(s) SEATON

02/26/14 (H) READ THE FIRST TIME - REFERRALS  
 02/26/14 (H) HSS, STA  
 03/20/14 (H) HSS AT 3:00 PM CAPITOL 106  
 03/20/14 (H) Heard & Held  
 03/20/14 (H) MINUTE(HSS)  
 04/10/14 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 380

SHORT TITLE: WIC SUPPLEMENTAL FOOD PROGRAM VENDOR

SPONSOR(s): COMMUNITY & REGIONAL AFFAIRS

03/31/14 (H) READ THE FIRST TIME - REFERRALS  
 03/31/14 (H) HSS  
 04/10/14 (H) HSS AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

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

**POSITION STATEMENT:** Answered questions during discussion of SB 162, on behalf of the bill sponsor, Senator Donald Olson.

REPRESENTATIVE GABRIELLE LEDOUX  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 380 as the sponsor of the bill.

LISA VAUGHT, Staff  
Representative Gabrielle Ledoux  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 380 on behalf of the bill sponsor, Representative Gabrielle Ledoux.

RON KREHER, Director  
Director's Office  
Division of Public Assistance  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during discussion of HB 380.

KATHLEEN WAYNE, Program Manager  
Special Supplemental Food Program for Women, Infants, and Children (WIC)  
Division of Public Assistance  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during discussion of HB 380.

ARTHUR YANG, Owner  
Dragon Oriental Store  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 380.

SHENG YANG  
Dragon Oriental Store  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 380.

MAIKUE HER  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of HB 380.

MAGGIE YANG  
(translated by Sheng Yang)  
Dragon Oriental Store  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 380.

**ACTION NARRATIVE**

[3:07:39 PM](#)

**CHAIR PETE HIGGINS** called the House Health and Social Services Standing Committee meeting to order at 3:07 p.m. Representatives Higgins, Keller, Seaton, and Reinbold were present at the call to order. Representatives Pruitt, Nageak, and Tarr arrived as the meeting was in progress.

^#sb162

**SB 162-HYDROCODONE PRESCRIPTION BY OPTOMETRISTS**

[3:08:56 PM](#)

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

[3:09:41 PM](#)

DAVID SCOTT, Staff, Senator Donald Olson, Alaska State Legislature, stated that SB 162 did not change the practice or scope of optometry; it only made a specific exception to allow optometrists to continue prescriptions for hydrocodone in the same manner as they were currently. He explained that the U.S. Food & Drug Administration (FDA) was possibly going to propose a change of listing for hydrocodone from Schedule III to Schedule II, which would no longer allow optometrists in Alaska to prescribe this medication.

CHAIR HIGGINS reflected that the extent of education for optometry allowed for prescriptive rights. He pointed out that [abuse of] hydrocodone was an issue in the country, and he opined that the health care community was carefully reviewing the issue to better understand and alleviate the abuse. He declared that no specific health care group was the problem for the abuse. He noted that the optometrists had the pharmacology training to prescribe hydrocodone, and the Board of Pharmacology was recommending continuance for the prescription capability.

He reported that an FDA change of the drug schedule would leave it to the individual states to determine restriction policies. He summarized that the proposed bill allowed for a four day regimen which limited the abuse factor. He relayed that several states had unrestricted rights, whereas Alaska was more restrictive. He offered his recommendation to allow a continuance for prescription of hydrocodone.

REPRESENTATIVE SEATON reported that there had not been any cases of [hydrocodone] abuse by optometrists in the last five years.

[3:14:45 PM](#)

REPRESENTATIVE KELLER moved to report SB 162, Version 28-LS1390\A, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 162 was moved from the House Health and Social Services Standing Committee.

#

[3:15:15 PM](#)

The committee took an at-ease from 3:15 p.m. to 3:19 p.m.

^#hb356

**HB 356-ADVISORY COMMITTEE ON WELLNESS**

[3:19:02 PM](#)

CHAIR HIGGINS announced that the next order of business would be HOUSE BILL NO. 356, "An Act establishing the Advisory Committee on Wellness; and relating to the administration of state group health insurance policies."

REPRESENTATIVE SEATON explained, as the sponsor of the proposed bill, that HB 356 would establish an advisory committee on wellness within the Department of Administration (DOA), and said that the purpose was to implement a prevention of disease model for health care. He stated that Sections 2 and 3 were the impetus of the bill which asked that the DOA, as determiners of the health care policy through the insurance provided, include a wellness advisory committee. He explained that this committee would have at least seven members, and he relayed that 90 people had applied for appointment to an earlier wellness advisory committee. He stated that there was a lot of interest in the population to promote wellness. He reported that this proposed committee would have the power to require the submitted

recommendations be addressed, similar to the Office of Children's Services (OCS) advisory committee. He shared that DOA did not have opposition to the proposed bill, as its goal was to control the escalation of health care costs. He pointed out that \$3.8 billion of unfunded liability was caused by the escalation of health care costs above the original long term estimate for an annual cost increase of 2 percent. He directed attention to the handout [Included in members' packets] for a proposed initiative to save up to \$10 million annually. He spoke about Vitamin D, nutritional guidelines, and wellness in the work place initiatives. He explained that the wellness committee would work on proscriptive solutions for a voluntary means to reduce disease in workers and the retired population. He lauded the benefit of a wellness committee with the power to solicit a response. He pointed out that this was also defined as practical and reasonable suggestions for solutions to hold down health care escalation costs. He reported that the committee could meet via teleconference, as the proposed bill had a zero fiscal note.

CHAIR HIGGINS questioned the accomplishments of the multitude of committees, and asked about the need for another committee. He directed attention to the current [Alaska] Health Care Commission, which reviewed all of the State of Alaska. He noted that a committee on controlled substances, formed more than 32 years previously, had never met.

[3:26:32 PM](#)

REPRESENTATIVE SEATON replied that the Alaska Health Care Commission was under the Department of Health and Social Services (DHSS), and reviewed a different spectrum than this proposed committee would under the DOA, which administered health policies and negotiated contracts with state workers. He pointed out that there had been a voluntary wellness committee, however its focus had not been for prevention of disease and there had not been any requirement for response to its suggestions.

REPRESENTATIVE KELLER respectfully pointed out that, although the Alaska Health Care Commission did not solely dwell on prevention, it did focus on ways to reduce health care costs with prevention as a top priority. He declared his support for the proposed bill. He shared that he had long been involved with prevention groups, and he reported that many people were working on prevention related to smoking, obesity, and chronic disease. He expressed his discomfort with an indictment that

committees had not reduced the cost of health care, noting the difficulty for documentation. Directing attention to page 1, line 9, he questioned the intent language, "the state has not adequately focused state policy on avoiding disease," and stated that it did not mean that many people were not trying. He noted that the smoking cessation program had required a lot of work. He asked that respect be shown toward those people currently working on prevention programs.

REPRESENTATIVE SEATON replied that the proposed bill focused on the DOA, and that he did not intend to impugn any other work on wellness and prevention. He declared a need to focus on the budgetary situation, and getting wellness programs initiated with state workers and their dependents. He pointed out that the current Wellness committee had not met since December. He explained that the proposed bill required responses to its recommendations, similar to the authority of the Citizens Review Panel with the Office of Children's Services (OCS). He said that he did not want to denigrate other work, and this proposed bill was for wellness programs through DOA, as insurance and the subsequent health care inflation were housed there.

REPRESENTATIVE KELLER acknowledged the other various wellness committees.

REPRESENTATIVE NAGEAK asked if Department of Health and Social Services (DHSS) would increase its education for prevention, in lieu of the creation of another committee.

REPRESENTATIVE SEATON replied that DHSS had its own mission, and its ways for working on change in the state, which was different than DOA, which oversees the health care insurance policies. He offered his belief that it was necessary to reduce the increases to health insurance. He relayed that incentives to place wellness programs, such as co-pays and deductibles, could be offered through the health care contracts.

CHAIR HIGGINS asked for clarification that the wellness committee would target the insurance policies.

REPRESENTATIVE SEATON said that the proposed bill would target insurance for the active workforce employees, retirees, and dependents in the State of Alaska for reductions in liabilities.

CHAIR HIGGINS asked for an explanation to the zero fiscal note.

REPRESENTATIVE SEATON replied that DOA had stated that a wellness committee was advisable and, as it was a non-paid position, there would be volunteer members who would attend telephonic meetings. He opined that, if successful, it could have huge benefits toward reducing the state budget.

[3:38:59 PM](#)

REPRESENTATIVE KELLER moved to report HB 356, Version 28-LS1465\C, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 356 was moved from the House Health and Social Services Standing Committee.

#

[3:39:19 PM](#)

The committee took an at-ease from 3:39 p.m. to 3:41 p.m.

^#hb380

**HB 380-WIC SUPPLEMENTAL FOOD PROGRAM VENDOR**

[3:41:22 PM](#)

CHAIR HIGGINS announced that the final order of business would be HOUSE BILL NO. 380, "An Act relating to the selection by the Department of Health and Social Services of vendors under the federal Special Supplemental Food Program for Women, Infants, and Children."

[3:41:55 PM](#)

REPRESENTATIVE GABRIELLE LEDOUX, Alaska State Legislature, paraphrased from the sponsor statement, which read:

HB 380 compels the Alaska Department of Health and Social Services to seek permission from the United States Department of Agriculture to provide a hardship exemption to vendor selection and approval criteria in the Women, Infants, and Children (WIC) supplemental food program.

Alaska is an increasingly diverse state with people of many different cultural, religious, and ethnic backgrounds sharing our local communities. These cultural enclaves are often populated by people of low-income status who need government assistance in

making ends meet. Currently one of the only significant sources of food for the people on supplemental food programs are big-box stores which are either too far from the community or do not provide the items necessary for their unique cultural or religious needs.

Adding a hardship exemption to the WIC vendor program would allow those people with specific cultural or religious sustenance needs to have those needs met without undue expense or hardship.

HB 380 recognizes that Alaska is a diverse community and allows that diversity to be rewarded and to prosper.

3:43:02 PM

LISA VAUGHT, Staff, Representative Gabrielle Ledoux, Alaska State Legislature, read from a prepared statement. She stated that the proposed bill instructed Department of Health and Social Services (DHSS) to seek a waiver from the U.S. Department of Agriculture to expand federal Special Supplemental Food Program for Women, Infants, and Children (WIC) vendor eligibility. It would allow small Alaskan grocers serving minority communities with significant language barriers to accept the WIC vouchers. She opined that the limitations of the current WIC vendor eligibility requirements harm both Alaska's minority communities and the local stores serving them. She stated that locally owned businesses had been excluded at a great cost to the diverse minority communities which made Anchorage neighborhoods vibrant. She noted that reliance on WIC ensured an even more fundamental role of the local shops in the community. She pointed out that the proposed bill would "re-prioritize current WIC regulations from favoring big box chains at the expense of small local businesses." She acknowledged that, although the control of cost was an important consideration, the fundamental purpose was to help those who were most vulnerable. She stated that a cultural component to the WIC regulations was critical to the health of the minority communities. She said that a request to expand the WIC vendor eligibility requirements was the least that could be done for these communities.

3:45:08 PM

REPRESENTATIVE KELLER questioned how it would be determined which communities had language barriers, asking if there was data readily available. He offered his assumption that this was directed at language barrier communities as it was taken from a federal guideline.

REPRESENTATIVE LEDOUX replied that there was language in the federal guidelines which allowed application for an exemption when language barriers existed. She reported that there was a significant Hmong community in East Anchorage with limited English proficiency. She did not know if there were state records for language challenged communities.

REPRESENTATIVE SEATON asked if the availability of the stores to the community was part of the issue, as it was necessary to have transportation to shop at the larger stores.

REPRESENTATIVE LEDOUX replied that this was an issue. She offered examples for East Anchorage and Mountain View which necessitated transportation, or an unsafe walk with groceries.

CHAIR HIGGINS asked about the large fiscal note.

REPRESENTATIVE LEDOUX replied that the fiscal note was a surprise, as the proposed bill was only asking to apply for a waiver.

REPRESENTATIVE KELLER asked if a waiver request would need a justification.

REPRESENTATIVE LEDOUX said that it should be done without spending a huge amount of money. She surmised that language barriers in communities should be the determinant for the application for the waiver.

[3:49:59 PM](#)

RON KREHER, Director, Director's Office, Division of Public Assistance, Department of Health and Social Services (DHSS), explained that the department was challenged as there was no hard data on the degree for which language barriers created challenges to access WIC foods. He expressed agreement that there were language challenges; however, a waiver had to be done at a statewide level. The federal guidelines for food and nutrition services recommended the department conduct a survey and assessment to identify language barriers statewide. He said that this cannot be done piecemeal. He explained that the

fiscal note reflected a best guess based on similar surveys, but it would be necessary for a contractor to define the scope. He acknowledged that there were many communities with a high percentage of non-English speakers. The data was necessary to assess whether there were significant barriers to accessing food in grocery stores, in order to satisfy Alaska and the federal government to focus resources in those challenged communities. He reported that all WIC vendors had to meet specific criteria, and, even if serving a predominantly ethnic population, it was required to stock sufficient quantities of all the WIC approved food. He offered an example for quantities necessary for 35 WIC recipients served by a specific store, which included 394 quarts of low fat or nonfat milk on the shelves every day, as well as records to track this. He pointed out that most convenience stores did not carry this quantity or the full suite of foods required for WIC stores. He said that it was also necessary to review the peer groups of different vendors, so there would be balance. He noted that the proposed bill spoke to barriers based on language, food preference, and cultural bias. He pointed out that food preference was not included in WIC, as WIC only allowed specific foods. If a food item was not WIC approved, then it could not be purchased under the WIC program. He offered an example that brown rice was acceptable, while white rice was not. He stated that the acceptable food list was nutritionally based and science driven, so there were variables other than non-English speaking staff for a WIC vendor.

CHAIR HIGGINS asked if food stock was an issue for WIC vendors in the bush communities.

[3:55:09 PM](#)

KATHLEEN WAYNE, Program Manager, WIC, Division of Public Assistance, Department of Health and Social Services (DHSS), replied that a participant access study for WIC in rural Alaska had just been completed. The results had been that 25 percent said that the foods were either not available on a regular basis or were outdated. She stated that transportation was a key issue. She relayed that WIC federal regulations required regular monitoring through inventory reports and on-site inventories to ensure that clients could get the deserved benefits.

CHAIR HIGGINS asked what was the result for non-compliance.

MS. WAYNE said there were possible sanctions with the possibility of termination.

REPRESENTATIVE PRUITT asked if it was possible to receive a waiver of certain foods for certain populations.

MR. KREHER said that it was not possible, as WIC was the most heavily regulated program with the most stringent rules in the Division of Public Assistance.

MS. WAYNE explained that the foods chosen for WIC came from the Institute of Medicine and were determined for ultimate growth and healthy development. These foods were usually higher in cost and nutrient dense.

REPRESENTATIVE PRUITT asked how the lines or scope of a community were outlined.

3:58:50 PM

MR. KREHER explained that an amendment to the state plan to expand or provide additional criteria for vendors would be applied state wide, and not community based. If a community could demonstrate that 35 WIC recipients were unable to access WIC foods because of a language barrier, then a vendor would be eligible for selection as a WIC vendor if they met all the other criteria, which included documentation, signage, and maintenance of the full suite of WIC foods. He pointed out that an applicant needed to first be a food stamp approved vendor.

REPRESENTATIVE PRUITT asked for clarification that, although the entire state would be granted the exemption, the vendor would have to indicate that there were 35 people with a language hardship, and then fulfill the other criteria.

MR. KREHER declared that this was correct. He shared a concern for an amendment to add a range of small or convenience stores. He reported that the costs to carry the required range of foods were much higher for small stores, which would reduce the buying power of the consumer. He expressed his concern that the recipients were able to get the most for their benefit, as the WIC approved foods tended to be higher cost. He expressed additional concern for the administrative costs for a high level of monitoring and maintenance. He detailed that WIC was almost 100 percent federally funded and, as administrative program costs increase, the funding for food would decrease.

REPRESENTATIVE PRUITT asked for clarification that WIC offered a dollar amount and not a quantity amount to participants;

therefore, the concern was that participants were not able to purchase as much food if the costs were higher.

MR. KREHER replied that this was one factor. He explained that the WIC program was not like food stamps, as the approved food was based on nutritional risk, and a nutritional food assessment was given to the participants, so the food benefit was customized to that recipient. He pointed out that a participant had to shop at a store which carried those prescribed food products. He declared that WIC was a nutritional health program.

MS. WAYNE reiterated that recipients were diagnosed for beneficial foods at a WIC clinic. She explained that, as WIC had a cap, participation by higher cost stores required management by the division for those higher costs.

REPRESENTATIVE PRUITT clarified that the cap was on the program and not on the individual.

REPRESENTATIVE SEATON asked if there could be more than one peer group at a specific store.

MS. WAYNE replied that federal regulations required WIC to have cost containment rules. She explained that all states had peer groups, and that vendors were paid by their peer group. She said that most states had three or four peer groups, based on criteria including transportation costs, and that Alaska had 13 peer groups. She explained that the warrants had to go through a banking contractor for review, and each peer group would be reviewed for the maximum allowable reimbursement plus 30 percent. She said that any store with a cost higher than this would only be repaid up to the maximum allowable reimbursement plus 30 percent, and would incur banking fees.

MR. KREHER, in response to Chair Higgins, said that approval as a food stamps vendor was "the first bar."

CHAIR HIGGINS expressed his appreciation for the WIC program. He asked about the waiver for language, and he opined that when language barriers existed, people would prefer to shop in their neighborhood. He asked if the store could apply at any time to be a food stamp vendor and then a WIC vendor.

MR. KREHER explained that this was possible. He said that a factor for cost containment was to find "the sweet spot for the number of retailers that you have in the community." He

explained that it was necessary to have enough vendors to allow adequate access for the population, but not so many vendors to increase the overall program costs. He allowed that it was more complicated in urban areas. He expressed agreement that a store could apply, and reported that there were 175 WIC vendors statewide with 23 vendors located in Anchorage. He said that the division would definitely review an area that was a "food desert." He shared that any significant language barrier which impeded access by WIC recipients to food would be addressed by the division. He said that it was not difficult to request an amendment to the state plan, and it would not require any legislation. He stated that the division would still want to have the hard data as WIC was an evidence driven program.

[4:11:42 PM](#)

CHAIR HIGGINS clarified that any food retail store could apply, and the division would review the application.

MR. KREHER replied that the Food and Nutrition Service approved the food stamp vendors and that his division approved the WIC vendors. He reminded the committee that it was necessary to first become a food stamp vendor.

MS. WAYNE relayed that the current state plan limited WIC participation to full service grocery stores, unless, such as in rural areas, participant needs necessitated a look at other stores.

REPRESENTATIVE SEATON asked if a peer group, which included big box and full service grocery stores, would be reimbursed based on the entire peer group. He asked if other vendors in the peer group would be reimbursed at the same cost.

MS. WAYNE replied that there were a few different peer groups in Anchorage, which included super stores and medium size stores. She said that there would be differences even with the big stores for having a different peer group, although the reimbursement prices were based on the peer group, which was statewide. She surmised that an urban, non-full grocery store peer group would require a maximum allowable reimbursement, even though it was evident that there would be a higher prices.

REPRESENTATIVE PRUITT asked, as there were program costs, if there was a limit to the number of stores accepting WIC.

MS. WAYNE expressed her agreement, stating that it was necessary to justify the addition of another store. She said there had not been concerns voiced by clients or local agencies for problems with language barriers. She reported that the WIC approved food list had pictures and brands to facilitate language issues.

REPRESENTATIVE PRUITT asked if the tags were required on all the WIC approved foods.

[4:17:55 PM](#)

REPRESENTATIVE TARR said that she represented the most diverse neighborhood in the U.S., with challenges that included a lack of engagement in traditional systems. She suggested that transportation issues were different for different communities, and could require other adjustments in the approach to the problems.

MR. KREHER expressed recognition for the language challenges and suggested involvement with community work experience and the language center to help with outreach and education to other individuals.

REPRESENTATIVE TARR offered an anecdote about a local store which carried certain items that were not obtainable anywhere else. She asked how farmer's markets had been expanded to include WIC approval.

MR. KREHER replied that the farmer's market program had been a collaborative effort, and expressed his hope that the program would continue to grow.

REPRESENTATIVE TARR said that the clientele at farmer's markets were now more diverse because of the expanded options.

MR. KREHER noted that the department tried to provide additional funds.

[4:23:24 PM](#)

CHAIR HIGGINS opened public testimony.

[4:23:34 PM](#)

ARTHUR YANG, Owner, Dragon Oriental Store, stated that his store would like the opportunity to serve the Hmong community as a WIC

vendor, as that community had issues with transportation and language barriers. He said that, as a small convenience store, he would not exceed the cap on the WIC coupon. He reported that, as there was a language barrier, community members did not know who to talk with or who to bring their complaints. He shared that many of the Hmong community came from a country where the government was always right, so they had no idea who to bring any complaints. He said there were more than 5,000 Hmong in Alaska. He asked to be considered for the WIC program in his convenience store, as he could better serve the Hmong community. He stated that the Farmers Market produce was more expensive than the regular supermarket. He said that his fee would not be over the cap.

CHAIR HIGGINS asked if he was a food stamp vendor.

MR. YANG said that he was, and had been for more than a year.

CHAIR HIGGINS asked if he had applied to be a WIC vendor.

MR. YANG replied that his application had been denied, as regulations did not allow smaller convenience stores, similar to his.

CHAIR HIGGINS asked about the requirement for maintaining the stock on hand, and if his store was able to meet this requirement.

MR. YANG said that they could maintain the stock to meet the WIC criteria. He declared that he could provide service to the Hmong, within walking distance, so they would not face the language barrier.

[4:30:41 PM](#)

SHENG YANG, Dragon Oriental Store, reported that other members of the community asked her for help with language and other issues. She offered anecdotes about shopping in other stores when language was a barrier. She said that allowing the WIC program into the smaller stores would be a help to the entire minority community.

MAIKUE HER explained that there were language problems when using the larger stores and that it was much easier for shopping in the smaller community stores.

[4:36:15 PM](#)

MAGGIE YANG, (translated by Sheng Yang), Dragon Oriental Store, said that Hmong customers came to the Dragon Oriental Store because it was difficult for them to go to other WIC vendors, as transportation and language was often a barrier. She said that this difficulty often resulted in minority customers buying too much at one time, and not being able to use all of the food. She said that this store was conveniently located. She explained that many minority customers did not want to go to the big stores as there was not anyone to help them, and they were humiliated or embarrassed.

[4:39:43 PM](#)

CHAIR HIGGINS closed public testimony.

CHAIR HIGGINS asked how long it would take to go through the WIC application process.

MS. WAYNE replied that the application process required confirmation that the store was a food stamp vendor, submission of a list of available foods, and a pre-approval visit by the division to ensure the foods were all there. It was a relatively short process if the foods were all there. She pointed out that the state plan, at this point, still only allowed full service stores, except in areas for participant access concerns.

CHAIR HIGGINS asked if the proposed bill would affect this situation.

MS. WAYNE offered her belief that the bill proposed a waiver to allow a non-full service grocery store to participate in WIC in an area with a language barrier.

CHAIR HIGGINS asked if the proposed bill was asking for a federal waiver.

MS. WAYNE said that the waiver would go into the state plan, but would still require approval by the U.S. Department of Agriculture (USDA). She reported that the USDA had questioned who would determine that there were 35 participants in need of the service.

CHAIR HIGGINS asked if there was any opportunity for smaller vendors to get WIC approval.

MS. WAYNE replied that some stores were terminated, resulting in a search for replacement stores. She explained that the criteria was based on participants having access to food, and the state plan currently limited this to full service grocery stores, with an exception where there were no other stores in the community for this service.

REPRESENTATIVE SEATON asked if this was the exception for rural village stores.

MS. WAYNE replied that this was correct.

REPRESENTATIVE SEATON asked for more information about the sanctions.

MS. WAYNE explained the sanction points. She stated that a store would have multiple chances to correct any problems. She reported that independent research on other state vendor policies which allowed for cultural waivers were for areas with no other access for food, no grocery stores, in the community.

REPRESENTATIVE SEATON asked if the sanction points would lead to termination or a reduced reimbursement rate.

MS. WAYNE replied that the price was based on the maximum allowable reimbursement plus 30 percent, and there was not any other fiscal action.

CHAIR HIGGINS asked if the exemptions already established for the bush communities could be used in this circumstance.

MR. KREHER explained that the exemption for the villages was based on no other options for vendor selection for access to food. He explained that language barriers that could not be addressed at another store would also be a separate exemption. He declared that sanction points were used to help a vendor get back in line.

REPRESENTATIVE TARR asked if there was any flexibility in the WIC food selection.

MR. KREHER replied that there was not any flexibility, as the food selection was driven by the Food and Nutrition Service based on nutritional science.

CHAIR HIGGINS offered his belief that it may be necessary for another WIC vendor in order to help the population in that area.

[4:48:04 PM](#)

REPRESENTATIVE KELLER moved to report HB 380, Version 28-LS1616\N, Mischel, 3/27/14, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 380 was moved from the House Health and Social Services Standing Committee.

#

[4:48:39 PM](#)

The committee took a brief at-ease.

[4:50:59 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:50 p.m.