**ALASKA STATE LEGISLATURE**
**SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**
April 1, 2013
1:31 p.m.

**MEMBERS PRESENT**

Senator Bert Stedman, Chair
Senator Peter Micciche, Vice Chair
Senator Pete Kelly
Senator Johnny Ellis

**MEMBERS ABSENT**

Senator Kevin Meyer

**COMMITTEE CALENDAR**

PRESENTATION: HEALTH INFORMATION TECHNOLOGY & TELEHEALTH

- HEARD

SENATE BILL NO. 87
"An Act requiring screening of newborns for congenital heart defects; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 87
SHORT TITLE: NEWBORN SCREENING FOR HEART DEFECTS
SPONSOR(s): SENATOR(s) MICCICHE

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| 03/27/13 | (S) | READ THE FIRST TIME - REFERRALS |
| 03/27/13 | (S) | HSS, FIN |
| 04/01/13 | (S) | HSS AT 1:30 PM BUTROVICH 205 |

**WITNESS REGISTER**

BECKY MILLER, representing herself
Wasilla, Alaska
**POSITION STATEMENT**: Testified in support of SB 87.

JAMES CHRISTIANSON, Pediatric Cardiologist
Anchorage, Alaska

**POSITION STATEMENT**: Testified in support of SB 87.

ANNAMARIE SAARINEN, Co-Founder
Newborn Coalition
Minneapolis, Minnesota
**POSITION STATEMENT**: Testified in support of SB 87.

DR. LILY LOU, Medical Director
Newborn Intensive Care Unit
Providence Children's Hospital
Anchorage, Alaska
**POSITION STATEMENT**: Testified in support of SB 87.

JENNA APP, Alaska Advocacy Director
American Heart Association
Anchorage, Alaska
**POSITION STATEMENT**: Testified in support of SB 87.

PAUL CARTLAND, State Health Information Coordinator
Office of the Commissioner
Department of Health and Social Services
Anchorage, Alaska
**POSITION STATEMENT**: Presented information on Innovation and Change: The Use of Technology to Increase Efficiency and Effectiveness of Health Care Access and Outcomes.

STEWARD FERGUSON, PhD., Chief Information Officer
Alaska Native Tribal Health Consortium
Anchorage, Alaska
**POSITION STATEMENT**: Presented information on The Impact of the AFHCAN Telehealth Program in Alaska.

**ACTION NARRATIVE**

1:31:05 PM
**CHAIR BERT STEDMAN** called the Senate Health and Social Services Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Kelly, Ellis, and Chair Stedman. Senator Micciche arrived shortly thereafter.

## SB 87-NEWBORN SCREENING FOR HEART DEFECTS

1:31:46 PM
CHAIR STEDMAN announced that the first order of business would be SB 87.

1:31:54 PM

At ease

1:32:54 PM
CHAIR STEDMAN said it was the first hearing on SB 87. He noted he did not intend to move the bill today.

SENATOR PETER MICCICHE, sponsor of SB 87, shared a personal story about his niece who had a congenital heart condition that was caught by pulse oximetry screening in Japan where she was born. He stated that it is estimated that one in a hundred children are born with a congenital heart defect. It kills more children in their first year of life than any other birth defect. The U.S. is moving toward adopting the same newborn screening test procedures found in Japan and other countries.

He listed hospitals in Alaska that currently perform screening tests: Providence, Alaska Regional, Alaska Native Medical Center, Mat-Su Regional, Bassett Army, Fairbanks, and Central Peninsula Hospitals. He described the screening; it utilizes pulse oximetry equipment most hospitals and clinics already have and is painless and noninvasive. He said the test helps detect over 75 percent of those with heart conditions, with a sensitivity rate of over 99 percent and a false positive rating of less than .03 percent.

He stated that the cost of the test is under $10 and is covered by health insurance. The cost of early detection is much lower than the cost of late-diagnosed treatment and the cost of caring for a disabled child later. The bill will require larger hospitals, beginning in January 2014, to test newborns with pulse oximetry. Birthing centers and hospitals with fewer than 50 beds will have until January 2016 to do so.

SENATOR MICCICHE pointed out that parents can opt out of the test. In the event of abnormal results, the health care provider will inform the parents of their options. The bill provides that hospitals report newborn screening results to the Division of Public Health.

He noted that the fiscal note needs work. He explained that he wants the Department of Health and Social Services (DHSS) to keep data showing that the test was administered and whether there was a positive or negative result. He said he believes the fiscal note will be much lower.

He stated that, so far, there has been no opposition to the bill. He listed supporters of the bill: Alaska State Hospital

and Nursing Home Association, Alaska Nurses Association, Alaska State Medical Association, Alaska Primary Care Association, Alaska Native Tribal Health Consortium, and the insurance industry.

He concluded that his intention with this legislation is to save as many babies as possible. The effective date is far enough away to ensure easy compliance. He wished to hold the bill, pending more information from DHSS.

1:38:30 PM
CHAIR STEDMAN noted one fiscal note from DHSS for the amount of $384,800 in which $346,300 is general funds and $38,500 is federal receipts.

BECKY MILLER, representing herself, testified in support of SB 87. She spoke as the mother of a child with a heart defect. She shared a personal story about her daughter. She said that over 50 percent of Alaska babies with congenital heart defects will go undiagnosed. There are no pediatric cardiac surgeons in Alaska and it is critical that babies are diagnosed immediately. She stressed that a simple test can save babies' lives. Early screening would also save the state money.

JAMES CHRISTIANSON, Pediatric Cardiologist, testified in support of SB 87. He described heart conditions as the most common birth defect in infants. He said the test is simple and painless and it screens infants who may have issues later on. He stated that out of 12,000 births per year in Alaska, about 100 children will have congenital heart disease, and of those, about 40 will have critical heart disease. He emphasized that pulse oximetry will be a cost-effective method of helping newborns in Alaska.

1:42:51 PM
ANNAMARIE SAARINEN, Co-Founder, Newborn Coalition, testified in support of SB 87. She shared a personal story about her daughter and the two heart surgeries she survived. She stressed the importance of the screening, which many states are adopting. The babies in rural and remote areas are the ones most likely to go undetected without the screening.

LILY LOU, Medical Director, Newborn Intensive Care Unit, Providence Children's Hospital, testified in support of SB 87. She described the test as part of a "standard of care" for newborns. She said it makes a real difference to diagnose the problem before damage is seen. She listed two important points to consider. The first is that pulse oximetry is the current

gold standard and if new technology is developed, the legislation should include a way to update practices. The bill, as written, does not address those born at home. It should include all babies born in Alaska.

1:46:44 PM
JENNA APP, Alaska Advocacy Director, American Heart Association, testified in support of SB 87. She discussed the importance of diagnosing congenital heart disease in infants as soon as they are born. She said the screening is widely supported across the nation.

CHAIR STEDMAN closed public testimony and set SB 87 aside.

## OVERVIEW: HEALTH INFORMATION TECHNOLOGY & TELEHEALTH

1:48:58 PM
CHAIR STEDMAN announced that the final order of business would be a presentation on Health Information Technology & Telehealth.

PAUL CARTLAND, State Health Information Coordinator, Office of the Commissioner, Department of Health and Social Services, explained that he would present information on "Innovation and Change: The Use of Technology to Increase Efficiency and Effectiveness of Health Care Access and Outcomes."

STEWARD FERGUSON, PhD., Chief Information Officer, Alaska Native Tribal Health Consortium (ANTHC), presented information on the "Impact of the Alaska Federal Health Care Access Network (AFHCAN) Telehealth Program in Alaska," which focuses on helping to change the cost of health care delivery.

He described Alaska Native Medical Center's (ANMC) Telehealth Specialty Services, and said that ANMC specialists completed and billed for 22,597 "Store and Forward" Telehealth consultations from 2003 to 2012. He reported that 11,000 of those encounters were billed to Medicaid, or about 49 percent. Half of the 13,257 unique patients were also billed to Medicaid. During the last ten years, ANMC received $612,798 in Medicaid payments.

1:51:51 PM
DR. FERGUSON related information about the impact of Telehealth on patient travel. He said 75 percent of specialty cases prevent patient travel. Travel is prevented to the nearest regional hub. He noted that 16 percent of all patients live in regional hubs.

1:53:16 PM
DR. FERGUSON shared additional details about travel. He concluded that the estimated annual travel savings for the ANMC Medicaid population, from specialty care, amounts to about $1.6 million, with a total savings of $8.5 million since 2003.

He talked about telehealth primary care services. He said that ATHS providers completed 114,000 "store and forward" telehealth encounters from 2003 to 2012. He estimated that the travel savings for Medicaid populations from primary care is about $2.3 million annually, with a total savings of $11.2 million since 2003.

1:55:27 PM
He estimated the travel savings for all Medicaid patients from telehealth was about $3.9 million in 2003, with a total savings of $18.5 million since 2013. He explained that the estimated annual savings from telehealth for all patients amounts to about $8.3 million, with a total savings of $38 million since 2013.

He talked about telehealth's good return on investment. Medicaid now saves an estimated $10 to $11 in travel for every dollar spent on specialty telehealth consultations. Another benefit of telehealth is the ability to make diagnosis and treatment plans for patients more quickly.

1:57:02 PM
He shared 2012 highlights of ANMC and telehealth; ANMC received 7,847 specialty consultations via the AFHCAN software in 2012 - up from 4,559 in 2011. There were 24,687 primary care cases statewide in 2012. He reported that ANMC transmitted 20,127 follow-up/discharge notes in 2012, up from 4,471 in 2011. He concluded that 20,719 unique patients were served with the AFHCAN system in 2012, including 15 percent of the Alaska Native population.

He shared future directions of telehealth. There will be a greatly expanded role for videoconferencing, with a statewide desktop-based system and 24/7 support for acute care. There will be remote patient monitoring, electronic health records, a health information exchange, and patient portal integration. He pointed out that agencies in Alaska are working very closely to bring better health care to remote rural areas.

2:01:10 PM
CHAIR STEDMAN asked about bandwidth restrictions in rural areas.

DR. FERGUSON commented that Alaska will never have enough bandwidth, but there is more than there used to be. He did not see that as being the biggest challenge. He discussed the bigger challenge of scheduling live videos.

SENATOR MICCICHE requested an example of how teleconferencing is being done in remote areas today.

DR. FERGUSON explained how it works in a remote village. A patient would go to the clinic, and if they needed to see a specialist they could fly to Anchorage or wait for a specialist to fly out from Anchorage, which happens only every three months. With telehealth the data is sent to a regional physician who forwards it to a specialist, if necessary, and the response happens fairly rapidly.

2:03:57 PM
SENATOR ELLIS asked about the interplay between telemedicine and implementation of electronic health records as they relate to the Affordable Health Care Act.

DR. FERGUSON said it was a complicated question. There is a telehealth system in place and people are using it, but now that there are also electronic records, physicians do not want to work in two applications. There are several ways to solve that problem. The challenge was to make sure that patient data is integrated and that has been done. Telehealth is now moving toward integrating telehealth applications within electronic health records. The next step is to have a fully integrated system where data moves between all systems. He suggested, in the future, the systems will be able to communicate and share information.

2:05:58 PM
MR. CARTLAND said he would provide an overview about the use of technology to increase the efficiency and effectiveness of health care access and outcomes. He shared an outline of his presentation: benefits, what's happening today, what's planned, federal support, challenges, and next steps.

MR. CARTLAND listed the benefits of using emerging technologies, such as improving access to, and delivery of, health services and improving patient safety. Technology reduces costs, enhances public health interventions, and improves clinical practice.

2:08:21 PM

MR. CARTLAND described how the Health Information Exchange (HIE) fits together and works together in a single system for the benefit of the health provider and the patient. He related that DHSS is working on integrating telehealth, the electronic health record, and the HIE, which then connects to the Division of Public Health. He said the integration will reduce costs and improve quality of services.

He gave an example of how HIE is being put into place in the Alaska Psychiatric Institute (API), which is planning to implement remote behavioral health services.

2:10:42 PM
MR. CARTLAND showed where telehealth services are currently in place, or planning to be developed across DHSS. The Division of Behavioral Health is using a pilot program and API is using Alaska Native Health Consortium Network to provide consults. The Division of Juvenile Justice is using video conferencing for behavioral health consultation. Senior Disabilities Services is planning on using video conferencing to support assessments and case planning, and Public Health is planning to do consultations using telehealth, particularly with the Veterans Administration in Southeast Alaska where a pilot program is in place.

MR. CARTLAND showed how API has connected to the Alaska Native Health Consortium using telehealth.

2:13:59 PM
He stressed the need for electronic health records (EHR's) in order for telehealth to work. The federal pass-thru funds from Medicaid and Medicare incentivize hospitals and practitioners to adopt certified EHR's for meaningful use. He defined meaningful use requirements as increasing in stages over the life of the incentive program. Each stage adds requirements for additional quality measure reporting, exchange with other health care providers, and public health reporting.

2:15:41 PM
MR. CARTLAND explained about barriers to the program. The cost to implement an EHR is significantly more than the overall incentive amounts. Significant changes to business processes must be made. He related that for a 500-bed hospital, the cost to buy an EHR service is somewhere between $10 million and $70 million. That does not include the cost to implement the program or the loss of productivity while the staff learns to use it.

2:18:24 PM

MR. CARTLAND related that one of the requirements of the meaningful use of HIE is to exchange health information with an unaffiliated provider. He described the two ways of approaching electronic exchange of health information. Push - the doctor sends information to another provider electronically. Pull (query) - the patient goes to the doctor's office or the emergency room and they ask the HIE for relevant information. The department's original grant provided that the Pull and Push methods be piloted in Fairbanks.

2:21:09 PM
MR. CARTLAND listed the next steps in telehealth in Alaska: conduct planned telehealth pilots, establish personal health record with access via MyAlaska, integrate EHR's without interfaces into HIE, enable patient mediated exchange via BlueButton for veterans, implement chronic disease management, and integrate with the national database that monitors biologic threats across the U.S.

2:24:06 PM
MR. CARTLAND spoke of challenges to the system, such as limited bandwidth and infrastructure in some rural and remote communities, minimal use because of limited connectivity in communities, and staffing issues, or not having physicians to make referrals or completed consults. Funding is a challenge, regarding costs of required maintenance and inconsistencies of reimbursement from private insurance companies. There is a lag between systems development, implementation, and establishment of appropriate polices. Currently, there is no service that schedules telehealth appointments for patients.

2:26:55 PM
MR. CARTLAND described issues the department needs to work on: support the use of telehealth to address costs, quality and access issues, develop a provider directory that allows for scheduling telehealth sessions, and remove inequities in coverage for telemedicine for both medical and behavioral health. Other goals are to increase connectivity in rural communities that currently do not have sufficient bandwidth, find a broader application of EHR's/HIE and other data reporting systems, and support networks between urban and rural health clinics and federal and non-federal health systems to meeting staffing shortages.

MR. CARTLAND said he hopes he has shown ways that telehealth can improve access to affordable and quality care in rural Alaska.

SENATOR MICCICHE asked how telehealth communicates with offices with traditional records.

MR. CARTLAND explained that providers can fax the information or print the information and send the file along with the patient. With HIE there will be more options. Currently, some doctors without HIE can receive Push messages.

CHAIR STEDMAN thanked the presenters.

2:29:50 PM
There being no further business to come before the committee, Chair Stedman adjourned the Senate Health and Social Services Committee at 2:29 p.m.