

HOUSE FINANCE COMMITTEE
FIRST SPECIAL SESSION
May 14, 2015
1:10 p.m.

[NOTE: Meeting was held in Anchorage, Alaska at the
Legislative Information Office]

1:10:58 PM

CALL TO ORDER

Co-Chair Thompson called the House Finance Committee
meeting to order at 1:10 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Les Gara
Representative Lynn Gattis
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt

MEMBERS ABSENT

None

ALSO PRESENT

Representative Kurt Olson, Representative Neil Foster,
Senator Cathy Giessel.

PRESENT VIA TELECONFERENCE

Representative Bryce Edgmon
Representative David Guttenberg
Representative Tammie Wilson

SUMMARY

HB 148 MEDICAL ASSISTANCE COVERAGE; REFORM

HB 148 was HEARD and HELD in committee for
further consideration.

#hb148

HOUSE BILL NO. 148

"An Act relating to medical assistance reform measures; relating to eligibility for medical assistance coverage; relating to medical assistance cost containment measures by the Department of Health and Social Services; and providing for an effective date."

1:11:03 PM

Co-Chair Thompson provided prepared remarks:

First I want to thank the governor for bringing Medicaid expansion before the legislature in this special session and I want to thank Commissioner Davidson and her staff for all the hard work that they have done. The House majority shares the governor's concerns with the health of Alaskans, especially the most vulnerable Alaskans. However, hearings this week have made it very clear that Medicaid is a bigger problem than we knew; it is a highly complex system facing significant challenges.

The legislation the governor has put before us does not address a plan to move forward; only an acceptance of twenty to forty thousand more people into a system that has been acknowledged as broken. Currently the administration has an RFP out to hire experts to recommend Medicaid expansion and reform strategies for Alaska. The final report is due April 1, 2016. We support the administration in this effort and agree that it is appropriate to allow time to find its consultant. The Legislative Budget and Audit Committee is working on an RFP to hire its own consultant. Medicaid expansion without a plan could bankrupt this state within six years when promised federal participation expires.

Currently, health and social services takes up about 30 percent of the state's unrestricted general funds for agency operations in our annual operating budget. At this time the House Finance Committee is not comfortable with advancing House Bill 148 since the bill does not address which specific reforms Alaska

will pursue, a timeline for carrying out these reforms, how the state will ensure cost savings for Alaskans, or how the state will ensure quality care and improved outcomes. Alaskans deserve specifics on how Alaska's Medicaid program will be transformed.

We have other issues. The MMIS system currently is not certified. The department is still involved in litigation concerning the functioning of the MMIS system with a stay until August. The system crashed the first time when we loaded it with participants; it was so faulty that the state had to sue Xerox. The department assures us that most of the problems have been corrected; however, now we are looking at adding twenty to forty thousand new participants and seventy thousand new NCCI billing codes. Also, Alaska is identified as a medical provider deficient state. Already in the Interior, Medicare and Tricare recipients are having trouble finding providers. How will twenty to forty thousand more people on Medicaid effect provider availability?

Also, the King v Burwell decision by the Supreme Court, which is expected in July, could severely impact Alaskans who have signed up for health insurance through the federal exchange by costing them their assistance. This committee believes that the best time to negotiate with the federal government on terms to expand Medicaid programs will be after we have done our due diligence and have received reform strategies from our consultants and not prior just because federal funding is available.

With that we conclude this current round of House Finance Committee meetings and look forward to working with the administration's consultants and ours on how to best address the healthcare needs of Alaskans. These are just a few of our concerns on this committee.

HB 148 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[1:15:57 PM](#)

The meeting was adjourned at 1:15 p.m.