

SENATE FINANCE COMMITTEE

April 13, 2015

2:37 p.m.

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CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 2:37 p.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Peter Micciche, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Lesil McGuire, Sponsor; Representative Lynn Gattis, Sponsor.

PRESENT VIA TELECONFERENCE

Dennis Johnson, Executive Director, Alaska Pretrial Services, Anchorage; Tom Butler, Colonel, Montana Highway Patrol, Helena, Montana; Millie Ryan, Executive Director, REACH, Alaska Association on Developmental Disabilities, Juneau; John Cannon, President, Key Coalition of Alaska, Wasilla; Patrick Reinhart, Executive Director, Governor's Council on Disabilities and Special Education, Anchorage; Chad Hope, Pharmacist, Department of Health and Social Services, Anchorage.

SUMMARY

SB 82 ALCOHOL/SUBST ABUSE PROGRAM MITIGATION

SB 82 was HEARD and HELD in committee for further consideration.

CSHB 161(HSS)

MEDICAID: USED DURABLE MEDICAL EQUIPMENT

CSHB 161(HSS) was HEARD and HELD in committee for further consideration.

#sb82

SENATE BILL NO. 82

"An Act relating to mitigating factors at sentencing."

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SENATOR LESIL MCGUIRE, SPONSOR, introduced the legislation. She explained that mitigation was used for the judge that would allow the judge to put into consideration. The program was an evidence-based abstinence program. Their policy is based on abstinence, continued monitoring, immediate consequence for violations, personal responsibility and accountability, data base collection; communication; monitoring; change of behavior or choices and immediate sanctions. She stated that SB 82 allows Judges the ability to consider successful completion of the program as a mitigating factor at time of sentencing. She stressed that the prison population in Alaska was growing, and the state was on track to build a new prison. She remarked that the legislation may help to reduce the prison population, and alleviate some sentencing, by encouraging sobriety.

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DENNIS JOHNSON, EXECUTIVE DIRECTOR, ALASKA PRETRIAL SERVICES, ANCHORAGE (via teleconference), testified in support of the legislation. He remarked that he was part of the development of the program, and felt that the program was extremely effective. He had seen the different trials and tribulations that the individuals had experienced. He stressed that the program required the participants to report twice daily, seven days a week. Many of the participants did not hold drivers licenses. He remarked that the successful participants were held to a high standard, and were on a strict schedule. The program was

difficult, but those that graduated from the program were most likely to succeed.

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TOM BUTLER, COLONEL, MONTANA HIGHWAY PATROL, HELENA, MONTANA (via teleconference), spoke in support of the legislation. He shared that the program was integrated into Montana's system following the 2012 legislative session. He shared that there were currently 4,000 participants and 600,000 breath tests. He announced that 99.6 percent of the breath tests were clean. He shared that there was current Montana legislation to expand the program. He felt that the program would be greatly successful.

Co-Chair MacKinnon CLOSED public testimony.

SB 82 was HEARD and HELD in committee for further consideration.

#hb161

CS FOR HOUSE BILL NO. 161(HSS)

"An Act relating to the purchase of durable medical equipment under Medicaid; and providing for an effective date."

[2:50:57 PM](#)

REPRESENTATIVE LYNN GATTIS, SPONSOR, introduced herself. She was not aware that there was a committee substitute.

[2:51:29 PM](#)

AT EASE

[2:51:34 PM](#)

RECONVENED

[2:51:43 PM](#)

Representative Gattis stated that she was confused with her previous statement. She introduced the legislation, and announced that the idea for the legislation was presented to her by the Key Coalition. The bill was a cost savings measure, which allowed the Department of Health and Social Services (DHSS) to purchase used or refurbished durable medical equipment. Currently, DHSS only purchased new

medical equipment. She explained that durable medical equipment would include items such as canes, crutches, wheelchairs, lifts, braces, and many other types of expensive equipment that can be used multiple times. The ability to purchase used equipment would provide substantial savings for Alaska.

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MILLIE RYAN, EXECUTIVE DIRECTOR, REACH, ALASKA ASSOCIATION ON DEVELOPMENTAL DISABILITIES, JUNEAU (via teleconference), testified in support of the legislation. She remarked that the state would save money, but also benefit those individuals who need safe and durable medical equipment. She shared an anecdote regarding a person who transitioned to living on her own, because of the time and expense of acquiring durable medical equipment from Seattle. Had the program been available, she would have had a less expensive and timelier transition.

Senator Dunleavy wondered how the used medical equipment would be brokered. Ms. Ryan replied that there was a programs that maintained assistive technology and a loan closet with clean refurbished equipment.

Senator Dunleavy shared that his wife had a number of specialized equipment from her knee replacement. He stated that they did not know where to donate the used equipment. Ms. Ryan replied that the program would provide information about donation service locations.

Senator Dunleavy suggested that the doctor may provide donation recommendations. Ms. Ryan agreed.

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JOHN CANNON, PRESIDENT, KEY COALITION OF ALASKA, WASILLA (via teleconference), spoke in support of the legislation. He shared that the federal government allowed for the purchase of used medical equipment, but the state Medicaid program currently prohibited the purchase of used equipment. Other states had implemented reused equipment, and those states had shown proved cost-savings results. He felt that the language of the legislation should remain simple, so DHSS could set up the program. He pointed out that other states had utilized state-owned equipment, with the condition that the user return the equipment to state

upon completion. He announced that Kansas had one of the most established durable medical equipment (DME) programs. He stated that Kansas had cautioned states, because of the impact on the DME providers. He felt that it was important to keep healthy partnerships with DME providers. He wanted to ensure that all partnerships were supportive of the program to ensure an adequate supply of equipment for all users. He reiterated his support of the legislation.

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PATRICK REINHART, EXECUTIVE DIRECTOR, GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION, ANCHORAGE (via teleconference), urged support of the legislation. He remarked that he had seen a store that provided used and durable medical equipment, and the price of the equipment was almost one-third the cost of new equipment. That store allowed for Medicaid to purchase the equipment for the patient. He shared that the equipment could be state-owned, so people would know where to return the equipment. He shared that many people in the DME stores in the country had disabilities, so the program could enhance employment opportunities. He shared that Wisconsin used prison inmates to perform the refurbishment duties.

Co-Chair MacKinnon CLOSED public testimony.

Co-Chair MacKinnon queried the process of acquiring the equipment. Representative Gattis replied that the program allowed for Medicaid to purchase the equipment. She stated that the State of Alaska may, not "shall", acquire the used equipment. She stressed that the state could not currently acquire the used equipment.

[3:06:44 PM](#)

Senator Dunleavy surmised that the law allowed for reimbursements on the used equipment. He would like clarification on whether it was illegal to use used medical equipment. Representative Gattis responded that it was currently against the law to state to use used equipment.

Senator Dunleavy he wondered if it was illegal for individuals in the state to use used medical equipment. Representative Gattis replied that it was illegal for the state Medicaid program to purchase used medical equipment.

Senator Bishop surmised that DHSS was only currently allowed to purchase new equipment. He wondered if the legislation allowed for the purchase of approved used medical equipment. Representative Gattis replied in the affirmative.

Senator Olson wondered why DHSS was restricted to purchasing only new equipment. Representative Gattis opined that there were companies that wanted to continue to sell the new equipment.

Senator Olson asked if there was opposition to the legislation. Representative Gattis responded that those that sell new equipment would be opposed to the legislation.

Senator Olson wondered if those sellers had expressed a position on the bill. Representative Gattis replied in the affirmative.

Vice-Chair Micciche stated that he cosponsored the bill, because he felt that it was good fiscal reform. He shared that he knew someone who had an extra specialized wheelchair, sitting unused in her home. He appreciated the legislation.

CHAD HOPE, PHARMACIST, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, ANCHORAGE (via teleconference), shared that he was willing to respond to questions.

Co-Chair MacKinnon wondered why Alaska did not currently allow used equipment to be reimbursed under Medicaid. Mr. Hope replied that there were limited situations that allowed for item rentals. He did not know the specific history for the regulations. He shared that the current fee schedule and coverage regulations were set up to purchase new equipment, and there was no fee schedule rate or purchase coverage for used equipment. He shared that Mr. Reinhart presented the idea in the previous summer. He stated that DHSS then worked to establish new regulations and fee schedule to allow for the purchase or rental for used equipment.

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Co-Chair MacKinnon wondered if there was liability to the state for new versus used equipment. Mr. Hope replied that there were many operational issues. He shared that the operational issues would be developed as the program was implemented. The fee schedule and coverage revision to allow for the used equipment would require an intervention by DHSS. He stated that he could not speak to the liability for the provider of the used equipment.

Representative Gattis announced that the bill allowed for flexibility regulations to be drafted at a later date. She stressed that the bill allowed for DHSS to define the liability.

Co-Chair MacKinnon wondered if there were any additional comments regarding liability. Mr. Hope replied that he did not have any additional comments.

CSHB 161(HSS) was HEARD and HELD in committee for further consideration.

[3:13:35 PM](#)

AT EASE

[3:13:46 PM](#)

RECONVENED

Co-Chair MacKinnon discussed the following day's agenda.

#

ADJOURNMENT

[3:14:38 PM](#)

The meeting was adjourned at 3:14 p.m.