

SENATE FINANCE COMMITTEE

March 3, 2016

9:04 a.m.

9:04:11 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:04 a.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

Erin Shine, Staff, Senator Anna MacKinnon; Jon Sherwood, Deputy Commissioner, Medicaid and Health Care Policy, Department of Health and Social Services; Heather Shadduck, Staff, Senator Pete Kelly; Kate Glover, Legislative Legal, Juneau; Senator Cathy Giessel, Sponsor; Chuck Kopp, Staff, Senator Peter Micciche.

PRESENT VIA TELECONFERENCE

Jay Butler, Chief Medical Officer/Director, Division of Public Health, DHSS; Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority; Becky Hultberg, President, AK State Hospital and Nursing Home Association, Anchorage.

SUMMARY

SB 74 MEDICAID REFORM/PFD/HSAS/ER USE/STUDIES

SB 74 was HEARD and HELD in committee for further consideration.

#sb74

SENATE BILL NO. 74

"An Act relating to permanent fund dividends; relating to a medical assistance reform program; establishing a personal health savings account program for medical assistance recipients; relating to the duties of the Department of Health and Social Services; establishing medical assistance demonstration projects; and relating to a study by the Department of Health and Social Services."

9:06:04 AM

Co-Chair MacKinnon shared that there would be an Amendment 27 from Senator Mia Costello's office. She shared that there may be a recess in the meeting.

ERIN SHINE, STAFF, SENATOR ANNA MACKINNON, shared that there were 26 amendments that were before the committee. She remarked that she had worked with individuals, departments, and staff to address the concerns raised in the subcommittee and committee processes.

Co-Chair MacKinnon shared that there were individuals online that would be available for questions and testimony.

Co-Chair MacKinnon remarked that the first amendments had worked with Department of Health and Social Services (DHSS) to enhance the bill.

JON SHERWOOD, DEPUTY COMMISSIONER, MEDICAID AND HEALTH CARE POLICY, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, introduced himself.

Vice-Chair Micciche MOVED to ADOPT Amendment 1, 29-LS0692\ V. 16, Bruce/Glover 2/29/16 (copy on file):

Page 11, line 8, following "on":
Insert "at least"

Page 14, line 22, following "on":
Insert "at least"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained the amendment. He stated that the amendment would allow for pharmacies to more than weekly update the database.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 1 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 2, 29-LS0692\ V.46, Glover, 3/2/16 (copy on file):

Page 13, line 4:

Delete "under the program"

Insert "provided to recipients of medical assistance"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 2. He stated that the amendment would allow for the Medicaid pharmacists to examine all prescriptions for Medicaid recipients, rather than the prescriptions paid for by Medicaid. He stated that, when someone abused the system, they may pay in cash for prescriptions in addition to receiving prescriptions through Medicaid. The amendment would allow the department to identify fraudulent activity.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 2 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 3, 29-LS0692\V. 17, Glover, 2/29/16 (copy on file):

Page 17, lines 14- 15:

Delete "An enrolled medical assistance provider shall conduct at least one annual review or audit of all claims submitted to the department for reimbursement and, if'

Insert "Unless a provider is being audited under AS 47.05.200(a), an enrolled medical assistance provider shall conduct a biennial review or audit of a statistically valid sample of claims submitted to the department for reimbursement. If'

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 3. The amendment would make a change to replace the original language with language that would reduce the administrative burden of providers who would be undergoing a review. The amendment would change to a statistically valid sample of claims, as defined in statute.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 3 was adopted.

[9:10:32 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 4, 29-LS0692\V.8, Glover, 2/26/16 (copy on file):

Page 20, line 5, following "include":
Insert "one or more of the following:"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 4. He stated that it was a minor language clarification to allow the department to redesign the payment system with more than one of the items listed in A through D of that section.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 4 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 5, 29-LS0692\V. I 8, Glover, 2/29/16 (copy on file):

Page 20, line 19, following "models":
Insert "supported by evidence-based practices"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 5. He stated that it was a minor language clarification to ensure that the health delivery model was designed to encourage wellness and disease prevention as an evidence-based practice.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 5 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 6, 29-LS0692\V.20, Glover, 2/29/16 (copy on file):

Page 21, line 10:
Delete "October"
Insert "November"

Page 27, line 18:
Delete "June 30, 2019"
Insert "November 15, 2019"

Page 27, line 20:
Delete "June 30"
Insert "November 15"

Page 28, line 17:
Delete "October"
Insert "November"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 6. He stated that it was the department's recommendation to simplify. The amendment would standardize reporting dates as November 15 as the due date. The date was chosen, because often the data would not be available until November.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 6 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 7, 29-LS0692\ V.9, Nauman/Glover, 2/26/16 (copy on file):

Page 22, line 8:
Delete "average"

Page 22, line 9:
Delete "each"
Insert "the average"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 7. He remarked that the department assumed that the committee would want to know the average cost, rather than each Medicaid recipient's expenses from year to year.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 7 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 8, 29-LS0692\
V.35, Nauman/Glover, 3/1/16 (copy on file):

Page 22, line 26, following "of":
Insert "appropriate"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 8. It would clarify the language to say that the contract would be to increase the appropriate use of primary and preventative care; as opposed to "just" increase the use.

Senator Dunleavy queried documented instances of inappropriate use, as the reason for the word, "appropriate." Mr. Sherwood replied that some preventive measures may not be appropriate for certain individuals. He stated that an individual be screened for an issue every year.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 8 was adopted.

[9:15:22 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 9, 29-LS0692\
V. 19, Glover, 2/29/16 (copy on file).

Page 23, line 1, following "subsection":
Insert", except that the department may exempt recipients with chronic, acute, or terminal medical conditions from the requirement under this paragraph"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 9. He stated that the language was intended to ensure that individuals with multiple hospitalizations in the normal course of their condition, would not necessarily be subject to an additional layer of case management. He used the example of individuals in hospital care.

Senator Bishop stated that he question was addressed.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 9 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 10, 29-LS0692\V.11, Glover, 2/26/16 (copy on file):

Page 25, line 22:
Delete "projects"
Insert "at least one project"
Following "may":
Insert "annually request proposals for additional projects under this section thereafter. The department may"

Page 25, line 23, following "AS 36.30.308":
Insert "to award a contract for a project under this section"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 10. He shared that the amendment would make the care coordination demo projects an annual process, rather than a one-time process.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 10 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 11, "29-LS0692\ V .41, Glover, 3/2/16 (copy on file):

Page 27, line 29:
Delete "identify"
Insert "include the following information:"

Page 28, lines 14 - 15:
Delete all material and insert:
"(8) the most recent payment error rate measurement report for the medical assistance program, including fee for service programs and pilot or demonstration projects; the report must also explain the reasons for the payment errors and the total amount of state and federal funds paid in error during the reporting period and not recovered by the department at the time of the report;"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood announced that he had lost his place.

Ms. Shine stated that there may be a drafting error, and should read, "page 28, line 29."

9:17:48 AM

AT EASE

9:18:15 AM

RECONVENED

Mr. Sherwood continued to explain Amendment 11. He stated that it amended page 28, lines 14 and 15 to replace the language related to reporting on the Payment Error Rate Measurement (PERM). He stated that the PERM was conducted by the federal government every three years. The amendment would require the department to provide the most recent PERM report.

Co-Chair MacKinnon remarked that there was some confusion with the amendment.

Ms. Shine clarified that on page 27, line 29, it would identify and include the information to conform to the changes presented on page 28, lines 14 through 15 with the PERM audit changes.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 11 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 12, 29-LS0692\V.26, Glover, 2/29/16 (copy on file):

Page 28, line 22:
Delete "[COMMUNITY]"
Insert "community"

Page 28, line 30:
Delete "[COMMUNITY]"
Insert "community"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 12. He remarked that, in Alaska statutes, "Community Health Clinic" is a term of art. The department felt that aligning with the term would be easiest.

Co-Chair MacKinnon surmised that the amendment was reinserting original language. Mr. Sherwood responded in the affirmative.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 12 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 13, 29-LS0692\V.12, Nauman, 2/26/16 (copy on file):

Page 30, line 9:
Delete "adopts a final rule updating its"
Insert "issues a final"

Page 30, line 12, following "notify":
Insert "and submit a report to"

Page 30, line 12, following the second occurrence of "the":
Insert "house and"

Page 30, line 12:
Delete "committee"
Insert "committees"

Page 30, lines 12 - 13:
Delete "and submit a report to the co-chairs of the senate finance committee"

Page 30, line 14:
Delete "rule change"
Insert "final policy"

Page 30, line 15:
Delete "adopts the final rule"
Insert "issues the final policy"

Page 30, line 16:
Delete "rule"
Insert "policy"

Co-Chair MacKinnon OBJECTED for discussion.

Mr. Sherwood explained Amendment 13. The amendment was intended to reflect the fact that the federal policy

referenced was not issued as a final rule, rather as a policy letter to state health officials. The

Co-Chair MacKinnon shared that the intent of the language was to allow the department to integrate the policy.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 13 was adopted.

Co-Chair MacKinnon wondered if the following three amendments should be addressed immediately. Ms. Shine replied that it was at the chair's discretion.

[9:23:00 AM](#)

AT EASE

[9:23:13 AM](#)

RECONVENED

[9:24:14 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 24, 29-LS0692\V.43, Nauman/Glover, 3/2/16 (copy on file):

Page 14, line 7:

Delete"~"

Insert "review the information in"

Page 14, line 9, following "patient":

Insert "; the regulations must provide that a pharmacist or practitioner is not required to review the information in the database before dispensing, prescribing, or administering a controlled substance to a person who is receiving treatment

(A) in an inpatient setting

(B) at the scene of an emergency or in an ambulance; in this subparagraph, "ambulance" has the meaning given in AS 18.08.200;

(C) in an emergency room; or

(D) immediately before, during, or within the first hours after surgery"

Co-Chair MacKinnon OBJECTED for discussion.

JAY BUTLER, CHIEF MEDICAL OFFICER/DIRECTOR, DIVISION OF PUBLIC HEALTH, DHSS (via teleconference), explained Amendment 24.

Co-Chair MacKinnon queried the reason for the amendment. Ms. Shine replied that there was work with the department to consider the committee's concerns. She remarked that there was a thought that there may be an inhibited best practice, should there be a mandate to check the BDMP prior to administering a controlled substance in an emergency, inpatient, or surgery situation.

Senator Olson looked at line 7 of the amendment, he queried the interplay between community health aides. Dr. Butler replied that the amendment focused on providers who were prescribing opioids, which required a Drug Enforcement Administration (DEA) number. He explained that any opioids administered under the prescriptive authority of the regional medical director or supervisor; so the health aides would be covered.

Senator Olson looked at line 8 of the amendment, and noted that the word "opioid" was not included. He remarked that controlled substances included other medications besides opioids. Dr. Butler agreed. He explained that the language addressed the potential mixed substance preparations that may include an opioid and other substances. He felt that it may clarify the class of substances that included opioids, while capturing a broader collection of prescription medications that could be abused. He remarked that focusing on only on opioids could potentially drive people to use other substances.

[9:29:04 AM](#)

Senator Olson remarked that opioids were high on the schedule list. He did not understand why the PDMP must be consulted in the lesser addictive substances. Co-Chair MacKinnon felt that the following amendment may address some concerns.

Dr. Butler agreed, and felt that the question may be addressed in the following amendment.

Vice-Chair Micciche remarked that the amendment was a reasonable compromise, and would limit overprescribing. He appreciated the proposed solution.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 24 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 25, 29-LS0692\ V.44, Bruce/Glover, 3/2/16 (copy on file).

Co-Chair MacKinnon OBJECTED for DISCUSSION.

Ms. Shine explained Amendment 25. She stated that the amendment addressed the sections related to which drugs on the federal and state levels would be addressed in the PDMP. She remarked that someone prescribing a controlled substance would have a DEA number that would align with the federal controlled substance list. She believed that the state controlled substance list was used for law enforcement. She stressed that in all sections of 17.30.200 state classes 1.A, 2.A, 3.A, 4.A, and 5.A, would be removed. She furthered that the federal classes 1 and 5 were removed.

Dr. Butler explained that the goal of the amendment was to decrease the burden of the requirement of the use of the PDMP as much as possible. He echoed Ms. Shine's comments.

Vice-Chair Micciche remarked that the intention was to relieve the burden on physicians, while also protecting Alaskans from overprescribing for Class 2, 3, and 4 drugs, which included the opioids. Dr. Butler agreed.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 25 was adopted.

Dr. Butler thanked the committee for the hard work to what is best for Alaskans, and address the challenges of drug overdose.

[9:36:43 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 14, 29-LS0692\V.34, Glover, 3/1/16 (copy on file):

Page 23, line 29, following "(d)":
Insert "and (f)"

Page 24, following line 8:
Insert a new subsection to read:
"(f) Notwithstanding (a) - (c) of this section, and in addition to the projects and services described under (d) and (e) of this section, the department shall

apply for a section 1115 waiver under 42 U.S.C. 1315(a) to establish one or more demonstration projects focused on improving the state's behavioral health system for medical assistance recipients. The department shall engage stakeholders and the community in the development of a project or projects under this subsection. The demonstration project or projects must be consistent with the comprehensive and integrated behavioral health program described under AS 47.05.270(b)."

Reletter the following subsection accordingly.

Co-Chair MacKinnon OBJECTED for discussion.

JEFF JESSEE, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY (via teleconference), introduced himself.

Ms. Shine explained Amendment 14. She stated that the section was attempting to address some behavior health issues.

Mr. Jessee stressed that the amendment was an important amendment to make the Medicaid program sustainable.

Co-Chair MacKinnon surmised that the amendment did not commit Alaska to a long-term group, but rather was a project. Mr. Jessee agreed.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 14 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 15, 29-LS0692\V.36, Bruce/Glover, 3/1/16 (copy on file):

Page 20, line 31:

Delete "primary care providers"

Insert "licensed or certified mental health and primary care professionals"

Page 21, line 1, following "services":

Insert ", minimize administrative burdens,"

Co-Chair MacKinnon OBJECTED for discussion.

Ms. Shine explained Amendment 15.

Mr. Jessee explained that it was important to ensure that in integrated settings there was the ability to utilize a range of professionals who could provide services necessary to ensure immediate and efficient services. He furthered that the amendment also clarified that it was the intent to minimize the administrative burdens on providers.

Senator Olson looked at the language related to licenses and the certified professionals. He wondered if the licenses were issued on a national or regional level. Mr. Jessee stated that there were a number of certification entities.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 15 was adopted.

[9:42:25 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 16, 29-LS0692\V.13, Glover, 2/26/16 (copy on file):

Page 31, line 13:

Delete "Alaska Mental Health Trust Authority"

Insert "Department of Health and Social Services, in conjunction with the Alaska Mental Health Trust Authority,"

Page 31, line 14, following "The":

Insert "Department of Health and Social Services and the"

Page 31, line 15, following "a":

Insert "joint"

Page 31, line 15, following the second occurrence of "the":

Insert "Department of Health and Social Services and the"

Co-Chair MacKinnon OBJECTED for discussion.

Ms. Shine explained Amendment 16. He shared that the amendment was crafted with the help of Mr. Jessee.

Mr. Jessee announced that the amendments was intended to have a feasibility study of privatizing services delivered

at the Alaska Psychiatric Institute. He shared that the trustees were willing to participate.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 16 was adopted.

Mr. Jessee thanked the committee and staff.

9:45:03 AM

AT EASE

9:45:31 AM

RECONVENED

9:45:36 AM

Co-Chair Kelly MOVED to ADOPT Amendment 17, 29-LS0692\V.31, Glover, 3/1/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

HEATHER SHADDUCK, STAFF, SENATOR PETE KELLY, explained Amendment 17. She stated that the amendment addressed the current Section 3 as related to the Alaska Medical Assistance False Claim and Reporting Act. She shared that there was feedback from providers across the state who felt that the current provisions relating a private plaintiff and their right of action was "a little scary." There was a concern about frivolous lawsuit. A sunset was inserted after three years related to all provisions related to the private plaintiff. The intent was to allow for enough time to explore the possibility of frivolous lawsuits against providers. The amendment also allowed for the Department of Law to present to the legislature in three years to either remove the sunset or alter problems in the sections.

KATE GLOVER, LEGISLATIVE LEGAL, JUNEAU, spoke aloud.

Ms. Shadduck outlined the details of Amendment 17. She noted the new Section 4, which referred back to the sunset. The section of the bill related to subpoenas would continue in law after the sunset. The section would take effect after July 1, 2019, which coincided with the sunset date. The added Section 5 would be a similar provision related to the Whistleblower Act, so it would remove the reference to the private plaintiff. That section would also take effect after July 1, 2019.

Co-Chair MacKinnon asked for more information about the technical aspects of the amendment. Ms. Glover replied that the amendment would remove statutes that had been repealed. She shared that there was also a reference to the court rules that would be affected by the repeal of certain sections.

Ms. Shadduck noted that the actual sunset was on page 2 of the amendment.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 17 was adopted.

[9:49:39 AM](#)

Co-Chair Kelly MOVED to ADOPT Amendment 18, 29-LS0692\V.38, Glover, 3/2/16 (copy on file):

Page 25, line 25:
Delete "one"
Insert "three"

Page 25, line 28, following the second occurrence of "services":
Insert "and coordination of long-term services and support"

Page 26, line 8:
Delete "benefits and services"
Insert "benefits, services, and utilization management"

Page 26, lines 15 - 16:
Delete all material and insert:
"(2) the commissioner of administration, or the commissioner's designee;"

Page 26, line 19:
Delete "three"
Insert "two"

Page 26, line 20, following "governor":
Insert "for staggered three-year terms"

Page 26, lines 27 - 29:

Delete "A contract shall provide for a fee based on a per capita expense that is fair and economical."

Page 26, line 29:

Following "structure":

Insert "for a contract under this subsection"

Following the second occurrence of "payments,":

Insert "capitated payments,"

Page 26, line 30, following "structures.":

Insert "The department shall work with the division of insurance, Department of Commerce, Community, and Economic Development, to streamline the application process for a company to obtain a certificate of authority required under AS 2 1 .09.010 as necessary to participate in a demonstration project under this section."

Co-Chair MacKinnon OBJECTED for discussion.

Ms. Shadduck explained Amendment 18. She stated that

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, There being NO OBJECTION, and Amendment 18 was adopted.

Senator Olson MOVED to ADOPT Amendment 19, 29-LS0692\ V.25, Glover, 2/29/16 (copy on file):

Page 22, line 27, following "the":

Insert "unnecessary"

Co-Chair MacKinnon OBJECTED for discussion.

Senator Olson explained Amendment 19. He felt that the change would ensure that there was not undue burden on the entities.

Co-Chair MacKinnon wondered if the department accepted the amendment.

Mr. Sherwood responded that the department felt the amendment was reasonable clarifying language.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 19 was adopted.

[9:55:02 AM](#)

AT EASE

[9:57:18 AM](#)

RECONVENED

Senator Bishop WITHDREW Amendment 20.

Co-Chair MacKinnon appreciated that the offices had submitted amendments.

Vice-Chair Micciche MOVED to ADOPT Amendment 21, 29-LS0692\V.30, Glover, 3/1/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

Vice-Chair Micciche explained Amendment 21. The amendment was a response to the recommendation of the 2015 DHSS performance review, which estimated that the change would provide an annual savings of approximately \$927,000. The amendment would require Pioneer Home Seniors applying for payment assistance to submit to the department proof of Medicaid application documentation of Medicaid acceptance. He shared that the department agreed that this could be a cost-saving measure, as long as it was tied to the application for payment assistance rather than the application for admittance to the Pioneer Home wait list. He noted that the amendment clearly stated that it was simply a condition for receipt of payment assistance.

Co-Chair MacKinnon detailed the amendment.

Vice-Chair Micciche felt that the amendment was adequately covered. The remaining pages were renumbering the other sections accordingly.

Senator Olson looked at the inserted language on page 29, and wondered what would occur without the decision letter.

[10:00:10 AM](#)

AT EASE

[10:08:16 AM](#)

RECONVENED

[10:08:49 AM](#)

Vice-Chair Micciche replied that in order for the state to realize the \$927,000, there was the hope to use federally sponsored programs. He stressed that the intent was to initially utilize federal programs.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 21 was adopted.

Vice-Chair Micciche MOVED to ADOPT Amendment 22, 29-LS0692\ V.45, Glover, 3/2/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

BECKY HULTBERG, PRESIDENT, AK STATE HOSPITAL AND NURSING HOME ASSOCIATION, ANCHORAGE (via teleconference), explained the amendment. She shared that the amendment clarified that it was a "team approach" to the project with the goal of minimizing the number of frequent users of the emergency department services. The amendment also removed unnecessary language, and more clearly defined the information that would be shared through the electronic data interchange.

Co-Chair MacKinnon queried additional comments. Ms. Hultberg thanked the committee.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 22 was adopted.

[10:14:40 AM](#)

Co-Chair Kelly MOVED to ADOPT Amendment 26, 29-LS0692\V.49, Glover, 3/2/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

Co-Chair MacKinnon explained that most of the amendment was on page 31, lines 19 through 21.

Ms. Shadduck explained Amendment 26. She noted that the first section of the amendment was the title change to reflect the remaining changes in the amendment.

Co-Chair MacKinnon wondered if the amendment addressed Senator Bishop's concerns. Senator Bishop replied in the affirmative. He appreciated that there were several references to the private marketplace.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 26 was adopted.

[10:18:27 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 23, 29-LS0692\V.42, Glover, 3/2/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

[10:18:32 AM](#)

AT EASE

[10:19:06 AM](#)

RECONVENED

Ms. Shine explained Amendment 23. She stressed that there were many changes within the amendment.

[10:21:26 AM](#)

Co-Chair MacKinnon shared that Senator Giessel would be available at 10:30 am.

[10:21:49 AM](#)

AT EASE

[10:23:02 AM](#)

RECONVENED

[10:23:34 AM](#)

SENATOR CATHY GIESSEL, SPONSOR announced that the term "telehealth" was a more modern term than the word "telemedicine." She stressed that telehealth encompassed the word, telemedicine. She shared that most state programs used the word, "telehealth.

Senator Olson queried the definition of AS 47.05270(e) Ms. Shine replied that the definition was on page 22, line 15, which was a new definition that would be inserted into statute. She noted that there were two definitions that were exactly the same, so referencing later in the amendment addressed back to statute. She stated that telehealth was the practice of health care delivery, evaluation, diagnosis, consultation, or treatment using the transfer of health care data through audio, visual, or data

communications that were performed over two or more locations between providers who were physically separated for the recipient; from each other; or between a provider and a recipient who were physically separated from each other.

Senator Olson queried the definition of "telehealth" under statute. Ms. Shine replied that she did not believe it was in existing statute.

Ms. Glover stated that there was no definition of either telehealth or telemedicine currently in statute. The definitions in the bill would be new definitions.

Senator Olson queried AS 47.05.270(e). Ms. Shine replied that it would be a new statute.

Co-Chair MacKinnon queried the department's position of the use of telehealth. Mr. Sherwood responded that the department was supportive of the use of the word "telehealth."

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, There being NO OBJECTION, and Amendment 23 was adopted.

[10:28:32 AM](#)
AT EASE

[10:33:11 AM](#)
RECONVENED

[10:33:22 AM](#)

Vice-Chair Micciche MOVED to ADOPT Amendment 27, 29-LS0692\V.48, Glover, 3/2/16 (copy on file).

Co-Chair MacKinnon OBJECTED for discussion.

Vice-Chair Micciche explained Amendment 27.

Co-Chair MacKinnon shared that the amendment would incorporate SB 98 into the legislation.

[10:34:16 AM](#)

CHUCK KOPP, STAFF, SENATOR PETER MICCICHE, explained the amendment. He remarked that a recent report showed that the use of tele psychiatry had saved API over \$1 million in physician fees; \$600,000 in hospitalization; and \$70,000 in travel in FY 15. He noted that one of the challenges was a prohibition of out-of-state physicians who were licensed in Alaska from being able to provide health care. He shared that there was a similar problem with the Department of Corrections (DOC) being able to stabilize patients in psychotic episodes; and the short supply of psychiatrists.

Mr. Kopp noted that Sections 6 and 7 of the amendment referred to the Board of Professional Counselors; the Board of Marital and Family Therapists; the Board of Psychologists and Psychological Associate Examiners; and the Board of Social Work Examiners. The amendment was offered by Senator Giessel to incorporate the behavioral health therapists who work in teams at different locations with the same client.

[10:39:26 AM](#)

Co-Chair MacKinnon wondered if the remarks referred to page 5, line 21.

Mr. Kopp clarified that the telemedicine business directory was created through Department of Commerce, Community and Economic Development (DCCED). He remarked that the name and contact information of each business must be included in the directory.

Co-Chair MacKinnon hoped that a forthcoming committee substitute would incorporate the changes. She remarked that the final version may not move from committee until the following Monday.

Senator Olson noted that there was a comment related to the Alaska State Medical Association, but that association did not have regulatory authority. He queried the opinion of the Alaska Medical Board on the amendment. Mr. Kopp replied that the State Medical Board was not in favor of the build out of telemedicine.

Senator Olson queried the opposition to telemedicine. He wondered if there was merely a resistance to change. Mr. Kopp replied that that he agreed with that assertions

proposed by Senator Olson. He stressed that there was a still an in state licensing requirement.

[10:42:39 AM](#)

Vice-Chair Micciche remarked that the board had a list of requests. He felt that the bill may make providers uncomfortable, but wanted to move past the resistance. He stressed that the amendment would address the high cost of health care. He felt that the board may not oppose the current version

Senator Hoffman wondered why the definition of telemedicine was different from the definition on page 22 of the bill.

[10:44:24 AM](#)

AT EASE

[10:44:50 AM](#)

RECONVENED

[10:44:52 AM](#)

Ms. Shine explained that the definition in the bill was previously amended.

Co-Chair MacKinnon queried the previously adopted amendment. Ms. Shine replied that she believed it was Amendment 23.

Vice-Chair Micciche felt that the amendment would significantly reduce travel costs for lower level of health care. He thanked various members of the legislature and legislative personnel.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 27 was adopted.

[10:47:09 AM](#)

AT EASE

[10:48:09 AM](#)

RECONVENED

[10:48:18 AM](#)

Co-Chair MacKinnon shared that Legislative Legal would incorporate the amendments into a new committee substitute. She shared that she did not know when the committee substitute would be available. She hoped that the fiscal notes would be available.

SB 74 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

10:49:47 AM

The meeting was adjourned at 10:49 a.m.