

SENATE FINANCE COMMITTEE
April 11, 2018
1:51 p.m.

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CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 1:51 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Donny Olson
Senator Gary Stevens
Senator Natasha von Imhof

MEMBERS ABSENT

None

ALSO PRESENT

Elizabeth Diament, Staff, Representative Paul Seaton; Jill Lewis, Deputy Director, Division of Public Health.

SUMMARY

CSHB 215 (FIN)

DHSS: PUBLIC HEALTH FEES

CSHB 215 was HEARD and HELD in committee for further consideration.

#hb215

CS FOR HOUSE BILL NO. 215 (FIN)

"An Act relating to program receipts; and relating to fees for services provided by the Department of Health and Social Services."

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Co-Chair MacKinnon introduced the bill.

1:53:09 PM

AT EASE

1:53:32 PM

RECONVENED

ELIZABETH DIAMENT, STAFF, REPRESENTATIVE PAUL SEATON, discussed the bill. She explained the process of the bill. She stated that during the subcommittee process, Public Health was identified as a division that could be charging additional fees to help sustain its mission. She shared that the constitutional mission of the division was protecting and promoting the health of Alaskans. She announced that, currently, the Department of Health and Social Services (DHSS) charged for some public health services, however, the department could only charge what was listed in AS 44.29.022a. She shared that the list of duties that were currently fee-eligible were mostly clinical. The fees included maternal and child health services; nutrition services; and preventative medical health services. The division lacked fee authority such as administrative and professional services. The bill would amend AS 44.29.022 to grant DHSS the authority to establish reasonable fees for the support of administration of public health programs. The bill gave statutory authority to DHSS to charge fees for any public health related services under AS 18, and tobacco control programs under AS 44.29.022. The bill also added the fees created to the list of program receipts separately accounted under AS 37.05.146c. The bill allowed DHSS to decide what fees it would establish through regulation and a public process. The fees already must be in the public interest and economically feasible to collect; and could not undermine the division's mission. The fees were limited to the actual cost of services, and any regulation would be required for each new fee.

Co-Chair MacKinnon wondered whether the fees would be used for public health, and not the Medicaid program. She felt that public health was sometimes shadowed by Medicaid services.

Ms. Diament replied that the intent of the legislation was that the fees would pay for public health services. She deferred to Ms. Lewis for more information.

JILL LEWIS, DEPUTY DIRECTOR, DIVISION OF PUBLIC HEALTH, agreed with Ms. Diament. She stated that the listed fees would be in the list of designated program receipts in statute, which would clarify the intent of the legislature. The fees would support the specific program that generated the fees.

Co-Chair MacKinnon asked if there was anything to consider inside the bill language that would bolster the intent. She felt that the bill should support the areas which the funds were generated and overall public health.

Vice-Chair Bishop asked if the committee would discuss the fiscal note.

Co-Chair MacKinnon replied that the fiscal note would be covered by DHSS.

Vice-Chair Bishop thought the fiscal note answered many questions regarding the designation of the receipts.

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Ms. Diament addressed the Sectional Analysis for the bill (copy on file):

Section 1

(page 1, line 4)

Adds a new paragraph (90) to the list in AS 37.05.146(c) of designated general fund program receipts and non-general fund program receipts that are accounted for separately, and appropriations from these program receipts are not made from the unrestricted general fund.

Paragraph (90) does 2 things:

1) Consolidates all current public health fees listed in AS 37.05.146(c) that are collected by the Department of Health and Social Services into one subsection.

Note: It was determined that the statute could be made clearer by consolidating other DHSS programs and services along with public health under (90). From the current list of 89 program receipts in AS 37.05.146(c) the following would move under (90):

Current AS 37.05.146 (c) 42 becomes (90) (A)
59 - (B)
60 - (C)
61 - (90) (D)
62,63,65,66 (E)
64 (F)
67 (90) (G)
71 (H)
88 (I)

2) Adds language in subsection 90(e), other public health programs and services

Note: The specific public health programs and services for which DHSS may establish fees are specified under AS 44.29.022(a), which is explained in the next section.

Section 2

(page 2, line 14)

Adds AS 44.29.020(a) (14) tobacco control programs administered by the Department and public health programs the department administers under AS18 to the list of services in AS 44.29.022(a) for which the Commissioner of the Department of Health & Social Services can establish reasonable fees.

Note: While there are other departments also listed within AS 18, language under AS 44.29.022(a) states that the commissioner of DHSS may only establish fees for services listed under this statute that are provided by DHSS.

Section 3

(page 2, line 26)

Adds a new sub section to AS 44.29.022 requiring the commissioner of health and social services to consult with stakeholders, including at least one public meeting, before a notice of proposed action is made regarding the development of new fees under AS 44.29.020(a) (14) or AS 18.

Section 4

(page 3, line 5)

Repeals statutes that have been consolidated under subsection (90) in section 1 of this bill.

Co-Chair MacKinnon asked if there was a reason there was no effective date for the bill.

Ms. Diament replied that there was no fiscal impact for FY 19, because it would take time for the regulations to go into effect.

Senator von Imhof noted that there was a presentation, so she would ask a question during the presentation.

Ms. Lewis discussed the presentation "HB 215 DHSS: Public Health Fees," (copy on file).

Ms. Lewis showed slide 2, "HB215 DHSS: Public Health Fees":

- Public Health is able to charge fees for certain clinical services:
 - Maternal and child health services
 - Nutrition services
 - Preventive medical services
 - Health education
 - Public health nursing services
 - Laboratories

Ms. Lewis turned to slide 3, "HB215 DHSS: Public Health Fees," which showed a pie chart entitled "Division of Public Health Funding Sources - FY2019 Governor's Budget." She remarked that the FY 16 and FY 17 budgets included intent language that the Division of Public Health evaluate and implement strategies to maximize billable services. She recalled that the Legislative Audit's performance review of the department included similar recommendations. She stated that the graph showed that the budget already included nearly \$7 million in general fund program receipts, which made up approximately 6 percent of the total receipts. The receipts came from individuals who paid for the clinical services listed on slide 2.

Ms. Lewis showed slide 4, "HB215 DHSS: Public Health Fees":

- Public health lacks fee authority for other services and functions:
 - o Professional services
 - o Data extraction and analysis
 - o Training and expert consultation
 - o Administrative functions
 - o Inspections and certifications
 - o Program administration

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Ms. Lewis displayed slide 5, "HB215 DHSS: Public Health Fees":

- Fees waived if
 - not in the public interest
 - not economically feasible to collect
 - the public health is best served by the waiver of the fee
- Services not denied because of inability to pay
- Sliding fee schedules
- Fees limited to the actual cost
- Regulations required for each new fee

Ms. Lewis spoke to slide 6, "HB215 DHSS: Public Health Fees

- Fees for public health services will
 - o Keep us safe
 - o Help communities be healthy
 - o Provide access to primary care
 - o Inform decision makers where resources are most needed

Co-Chair MacKinnon stated that the presentation was available online.

Senator Micciche asked about the success of sliding fee schedules, and wondered if there was a significant administrative burden.

Ms. Lewis replied that the sliding fee schedule was mostly used by the public health nursing centers. She stated that each client filled out information about their income to determine where they fit in the sliding fee scale. She remarked that the burden was minimized, because it was a standardized process. She emphasized that it was, however, a manual process.

Senator Micciche asked if there was documentation required or if the process relied on the honor system.

Ms. Lewis stated that it was mostly the honor system.

[2:12:10 PM](#)

Senator von Imhof asked if the data being referred to was already collected or if it was a new data set.

Ms. Lewis stated that the data sets were made available as was reasonable under state privacy and confidentiality laws.

Senator von Imhof wondered about a potential charge for providing raw data.

Ms. Lewis stated that the fee structure for every type of service provided varied. In general, most likely raw data would be based on the record count or the size of the file.

Co-Chair MacKinnon OPENED public testimony.

Co-Chair MacKinnon CLOSED public testimony.

Ms. Lewis discussed the fiscal note.

Co-Chair MacKinnon asked whether the regulation cost would be absorbed.

Ms. Lewis replied in the affirmative.

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Ms. Lewis addressed page 2 of FN 2. She noted that the fees would be used to support public operations. In the narrative portion there were four examples given for different types of fees:

- * Registration, certification, and inspection of radiological device fees are needed to support a second radiological health physicist for magnetic resonance imaging (MRI), computed tomography (CT), mammography, and ultraviolet devices.

Currently only fees for X-ray devices are authorized and only X-ray devices are registered, certified and inspected. No new position are needed; the division will utilize an existing vacant position. (\$100.0 DGF)

- * An administration fee for the healthcare practitioner loan repayment program, Supporting Healthcare Access through Loan Repayment Program (SHARP), would cover the cost of operating the program, which is currently supported

with unrestricted general funds. Similar loan repayment programs charge an administrative fee. (\$200.0 DGF/-200.0 UGF)

* Allowing a reasonable fee for custom statistical and epidemiological analyses on public health data sets would greatly enhance the usefulness of the datasets. The division is frequently asked for ad hoc analyses; however, our resources are consumed in collecting the data, leaving little capacity for analysis. Other states charge annual or per-hour fees for analytical work. (\$175.0 DGF)

* The division has turned away requests to assist with community health assessments and community action plan development. The division lost the capacity for this service when the position funded with unrestricted general funds was eliminated in recent budget cuts. The ability to charge fees would enable us to once again support local efforts for healthier communities. No new positions are needed; the division will utilize existing positions. (\$125.0 DGF)

Vice-Chair Bishop asked for clarification about the inspection of radiological devices.

Ms. Lewis replied that the division visited all the different facilities to inspect the radiological devices. She remarked that the current focus was on the x-ray devices.

Vice-Chair Bishop wondered if there was a timeline associated with the inspection, or if a major hospital would bring on a contractor. He wondered about the liability associated with inspection.

Ms. Lewis thought the matter was a gap in public health coverage. She remarked that there were stories about diagnostic machines that were not properly calibrated. She stressed that facilities were making their best efforts to ensure that the machines and procedures were good practice. She stated that there was no one to ensure that those efforts were happening for the public safety.

Vice-Chair Bishop felt that examining the machines was important to save money downstream.

Senator Micciche asked whether the department was certifying x-ray machines.

Ms. Lewis replied in the affirmative.

Senator Micciche wondered whether there was a fee for each inspection.

Ms. Lewis thought the fee would be similar to that of the x-ray fee, which was a per unit fee. She noted that the fee was \$80 per x-ray tube.

2:25:01 PM

Co-Chair MacKinnon observed that the fiscal note provided funding for an existing vacant position.

Ms. Lewis stated that the department was asking the funding to be applied to the personal services line. She stated that the existing vacant position would be repurposed.

Co-Chair MacKinnon felt that there was a focus on eliminating all positions. She noted that there was a cost to putting positions in the system. She remarked that there were positions that were unfilled in the books. She wondered whether the fee would be used to cover the cost of the position.

Ms. Lewis stated that the Division of Public Health had approximately 430 employees, and there was turnover that generated 30 to 40 current vacant positions. Those vacancies were evaluated and prioritized based on the highest need at the time.

Vice-Chair Bishop remarked that there was not a criticism, but there was an examination of the turnover of employees.

Co-Chair MacKinnon shared her gratitude for those that worked in public health.

Co-Chair MacKinnon referenced x-rays and technology and asked how it related to scans in airports. She wondered whether there was a verification of the output on those machines.

Ms. Lewis stated that DHSS had no authority over the devices used in airports by the federal government.

Co-Chair MacKinnon asked if there was a way for Division of Public Health to make an inquiry related to the possibility of unhealthy output of the machines.

Ms. Lewis stated she would look into the matter.

Co-Chair MacKinnon stated she was willing to cosign a letter related to that concern.

Co-Chair MacKinnon asked for an update on the SHARP supportive care access repayment program.

CSHB 215 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed the agenda for the following day.

[2:32:00 PM](#)

AT EASE

[2:32:11 PM](#)

RECONVENED

Co-Chair MacKinnon clarified items about the agenda for the following day.

#

ADJOURNMENT

[2:33:32 PM](#)

The meeting was adjourned at 2:33 p.m.