

**ALASKA STATE LEGISLATURE**  
**SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

March 21, 2018

1:30 p.m.

**MEMBERS PRESENT**

Senator David Wilson, Chair  
Senator Natasha von Imhof, Vice Chair  
Senator Cathy Giessel  
Senator Peter Micciche  
Senator Tom Begich

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 151(FIN)

"An Act relating to the duties of the Department of Health and Social Services; relating to training and workload standards for employees of the Department of Health and Social Services and providing immunity from damages related to those standards; relating to foster care home licensing; relating to civil and criminal history background checks for foster care licensing and payments; relating to placement of a child in need of aid; relating to the rights and responsibilities of foster parents; requiring the Department of Health and Social Services to provide information to a child or person released from the department's custody; and providing for an effective date."

- HEARD & HELD

COMMITTEE SUBSTITUTE 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."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 151

SHORT TITLE: DHSS;CINA; FOSTER CARE; CHILD PROTECTION

SPONSOR (s) : REPRESENTATIVE (s) GARA

03/01/17 (H) READ THE FIRST TIME - REFERRALS  
03/01/17 (H) HSS, FIN  
03/16/17 (H) HSS AT 3:00 PM CAPITOL 106  
03/16/17 (H) Heard & Held  
03/16/17 (H) MINUTE(HSS)  
03/21/17 (H) HSS AT 3:00 PM CAPITOL 106  
03/21/17 (H) Heard & Held  
03/21/17 (H) MINUTE(HSS)  
03/23/17 (H) HSS AT 3:00 PM CAPITOL 106  
03/23/17 (H) Moved CSHB 151(HSS) Out of Committee  
03/23/17 (H) MINUTE(HSS)  
03/24/17 (H) HSS RPT CS(HSS) NT 3DP 1DNP 1NR 2AM  
03/24/17 (H) DP: TARR, EDGMON, SPOHNHOLZ  
03/24/17 (H) DNP: EASTMAN  
03/24/17 (H) NR: KITO  
03/24/17 (H) AM: JOHNSTON, SULLIVAN-LEONARD  
03/28/17 (H) HSS AT 3:00 PM CAPITOL 106  
03/28/17 (H) <Bill Hearing Canceled>  
04/12/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
04/12/17 (H) Heard & Held  
04/12/17 (H) MINUTE(FIN)  
04/13/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
04/13/17 (H) Heard & Held  
04/13/17 (H) MINUTE(FIN)  
05/15/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
05/15/17 (H) Moved CSHB 151(FIN) Out of Committee  
05/15/17 (H) MINUTE(FIN)  
05/16/17 (H) FIN RPT CS(FIN) NT 4DP 1NR 4AM  
05/16/17 (H) DP: ORTIZ, GARA, SEATON, FOSTER  
05/16/17 (H) NR: GUTTENBERG  
05/16/17 (H) AM: TILTON, THOMPSON, KAWASAKI, WILSON  
05/17/17 (H) TRANSMITTED TO (S)  
05/17/17 (H) VERSION: CSHB 151(FIN)  
01/18/18 (S) READ THE FIRST TIME - REFERRALS  
01/18/18 (S) HSS, FIN  
03/19/18 (S) HSS AT 1:30 PM BUTROVICH 205  
03/19/18 (S) Heard & Held  
03/19/18 (S) MINUTE(HSS)  
03/21/18 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: HB 215

SHORT TITLE: DHSS: PUBLIC HEALTH FEES

SPONSOR (s) : FINANCE

04/07/17 (H) READ THE FIRST TIME - REFERRALS

04/07/17 (H) HSS, FIN  
 04/18/17 (H) HSS AT 3:00 PM CAPITOL 106  
 04/18/17 (H) Heard & Held  
 04/18/17 (H) MINUTE(HSS)  
 04/20/17 (H) HSS AT 3:00 PM CAPITOL 106  
 04/20/17 (H) -- MEETING CANCELED --  
 04/25/17 (H) HSS AT 3:00 PM CAPITOL 106  
 04/25/17 (H) -- MEETING CANCELED --  
 05/09/17 (H) HSS AT 3:00 PM CAPITOL 106  
 05/09/17 (H) Moved CSHB 215(HSS) Out of Committee  
 05/09/17 (H) MINUTE(HSS)  
 05/10/17 (H) HSS RPT CS(HSS) 3DP 2NR 1AM  
 05/10/17 (H) DP: JOHNSTON, EDGMON, SPOHNHOLZ  
 05/10/17 (H) NR: SULLIVAN-LEONARD, KITO  
 05/10/17 (H) AM: EASTMAN  
 02/02/18 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 02/02/18 (H) Heard & Held  
 02/02/18 (H) MINUTE(FIN)  
 02/07/18 (H) FIN RPT CS(FIN) 6DP 4NR  
 02/07/18 (H) DP: GRENN, THOMPSON, ORTIZ, GARA,  
 SEATON, FOSTER  
 02/07/18 (H) NR: TILTON, GUTTENBERG, WILSON,  
 KAWASAKI  
 02/07/18 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 02/07/18 (H) Moved CSHB 215(FIN) Out of Committee  
 02/07/18 (H) MINUTE(FIN)  
 02/16/18 (H) TRANSMITTED TO (S)  
 02/16/18 (H) VERSION: CSHB 215(FIN)  
 02/19/18 (S) READ THE FIRST TIME - REFERRALS  
 02/19/18 (S) HSS, FIN  
 03/21/18 (S) HSS AT 1:30 PM BUTROVICH 205

**WITNESS REGISTER**

JANINE REEP, Board Member  
 Facing Foster Care in Alaska  
 Juneau, Alaska  
**POSITION STATEMENT:** Supported HB 151.

MICHAEL JEFFERY, Representing Self  
 Utqiagvik, Alaska  
**POSITION STATEMENT:** Supported HB 151.

ANDREW CUTTING, Program Fellow  
 Alaska Children's Trust  
 Anchorage, Alaska  
**POSITION STATEMENT:** Supported HB 151.

TAMAR BEN-YOSEF, Executive Director  
All Alaska Pediatric Partnership  
Anchorage, Alaska  
**POSITION STATEMENT:** Supported HB 151.

MARK LACKEY, Member  
R.O.C.K Mat-Su  
Executive Director  
CCS Early Learning  
Wasilla, Alaska  
**POSITION STATEMENT:** Supported HB 151.

ROSALIE REIN, Representing Self  
Fairbanks, Alaska  
**POSITION STATEMENT:** Supported HB 151.

RACHEL BEDSWORTH, Statewide Representative  
Facing Foster Care in Alaska  
Anchorage, Alaska  
**POSITION STATEMENT:** Supported HB 151.

SARAH REDMON, Administrative Director  
Facing Foster Care in Alaska  
Anchorage, Alaska  
**POSITION STATEMENT:** Supported HB 151.

NATALIA EDWARDS, Member  
Facing Foster Care in Alaska  
Anchorage, Alaska  
**POSITION STATEMENT:** Supported HB 151.

ALISON KULAS, Executive Director  
Alaska Mental Health Board  
Advisory Board on Alcoholism and Drug Abuse  
Juneau, Alaska  
**POSITION STATEMENT:** Supported HB 151.

CHRISTY LAWTON, Director  
Office of Children's Services  
Department of Health and Social Services (DHSS)  
Juneau, Alaska  
**POSITION STATEMENT:** Offered supporting testimony on HB 151.

REPRESENTATIVE LES GARA  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 151.

ELIZABETH DIAMENT, Staff  
Representative Paul Seaton  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 215.

JILL LEWIS, Deputy Director  
Division of Public Health  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Testified on HB 215.

ALISON KULAS, Executive Director  
Alaska Mental Health Board  
Advisory Board on Alcoholism and Drug Abuse  
Juneau, Alaska

**POSITION STATEMENT:** Supported HB 215.

#### **ACTION NARRATIVE**

[1:30:47 PM](#)

**CHAIR DAVID WILSON** called the Senate Health and Social Services Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Giessel, Micciche, and Chair Wilson. Senator von Imhof joined shortly thereafter.

#### **HB 151-DHSS;CINA; FOSTER CARE; CHILD PROTECTION**

[1:31:13 PM](#)

**CHAIR WILSON** announced the consideration of HB 151. [SCS CSHB 151(FIN) was before the committee.]

[1:31:51 PM](#)

**CHAIR WILSON** opened public testimony.

[1:32:07 PM](#)

**JANINE REEP**, Board Member, Facing Foster Care in Alaska, supported HB 151. She said she is an attorney who has worked in the field of child protection for over 30 years. Currently she is a mediator in child protection cases. She knows the child protection system very well. She knows how it is supposed to work and she knows it is not working well. Things are worse now than when she began 30 years ago. She's been around long enough

to see youth coming back into the system as parents themselves or more often, incarcerated. The system needs to be fixed.

She opined that the bill might look like it is full of lots of little things, but the reality is that each of these sections, if passed into law, can profoundly change a person's life. For example, filling out a foster care application is a daunting task. Under the bill, OCS [Office of Children's Services] would be required to help prospective foster care parents complete application, and there is a deadline for making a decision on an application. She also highlighted the provision for prudent care allowing foster parents to fill out permission forms for field trips or participation on a sports team. It is awkward for youth to go a state agency to have a pink slip signed so they can go on a band trip. It can mean a youth misses out on a network of peers.

She said the crux of the bill is caseload limits. She has been saying for decades that nothing will change unless caseloads are statutorily capped. Caseworkers cannot make good decisions for a family when overloaded with cases. A relative search is difficult to do. Families will not share information about relatives if they don't trust someone. Many times healthy relatives are estranged from the family. Unless a caseworker has an ongoing relationship with a family, family placements are difficult to find. She noted that the graph on slide 16 of Representative Gara's presentation reflects the relationship between changes in caseworkers and chances of permanency. She said she has seen that again and again. Progress cannot be made when a social worker is in place for five months and then gone. The case lingers and children languish in the system, often until they're adults. She urged the committee to pass the bill because it is an opportunity to make a real change. She concluded reiterating that until there are lower caseloads, nothing will work.

[1:37:54 PM](#)

SENATOR MICCICHE noted her 30 years of experience. He asked why none of these issues are getting better. He asked if there is something systemic that is not in the bill.

MS. REEP said the turnover is insane and the caseloads have increased. The numbers are outrageous. Social workers are dissatisfied and feel they are doing a terrible job. It is high responsibility and they are not going to stay. A cap on numbers will attract more qualified people. Many social workers are not interested in working for OCS because of the horror stories and

the caseloads. If they knew there was a limit and they could actually make a difference in helping families, they'd be applying.

MICHAEL JEFFERY, Representing Self, supported HB 151. He has spent 40 years in Barrow, first working with Alaska Legal Services and then as a superior court judge for 32 years. He said part of the work of a superior court judge is Child in Need of Aid cases. He likes many things about HB 151. One of them is training. He hopes that would include fetal alcohol spectrum disorder issues. He said social workers want to do right by these families, but if they are swamped with cases, they can't do it. He realizes that some funding issues go with that, but it's important to have these standards. He loves the parts of the bill about timeliness in foster care license decisions. A family is offering itself. If the application is dropped into the void. That denies the availability of that home and it is also stress for the family. The provisions to have youth participate in their own case planning and the ability of youth and families to do things without checking with a social worker will reduce trauma and long-term damage that can happen from multiple placements and the feeling of being shut out from making any decisions about their situation.

[1:43:05 PM](#)

ANDREW CUTTING, Program Fellow, Alaska Children's Trust, supported HB 151. He said his agency looks at children across the state and worries about kids who are falling through the cracks. This is a way to move forward with those being left behind. With the high case numbers and maxed out staff, this bill supports front line staff. A lot of research shows the cost of kids revolving through different families. It increases their ACEs [Adverse Childhood Experiences] scores. The cost across the state associated with ACEs scores is more than \$450,000,000. Decreasing caseworker loads, providing additional training and support, decreasing the number of kids who cross their desk every day and putting kids in supportive families using the tools in this bill will reduce costs in the long term, even if a few more staff have to be added in the front end. The Children's Trust is a big, big supporter of this bill.

[1:44:55 PM](#)

TAMAR BEN-YOSEF, Executive Director, All Alaska Pediatric Partnership, supported HB 151. She said the mission of the All Alaska Pediatric Partnership is to improve the health and wellness of all Alaskan children. They consider OCS caseworkers' high caseloads and resulting inability to adequately serve

families a significant barrier to children's optimal health. Nearly 3,000 Alaskan children are in out-of-home placement. In some places of the state, workers are managing more than 30 caseloads, which is more than double the national recommendations. About ten percent of children entering the foster care system are under the age of six. The first three to four years of life are when the brain structures that govern personality traits, learning processes and self-regulation skills to deal with stress and emotion are established, strengthened, and made permanent and the nerve connections and nerve transmitter networks form during these critical years.

These transmitter networks are influenced by negative environmental conditions, such as child abuse and neglect, violence within the family, and exacerbated by multiple placements. Most children entering the foster care system, especially those entering early on, have not experienced a nurturing, stable environment. The positive experiences created by permanency and a solid relationship with a supportive caregiver are critical in both the short- and long-term development of the child and their ability to participate fully in society. The premature return of a child to the biological parent and the inability of a caseworker to provide families with the attention they need to remain stable, compliant, and safe often result in a return to foster care or ongoing emotional trauma to the child. No less important is that working in such stressful environments creates toxic stress for the caseworker and results in high turnover rates and further negative outcomes for children. Reduced caseloads and additional training will result in a healthier and more supported workforce, leading to more permanency and better outcomes for children.

[1:47:50 PM](#)

MARK LACKEY, Member, R.O.C.K Mat-Su, Executive Director, CCS Early Learning, supported HB 151. He said he has been a foster parent in the past. He is familiar with the issues that HB 151 addresses. He adopted a child and would estimate that he was in care for 6-8 months longer than needed because of staff turnover. Professionally, CCS Early Learning has seen a steady increase in the percentage of their slots provided for children in foster care. The last school year, 17 percent of total slots were for children in foster care. In 2009, it was six percent.

[1:50:05 PM](#)

SENATOR BEGICH arrived.

MR. LACKEY said they have seen a steady increase in children needing care but until very recently, they have not seen a corresponding increase in staffing at OCS. Wasilla has seen recent staffing increases, which has drastically helped their caseloads. R.O.C.K. Mat-SU has been working closely with OCS on multiple issues. He can already see changes in morale and how responsive staff are and in the level of community engagement. Getting children in and out of the system as quickly as possible requires sufficient staff.

1:51:42 PM

ROSALIE REIN, Representing Self, supported HB 151. She said she worked at OCS for seven-and-a-half years and is now developing a social services program for the Fairbanks School District. The high rate of front line turnover leaves OCS with less experienced workers and growing caseloads. The pressure threatens the longevity of the remaining caseworkers. The provision in HB 151 capping caseloads for new caseworkers during the first six months is going to support workers through the steep learning curve. Staff retention is a positive effect of allowing workers to develop a solid skill set early in their OCS careers. Research shows that caseworkers who have social work education, appropriate training, specialized competencies, and greater experience are better able to facilitate permanency. New workers with a full caseload and older workers with a caseload more than twice the national recommendation cannot keep up with adequate support for foster parents, let alone the children and their families. Her testimony is not to convince them to make sad caseworkers happy. It is about ensuring that children and families have access to services in a timely manner, have communication with their worker, and for relatives to be identified so they can provide care for their own family. These services require adequate staffing.

1:54:07 PM

RACHEL BEDSWORTH, Statewide Representative, Facing Foster Care in Alaska, supported HB 151. She said she is a student at the University of Alaska Anchorage and aged out of the foster care system when she turned 21 in October. She was in care 12 years and moved through 47 placements. She had nine social workers. There was a time in eighth grade when she did not know who her social worker was. She lived in a foster home for three months where the only food was rice, broccoli, and cheese. Her social workers didn't listen to her because they didn't know her. They need more social workers, so they can give the individual attention that a child needs and deserves.

[1:55:29 PM](#)

SARAH REDMON, Administrative Director, Facing Foster Care in Alaska, supported HB 151. She said she was in foster care three different times over seven years. She was in 16 different placements in those seven years. She is one of 12 siblings who went into foster care at the same time. During her placement she had no contact with her siblings. She was like a mother for her eight younger siblings. She made sure they went to school, went to bed, and were fed. Not knowing where they were gave her social anxiety and stress. If she had been able to have contact with them, that would have provided some relief. Making sure siblings have contact is her big focus.

[1:58:20 PM](#)

NATALIA EDWARDS, Member, Facing Foster Care in Alaska, supported HB 151. She said she has been in foster care since February 2012 with 11 placements and somewhere between 6 and 15 social workers. She was separated from four sisters, which caused constant anxiety. She will face repercussions for that the rest of her life. In the past two years she has been in and out of homelessness and has had little to no contact with her social workers. She was homeless because so many social workers changed with no notice; it was hard to track down who would have helped with friends who could have become licensed. It was only when Amanda Metivier [founder of Facing Foster Care in Alaska] became her foster mother that they tracked down her social worker to figure what needed to be done so she could be in a continual safe home with a steady foster parent. If HB 151 had been in effect in the past, it would have helped with the repercussions with her siblings. She would have had more attention in the past six years.

[2:00:30 PM](#)

ALISON KULAS, Executive Director, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, supported HB 151. She said the joint mission of her boards is to advocate for programs and services for people with behavioral health disorders, their families, care providers, and communities. They look comprehensively to build healthy and safe environments for Alaskans to reach their individual potential. HB 151 supports the safety and well-being of Alaska's children in state custody. This bill addresses the concern that OCS workers are overworked and their ability to serve families adequately is compromised. Representative Gara's bill will help mitigate the trauma and long-term damage of children who experience multiple placements or who languish in foster care. Instability and neglect cause an increased likelihood of mental health challenges, substance

abuse, homelessness, incarceration, public assistance, and unemployment. Decreasing caseloads can help to intervene in this expensive and damaging cycle. Her boards want to make sure that OCS workers are fully trained and equipped to handle the challenges of working with families on their caseloads so that families really get the attention they need to remain stable, compliant, and safe. They need to stabilize the workforce to better serve the needs of families involved in the state's child welfare system.

[2:03:01 PM](#)

CHAIR WILSON closed public testimony on HB 151.

CHAIR WILSON asked what the ratio is of OCS supervisors to caseworkers.

[2:03:27 PM](#)

CHRISTY LAWTON, Director, Office of Children's Services, Department of Health and Social Services (DHSS), testified on HB 151. She said generally in the larger offices, such as Anchorage, Mat-Su, and Fairbanks, supervisors have six to eight employees per unit. The Child Welfare League of America recommends five per supervisor.

SENATOR VON IMHOF observed that the tribal compact agreements are just getting off the ground, and asked what impact that will have in taking the burden off employees by lowering caseloads.

MS. LAWTON said in the very long run, it will help with caseload size, but in the short-term, there will be lessening of some of the caseload. There are pieces of case management they will be slowly taking on. Initially the focus is helping with relative searches and family contact visitation and doing safety walks through homes in communities where they do not have staff. They are being strategic about what they are taking on and starting to build their infrastructure and capacity. It will be a number of years before they are taking over large numbers of cases.

CHAIR WILSON asked the sponsor if he had any closing remarks.

[2:05:37 PM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, sponsor of HB 151, said there has been talk about how much this is evidence-based--less turnover, fewer placement changes, less trauma to children, higher success rates of children, fewer children on public assistance, more children in the workforce, more children graduating high school, going to college. What he wants to leave

the committee with is the notion that we are closer than ever to fixing the system, but the first step is to have all the members on the team with a good manager and good systems. Drawing a parallel to a baseball team, he said you need a good manager and nine players on the field. Without that, you'll always lose. "We're closer than ever to fixing many, many, many of the problems at OCS." In terms of cost, the transfer of adult public assistance money to OCS last year made it possible to hire 31 additional staff. That is within striking distance of reaching caseload limits that will work, that will reduce turnover rates like they did in New Jersey.

REPRESENTATIVE GARA said he wanted to be clear about the fiscal note because there are different ways of writing fiscal notes. Early fiscal notes were \$4, \$5, and \$7 million. The really expensive things were removed from the current fiscal note, but it does assume that the 31 new case workers remain. The cost for that is \$1.4 million. The fiscal note last year provided 75 percent of the funding for those workers. He noted that the tradition in this building often has been to fund 75 percent of the cost the first year and 100 percent the next year. The fiscal note is written as a comparison to what is needed in addition to the 31 staff that were hired last year. It is not a comparison to what was in the budget last year. The funds for those 31 workers is in the governor's budget and the House budget. He hopes they remain in the Senate budget. "With that, you are within \$1.4 million of reach of actually making a huge difference with mentors and the supervisors to get the supervisory caseloads to what Director Lawton and the case workers talked about to reduce the work and reduce the turnover and reduce the waste of money that we have in the system for paying for empty positions. The empty positions I've talked about are hiring somebody who leaves within a year when they have finally learned their job. That's not a wise use of money."

[2:09:19 PM](#)

CHAIR WILSON said he would hold HB 151 awaiting the answers from DHSS to some outstanding questions.

[2:09:37 PM](#)

At ease.

**HB 215-DHSS: PUBLIC HEALTH FEES**

[2:10:05 PM](#)

CHAIR WILSON reconvened the meeting and announced the consideration of HB 215. [CSHB 215(FIN) was before the committee.]

2:11:11 PM

ELIZABETH DIAMENT, Staff, Representative Paul Seaton, Alaska State Legislature, presented HB 215. She said HB 215 is a House Finance Committee-sponsored bill. During the DHSS subcommittee process last year, Public Health was identified as a division that could be charging additional fees to sustain its constitutional mission, which is protecting and promoting the health of all Alaskans. DHSS does charge for some Public Health services but can only charge for what is listed in statute, AS 44.29.022. The duties that are currently fee-eligible are mostly clinical in nature, and they include maternal and child health services, nutrition services, preventive medical services, public health nursing services, health education, and laboratories. The Division of Public Health lacks fee authority for other services and functions, such as professional services and administrative functions. HB 215 would amend AS 44.29.022 to grant DHSS the authority to establish and collect reasonable fees to support the administration of public health programs. HB 215 allows DHSS to decide what fees it will establish through regulation and a public process.

She explained that fees are limited to the actual cost of services and that regulation would be required for each new fee. In the current fiscal environment, it is important that every agency looks for efficiencies and ways to decrease dependence on unrestricted general funds.

2:13:38 PM

JILL LEWIS, Deputy Director, Division of Public Health, Department of Health and Social Services (DHSS), testified on HB 215. She said the Division of Public Health focuses on services that protect and improve the public's health status. Public health services control infectious diseases, prevent chronic diseases and injuries, promote healthy lifestyles, protect maternal and child health, as well as respond to disasters. HB 215 is needed to allow the division to increase and diversify its revenue opportunities, so it has the means to support health operations and reduce reliance on general funds. The widening gap between public health costs and general funds jeopardizes their ability to provide services that keep Alaskans safe and healthy. One of the obstacles is they cannot charge fees for all services they provide.

She said the DPS budget includes nearly \$7 million in general fund program receipts or about six percent of their total revenue. These receipts come from clinical services such as laboratory tests and well-child exams. The new fees will not be substantial enough to fund all operations, but they will reduce dependence on other funds. DPS lacks fee authority for things such as data extraction and analysis, training and expert consultation, inspections and certifications, and program administration. This is where their opportunities lie. Budget cuts have forced some cuts to services that industry and the public are asking for. The bill makes it possible, when it makes sense, to recoup costs and do these services. Generally the fees are optional. If services are not used, then there is no fee.

[2:16:55 PM](#)

MS. LEWIS explained that to implement the fees, DPS would reach out to stakeholders in a series of public meetings leading to separate regulations for each fee. Collaborating with the public and stakeholders will help determine what is a reasonable fee and how to balance the burden on the stakeholders with the reality that public health doesn't mean free health. Rates are limited to actual costs of providing the services, not making a profit. Fees will only be implemented when they are in the public interest, it is economical to do so, and, most importantly, doesn't undermine the public health mission. They don't deny services because of an inability to pay and they employ a system of sliding fee schedules and waivers to ensure the fee is applied fairly.

She said DPS understands no one wants to pay fees, but in the current fiscal environment, the widening gap between public health costs and state general funds jeopardizes their ability to provide services that protect Alaskans from preventable causes of illness, injury, and death.

SENATOR VON IMHOF observed that the slides are high-level example of what type of data is collected. She asked for an example of an actual entity, a hospital, a clinic, an organization that would ask for data.

MS. LEWIS said an example of data analysis is a survey done every other year with school districts of risk factors for adolescents. They do a statewide report and school districts ask for a special analysis to target their students, but DPS does not have the capacity for that analysis. They might be able to build that capacity if they could charge a fee for it.

SENATOR VON IMHOF noted that the committee heard that DHSS was contracting services with Evergreen for certain reports. She asked if they would provide the underlying data from an existing report if an entity asked for it, and if there would be a charge for the information.

[2:21:01 PM](#)

MS. LEWIS said there is no straight yes or no answer because each individual data set has individual concerns about privacy, who is asking for the data, and why. The department has standard agreements with entities that are interested in the underlying data. Much of what they produce in data and reports are published on the Internet or available in aggregate form. DHSS collects a lot of data from entities that are required to report and those entities should be able to get something in return for providing the information. But if someone wants to look deeper or have a special analysis that takes extra time, collecting a fee would be appropriate.

SENATOR VON IMHOF said she understands that is true for specialized data. Her concern is that if there is data already collected, she hopes they make it available to people asking for it. DHSS is a data trove and she would hope that it makes the data it is already collecting readily available to other entities.

SENATOR GIESSEL said she commends the department for coming forward with this bill, in collaboration with the House Finance Committee. It is long overdue. This not unlike what the Park Division in the Department of Natural Resources is doing. They are raising fees and selling logo gear to make their division more self-sustaining. The Public Health Division provides such great services to Alaska and should charge for them. She asked if there was any opposition to this bill in the other body.

MS. LEWIS said in the initial hearing in the House Health and Social Services Committee, they did hear some concern about whether the regulatory process allowed for sufficient public input. Rather than just commit to doing preliminary meetings with stakeholders, it was put into the bill. That's a good practice and essential. They need to understand what fee structure will work for the people who will be paying the fees.

[2:25:47 PM](#)

SENATOR GIESSEL said that when a regulation packet goes out, there is always a public comment period. Ms. Lewis is saying that they are putting in statute a pre-public comment period

where stakeholders would give feedback before DHSS writes regulations. She said it is similar to what the Department of Revenue often does with oil and gas tax regulations. She asked if her interpretation was correct.

MS. LEWIS said yes and it is helpful to work with partners ahead of time to scope out what a program or rule might look like. The Department of Law has guidelines on how to have these preliminary meetings without getting crossways with the official regulatory process. She agreed that many departments already use that process.

[2:27:15 PM](#)

CHAIR WILSON asked for a list of the current fees

MS. LEWIS said the list of fees is in regulation 7 AAC 80. A more comprehensive detailed list is in a fee schedule published by the Office of Management and Budget every year, where every fee in the state is listed individually. She agreed to send the extract of their fees.

CHAIR WILSON said she could provide the links and page numbers to his office. He asked if the fees collected would go into the general fund or be designated.

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MS. LEWIS said these would be designated general fund program receipts. In Section 1 of the bill, they are added to the list of fees already in statute. It helps make it clear that the intent of fees is to be used for those programs. The legislature always has the power to appropriate funds, but that makes the intent clear.

CHAIR WILSON asked what the guesstimate is for revenue.

MS. LEWIS said the fiscal note is for \$600,000 in new fees, which is a comparatively small amount. The division budget is roughly \$117 million from all fund sources, but now there are no funds for those particular services. This is the way forward to provide those services.

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CHAIR WILSON said he is a huge supporter of public health. He has been disappointed that a lot of the education services and other items key for communities have been cut. He agrees with Senator Giessel that the administration is trying to solve the problem in providing services.

SENATOR MICCICHE said he is excited to see this bill. There is already a section in the Fiscal Procedures Act that covers monetary recoveries by DHSS and Medicaid expenditures and from recipients and third-party providers under AS 47. He asked if there are any further discussions on offsetting costs from those who can afford something.

MS. LEWIS said the department is always looking at its fee structure. [AS 44.29.022] has a list of what kind of fees the department may charge for, and specific fee authority is in other statutes. That particular list includes a fairly broad authority for things such as child welfare, public assistance, and juvenile justice, but the public health pieces of that are very specific. Instead of saying the department has authority for public health services, it says maternal child health, health education, public health nursing. Essentially nothing else is allowed. Public Health is different in the way it is listed and that is why the bill focuses on that division and doesn't go broader than that.

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CHAIR WILSON opened public testimony.

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ALISON KULAS, Executive Director, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, supported HB 215. She said during this budget crisis it is necessary to look at other income sources. This won't be a huge revenue gain, but it is a piece of what they are allowed to do. Reasonable fees and requiring public input to determine those fees are the key to the bill. Her board will be one of the voices at the table as they go through this process. These boards take into consideration what their community needs and what their providers need to promote the health and well-being of all Alaskans. They believe in the mission of public health. All Alaskans are consumers of what the Division of Public Health provide.

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SENATOR BEGICH asked if both of her boards have analyzed the impact of this bill and are confident that it will not have an adverse impact on their beneficiaries, many of whom do not have the ability to represent themselves.

MS. KULAS responded that that is why they are impressed by the intent for the public process to establish fees. They look

comprehensively at how to promote the health and well-being of all Alaskans. They will always keep an eye to ensure that beneficiaries are protected and that they are not overburdened by any sort of legislation.

SENATOR MICCICHE opined that the state should be prioritizing need. Those who can afford to pay allows additional services for people who can't. The state has not had to worry about that and has grown its ability to spend money faster than its ability to manage money. That puts services to everyone at absolute risk. He said if we get to the point where a broad-based tax is necessary to pay the bills, there will be a revolution of opposition to the services the state provides. He suggested bringing it down to the beneficiary level for those who can afford to pay, so the state can guarantee services to those who can't pay. He asked Ms. Kulas for her thoughts.

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MS. KULAS said that when she says beneficiaries, she's looking at the Mental Health Trust beneficiaries, those consumers of behavioral health services. When looking at models, if people or agencies can pay, the Trust do want to ensure they are contributing. But they want to look full picture, so those who aren't able to pay but really need the services to better contribute back to society are also afforded those opportunities. That's why it's great that reasonable fees are based on the actual service rather than flat fees.

SENATOR MICCICHE said his theory is that every dollar the state collects from someone who can contribute is a service provided to someone who can't. The last 15 years the state hasn't had to consider that, but now it is either cutting out key or in some cases borderline constitutionally required services because it can't afford them. He is very supportive of the bill and appreciates the department bringing it forward. Hopefully the concept becomes contagious.

CHAIR WILSON said he is supportive but also worried about potential harm by setting fee schedules. He oversaw a domestic violence sexual assault shelter and the Mat-Su public health office would come once a month to provide services. They were actively involved in their community domestic violence task force. He doesn't want those services to stop because of fee schedules, but he is supportive of the legislation overall.

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SENATOR MICCICHE asked by what percentage public health nursing has been reduced over the past four years.

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MS. LEWIS said she didn't have numbers in front of her. Public health nursing is about half of their general fund and the largest section within the Division of Public Health. They are mostly general fund supported. Because of that, public health nursing has absorbed a disproportionate share in their division because they had nowhere else to take cuts. They have been reduced 20 percent since 2015. They lost 40 positions. More than 20 were filled at the time and resulted in layoffs.

SENATOR MICCICHE said he just wanted to point that out. That is why this bill is so important. It's a concept to evaluate. Along with those positions and that funding, some services went away that Alaskans count on. He said he's not a bad guy who wants to rub his hands and see services go away. The more they put their heads together on similar solutions, the less services will be cut in the future.

CHAIR WILSON thanked Ms. Lewis for the presentation. He held HB 215 in committee.

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There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee at 2:44 p.m.