

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

March 26, 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**

SENATE BILL NO. 193

"An Act requiring the Department of Health and Social Services to apply for a waiver to establish work requirements for certain adults who are eligible for the state medical assistance program."

- MOVED CSSB 193 (HSS) OUT OF COMMITTEE

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."

- MOVED CSHB 215 (FIN) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 176 (FIN)

"An Act relating to medical assistance reimbursement for emergency medical transportation services; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 193

SHORT TITLE: MED. ASSISTANCE WORK REQUIREMENT

SPONSOR(S): SENATOR(S) KELLY

02/19/18 (S) READ THE FIRST TIME - REFERRALS  
02/19/18 (S) HSS, FIN  
03/12/18 (S) HSS AT 1:30 PM BUTROVICH 205  
03/12/18 (S) Heard & Held  
03/12/18 (S) MINUTE(HSS)  
03/23/18 (S) HSS AT 1:30 PM BUTROVICH 205  
03/23/18 (S) -- MEETING CANCELED --  
03/26/18 (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  
03/21/18 (S) Heard & Held

03/21/18 (S) MINUTE (HSS)  
03/23/18 (S) HSS AT 1:30 PM BUTROVICH 205  
03/23/18 (S) -- MEETING CANCELED --  
03/26/18 (S) HSS AT 1:30 PM BUTROVICH 205

BILL: HB 176

SHORT TITLE: EMER. MEDICAL TRANSPORT SERVICE PAYMENTS  
SPONSOR(s): WOOL

03/14/17 (H) READ THE FIRST TIME - REFERRALS  
03/14/17 (H) HSS, FIN  
04/13/17 (H) HSS AT 3:00 PM CAPITOL 106  
04/13/17 (H) Heard & Held  
04/13/17 (H) MINUTE (HSS)  
04/18/17 (H) HSS AT 3:00 PM CAPITOL 106  
04/18/17 (H) Moved CSHB 176 (HSS) Out of Committee  
04/18/17 (H) MINUTE (HSS)  
04/19/17 (H) HSS RPT CS (HSS) NT 2DP 2NR 1AM  
04/19/17 (H) DP: EDGMON, SPOHNHOLZ  
04/19/17 (H) NR: SULLIVAN-LEONARD, KITO  
04/19/17 (H) AM: EASTMAN  
02/01/18 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
02/01/18 (H) <Bill Hearing Canceled>  
02/05/18 (H) BILL REPRINTED, ALL VERSIONS 2/5/18  
02/16/18 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
02/16/18 (H) Heard & Held  
02/16/18 (H) MINUTE (FIN)  
02/21/18 (H) FIN AT 1:30 PM ADAMS ROOM 519  
02/21/18 (H) Heard & Held  
02/21/18 (H) MINUTE (FIN)  
03/01/18 (H) FIN AT 9:00 AM ADAMS ROOM 519  
03/01/18 (H) Moved CSHB 176 (FIN) Out of Committee  
03/01/18 (H) MINUTE (FIN)  
03/02/18 (H) FIN RPT CS (FIN) NT 9DP 1NR  
03/02/18 (H) DP: GARA, WILSON, KAWASAKI, THOMPSON,  
ORTIZ, GRENN, TILTON, SEATON, FOSTER  
03/02/18 (H) NR: PRUITT  
03/09/18 (H) TRANSMITTED TO (S)  
03/09/18 (H) VERSION: CSHB 176 (FIN)  
03/12/18 (S) READ THE FIRST TIME - REFERRALS  
03/12/18 (S) HSS, FIN  
03/26/18 (S) HSS AT 1:30 PM BUTROVICH 205

**WITNESS REGISTER**

HEATHER CARPENTER, Staff  
Senator Pete Kelly

Juneau, Alaska

**POSITION STATEMENT:** Presented SB 193 on behalf of the sponsor

REPRESENTATIVE ADAM WOOL

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor HB of 176.

ROB EARL, Staff

Representative Adam Wool

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented HB 176 on behalf of the sponsor.

MARGARET BRODIE, Director

Division of Health Care Services

Department of Health and Social Services (DHSS)

Anchorage, Alaska

**POSITION STATEMENT:** Testified on HB 176.

JEFF TUCKER, President

Alaska Fire Chief's Association

Fire Chief

Kenai, Alaska

**POSITION STATEMENT:** Supported HB 176.

RICH ETHERIDGE, Representative

Alaska Fire Chief's Association

Fire Chief

Juneau, Alaska

**POSITION STATEMENT:** Supported HB 176.

BRITTANY SMART, Special Assistant to the Mayor

Fairbanks North Star Borough

Fairbanks, Alaska

**POSITION STATEMENT:** Supported HB 176.

## **ACTION NARRATIVE**

[1:30:31 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 Begich, Micciche, von Imhof and Chair Wilson. Senator Giessel joined shortly thereafter.

### **SB 193-MED. ASSISTANCE WORK REQUIREMENT**

1:31:30 PM

CHAIR WILSON announced the consideration of SB 193.

1:31:40 PM

SENATOR VON IMHOF moved to adopt the work draft committee substitute for SB 193, Version 30-LS1349\J, as the working document.

1:31:51 PM

CHAIR WILSON objected for purposes of discussion.

1:32:03 PM

HEATHER CARPENTER, Staff, Senator Pete Kelly, presented SB 193 on behalf of the sponsor She reviewed the following changes from Version D to Version J:

Page 2, Line 1

- Added "caregiving" to be consistent in language with exemptions

Page 2, Lines 19 - 21

- Added exemptions to be consistent with ATAP and the CMS guidance letter. The exemptions include:
  - o (G) pregnant
  - o (H) currently receiving unemployment insurance benefits
  - o (I) participating in a tribal work program

Page 2, Lines 22 - 27

- Added a new subsection (4) with temporary exemptions to be consistent with ATAP. The exemptions include:
  - o (A) experiencing a family hardship outside of the control of the parent or caretaker, such as death in the family or immediate crisis, for the duration of the hardship
  - o (B) a victim of domestic violence
- Conforming changes to subsection numbering

1:34:00 PM

CHAIR WILSON removed his objection. There being no further objection, Version 30-LS1349\J was adopted.

SENATOR VON IMHOF said Senate Finance is the next committee of referral. They will be asking for clarification on the wide variety of fiscal notes.

CHAIR WILSON responded that Deputy Commissioner Sherwood [Department of Health and Social Services (DHSS)] provided a summary of all the fiscal notes.

[1:34:55 PM](#)

At ease.

[1:34:59 PM](#)

CHAIR WILSON reconvened the meeting and noted that everyone on the committee was receiving the summary provided by Deputy Commissioner Sherwood.

[1:37:47 PM](#)

SENATOR VON IMHOF moved Committee Substitute for SB 193, Version 30-LS1349\J, from committee with individual recommendations and forthcoming fiscal notes.

[1:38:04 PM](#)

There being no objection, CSSB 193(HSS) moved from the Senate Health and Social Services Standing Committee.

[1:38:16 PM](#)

At ease.

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

[1:38:19 PM](#)

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

[1:40:34 PM](#)

At ease.

[1:40:37 PM](#)

CHAIR WILSON reconvened the meeting and entertained a motion to move the bill from committee.

[1:41:46 PM](#)

SENATOR VON IMHOF moved HB 215, Version 30-LS0673\O, from committee with individual recommendations and attached fiscal notes.

[1:42:03 PM](#)

CHAIR WILSON found no objection and CSHB 215(FIN) moved from the Senate Health and Social Services Standing Committee.

[1:42:14 PM](#)

At ease.

**HB 176-EMER. MEDICAL TRANSPORT SERVICE PAYMENTS**

[1:42:17 PM](#)

CHAIR WILSON announced the consideration of HB 176. [CSHB 176(FIN) was before the committee.]

REPRESENTATIVE ADAM WOOL, Alaska State Legislature, sponsor of HB 176, said HB 176 is an emergency medical transport bill which allows the state to collect additional money from federal Medicaid to more fully reimburse the state for emergency medical transport, both ambulance and air. Currently fire departments and emergency medical services are compensated for only a fraction of the cost associated with transporting Medicaid beneficiaries. This bill will allow the Department of Health and Social Services (DHSS) to ask that the federal government amend Alaska's Medicaid plan to include supplemental reimbursements for emergency medical transport. The federal government approved the amended plan; fire departments will be able to get 50 percent of their current uncompensated costs. If it is a tribal transport, the reimbursement is 100 percent.

[1:46:40 PM](#)

REPRESENTATIVE WOOL said the program should take 12 to 18 months to implement. The bill is cost neutral to the state. California, Washington, Missouri, Nevada, Texas, and Florida have done this, and programs are pending in other states. Last year there were 21,000 claims for ground transport in Alaska. On average, \$800 was not reimbursed for each of these transports. That total is \$17 million. The state would have netted \$8.5 million if this program had been in place last year. For air transport, there were 281 claims. Those average \$17,000 in unreimbursed Medicaid costs. That was \$5 million in unreimbursed costs. Of that, the state would get half. Last year the state would have received \$11 million additional dollars from the Medicaid program if this had been in place. There is a slight administration cost that is passed on to the transport provider and the federal government, so the state incurs no cost at all for this program.

[1:48:12 PM](#)

ROB EARL, Staff, Representative Adam Wool, Alaska State Legislature, reviewed the HB 176 flow chart in members' packets. The flow chart has four circles. The two blue circles represent DHSS. The left circle, DHSS-Regular State Medicaid, represents

Medicaid as it is reimbursed now. The right blue circle, DHSS-Supplemental Reimbursement, represents what this bill would accomplish. The red circle is the medical transport provider, usually a fire department or a municipality. The green circle is the Centers for Medicare and Medicaid Services (CMS).

He said the flow chart has six arrows with hypothetical numbers to show the flow of money noted in the explanation below:

Explanation--Based on Hypothetical \$1000 Transport Cost

The Provider is reimbursed \$400 under regular state Medicaid for a \$1000 transport. This leaves a \$600 uncompensated cost. Under HB 176, the Provider then sends \$300 to DHSS (Supplemental) and CMS matches with the \$300 federal share. DHSS then sends \$600 back to the Provider. The Provider recoups \$700 of the \$1000 Transport Cost (\$400 Regular State Medicaid + \$300 Federal Share). Administrative fees (expected to be nominal) will be deducted from the reimbursement to the Provider.

SENATOR VON IMHOF said some of this depends on timing. If \$1,000 is spent on the transport, there is a delay getting \$400 from Medicaid. At the same time \$300 is going to the state in order to get the match. The provider could be out \$1,300 until the money comes back. She asked if the bill addresses timing or if it is up to the cash flow of the provider.

[1:51:37 PM](#)

REPRESENTATIVE WOOL said the provider would have some money in their cash account. As they submit to Medicaid for the \$400 reimbursement, they could simultaneously send \$300 to DHSS to start the federal process going. He does not know if they would wait for Medicaid reimbursement before submitting the \$300. He said Rich Etheridge, the Juneau Fire Chief, might be able to answer that.

SENATOR VON IMHOF asked what the net savings is to the state vs the cost to the state. She said she wanted to make sure she was reading the two fiscal notes correctly. The first one from DHSS Appropriation: Health Care Services, Allocation: Medical Assistance Administration, is a person to help administer this at about \$116,000. The next page is DHSS Appropriation: Medicaid Services, Allocation: Health Care Medicaid Services. She asked how to read that fiscal note.

[1:53:51 PM](#)

MR. EARL said that for the first fiscal note, OMB Component Number 2077, the \$11.1 million under the fund sources is the federal receipts. That is the amount of money going from the green circle, the Centers for Medicare and Medicaid Services (CMS), back to the department. This is the Medicaid supplemental reimbursement amount the state providers will be receiving. The \$10.7 million is the amount the provider is sending to the department and then receiving back. That money is pass-through money. The other fiscal note, OMB Component Number 242, is the cost for the state to run the program, but the cost is entirely borne by the provider at 50 percent and the federal government at 50 percent. That is seen on page 3 of the first fiscal note, number 2077.

SENATOR VON IMHOF summarized that in FY 2020 the state will receive \$11.167 million from the federal government under this program. The state will take receipt of \$10.73 million from providers throughout the year and then the state will turn around and pay providers \$21.898 million.

REPRESENTATIVE WOOL said that is correct. The providers pay \$10.7 million and receive \$21.8 million. They are paying 10 to get 20, in a sense. They have to put up half and they get back the full payment.

CHAIR WILSON said the local municipalities are putting up the state's 50 percent to get the federal match.

[1:57:09 PM](#)

REPRESENTATIVE WOOL said this concept is a little confusing in that the state portion is paid by the provider, the state holds on to the half, they bill out the federal government, they get the other half back, and they give both halves back. He said it's awkward, but it's how the system works.

SENATOR BEGICH asked if the provider in all cases is the municipal government or if it will be public and private providers.

MR. EARL said it is available only to government public providers.

SENATOR BEGICH said instead of the state paying the \$10 million, the local governments are paying the \$10 million and that is how the Medicaid match is triggered.

REPRESENTATIVE WOOL said that in the past the state never paid the money and therefore the state was never received the money. The loss was incurred by the provider, either the fire department or municipal government. This is trying to recoup some of these costs. Other states are doing this and Alaska wants to take advantage of it. The state wasn't losing the money. The municipal governments were not getting compensated.

SENATOR BEGICH said there are proposals to cut back some of the federal Medicaid funding. Every time a Medicaid bill has come to the committee he has asked what the impact would be to the law if the federal Medicaid was cut back.

REPRESENTATIVE WOOL said if the funding goes away, the program goes away. There is no liability to the state. It doesn't cost anything to implement the plan and it doesn't cost any money if it goes away.

[2:00:03 PM](#)

SENATOR GIESSEL said Moose Pass and Cooper Landing both have volunteer fire departments and emergency responders. She asked how they would fit into this.

REPRESENTATIVE WOOL said the community of Fairbanks has many of those as well. The municipality handles the money disbursement. In the end, the money DHSS gets goes to the municipality.

SENATOR GIESSEL said Senator Micciche pointed out that the Kenai Peninsula Borough would be the billing mechanism.

SENATOR MICCICHE asked, using the example of the \$1,000, instead of the fire department receiving \$400, by going through the state, they get the federal match billed through the state for 300 additional dollars.

MR. EARL responded yes.

SENATOR MICCICHE added that that is at no additional cost to the state.

MR. EARL responded yes.

SENATOR VON IMHOF asked if a private carrier like Alaska Airlines could be compensated under the program.

[2:02:13 PM](#)

MR. EARL said contractors can be compensated under the program if they have no direct relationship with Medicaid.

SENATOR MICCICHE asked if there is any interest in municipalities sharing the cost of the position that would be the only cost to the state, the \$116,000 the first year and \$109,000 afterwards.

MR. EARL said the bill is zero cost to the state. The providers will pay half and the federal government will pay the other half.

SENATOR MICCICHE said so the interagency receipts of \$116,000 for the position is paid the same way as the other funding is paid with the match.

MR. EARL deferred the question to DHSS.

CHAIR WILSON said if the state is taking off a percentage of the fees coming back that can be more cost neutral for the state. This is a huge concern for people in the Mat-Su who have asked about this for a couple of years. He said he likes the concept, but wants to make sure it is more of a cost neutral to the state.

SENATOR MICCICHE said if OMB Component Number 242 is correct, the reason it is interagency is that the fees would be collected from providers who participate in the program via reimbursable services agreement.

He asked Ms. Brodie, using the \$1,000 example, whether the bill allows the state to bill Medicaid the \$300 that municipalities cannot bill Medicaid for and then provide that \$300 to the municipalities.

[2:05:37 PM](#)

MARGARET BRODIE, Director, Division of Health Care Services, Department of Health and Social Services (DHSS), said that is correct. Municipalities would be providing the match for the state to draw down the federal \$300.

SENATOR MICCICHE clarified that in fiscal note OMB Component Number 242, the cost of the position will be funded from fees collected from providers, which he assumes is also the municipalities, through a reimbursable services agreement.

MS. BRODIE said correct, that funding would be provided at the same time as the other match.

2:06:21 PM

SENATOR VON IMHOF asked if a private carrier can qualify for reimbursement.

MS. BRODIE said not unless they are associated with a government entity.

SENATOR VON IMHOF asked if there are private carriers that provide transport in Alaska.

MS. BRODIE said yes.

SENATOR BEGICH asked if the relationship she is describing is when a private carrier has a contract with government.

MS. BRODIE said yes, the government entity would have to bill Medicaid.

SENATOR BEGICH asked for clarification that if the private carrier had a contract with a local government, the local government could compensate the private entity.

MS. BRODIE said that would be up to the contract they have with a municipality.

2:08:24 PM

SENATOR MICCICHE asked if she could give the committee a hypothetical of the government owned Central Peninsula Hospital that has a case that has to be airlifted to Anchorage. That private company could bill through the Kenai Peninsula Borough to the state and the state would apply for the additional match at no cost to the state. It's that there is an additional match available for the local governmental body that has contracted with that carrier.

MS. BRODIE said if they had a contract with Central Peninsula Hospital, that is correct.

2:09:24 PM

JEFF TUCKER, President, Alaska Fire Chief's Association, Fire Chief, supported HB 176. He said this program falls under Title 19 of the Social Security Act. Several states have enacted this program. It has been available for years, but Alaska has not taken advantage of it. This bill is the first step for Alaska

emergency medical services (EMS) providers to be eligible for this federal reimbursement. Providers only get a fraction of the cost right now for ambulance services for Medicaid transport. Thirty-one percent of the patients transported by the City of Kenai are Medicaid patients. The percentages are similar across the state. There is no cost to the state for this program. The reimbursement dollars will pay for the program. The program is optional for each community.

He said the federal dollars are for expenses already incurred. The local taxpayers are supplementing federal government for the cost of that transport. They are already paying taxes for that federal government program. There is no impact to the existing Medicaid program. These funds come back to the EMS department to continue to provide care for the patients they transport. HB 176 has a real impact to communities that provide ambulance services.

He said the City of Kenai is looking at \$200,000 in potential reimbursements for this program, which is not a small sum. One of the questions was about timing of collections and submissions. As the program is set up, the municipality can plan submissions, either yearly or quarterly, for example. It is an easy way for the communities to budget and plan for the program.

[2:13:27 PM](#)

SENATOR VON IMHOF said one of her concerns is that municipalities may expand their EMS departments with this extra money. If this program goes away, they will have to go through the painful process of decreasing the department. Another thought is whether this additional money will offset local taxes and provide fiscal relief to local taxpayers.

MR. TUCKER said that would be up to the municipality or agency collecting funds. The funds collected through this program are to fund EMS programs. As to the question of whether they will expand, hopefully municipalities will take into consideration that the program may not last forever. This is an entitlement program separate from other programs. There is no sign that it will go away.

SENATOR MICCICHE asked if his billing agency is the City of Kenai.

MR. TUCKER said yes.

SENATOR MICCICHE asked whether private insured, non-Medicaid eligible and non-Medicaid charity care would not become a liability to the state. That would stay the same as it is. The state would secure the additional match for Medicaid-eligible billing for his EMS department.

MR. TUCKER said that is correct.

[2:15:53 PM](#)

SENATOR GIESSEL asked, assuming your EMS fire department got \$200,000 back, if that money would be used to upgrade equipment.

MR. TUCKER responded that it would be up to the municipality. Those grant-funded programs, the Code Blue Project that she is referring to, are vital to the state, especially smaller EMS programs. This program will assist in providing services, but it will not offset the total needs for the community. It helps get back to square one for their reimbursed costs for providing those services.

SENATOR MICCICHE asked why it has taken so long to discover this program.

[2:17:45 PM](#)

MR. TUCKER said his understanding is that the program has been on the books for 30 years. Fire chiefs in California discovered that the language was in the federal regulation. California was the first state to enact this legislation and it spread through the western states. For Alaska to get this reimbursement takes legislation and then going through the process with the federal program. He wishes they had known about the program 20 years ago, but they didn't. Hopefully they can take advantage of a program they have been paying for as federal taxpayers.

RICH ETHERIDGE, Representative, Alaska Fire Chief's Association, Fire Chief, supported HB 176. He said the Fire Chief's Association represents over 100 fire departments from one end of the state to the other. This is their highest priority. HB 176 provides desperately needed relief to departments. The call for medical services is climbing drastically. Juneau has had a 26 percent increase in call volume in three years. They don't receive any additional funds based on that. Twenty-five percent of their medical transports are Medicaid patients. As in the example given, for \$1,000 in costs they get \$400 back. The rest of the money is borne by taxpayers locally. They will get back half of the money that taxpayers are already paying. The cost recovery is not for the entire cost, but it helps quite a bit.

[2:20:42 PM](#)

He said Juneau is short staffed for ambulances. This could put another ambulance on the road to help reduce the wait for medical care. Regarding the question about private entities being able to benefit from this program, the local helicopter companies bill the city, not the patients. Because they bill the city, that is part of the cost of the city providing services. It is an amazing program. The fire chief in Sacramento, California, discovered this in 2011, perhaps. They found this and have been promoting this to other departments. It has gone through many other states now. There is no cost to the general fund. It puts money back into municipal coffers. It can relieve the tax burden or it can be a supplement to what is already budgeted. The funds coming back do have to go to the care of Medicaid patients.

MR. ETHERIDGE said this may help slow requests for equipment. It doesn't replace the Code Blue Project that many departments depend on for ambulances and basic medical supplies. The City of Juneau anticipates that this program could bring in \$600,000. The fire chief in Anchorage estimates that this will cover \$4 million of their costs. It is cheaper to do an ambulance run in Anchorage than in Moose Pass. The previous fire chief of Hoonah told him his training budget was \$1,200 for a year. The influx of even a few thousand dollars would greatly benefit small departments.

[2:24:10 PM](#)

CHAIR WILSON asked what paperwork is needed to comply because Medicaid billing is not easy.

MR. ETHERIDGE said they have to get a cost program approved by the federal government. The Fire Chief's Association's contractor is willing to help write that. The local departments have to fill out and submit an annual cost report and submit the data to DHSS.

SENATOR GIESSEL asked if it takes 12 to 18 months to get the program approved.

MR. ETHERIDGE said 12 to 18 months can be accurate. The company his department is working with has done this several times. It would be on the shorter end of the timeframe.

SENATOR VON IMHOF said the California fire chief created a consulting firm to let everyone know about the fabulous program.

If everyone takes advantage of this program that has been a sleeping giant for 30 years, it could put the brakes on this program.

MR. ETHERIDGE said that is a risk but any money into communities would help out. Even if it went away after the first payment, they are not out anything.

[2:26:48 PM](#)

SENATOR VON IMHOF said a concern of the Health Care Blueprint Committee that she is part of is bending the cost of growth of health care. Simply bringing in new money doesn't necessarily bend the growth of health care. It generally expands it because there are new areas to spend it on. She asked if the fire chiefs have talked about that.

MR. ETHERIDGE responded that it takes good fiscal management from the department, knowing that the funds could go away at any time. They need a tax base to support programs that they have built. Juneau has a desperate need for an additional ambulance. If they could get the funds for one, it would be easier for long-term planning. It takes careful fiscal management.

SENATOR GIESSEL said this bill is talking about Medicaid beneficiaries. To expand the conversation to private businesses, there is a large business group in Anchorage upset about the high cost of insurance, health care, and medivacs in particular. She related that it cost \$17,000 to medivac someone from Kenai to Anchorage. Somebody has to cover the Medicaid costs that are not fully reimbursed. She asked if those costs are shifted to private insurance.

[2:29:22 PM](#)

MR. ETHERIDGE said they have to set standard ambulance fees, whether it is medivac or ambulance transport. They bill patients the same amount. They have to write off as bad debt what is not covered by Medicaid.

[2:30:13 PM](#)

CHAIR WILSON opened public testimony on HB 176.

BRITTANY SMART, Special Assistant to the Mayor, Fairbanks North Star Borough, supported HB 176. She said in the Fairbanks Borough, 30 percent of transport patients are Medicaid patients. In calendar year 2016, the borough had \$430,000 in uncompensated costs that could be reimbursed through this program.

[2:31:50 PM](#)

CHAIR WILSON closed public testimony on HB 176.

CHAIR WILSON asked how many states have similar programs.

REPRESENTATIVE WOOL said there are six states that have the program in place and four pending. Alaska will make that five. He noted that the bill has support from municipalities and transportation providers. They didn't hear from any air transport. They are largely private and contract through municipalities.

SENATOR GIESSEL hypothesized that Ravn Air transports a Medicaid beneficiary from Kenai to Anchorage. They are going to bill the Kenai Peninsula Borough and the borough is only going to get 40 percent reimbursed from Medicaid. She asked who makes up the rest of the charge.

[2:34:03 PM](#)

REPRESENTATIVE WOOL said from Chief Etheridge's testimony, it sounds like the provider pays the contractor. The municipality is on the hook for the air transporter's costs.

SENATOR MICCICHE said, to put it another way, it is the EMS agency with jurisdiction for that particular place. Whoever has the jurisdiction takes on the cost. Sometimes it is uncompensated with no one to pay and they are left holding the bag.

REPRESENTATIVE WOOL said some states have private ambulances, but most of the ambulances and EMS services in Alaska are run by municipalities.

CHAIR WILSON said the fiscal notes were changed from "emergency ground transport" to "emergency transport." At a future time, he would like to know if taking out "ground" changed the numbers at all.

[2:36:21 PM](#)

CHAIR WILSON stated that he would hold HB 176 in committee.

[2:36:39 PM](#)

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee at 2:36 p.m.