

HOUSE FINANCE COMMITTEE
April 30, 2019
1:30 p.m.

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CALL TO ORDER

Co-Chair Wilson called the House Finance Committee meeting to order at 1:30 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Tammie Wilson, Co-Chair
Representative Jennifer Johnston, Vice-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Andy Josephson
Representative Gary Knopp
Representative Bart LeBon
Representative Kelly Merrick
Representative Colleen Sullivan-Leonard
Representative Cathy Tilton

MEMBERS ABSENT

None

ALSO PRESENT

Jane Conway, Staff, Senator Cathy Giessel; Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Jill Lewis, Deputy Director, Division of Public Health, Department of Health and Social Services; Dr. Lily Lou, Alaska State Medical Officer, Department of Health and Social Services; David Teal, Director, Legislative Finance Division.

PRESENT VIA TELECONFERENCE

Chris Logan, Alaska Advance Practice Registered Nurse Association Alliance, Anchorage; Lynn Hartz, Self, Anchorage; Karen Morton, Alaska Nurses Association, Soldotna; Irina Obolentseva, Self, Delta Junction; Anna

Goncharova, Self, Delta Junction; John Zasada, AK Primary Care Association, Anchorage; Roslayn Singleton, Self, ANC.

SUMMARY

HB 20 SEXUAL ASSAULT EXAMINATION KITS

HB 20 was SCHEDULED but not HEARD.

HB 49 CRIMES; SENTENCING;MENT. ILLNESS;EVIDENCE

HB 49 was SCHEDULED but not HEARD.

SB 36 EXTEND BOARD OF NURSING

SB 36 was HEARD and HELD in committee for further consideration.

SB 37 RENEWAL OF VACCINE ASSESSMENT PROGRAM

SB 37 was HEARD and HELD in committee for further consideration.

Co-Chair Wilson reviewed the agenda for the meeting.

#sb36

SENATE BILL NO. 36

"An Act extending the termination date of the Board of Nursing; and providing for an effective date."

1:31:18 PM

JANE CONWAY, STAFF, SENATOR CATHY GIESSEL, explained that the sponsor could not be present, as she was attending Floor Session. She explained that the bill extended the Board of Nursing for six years. Otherwise, the board was set to expire on June 30, 2019. She provided additional details of the bill. The board was established for the purpose of regulating the practice of nursing; and covered advance-practice registered nurses, nurse anesthetists, registered nurses, licensed practical nurses, and certified nurse aides (CNA).

Ms. Conway continued that the board had almost 20,000 licensees, which she thought was near to one-third the workload of professional licensees.

Co-Chair Wilson clarified she was addressing SB 36 rather than SB 37.

Ms. Conway discussed education requirements for the licensees, which spanned from high school diplomas to doctoral degrees. The board of seven individuals served four-year terms and were capped at two consecutive terms. The board's mission was to actively promote and protect the health of citizens of Alaska through safe and effective practice of nursing as defined by law. The 2018 audit cited four recommendations. She indicated the legislative auditor was present to provide the audit findings. The board received its revenue from licensing and renewal fees, and deficits were shown on page 11 of the audit. The board was self-sustaining and required no general funds. The audit of the board concluded that the board continued to meet its mission and recommended its six-year sunset.

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Co-Chair Wilson asked about page 11 of the audit. It appeared there was a deficit for the board for the first time. She wondered why.

Ms. Conway believed there had been a large influx of licensees. There would be a fee analysis in May. She thought the division director could provide more detail.

Representative Josephson had been told the board did not have an executive administrator at present. He wondered if the position would be filled in the near future.

Ms. Conway thought the board was actively pursuing the recruitment of the position.

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SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, responded that the department was actively recruiting for the executive administrator position which would close the following day.

Representative Josephson thought the board consisted almost entirely of new members. He referenced telemedicine regulations and asked if Ms. Chambers could explain the turnover.

Ms. Chambers was unsure of the reason for the turnover. She assured the committee that every effort was being made to bring new members up to speed and avoid a gap in service.

Co-Chair Wilson directed Ms. Chambers to respond to her query about the deficit.

Ms. Chambers informed that she had submitted an updated fiscal report to the committee on the previous Friday, while the audit was a year old. She detailed that as of March 30, 2019, the board had a \$1 million surplus. The funds were adequate to maintain the licensing program activities for a biennial licensing period. She noted that page 11 of the audit was based on a time just before a renewal period. She stated that it was not unusual to see a flux of funds based on the schedule of renewals.

Co-Chair Wilson asked for the document date.

Ms. Chambers answered that the latest document that was provided was for the end of the third quarter and showed a \$1,441,000 surplus as of March 30, 2019.

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AT EASE

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RECONVENED

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, reported that the audit concluded that the board was serving the public interest. The audit also concluded that the board was not serving the public's interest by not establishing telehealth regulations; by not adequately monitoring CNA training programs; and by not notifying the appropriate entities when a licensee's prescriptive authority had been suspended, revoked, or surrendered. The audit also found that there needed to be improvements in the investigative process of the Division of Corporations, Business and Professional Licensing. The audit recommended extension of the board for six years.

Ms. Curtis directed attention to page 7 of the audit report, which showed licensing activity and a 46 percent increase in activity since the previous 2010 sunset audit. The amount of applications reflected a growing occupation.

She noted that the schedule of expenditures was on page 11 of the audit. She made note of the \$337,000 deficit as of March 2018. She continued that the fees were adjusted.

Ms. Curtis referenced page 14 of the audit which contained the recommendations from the Division of Legislative Audit. She read the four recommendations:

Recommendation No. 1:

The board should adopt regulations to address the distance delivery of nursing services through technology.

The board has permitted the distance delivery of nursing services via technology (telehealth) without formal statutory or regulatory guidance. In FY 15, a licensee approached the board and asked for guidance on providing telehealth services which prompted the board to issue an advisory opinion. The board's advisory opinion defined telehealth and provided limited guidance on the scope of practice. The guidance was inadequate to promote, preserve, and protect the public's health, safety, and welfare. Although the board discussed the need for regulations to guide the distance delivery of nursing services, the board could not agree on regulatory language.

Per AS 08.68.100(a)(1), the board shall adopt regulations pertaining to the scope of practice of nursing in Alaska. Providing insufficient guidance to licensees increases the risk that nurses may not maintain acceptable standards of practice or may not adequately protect patients' confidentiality.

We recommend the board adopt regulations to address the distance delivery of nursing services through technology. Additionally, the board should ensure statutes appropriately allow for the establishment of telehealth regulations.

Recommendation No. 2:

The board should take steps to ensure the appropriate entities are notified when a licensee's prescriptive authority is suspended, revoked, or surrendered.

The audit identified eight APRNs that had their prescriptive authority suspended, revoked, or surrendered between July 1, 2014, and January 31, 2018. In all cases, the board did not notify the Board of Pharmacy or the Drug Enforcement Administration (DEA) about the licensing action. The entities were not notified because there were no statutes or regulations in place that require notification.

The board is established under AS 08.68 for the purpose of controlling and regulating the practice of nursing, including:

APRNs, nurse anesthetists, registered nurses, LPNs, and CNAs. The board's mission statement is: "to actively promote and protect the health of the citizens of Alaska through the safe and effective practice of nursing as defined by law." Per AS 17.30.200, the Board of Pharmacy is responsible for administering the controlled substance prescription database. The database is reviewed by pharmacists prior to dispensing controlled substances, with certain exceptions. Failure to notify the Board of Pharmacy when prescriptive authority has been revoked, suspended, or surrendered increases the risk that controlled substances may be abused or diverted.

Per federal law, the DEA may rescind or revoke the federal authority to prescribe controlled substances if an existing DEA registrant loses his or her state privileges. Failure to notify the DEA that an APRN's prescriptive authority has been suspended, revoked, or surrendered may result in improper or unauthorized prescriptions.

We recommend the board take steps to ensure the appropriate entities are notified when a licensee's prescriptive authority is suspended, revoked, or surrendered.

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Ms. Curtis continued discussing the audit:

Recommendation No. 3:

The DCBPL chief investigator should ensure nurse investigations are adequately documented and performed timely.

The audit identified 13 investigations with periods of unjustified inactivity and two investigations which were inadequately documented. Specifically:

Thirteen cases in a random sample of 2810 had periods of unjustified inactivity ranging from 61 days to 3.6 years. Furthermore, 10 of the 13 cases had multiple periods of inactivity. The periods of unjustified inactivity were mainly due to changes in investigative staff assigned to the case and competing priorities.

The long-term care ombudsman identified two licensees for investigation that were potentially practicing outside a LPN's scope of practice. Auditors could not evaluate the investigations due to a lack of documentation in the DCBPL case files. One of the licensees continued to practice during the four years that the investigation was open, potentially posing a risk to public safety. The DCBPL investigator files note that the two cases were put in storage from October 2012 until April 2014 due to an office remodel and did not progress during that time.

Per AS 08.01.050(a)(19), DCBPL is responsible for investigating and monitoring occupational licensing activity. Investigations and complaints that sit idle for extended periods may pose a risk to public safety.

We recommend the DCBPL chief investigator ensure nurse investigations are adequately documented and performed timely.

Recommendation No. 4:

The board chair should take steps to ensure the required CNA on-site training program reviews and self-evaluations are conducted prior to reapproving the programs.

The audit found the required self-evaluations were not received and on-site reviews were not conducted prior to board reapproval of CNA training programs. During the audit, the process to approve five of 22 CNA

training programs was reviewed. Auditors found on site reviews were not conducted for four of the five programs as required prior to re-approval. Additionally, self-evaluations were not obtained and reviewed. The board's failure to adequately monitor programs may lead to undetected deficiencies, which could result in inadequately trained CNAs.

According to board staff, on-site reviews and monitoring of self-evaluation forms were not completed timely because the contractor hired to complete the reviews was terminated in FY 14, and procurement to hire another contractor was not successful. DCBPL received approval for a nurse consultant position, which was filled in October 2015; however, the nurse consultant did not begin performing reviews until spring 2016. Programs were approved by the board without on-site visits or self-evaluations due to a lack of resources to complete the reviews and a need for the programs to continue to be available to train CNAs.

Regulation 12 AAC 44.857(a) and (c) requires CNA training programs be board-approved every two years with an on-site review. Self-evaluations are to be completed during a year in which an on-site review is not scheduled.

We recommend the board chair take steps to ensure the required CNA training program on-site reviews and self-evaluations are conducted prior to reapproving the programs.

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Ms. Curtis pointed out that the department response was found on page 27 of the audit. The department did not comment on recommendations 1 and 4, which were directed to the board. The department agreed with recommendations 2 and 3. Administrative procedures had been implemented to notify the Board of Pharmacy and the Drug Enforcement Agency when licensing action was taken. Additionally, procedures had been improved to help improve the timeliness of the investigative process. She added that the board's response was found on page 29 of the audit. The board did agree with all four recommendations and planned to take corrective action.

Representative Josephson asked about the telemedicine recommendation. He was told that the board had submitted a regulation packet the previous fall and wondered if the auditor had seen it.

Ms. Curtis informed that the audit was dated April 2018. The board's response to the audit indicated that it planned to take corrective action in November 2018.

Ms. Chambers reviewed the fiscal note from the Department of Commerce, Community and Economic Development (DCCED) that reflected the cost of extending the board. The bill did not change the licensing program. If the bill was unsuccessful and the board sunset, there would be no change. If there was an extension of the board; DCCED had proposed \$28,400 to cover travel for the board to meet as required, to advertise public meetings, and for various training and conference fees.

Co-Chair Wilson highlighted that page 3 showed the board costs and licensing fees.

Representative Knopp asked Ms. Chambers about recommendation 4 regarding CNAs. He referred to a previous conversation.

Ms. Chambers reported that the board had addressed all four of the audit recommendations and regulations were moving forward. The CNA program was moving forward with evaluations as prescribed by law. She discussed the importance of licensing in a timely manner. She reported that the division was fully staffed. The department was always looking to do more streamlining of processes, particularly with regard to military spouses and healthcare facilities that needed to get people on staff quickly.

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Representative Knopp referred to the military spouse issue. He asked how long it took for CNA licensees to receive a license once they have applied.

Ms. Chambers stated that once a licensee submitted the legally required elements, the department usually processed the application in two weeks.

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Co-Chair Wilson OPENED Public Testimony.

CHRIS LOGAN, ALASKA ADVANCE PRACTICE REGISTERED NURSE ASSOCIATION ALLIANCE, ANCHORAGE (via teleconference), spoke in support of SB 36. She relayed that the alliance supported the bill. She discussed the importance of the Board of Nursing. She urged the committee to pass the bill.

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LYNN HARTZ, SELF, ANCHORAGE (via teleconference), spoke in favor of advancing SB 36. She thanked the committee. She thought the Board of Nursing was an essential government tool in promoting the health and welfare of the Alaska public. She expressed that through licensure, oversight of education and discipline, the board and its staff exert vital and unique functions on the states behalf and should be allowed to continue their important work.

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KAREN MORTON, ALASKA NURSES ASSOCIATION, SOLDOTNA (via teleconference), strongly supported SB 36. She read from a prepared statement. She discussed the work of the Alaska Nurses Association. She thought the board worked in a transparent fashion and ensured that regulations utilizes best practices.

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Co-Chair Wilson CLOSED Public Testimony.

Co-Chair Wilson indicated amendments were due on Wednesday, May 1, 2019 by 5:00 P.M.

SB 36 was HEARD and HELD in committee for further consideration.

#sb37

CS FOR SENATE BILL NO. 37(FIN)

"An Act relating to the statewide immunization program; and providing for an effective date."

1:55:14 PM

JANE CONWAY, STAFF, SENATOR CATHY GIESSEL, reviewed the legislation. She read from the sponsor statement:

CS for Senate Bill 37(FIN)reauthorizes the statewide immunization program in the Department of Health and Social Services, which is scheduled for repeal January 1, 2021. Established in 2014, via Senate Bill169, the program monitors, purchases and distributes all childhood vaccines and select adult vaccines to providers, making access to vaccines universal for all Alaskans. By 2018, the program covered more than 333,000 Alaskans, 45% of the total population. Next to clean drinking water and good nutrition, vaccines have saved more lives than any other public health intervention.

The statewide immunization program is fully funded by the state Vaccine Assessment Account through assessments (upfront fees) from health plans and insurers and other fees. There are no undesignated general funds needed for this program. The state leverages its buying power to purchase vaccines in bulk using the fees collected from healthcare payers. The state distributes that vaccine to providers who then administer them at no charge, improving health and wellbeing while lowering overall vaccine costs by 20 -30%.

CSSB37(FIN) creates the vaccine assessment fund as an account in the general fund and will allow the Commissioner of the Department of Health and Social Services to administer the program and react more nimbly in the event of an outbreak without first seeking legislative approval. Alaska's immunization program is an example of a successful public-private partnership that ensures Alaskans a healthier future at the lowest possible cost. The department reduces vaccine -preventable diseases, and providers have improved health outcomes for their patients and easier vaccine stock management. The insurers pay less to vaccinate individuals; we all save more money in the long run due to decreased medical costs from vaccine-preventable diseases.

Ms. Conway detailed that the state could purchase vaccines in bulk, the providers could administer more vaccines and have greater access with no waste. She relayed a number of benefits to the program. Waste was eliminated, and patients paid less for their vaccines. She concluded her portion of the presentation. She conveyed the names of those available for questions.

Co-Chair Wilson invited Ms. Lewis to the table.

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JILL LEWIS, DEPUTY DIRECTOR, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, relayed that the chief Medical Officer would begin testimony.

LILY LOU, ALASKA STATE MEDICAL OFFICER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, introduced herself and relayed she had served on the Council for the Alaska Vaccine Assessment Program (AVAP) and was President of the American Academy of Pediatrics Alaska Chapter. She noted there was a letter (copy on file) authored in her capacity as chapter president. She discussed the vaccine program, noting that the program made access to vaccines universal, and did include uninsured adults. Alaska was the only state that provided the coverage for uninsured adults.

Ms. Lou continued her remarks. She discussed the cost of the program. She discussed the discount in vaccine pricing and the bulk purchasing benefits. The program was created in January 15 and should sunset in 2021. In 2008, the program had covered 50 percent of Alaskans. The department had seen a significant improvement in vaccination rate. She discussed national recognition for the state's increased vaccination rates.

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Ms. Lou directed attention to a slide in member packets [She pointed to the AVAP Handout - SB 37 Renewal of Vaccine Assessment Program] (copy on file). She referenced a mumps outbreak the previous year. The bill reauthorized the program, removed the phase-in language, and removed the sunset language. She emphasized that the bill did not change or impact any regulations regarding vaccine exemptions. She discussed the advantages of the program.

She discussed the advantage of a unified and effective inventory system.

Mr. Lou shared an estimate that for every dollar spent on vaccine programs, it saved \$10 in medical costs. She asserted that the program had proven itself. She thanked members for the opportunity to speak.

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Vice-Chair Ortiz spoke to the issue of what the department oversaw. He had gleaned that the bill would help improve access to vaccinations. He mentioned diminished services in public health clinics and rural areas. He wondered if public health clinics were the best access to vaccinations and he wondered about access if a public health clinic closed.

Dr. Lou responded that the department was aware that public health clinics provided an important service. She clarified that the program provided vaccines to any provider that administered vaccinations.

Vice-Chair Ortiz asked if the department had seen any increase in outbreaks of disease that could be affected by not having access to vaccines.

Dr. Lou appreciated the challenges when a health facility closed.

Representative Sullivan-Leonard asked about reauthorizations for the program. She wondered if other diseases were coming to the forefront such as measles.

Dr. Lou responded that measles was the primary national issue, although it had not been seen in Alaska yet. There was a recent outbreak of measles in the State of Washington. There were no current vaccine-preventable outbreaks in Alaska. There were other outbreaks such as tuberculosis.

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Ms. Lewis introduced the PowerPoint presentation: "SB 37 Renewal of Vaccine Assessment Program" (copy on file). She began with slide 2, "SB 37":

- Reauthorizes the statewide Alaska Vaccine Assessment Program in the Department of Health and Social Services, scheduled for sunset January 1, 2021.

- Eliminates a temporary phase-in period that ended in 2017.

- Uses the state Vaccine Assessment Account to fully fund the program.

- o No unrestricted general funds are involved.

Ms. Lewis turned to slide 3, "What is the Alaska Vaccine Assessment Program?":

Established in 2014, AVAP is a public-private partnership making access to vaccines universal for all Alaskans at no cost to the state.

- Provides all childhood and certain adult vaccines for privately insured children and some adults.

- Covers vaccine costs through assessments collected from private health insurers, third party administrators, and other program participants.

- Purchases vaccines at discounted rates off a bulk contract.

- Distributes vaccine directly to healthcare providers at no charge who administer the vaccines to their patients.

Ms. Lewis detailed that providers could still bill for an office visit or to administer the vaccines.

Ms. Lewis continued to slide 4: "What is the Alaska Vaccine Assessment Program.":

- Through AVAP, Alaska continues to demonstrate leadership in creating innovative solutions for difficult public health issues.

- Alaska is one of only 11 states that has a universal childhood vaccine program and one of only 3 states that offers adult vaccines.

- Alaska is the only state that offers healthcare providers the option of purchasing state-supplied vaccine to serve uninsured adults.

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Ms. Lewis reviewed the flow chart on slide 5. She began at the top of the slide with Alaska Vaccine Assessment Council which set the annual assessment rate based on historical information. To the right showed the payers who paid into the assessment quarterly based on their reported covered lives. The Division of Public Health purchased the vaccine off a discounted bulk contract. The Division of Public Health then distributed the vaccine at no cost to providers or through the Vaccine Depot. Providers vaccinated covered patients, only billing payers for office visits. Providers then reported administered vaccines to the Division of Public Health, and then provided data to the council for rate setting. She remarked on the streamlined process provided by the program.

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Vice-Chair Johnston understood that the program had gone on for almost 5 years. She asked if the department had a good idea of the amount of vaccines that were needed after collecting data over time.

Ms. Lewis thought Vice-Chair Johnston was asking about the department's ability to forecast the number of vaccines needed. She thought the council was good at forecasting and had been operating a central vaccine depot for more than 30 years. Previously the depot was federally funded until the funds were lost when the former United States Senator Ted Stevens left office. She asserted that the department was very accurate with its data, and actively worked to manage waste.

Representative Tilton referenced the flow chart on slide 5. She asked if the "payers" referenced on the chart was referencing insurance companies.

Ms. Lewis responded that the health plans and the insurers were required to pay the assessment. In order to cover the uninsured adult population, the program allowed providers to opt into the program. If the providers had a large community to serve, such as a community health clinic, the

providers could get the same price break by voluntarily participating. Without participation, providers would have to pay the retail cost and would not be able to avail themselves of the 20 to 30 percent discount.

Representative Tilton asked how providers could participate in the program.

Ms. Lewis responded that providers had to agree to certain conditions in order to participate and provided information about how many patients were in the caseload. The cost was the same rate that health plans paid per member per month.

Co-Chair Wilson asked if the program required parents to immunize their children.

Ms. Lewis stated that in Alaska there was the option to decline vaccination due to medical or religious reasons, and the bill did not affect the option. She returned to speaking to the flow chart on slide 5.

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Ms. Lewis explained slide 6: "Vaccine Cost," which showed a bar graph depicting the cost to vaccinate a person through 18 years of age for the AVAP program versus the private sector. The overall vaccine costs were lowered 20-30 percent by the program and showed a savings of almost \$1,000 per child.

Ms. Lewis reported on slide 7: "Vaccine Coverage":

2018

- 366,000 Alaskans covered
 - 50% of the population
- 86,000 children
 - 44% of all children
- 280,000 adults
 - 52% of all adults

Vaccination Coverage Awards

- Most improved among adolescents for HPV
- Most improved among adults aged 65+ for pneumonia

Ms. Lewis noted that Alaska was improving its vaccination rates, which were lower than the rest of the country.

Ms. Lewis discussed slide 8: "Successes":

Win-Win-Win-Win

- The Division of Public Health reduces vaccine preventable diseases.
- Providers have improved health outcomes for vaccinated individuals and easier vaccine stock management.
- The health insurance industry pays less to vaccinate individuals.
- All Alaskans save more money in the long run due to fewer medical costs from vaccine-preventable diseases.

Ms. Lewis reviewed the benefits of the program on slide 9: "Return on Health":

Lowers direct and long-term healthcare costs and yields numerous public health benefits:

- Ensures that every child and some adults who enter a participating doctor's office or hospital can receive recommended vaccines at no cost.
- More healthcare providers can offer vaccination services
 - less up-front costs to finance out of their own pockets for vaccines, and
 - reduces staff burdens required to separate private and public vaccine stock.
- Allows the State to manage the supply of vaccines,
 - ensuring that the state can quickly supply vaccines to vulnerable patient groups during emergencies or vaccine shortages, and
 - reducing waste through centralized inventory management.

Ms. Lewis discussed the challenges of stocking vaccine supply before the centralized program.

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Ms. Lewis discussed slide 10: "For every \$1 spent on a vaccine in the US...". She noted that the MMR vaccine saved \$26 for every dollar spent.

Vice-Chair Johnston asked if the flu vaccines and shingle vaccines were covered.

Ms. Lewis responded that the state covered both vaccines.

Vice-Chair Johnston asked if the newer shingles vaccine was covered.

Ms. Lewis responded that the newer shingles vaccine was covered. She discussed the restructuring of the Vaccine Assessment Account. The new vaccine was more expensive and estimated to cost \$1 million more per year. The new vaccine also applied to a broader age group and thereby required more vaccines. Under the fund transfer, the program would be limited to the appropriation amount in a single year. She noted with the fund capitalization the program was not as limited and could spend assessments that had been collected.

Co-Chair Wilson asked if shingles vaccines were available for retired state employees.

Ms. Lewis believed that the state did provide the vaccine but was considered in terms of covered lives. She thought the vaccine coverage for retirees was limited.

Representative Merrick noted Ms. Lewis had mentioned that unused vaccines were returned. She wondered how ensure to vaccines had been properly cared for while in other hands.

Ms. Lewis indicated that the quality control was well managed for vaccines. The depot spent a great deal of its time on quality assurance including site visits, mandatory temperature checks, and reports.

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Representative LeBon referenced slide 7 and asked about the 44 percent of children covered. He wondered if the number indicated the number of children vaccinated.

Dr. Lou reported that the 44 percent denoted the children covered by the AVAP, which was different than vaccine

rates. She noted that 100 percent of Alaskan children were covered.

Representative LeBon asked about the record of vaccine participation in the state.

Dr. Lou responded that vaccination rates were tracked by vaccine at the point of vaccine administration. The state did not have the best vaccination rates. She mentioned "herd immunity" and thought the state was close to the cusp. She mentioned that the percentage required for herd immunity of the community was different for each disease.

Representative LeBon asked Dr. Lou about measles in Alaska and if she had concerns.

Dr. Lou replied that as a pediatrician she had concerns about the trend, and thought the state had a 93 percent to 94 percent vaccination rate for the disease. She expressed concerns that there were communities where vaccine hesitancy was at much higher rates and a vaccine-preventable disease could take hold and spread to the rest of the state.

Co-Chair Wilson asked if the program sunset was being removed. She wondered if the legislation allowed for fees to be adjusted.

Ms. Lewis responded that the AVAP Council had the ability to adjust the rate if needed.

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Vice-Chair Johnston understood that the bill would not have a sunset date. She asked if the program had ever been audited.

Ms. Lewis indicated that the program was audited annually by an independent auditor.

Representative Josephson referenced cuts to public health nursing. He wondered if the cuts had affected provision of vaccines.

Dr. Lou responded that Representative Josephson's question was a separate question from the bill. However, she thought

cutting public health care resources did impact the provision of vaccines.

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Co-Chair Wilson OPENED Public Testimony.

KAREN MORTON, ALASKA NURSES ASSOCIATION, SOLDOTNA (via teleconference), spoke in favor of the bill. She reviewed the many benefits of the program and urged support of the bill.

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IRINA OBOLENTSEVA, SELF, DELTA JUNCTION (via teleconference), read a doctor's opinion about autism and vaccinations. She relayed that certain vaccinations were unsafe products that she felt the state should not pay for. She argued that one-shot-fits-all was not a smart thing to do.

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ANNA GONCHAROVA, SELF, DELTA JUNCTION (via teleconference), spoke in opposition to the bill. She spoke of chronic symptoms related to vaccinations. She listed a number of repercussions resulting from vaccinations. She did not support SB 37 and urged members to vote against the bill.

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JOHN ZASADA, AK PRIMARY CARE ASSOCIATION, ANCHORAGE (via teleconference), reported his members strongly supported the bill. He discussed health center participation in the program. The program allowed non-profit practices to purchase and administer vaccines, and also allowed them to provide services for infectious diseases. He continued to discuss the benefit of the vaccination program no matter a person's ability to pay.

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ROSLAYN SINGLETON, SELF, ANC (via teleconference), strongly supported SB 37. She discussed a time when vaccines were not available in rural locations. As a pediatrician, she had seen children die of preventable diseases. She recited some rates of debilitating infection. She talked about the

importance of vaccinating for measles. She urged support of the bill.

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Co-Chair Wilson CLOSED Public Testimony.

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DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, noted that the department had testified that the program had reduced the cost and increased the availability of vaccines, and the bill would re-establish AVAP as a fund capitalization rather than as a fund transfer. He used an example to show the advantages of a fund capitalization. He referenced the Regional Education Attendance Area (REAA) School Fund, which was used to build and maintain schools in the REAAs. The fund was established as a fund transfer, into which the legislature had appropriated approximately \$40 million per year. Additionally, the legislature appropriated money to individual school capital projects.

Mr. Teal continued with his example of a fund capitalization. Three years previously the attorney general had indicated that the REAA fund transfer was being done incorrectly, and money should have been put in the fund without the state choosing projects. The Department of Education and Early Development should have ranked the school construction projects, and the funding should be used in the prioritized order. It used to be a fund transfer where money was appropriated to the fund then appropriated from the fund to the capital project. After the attorney general's ruling the fund was converted to a fund capitalization; after which monies were appropriated to the fund and it flowed out without further appropriations. The same thing would happen with the vaccination program.

Mr. Teal explained that the fiscal notes would change the language in both the House and Senate versions of the operating budget bill. There were 3 fiscal notes. The fiscal note with OMB component number 296 was no longer needed due to the change he described. The second note OMB component 3083 was also no longer needed. The third fiscal note was a new fiscal note and was a fund capitalization that would add language to the bill that deposited money to the fund. The deposit would be an appropriation the program

could immediately spend to purchase vaccines. The fiscal notes were a net zero.

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Mr. Teal further discussed the fiscal notes. He discussed increased flexibility for using funds for immediate needs. He suggested that with an open-ended appropriation from the insurers (and perhaps providers) into the fund, then AVAP could increase the assessments and money in the fund, which could be spent with no legislative action. The change would eliminate double counting with a single appropriation to the fund. The change made the fund no longer subject to the annual sweep into to the Constitutional Budget Reserve. He discussed the conditions under which funds were swept. He thought the fiscal notes seemed more complicated than a simple bill should warrant, but assured that the notes resulted in a net zero to the state.

[2:54:38 PM](#)

Representative LeBon asked if the program went through all its money every year, or if there was a fund that was building up.

Mr. Teal informed that the program set its assessment fees. In years of high outflow, AVAP didn't lose the money. There was no advantage to building a big fund balance, so the program should tailor the assessments to the amount of money expected to be needed.

Representative Tilton had a question for the bill sponsor's staff. She had heard in public testimony about adverse reactions to vaccinations. She wondered if there was a reporting mechanism for adverse reactions.

Dr. Lou responded that there was a very stringent reporting system for adverse reactions to vaccinations that was maintained by the Center for Disease Control and was accessible to anyone any time.

Co-Chair Wilson informed members that amendments were due by 5:00 P.M. on Wednesday, May 1, 2019.

[Recessed to the Call of the Chair. The meeting never reconvened.]

ADJOURNMENT

2:57:17 PM

The meeting was adjourned at 2:57 p.m.