

HOUSE FINANCE COMMITTEE  
May 9, 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

Senator Cathy Giessel, Sponsor; Heather Carpenter, Deputy Director, Department of Health and Social Services; Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Emily Ricci, Health Care Policy Administrator, Division of Retirement and Benefits, Department of Administration.

PRESENT VIA TELECONFERENCE

Wendy Smith, President, Alaska Academy of Physicians Assistants, Juneau.

SUMMARY

CSSB 44 (FIN)

TELEHEALTH: PHYSICIAN ASSISTANTS; DRUGS

CSSB 44 (FIN) was HEARD and HELD in committee for further consideration.

#sb44

CS FOR SENATE BILL NO. 44 (FIN)

"An Act relating to the prescription of drugs by a physician assistant without physical examination; and providing for an effective date."

1:30:42 PM

SENATOR CATHY GIESSEL, SPONSOR, described the bill. She explained that SB 44 addressed telehealth authorization for physician assistants (PAs). She detailed that the bill was a cleanup of a bill that passed the legislature in 2016. The Medicaid reform bill, known as SB 74-Medicaid Reform; Telemedicine; Drug Databas [CHAPTER 25 SLA 16, 06/21/2016] authorized Alaska's physicians to render care via telemedicine that included providing treatment, or prescribing, dispensing, or administering a prescription drug without conducting a physical examination. However, SB 74 only addressed physicians, and the Alaska State Medical Board interpreted that the bill's provisions should not apply to (PAs). The state medical board had determined on its own that physicians' assistants could not provide telemedicine services. She relayed the history of the PA profession. She informed the committee that during the Vietnam War medics performed critical lifesaving and complex medical services in the field. Subsequently, the medics gained significant medical skills and physicians began to employ them under their supervision. Eventually, the PA profession was created. She cited a document from the American Academy of Physicians Assistants that outlined the education and duties of PAs that included taking medical histories, performing physical exams and lab testing, diagnosis, prescribing, and assisting in surgery. Typically, the required education was 27 months culminating in graduating with a master's degree. The training included rotations through the usual clinical specialties; totaling approximately 2000 hours of supervised clinical practice. She furthered that the Alaska State Medical Board issued guidelines that were included in the bill packet ["Alaska State Medical Board-Board Issued Guidelines"] (copy on file) requiring a PA to maintain a collaborative agreement

with a physician. The PA was required to maintain monthly contact with the physician and the physician authorized where the PA could practice and the medications she could prescribe. She elaborated that PAs often obtained Drug Enforcement Administration (DEA) authorization to prescribe controlled substances. She concluded that the bill would close the gap created in SB 74 and reestablish the ability for PAs to provide telehealth services. She revealed that PAs previously had the authorization to provide telemedicine prior to passage of SB 74.

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Senator Giessel addressed who would benefit from the legislation. She emphasized that patients especially from underserved and rural areas would benefit most. She pointed to a map from the Health Professional and Services Administration that depicted Health Professional Shortage Areas (HPSA) for primary care (copy on file) in Alaska. She noted that most of the state was included in shortage areas. Allowing PAs to provide telemedicine expanded access to care. She pointed to the letters of support (copy on file) from PAs who practice in rural areas. The state medical board had taken a neutral position on the bill. She reported that the Department of Health and Social Services (DHSS) would offer an amendment to the bill.

Representative Knopp asked if she had received letters of opposition. Senator Giessel replied in the negative. Representative Knopp inquired whether any physicians expressed opposition to the bill. Senator Giessel answered in the negative.

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Representative Josephson remarked on the sponsor's testimony that the department had an amendment. He thought that was unusual.

Co-Chair Wilson replied that the committee could draft a committee substitute, which was the typical process. She asked DHSS to speak to the forthcoming amendment.

HEATHER CARPENTER, DEPUTY DIRECTOR, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, answered that the governor had introduced a Medicaid bill; SB 112/HB 135-Medicaid Expansion; Drug Cost Containment. She reported that the

department asked the sponsor if two provisions from the bill could be added to SB 44 to expedite passage in the current session. The provisions related to the state's preferred drug list. She explained that DHSS updated the drug list once each year and the amendment would allow the department to update "by reference through regulations." Currently, it took 6 to 9 months before the preferred drug list was fully adopted. The department published the list of proposed changes once each year but discussed the changes four times each year.

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Co-Chair Wilson remained uncertain what the amendment did.

Ms. Carpenter answered that two sections of the governor's bill - Section 1 and Section 7 would be amended into SB 44. She explained that Medicaid had a preferred drug list and a prior authorization medication list. The first section of SB 44 would authorize the lists to be updated via regulations; resulting in reducing the process to 60 days.

Representative LeBon shared that he had previously been a board member of the Interior Community Health Center for 20 years that had a health clinic in Healy managed by a PA and the supervision was provided from the Fairbanks clinic. He asked how the bill would change the arrangement. He asked if it was necessary for the PA to be located near the physician. Senator Giessel answered that SB 44 only required contact - via telephone or email with the supervising physician. Occasionally, they might consult with each other on a complicated case or other issues. She furthered that the amendment was "tangential" to the bill. The preferred drug list was part of how Medicaid controlled costs for prescription drugs. The drug list typically advocated for the use of generic drugs first and allowed bulk buying of prescription drugs. She noted that the list was a major cost savings for the Medicaid system.

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Co-Chair Wilson reported that the amendment would be brought to the committee for discussion in a later meeting.

Co-Chair Wilson OPENED public testimony.

Representative LeBon inquired whether it was most likely the case that the PA would be in the same building as the supervisory physician.

WENDY SMITH, PRESIDENT, ALASKA ACADEMY OF PHYSICIANS ASSISTANTS, JUNEAU (via teleconference), responded that was not the case for most of the PAs in the state of Alaska. She added that most PAs were supervised via telephone or email.

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SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, relayed that the state medical board updated its disposition of SB 44 and was in support of the bill.

Co-Chair Wilson CLOSED public testimony.

Co-Chair Wilson asked Ms. Chambers to review the fiscal note.

Ms. Chambers complied. She reviewed the fiscal impact note (FN1 CED) from the Department of Commerce, Community and Economic Development in the amount of \$5.3 thousand. She delineated that the appropriation request was the cost to update regulations. The appropriation would specifically cover legal costs to amend regulations, printing, and postage in the first year. Co-Chair Wilson asked whether the costs would be paid by the medical board. Ms. Chambers replied in the affirmative and added that the cost was covered by receipt supported services paid for by licensing fees.

Representative LeBon asked whether telehealth was expanded to include nurse practitioners. Ms. Chambers informed the committee that nurses, and advanced nurse practitioners had been able to perform telehealth services for decades. She added that the Board of Nursing was currently adopting regulations to clarify the practice.

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EMILY RICCI, HEALTH CARE POLICY ADMINISTRATOR, DIVISION OF RETIREMENT AND BENEFITS, DEPARTMENT OF ADMINISTRATION, reviewed the Department of Administration zero fiscal note

(FN 2 ADM). She indicated that the bill would not impact the current telehealth benefit structure provided under the AlaskaCare plans.

Co-Chair Wilson asked whether the department anticipated any savings from the bill. Ms. Ricci replied that "conceptually, in time it could save money." However, not within the timeframe of the fiscal note. She reported that currently, telehealth was very infrequently utilized. Out of two million claims process each year, fewer than 40 claims were being processed annually for telemedicine. She did not anticipate the bill having a financial impact, but she did believe it had the potential to increase access in the future.

Representative Josephson expressed surprise that only 40 out of 2 million claims from the pool of state employees were for telehealth services. He asked for confirmation. Ms. Ricci answered that when the division checked the data it discovered that fewer than 40 were being billed under a specific Current Procedural Terminology (CPT) code and the associated modifier for the types of services. She elaborated that the division found that some of the services might had been billed without the correct code modifier for telehealth. She deduced that there may be "slightly higher" utilization of telemedicine but she was unable to pull the data at present. She qualified that regardless, out of 2 million annually processed claims the department did not anticipate an immediate fiscal impact.

[1:49:08 PM](#)

Representative Carpenter asked if there was a telemedicine issue for rural Alaska related to bandwidth issues. Ms. Ricci replied that she was not the best person to answer the question, but she guessed that there were some related issues.

Co-Chair Wilson noted that she would attempt to find the answer.

SB 44 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

1:50:49 PM

The meeting was adjourned at 1:50 p.m.