

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

April 13, 2019

1:34 p.m.

**MEMBERS PRESENT**

Representative Ivy Spohnholz, Co-Chair  
Representative Tiffany Zulkosky, Co-Chair  
Representative Matt Claman  
Representative Harriet Drummond  
Representative Geran Tarr  
Representative Sharon Jackson  
Representative Lance Pruitt

**MEMBERS ABSENT**

All members present

**OTHER MEMBERS PRESENT**

Representative Sara Hannan  
Representative Grier Hopkins

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S) :

Commissioner, Department of Health and Social Services

Adam Crum - Juneau

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

ADAM CRUM, Commissioner Designee  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Testified as appointee for commissioner of the Department of Health and Social Services (DHSS).

ALYSON CURREY, Legislative Liaison

Planned Parenthood Votes  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to the confirmation of Adam Crum as commissioner of DHSS.

JAYNE ANDREEN  
Douglas, Alaska

**POSITION STATEMENT:** Testified in opposition to the confirmation of Adam Crum as commissioner of DHSS.

TONYA HALLIDAY  
Cook Inlet Dental  
Kenai, Alaska

**POSITION STATEMENT:** Testified in opposition to the confirmation of Adam Crum as commissioner of DHSS.

MICHELLE OVERSTREET, Founder & Director  
MyHouse  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of the confirmation of Adam Crum as commissioner of DHSS.

ZHENIA PETERSON  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to the confirmation of Adam Crum as commissioner of DHSS.

SHELLEY EBENAL, Executive Director and General Counsel,  
Greater Fairbanks Community Hospital Foundation;  
CEO, Foundation Health Partners,  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of the confirmation of Adam Crum as commissioner of DHSS.

ELIZABETH RIPLEY, CEO  
Mat-Su Health Foundation  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of the confirmation of Adam Crum as commissioner of DHSS.

GREG WEAVER  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in opposition to the confirmation of Adam Crum as commissioner of DHSS.

CASEY DSCHAAK  
Dillingham, Alaska

**POSITION STATEMENT:** Testified in support of the confirmation of Adam Crum as commissioner of DHSS.

**ACTION NARRATIVE**

[1:34:42 PM](#)

**CO-CHAIR IVY SPOHNHOLZ** called the House Health and Social Services Standing Committee meeting to order at 1:34 p.m. Representatives Jackson, Claman, Drummond, Zulkosky, Pruitt, and Spohnholz were present at the call to order. Representative Tarr (via teleconference) arrived as the meeting was in progress. Also present were Representatives Hannan and Hopkins.

**CONFIRMATION HEARING(S):**  
**Commissioner, Department of Health and Social Services**

[1:35:24 PM](#)

**CO-CHAIR SPOHNHOLZ** announced that the only order of business would be the confirmation hearing for the commissioner of the Department of Health and Social Services.

[1:35:59 PM](#)

**ADAM CRUM**, Commissioner Designee, Department of Health and Social Services (DHSS), shared his background. He said he was born and raised in Alaska, grew up in a cabin in Anchor Point on the Kenai Peninsula, and spent his youth hunting and fishing. After graduating from Homer High School he went on to receive a bachelor's degree in psychology from Northwestern University. Upon returning to Alaska he worked as a safety professional and trainer on projects located throughout the state, including oil sites on the North Slope, Arctic villages, and along Alaska's west coast. He spent weeks in some villages, which provided him the opportunity to see village life firsthand.

**COMMISSIONER CRUM** stated that he received a Master of Science in Public Health from Johns Hopkins University, with his studies including subjects such as public health toxicology, environmental and occupational health law, risk communication and public policy, and epidemiology. He used this knowledge to write white papers about naturally occurring asbestos in western Alaska and about mercury content and its presence and danger in seafood caught in the North Pacific.

COMMISSIONER CRUM said he worked as a consultant and project lead for large oil and gas companies, pipeline companies, and transportation companies. Work performed included environmental health analysis on existing and potential projects, long-term strategy, and organizational development. This work gave him firsthand experience with what success looks like from organizational, cultural, and leadership standpoints. He uses this experience in his work for other clients and community organizations, and he has developed a repertoire of leadership courses that he offers his clients.

[1:39:30 PM](#)

COMMISSIONER CRUM noted that for a number of years he has been an active supporter of MyHouse, which provides educational services, housing, and opportunities to homeless youth in the Matanuska-Susitna ("Mat-Su") Valley. He has been involved with JOY International, a group that brings awareness and raises funds to stop sex trafficking. He has also served on the advisory board of the Salvation Army in the Mat-Su Valley, which tackles issues like hungry families, drug treatment and rehabilitation, and transitional housing.

COMMISSIONER CRUM related that in working with these groups he came upon the Alaska State Ombudsman's May 2018 investigative report on the Division of Public Assistance. The report detailed that since 2016 there have been hundreds of complaints from individuals about lack of communication, a backlog of applications, and delayed payments. He found the report heartbreaking - people were reaching out in their moment of need and weren't responded to. But, on the other side, the state's employees are trying to do the best they can, but they aren't provided the necessary tools or resources to give the best customer service possible. It occurred to him that what they really needed was leadership and support.

COMMISSIONER CRUM said he brings organizational and strategic expertise in developing high performing teams and a winning culture. He also brings compassion. He has worked with many of the constituent groups that DHSS serves, and he brings a commitment to recognize and support the employees within the department so they can provide the best possible service to those in need. During his four months as commissioner designee he has successfully started down this path and assembled an excellent team.

COMMISSIONER CRUM introduced Albert Wall, Deputy Commissioner, Family, Community & Integrated Services. He said Mr. Wall previously worked within DHSS as a budget director and as director of the Division of Behavioral Health. Mr. Wall is a military veteran still active in the National Guard and has over 20 years' experience as a behavioral health clinician. Mr. Wall spent the past couple years as CEO of Peninsula Community Health Services. Having previously worked at DHSS, Mr. Wall understands the long-standing issues and is motivated to address them for the benefit of all Alaskans.

[1:41:58 PM](#)

COMMISSIONER CRUM noted that Donna Steward, Deputy Commissioner, Medicaid and Health Care Policy, is uniquely suited to her role from having spent the last few years as executive director of the Office of Rate Review. He said Ms. Steward has previously worked in the Division of Health Care Services and for the Tribal Health Care Program in the commissioner's office. Before that she worked as a research analyst for the Washington State Legislature and previously worked as associate regional administrator for the Medicare side of the Centers for Medicare & Medicaid Services (CMS). Ms. Steward has vast experience working with and for the state's federal partners and she understands the actual numbers as they stand in Alaska.

COMMISSIONER CRUM drew attention to Sana Efird, most recently the deputy commissioner of the Department of Education and Early Development. He stated Ms. Efird has returned to DHSS as Assistant Commissioner of Finance and Management Services, a position she held before from 2012-2016. Ms. Efird's knowledge of the DHSS budget will be a great resource going forward.

[1:42:39 PM](#)

COMMISSIONER CRUM introduced Lily Lou, MD, Chief Medical Officer. He said Dr. Lou is board certified in neonatal and perinatal medicine and was chair of the Department of Pediatrics at Providence Alaska Medical Center, as well as executive director of the Children's Hospital at Providence. Dr. Lou's broad expertise and vast research background make her a great asset for DHSS and the state.

[1:43:06 PM](#)

COMMISSIONER CRUM brought attention to Tony Newman, Legislative Liaison. He stated Mr. Newman is responsive to all legislative requests and is a great representative for the department.

COMMISSIONER CRUM said another key person on his team is Heather Carpenter, Health Care Policy Advisor. He said Ms. Carpenter came to his team after working six years for the Alaska State Senate. Ms. Carpenter was integral to the collaborative process that led to the 2016 bi-partisan passage of Senate Bill 74, a Medicaid reform bill.

COMMISSIONER CRUM related that during the short time in his new role he has reached out to and visited as many employees as possible. His first communication was to thank everyone for their hard work and service and to advise them to always remember the good that they do. The department is large and has many divisions and it's a good bet that one division will make the news on a weekly basis. He wants all employees to know that he understands and appreciates the jobs they do, and he is proud to work with them during these difficult times because of the critical nature of their work.

[1:44:20 PM](#)

COMMISSIONER CRUM outlined his top three priorities for DHSS. The first is to address the overall budget. He explained that with DHSS having one of the largest budgets in government, efforts will be made to reduce duplicative efforts, gain efficiencies, and leverage community partners, such as amending the 72-Hour Rule. The second priority is to work on Alaska Psychiatric Institute (API) and its issues. He stated that the only residential psychiatric treatment hospital in Alaska, API plays a critical role in the continuum of care for behavioral health and for too long has not received its due attention. This administration is committed to putting API on a course that provides better patient outcomes while ensuring a safe environment for patients and staff. Commissioner Crum said the third priority is to reduce the backlog of applications at the Division of Public Assistance (DPA). He said the new leadership at DPA is focused on tackling the backlog issue. To date, that backlog has been reduced from 13,355 to 5,257. To reduce the backlog and better serve the public, on 4/2/19 DPA launched an out-stationing project of five staff at the Alaska Native Medical Center (ANMC).

COMMISSIONER CRUM said another key item DHSS is addressing is information technology (IT) solutions to remove the burden on

frontline workers and allow them to do their jobs better and faster. The department is looking at ways to gain efficiencies while providing superior customer service, such as a document imaging system for patient records that is compliant with the Health Insurance Portability and Accountability Act (HIPAA).

[1:47:42 PM](#)

COMMISSIONER CRUM noted that shortly after his appointment an earthquake occurred in Southcentral Alaska and he witnessed DHSS at its very best as it implemented a command center and swung into to action to ensure that the region's health and safety needs were addressed. Over the past few months the Tribal Health Program has exceeded its targets for refinancing Medicaid and developing new initiatives, which will likely lead to even more savings in fiscal year (FY) 2020. The department has kept its eye on the Medicaid Section 1115 Behavioral Health Waiver Demonstration Project ("Section 1115 Waiver"), the most complex of the initiatives in Senate Bill 74, the 2016 Medicaid reform bill. The department is determined to keep this project on track to move Alaska toward a more balanced and integrated behavioral health system. On this front, the Division of Behavioral Health is currently conducting a gap analysis in communities around the state to determine the needs of local stakeholders. The Office of Children's Services (OCS) is also accompanying the gap analysis teams to identify provider capacity and interest for providing prevention services that will be available through the new [federal] Family First Prevention Services Act. The department continues to take advantage of federal grant opportunities that will help DHSS continue to address the opioid epidemic.

[1:49:06 PM](#)

COMMISSIONER CRUM allowed DHSS has had its share of challenges since he started as commissioner in December 2018. He said stabilizing API has been a daily focus of his tenure and improvements are being made in patient care and the safety of patients and employees. The Centers for Medicare & Medicaid Services (CMS) has extended API's certification and API has been accredited for three years as of April 2019. The number of staff is being increased, including the number of psychiatrists and licensed independent practitioners, and there are 16 new nursing applicants. Increased staff means increased capacity and just this weekend the clinical team made the decision to increase capacity to 30 patients. Still on a provisional license, API has a long way to go and a major CMS decision point

is anticipated by 6/30/19, but improvements are being seen and API is on the right track.

COMMISSIONER CRUM continued addressing the department's challenges. He said 4,700 beneficiaries in the Senior Benefits Program were informed this week that DHSS would be unable to pay their benefits for May and June. The department is working to identify other options that could be offered to these beneficiaries, such as increased Supplemental Nutrition Assistance Program (SNAP) benefits. The department took this action because statute, regulations, and a prior legislature's fiscal note for House Bill 236, the bill reauthorizing the program last year, are clear that when appropriations for the [Senior] Benefits Program are insufficient to meet the demands for assistance in a fiscal year, DHSS is directed to reduce or eliminate this cash assistance benefit for that fiscal year, starting with the highest income tier. The department has not requested supplemental funding for this program because of this guidance. The prior legislature did provide DHSS with \$20 million in transfer authority across appropriations outside of Medicaid, but at this time the department doesn't know what funding can be moved from one program to another without jeopardizing the first program. Other programs are also short-funded this year, such as general relief for assisted living home residents and DHSS is doing its best to resolve these shortfalls within the appropriations the program has received.

COMMISSIONER CRUM concluded by stating his goal is to ensure that, on his watch, programs are aligned and managed to assure their sustainability in the future. He is committed to the department, the people it serves, and the people he works with. He is committed to the department's mission, which is to promote and protect the health and wellbeing of Alaskans. He is humbled that Governor Dunleavy has asked him to perform this role and he is honored to be before the committee today.

[1:52:17 PM](#)

CO-CHAIR ZULKOSKY offered her appreciation for the work being done by the DHSS teams. She requested the commissioner designee to talk about what qualifies him to serve as commissioner of one of the state's largest departments with one of the state's largest budgets.

COMMISSIONER CRUM replied he has spent his professional career working and running the business consulting side, so he has worked with some of the largest companies in the world and they

have been working with him on organization and strategy for how they can operate in Alaska. He speaks the language of public health and understands some of these issues. His background in strategy and organizational development are the qualifications the governor was looking for. The governor wanted someone from an outside perspective to come in with a considerate objective to look at what is going on and how to improve. This is why he is qualified for this role. Some of DHSS's previous successes show that the department is on the right track and the way the team is responding has been tremendous.

CO-CHAIR ZULKOSKY recognized that Johns Hopkins University is a highly regarded medical university. She asked the commissioner designee to talk about the professional health or social service related fields to which he has applied his degrees prior to this appointment.

COMMISSIONER CRUM responded that DHSS covers a broad array of things; for example the public health field has emergency incident command systems and emergency response, which have been a big part of his work across Alaska. This last week was Alaska Shield, a live demonstration throughout the state about how to transport patients in the event of a pandemic. While working with companies he has applied his skills to environmental impact analysis on community-based items, how to look at epidemiology population related data, a skill set he has applied throughout his professional career.

CO-CHAIR ZULKOSKY stated that environmental health, especially in a district like hers, is very important because of its impact on the health of Alaskans. However, she noted, the commissioner of DHSS really focuses on health care services, child welfare, public assistance programs, tribal assistance, and needy family programs. She requested the commissioner designee to talk about his experience in working with these types of programs prior to his appointment.

COMMISSIONER CRUM answered that DHSS is such a big department that there is no individual who has expertise in everything the department covers. He said he has worked directly with a lot of the key constituent groups that the department serves, including those that deal with needy children, homeless teenagers, and hungry families.

[1:56:16 PM](#)

REPRESENTATIVE JACKSON requested the commissioner designee to speak further about his time volunteering with MyHouse.

COMMISSIONER CRUM replied that the MyHouse program is near and dear to his heart because it was an eye opening experience to work with these youth. The kids involved in situations where they have lost a home must decide whether to stay in school and must look at the resources they need. MyHouse provides a hand up, not a handout. The goal is to give these kids what they need to be stabilized and give them warmth and security and then encourage them to pursue degrees and training and to give them resources to grow on. Key members of MyHouse helped set up the Mat-Su Opioid Task Force to work with that issue and suicide prevention. It has been a wonderful opportunity to work with this group. Many of these kids left home because their parents were in a bad situation and they wanted more for themselves, not because of a moral failure on the parts of the kids. These are kids that a person would do anything for to help them succeed.

REPRESENTATIVE JACKSON asked how the commissioner designee sees these types of non-profits complementing DHSS.

COMMISSIONER CRUM replied DHSS is working on how to maximize its partner groups and how to support them moving forward, whether that would be through co-matching of funds for pilot projects or collecting data to find what are the best possible outcomes for these youth. Department offices are in Juneau and Anchorage, not out in the community, so it is these local groups that will be successful in addressing these homegrown issues.

[1:58:50 PM](#)

CO-CHAIR ZULKOSKY requested the commissioner designee to talk about how, in his capacity as commissioner of DHSS, he would work with tribes throughout Alaska.

COMMISSIONER CRUM responded that continued negotiations are scheduled for mid-May for the tribal compacting for OCS. Work has gone on throughout the last year and this could be an expansion on what other things DHSS could work on with these tribes to address issues for these vulnerable kids in the villages. The department will continue to work with the tribes, and he is happy with DHSS's relationship working with the tribal health organizations, particularly Alaska Native Tribal Health Consortium (ANTHC), through the out-stationing project working through the backlog together and addressing these issues faster.

CO-CHAIR ZULKOSKY recounted that the Tribal Affairs Special Committee recently heard an update on the Alaska Tribal Child Welfare Compact. She inquired whether, in regard to the mid-May meeting, the commissioner designee's position is to continue existing partnerships with tribes in their current form within the compact as well as to consider expanding relationships with tribes in the compact.

COMMISSIONER CRUM answered yes.

[2:00:32 PM](#)

CO-CHAIR ZULKOSKY related that almost 80,000 Alaskans have been covered by Medicaid through both traditional and expansion populations, more than were covered four years ago. However, state spending has been less in state general funds than four years ago, so the state is essentially covering more Alaskans for less state dollars than it did previously. No other states have been able to do that. A large reason why that has been made possible is through the state's partnership with tribal health organizations. She requested the commissioner designee to discuss how he plans to continue this work with tribes.

COMMISSIONER CRUM replied he is excited about the relationship that is had. He recently toured medical facilities near Kotzebue and being able to treat elders in their home community is a tremendous thing. The department has reached out numerous times and he looks forward to continuing to reach out to important stakeholder groups like ANTHC.

CO-CHAIR ZULKOSKY offered her understanding that the commissioner designee intends to continue expanding and collaborating partnerships where possible, for example with tribal health organizations.

COMMISSIONER CRUM responded yes, as evidenced by the out-stationing project for the DPA Eligibility Tax.

[2:02:13 PM](#)

CO-CHAIR SPOHNHOLZ observed from the commissioner designee's resume that he worked for Northern Industrial Training for the last 10 years, which sounds a bit different than what was described by the commissioner designee as his consulting career. She requested further information about the company, such as the number of employees, the budget that was overseen, and how that

prepared the commissioner designee to run a \$3.2 billion organization with 3,400 staff.

COMMISSIONER CRUM answered that Northern Industrial Training is a company he owns with his family. At its biggest the company had 75 employees and it is known as "truck driving, welding, heavy equipment" because that was a lot easier to put on the side of a truck for marketing. He ran the business consulting side of the company, located primarily in Anchorage, working with large oil, gas, transportation, and pipeline companies. He worked on the strategy side, being part of project leads dealing with these companies, having oversight, putting planning operations into place, and programs for success of multi-billion projects on their side.

CO-CHAIR SPOHNHOLZ requested the commissioner designee to specifically describe his volunteer work with the Mat-Su Salvation Army Advisory Board and the MyHouse homeless youth center.

COMMISSIONER CRUM replied that he volunteered with the MyHouse mentoring program for students. Scholarships were given to individuals to provide them with a goal to shoot for. He spent a lot of time supporting the MyHouse suicide prevention programs and helping to grow the programs. His volunteer work on the Salvation Army Advisory Board had to do with planning, fundraising, and setting up the expansion of the Mat-Su Salvation Army unit, which was growing the storage section and planning of the food pantry section.

CO-CHAIR SPOHNHOLZ disclosed that her employer prior to becoming a legislator was the Salvation Army where she worked for the Mat-Su Advisory Board amongst other advisory boards in 18 communities across the state.

[2:04:57 PM](#)

REPRESENTATIVE CLAMAN expressed his concern with the willingness of DHSS to cut state funds and, as a process of that, reducing the federal matching funds that the state is eligible for under various Medicare and Medicaid programs. He inquired whether the commissioner designee has specific plans to continue to try to reduce state dollars that results in the loss of valuable federal dollars in Alaska or whether moving forward the commissioner designee can be counted on to being committed to maximizing every federal dollar the state can receive through the various federal programs.

COMMISSIONER CRUM responded that while going through this phase of this process, DHSS "had to reduce some reductions." Alaska Statute (AS) 47.07.036 requires DHSS to triage its decisions as provider rates, services, and eligibility, so DHSS worked that way while trying to maintain access to primary care. Many of the decisions to reduce the department's budget will require the compliance of the department's federal partners, and/or their agreement to it, in order for the department to move forward. The department will continue to work on that, and DHSS also wants to keep an eye on the amount of federal matching funds that are being brought into the state.

REPRESENTATIVE CLAMAN noted that the House Finance Committee and the [Health & Social Services Finance] Subcommittee disagreed with the cuts that were recommended by DHSS and [the committees] had higher levels of state funding. He offered his understanding that DHSS believes it may have some discretion to not spend money that the legislature believes should be spent to achieve these federal matching funds. He asked whether the commissioner designee expects to not follow the legislature's guidance on spending and to instead spend less than the legislature is appropriating, which will result in the loss of additional federal funds.

COMMISSIONER CRUM offered his understanding that many of the items had been put back in. Also, some of the items for the budget reductions for the department required statutory authority and some of those items have not moved forward at all, so he cannot work against those.

[2:07:44 PM](#)

CO-CHAIR SPOHNHOLZ offered her belief that Representative Claman is asking whether the commissioner designee intends to spend less money than the legislature appropriates.

COMMISSIONER CRUM answered that that is a new question he hasn't thought about or had time to ponder.

CO-CHAIR SPOHNHOLZ remarked that that is an important question. She suggested the commissioner designee think about it as the hearing progresses.

REPRESENTATIVE CLAMAN offered his perception that while the commissioner designee may not have thought about it, Ms. Donna Arduin, Director, Office of Management and Budget, has thought

about it extensively and would like DHSS to spend less than what the legislature recommends. He asked whether the commissioner designee is going to take his orders from Ms. Arduin or be more focused on what the legislature sends.

COMMISSIONER CRUM replied he has not been a part of those discussions and he takes his marching orders from the governor as well as statute and guidance provided by the legislature.

[2:09:28 PM](#)

CO-CHAIR ZULKOSKY requested the commissioner designee to describe his level of involvement in developing the department's FY 2020 budget.

COMMISSIONER CRUM responded he was involved in development of the budget. "We worked together to see what were ways we could reduce general fund spending, as well as how can we hit some of these targets as we look towards where we're at in the fiscal situation." The governor's budget goal was to match expenditures to revenues, and he was involved in that process.

CO-CHAIR ZULKOSKY recalled that despite being invited to the testifier table on a couple of occasions throughout the budget subcommittee process, the commissioner designee did not speak on behalf of his department's priorities for FY 2020 or the commissioner designee was not in attendance of this subcommittee hearing. She inquired whether the commissioner designee supports the budget that was forwarded to the legislature for consideration, which was a reduction of roughly \$100 million in total to Medicaid.

COMMISSIONER CRUM replied he is unsure of what is being referred to because he was at almost all of the budget subcommittees.

CO-CHAIR ZULKOSKY again asked whether the commissioner designee supports the budget that was forwarded to the legislature for consideration for his department.

COMMISSIONER CRUM answered yes.

[2:11:03 PM](#)

CO-CHAIR ZULKOSKY asked the commissioner designee to provide his position on Medicaid expansion.

COMMISSIONER CRUM responded that DHSS has done nothing in its budget phase to actually address anything when it comes to eligibility. It does bring a great amount of federal dollars into it and the system has evolved around that.

CO-CHAIR ZULKOSKY stated that under Medicaid expansion the federal government has borne nearly 97 percent of health service and administrative cost, providing roughly \$1.13 billion to Alaska while the state's spending has totaled just \$42.3 million. Therefore, Alaska has leveraged about \$27 in federal funds for every dollar of direct spending, and broadly that amount of federal investment has fueled more than \$2 billion in increased economic activity in Alaska. This has generated thousands of jobs and millions of expanded earnings for Alaskans, particularly at a time when the state has been in recession. She inquired whether the commissioner designee is willing to continue supporting this type of leveraging of funds in order to bring in that amount of federal funding or whether the commissioner designee opposes it for ideological opposition to federal investment in the health care industry.

COMMISSIONER CRUM answered [DHSS] would continue to support that as it did through its phase one budget. The department is not touching eligibility at all. That level of federal match is very nice for the state.

CO-CHAIR ZULKOSKY surmised the commissioner designee's intention is to continue to support Medicaid expansion throughout Alaska under his leadership as the DHSS commissioner.

COMMISSIONER CRUM replied yes, at this point nothing is changing on that.

[2:12:45 PM](#)

REPRESENTATIVE JACKSON pointed out that 33 percent of Alaskans depend on Medicaid. She asked whether the administration has any goals to help empower people to independence in any way.

COMMISSIONER CRUM responded that a long-term goal is to work together toward solving the problem of the fiscal cliff, so as individuals grow and increase their income, they don't face the binary decision of, "Do they want benefits, yes or no?" Giving them the flexibility to increase their income is something the department is working towards.

REPRESENTATIVE JACKSON remarked that that sounds very inspiring. She expressed her concern about federal dollars and that there are financial prices as well, such as federal dollars being limited, and so as time goes on the state is going to receive fewer federal dollars. She asked whether it is a good goal to try to maximize every federal dollar for Alaska's financial sustainability.

COMMISSIONER CRUM answered that as DHSS looks at this process with federal dollars, in particular doing something like the Section 1115 Waiver, it has to be cost neutral or a savings for the federal government. So, the department would have to work with the federal government that way. The idea is to ensure a sustainable program for Alaska. More flexibility on how [state] dollars are spent in state could be a means of doing that as well, because it is unknown how the federal government is going to adapt in the future.

[2:15:20 PM](#)

REPRESENTATIVE PRUITT offered his understanding that the commissioner designee has been on the job for four months.

COMMISSIONER CRUM replied yes.

REPRESENTATIVE PRUITT asked whether the commissioner designee averaged a 40-hour work week during that four-month period.

COMMISSIONER CRUM quipped that a 60-hour week would be a nice break. While going through this process he has traveled a lot given DHSS has many employees in many locations around the state and he wants to see things firsthand. He has also spent a lot of time explaining how the department is going about this, the strategy, and empowering the DHSS team. The department's mission is to protect and promote the health of Alaskans, but every division has its own specific mission. The job of the commissioner's office is to support the divisions in taking care of vulnerable Alaskans.

REPRESENTATIVE PRUITT asked whether there is any reason to expect a change in dedication upon the commissioner designee's confirmation.

COMMISSIONER CRUM answered no. He said his heart is in this and he is with the staff in making Alaska better

REPRESENTATIVE PRUITT inquired about the commissioner designee's executive team and the number of hours per week they put in.

COMMISSIONER CRUM replied that this is easily 80-100 hours per week. It includes traveling back and forth and managing many different staff. There is a joke that anybody who works longer than Tony Newman wins. Mr. Newman is there responding to legislator and constituent requests, media inquiries, and working with DHSS partners.

2:18:18 PM

CO-CHAIR SPOHNHOLZ commented that Mr. Newman is well known for his incredible work ethic.

REPRESENTATIVE PRUITT agreed about Mr. Newman. He said Alaska's budget process is unique because there are legislators who do not have that type of experience. In other states [the commissioner] would be arguing for why the amount of money the legislature gave the department should be expended, but in this case the State of Alaska says [the commissioner] is going to spend what the legislature says the department is going to spend. Representative Pruitt posed a scenario in which DHSS is told to spend \$100, but the commissioner designee and his team believe the same services can be delivered for \$95. He asked whether the commissioner designee would spend the \$100 or come back to the legislature and say \$95 is all that is needed and all that is going to be used.

COMMISSIONER CRUM responded he does not believe in surplus spending, but he does believe in strategy for spending more efficiently. If there are better ways and better directions to spend that money, then that is something to do. Just for a single project that has a list price, DHSS is not going to spend that money on it. But if the department can spend that toward something else that can improve outcomes, then that is something he would be interested in and is the goal of his team.

REPRESENTATIVE PRUITT noted that many confirmation hearings focus mostly on the qualifications of the individual and perhaps things that happened just before the confirmation took place. What he rarely hears during confirmation hearings is what the appointee expects to have done successfully. He asked what the commissioner designee's goal and mission are for the next four years in his role at DHSS.

COMMISSIONER CRUM answered that in taking over this role and where Alaska sits at a crossroads, his long-term goal and that of his team is how to actually shift the dollar spend from one end of the spectrum to the other, moving towards that value-based side. One of the continued processes with the Section 1115 Waiver for behavioral health is to allow the department to spend dollars for mild and moderate issues as opposed to severe. This would allow for working on things and providing resources toward items like family resiliency, giving people in families opportunities to stay strong before DHSS has to separate them. This would put those resources out there and make Alaska a stronger place by addressing issues on the frontend. These are items that take longer to solve than an election cycle and these are the items the department is going to try to address.

[2:21:28 PM](#)

REPRESENTATIVE TARR recalled that the commissioner designee had been a political candidate and therefore some of his positions, such as women's reproductive health, were printed in literature. She said it is important for [the department's] policies to be evidence based public health policies, not ideologically driven. She asked how the commissioner designee plans to approach and uphold women's reproductive health issues as well as lesbian, gay, bisexual, and transgender (LGBT) issues, regardless of what his personal beliefs might be.

COMMISSIONER CRUM replied that to take this role he had to sign an oath that he would follow the law and he will do that. The courts have decided certain issues and that is the way they will be administered through the department.

REPRESENTATIVE TARR expressed hope that that would be a firm commitment. She commended the commissioner designee for his volunteer work and that these connections will allow him to talk to people in the communities and understand the root causes. She offered her hope that in his role the commissioner designee will want DHSS to help other groups in addition to the ones he has worked with.

COMMISSIONER CRUM responded that everyone in need should be helped and shown love and compassion. He clarified that when he mentioned his wanting to help the MyHouse kids who told him their stories and how they wanted to improve their lot in life, any person who heard their stories would want to help them. So, yes, the department will continue to take care of individuals throughout [the state].

[2:25:29 PM](#)

REPRESENTATIVE CLAMAN recalled that the House Finance Committee recently voted to remove funding for abortions in the Medicaid area. However, he noted, at least twice the Alaska Supreme Court has ruled that the DHSS has to make those payments. He requested the commissioner designee to provide his view on the department's obligation to pay for those even if there is no line item in the budget that is finally passed.

COMMISSIONER CRUM answered that the department would follow the law in understanding that the court has ruled multiple times. He will have to look at the department's regulations to see if they are like the ones for senior benefits where if there are no appropriations towards that then the department cannot pay out for it. If there are regulations, he will also have to see how they match with statute.

REPRESENTATIVE CLAMAN posed a scenario in which the attorney general tells DHSS that it must pay [for abortions] from whatever funds the department has available anywhere, regardless of regulations, and the only way to change that obligation would be to amend the constitution. He asked whether the commissioner designee would follow the attorney general's advice.

COMMISSIONER CRUM replied yes.

[2:27:41 PM](#)

CO-CHAIR ZULKOSKY requested the commissioner designee to talk about his vision for DHSS for the next four years.

COMMISSIONER CRUM responded that the department is trying to address these issues with flexibility. How can the department take care of Alaskans in a much more specific Alaska way? Alaska's system is unique in that there is a very robust tribal health system, which a lot of states don't have. As DHSS works with these groups, as well as remote rural communities, items the department is working towards include value-based care, social determination of health care, and other items like that.

CO-CHAIR ZULKOSKY noted that since January DHSS has announced consideration of major policy changes also somewhat related to the budget, privatizing API, restructuring rates for Pioneer Homes, potentially considering the elimination of senior benefits, and reductions to many programs that serve as a safety

net to many low income Alaskans, like Medicaid. She asked the commissioner designee to discuss his role in the decision making process in proposing these changes.

COMMISSIONER CRUM answered that DHSS had to put together a budget where expenditures matched revenues. Some of the items over which the department or the legislature had control, which would be general fund as a required federal match, were put forth in bills proposing reductions in funding. Many of those items haven't moved forward. The department serves a lot of people and has many programs, so this is very difficult and is not something being taken lightly. This was addressing the situation as a whole throughout the state.

CO-CHAIR ZULKOSKY offered her appreciation for the difficulty the commissioner designee is dealing with on a daily basis. She offered her understanding that the commissioner designee supports the proposed changes of the last several months as it relates to these programs because of the results for the budget.

COMMISSIONER CRUM replied that tough decisions must be made based on fiscal reality. While [DHSS] doesn't have a lot of social net items, some of the items [DHSS] presented in the budget are not going to leave dependents with zero. As this moves forward and it is the will of the legislature that some of these bills do not move forward, those items will still be there, and the department will gladly administer those programs.

[2:30:29 PM](#)

REPRESENTATIVE DRUMMOND noted DHSS has about \$20 million in excess budget authority to transfer between programs as needed because the department is large and has emergency issues that are not necessarily foreseeable by the legislature at the time the budget is established. The 4,700 people who will not receive senior benefits for May and June need that money and the department likely cannot work fast enough to get alternative funding in place like SNAP or other benefits. She asked how much of that \$20 million of excess budget authority has been transferred among other programs this fiscal year and whether there is enough remaining to pay the senior benefits of about \$750,000 for May and June.

COMMISSIONER CRUM responded that DHSS shared this information with the public before the regulations and is doing an analysis across the department to determine whether funds are available. There was again a funding shortfall for the General Relief

Program, which required a wait list. The team at Financial Management Services is working through this to see if it can be addressed. Eligibility technicians are working as fast as possible to see if there are individual cases that will warrant increased "stat" benefits, which are 100 percent federal.

REPRESENTATIVE DRUMMOND asked again about what has happened with the \$20 million in excess budget authority.

COMMISSIONER CRUM answered that evaluations are being done throughout the department to see if that can be filled, but at this point there is no clear answer.

[2:33:07 PM](#)

CO-CHAIR SPOHNHOLZ offered her appreciation that DHSS is making an effort to ensure that people are getting notice earlier, which is better when talking about a change in monthly income for people who only have incomes of about \$2,200 a month. It creates a lot of unnecessary stress for seniors who don't have a lot of opportunity to add income. The average age of people on senior benefits is 75, the oldest being 104. Not doing the homework to find out if it is possible to find funding before notifying people is concerning and not a very empathetic approach to public policy. The statute says "may" reduce, not "shall" or "must." The committee has earlier expressed its concern about eliminating the Senior Benefits Program. The lower income level for this program is \$942 a month, with these people receiving a benefit of \$250 a month. The middle level is \$1,255 a month in income, with this level receiving \$175. She inquired about the rationale for ending the Senior Benefits Program when the majority of people on the program have such small monthly income and the program in total only costs about \$20 million, or \$25 million if adequately funded.

COMMISSIONER CRUM replied that the Senior Benefits Program is a statutory program. It is straight general fund dollars and that was one of the mechanisms DHSS could [use] to meet its budget goal. Individuals losing income could have increased benefits elsewhere, which was the rationale for presenting that item.

CO-CHAIR SPOHNHOLZ surmised the budget goal was more important than ensuring that people with only \$992 a month in income receive some assistance to help them pay for heating, prescriptions, and food.

COMMISSIONER CRUM responded it is very tough and not a fun position to be in. He pointed out that a number of other programs are there that help care for the senior community if heating assistance is needed as well as other items seniors can apply for. This item, unfortunately, hasn't moved forward in the House.

CO-CHAIR SPOHNHOLZ related that in her experience with the Salvation Army, funding for the heating assistance program had been decreasing over the years and often there wasn't enough funding for the Salvation Army to give heating assistance to people who were eligible. So, she said, relying on those other programs to provide assistance is concerning when it is known that those programs are underfunded as well. The DHSS commissioner has challenges to meet a budget goal, but the commissioner also has a mission goal. Mission-focused work is the work done at the Salvation Army and MyHouse and is the work of making sure that people who need that care get it. The absolute number one job of the DHSS commissioner is to make sure the department delivers on that mission. It is concerning that the budget is getting in the way of the commissioner's ability to deliver on that mission.

[2:38:13 PM](#)

CO-CHAIR ZULKOSKY asked whether, as commissioner, Mr. Crum would champion budgetary needs as he sees them to adequately meet the needs of the department's mission, or would Mr. Crum remain within the confines of the budget as proposed by people around him and instead consider cutting access to programs.

COMMISSIONER CRUM answered that as DHSS presented cuts it tried to diversify out across different groups, that there were other safety nets available for these individuals. As commissioner, it is his job to manage the programs as best as possible with the budget that is provided to him.

CO-CHAIR ZULKOSKY concluded that as commissioner Mr. Crum would not prioritize the mission and champion the leveraging of funds and partnerships where possible, but would instead stay within the confines of the budget and cut programs from there.

COMMISSIONER CRUM responded that managing most effectively with the budget presented would actually dictate that he needs to leverage partnerships more; to actually use more of those revenues and try to expand upon the dollars that are available.

CO-CHAIR ZULKOSKY stated she doesn't hear an answer other than the commissioner designee would stay within the confines of the budget and cut from there.

[2:39:56 PM](#)

REPRESENTATIVE JACKSON noted the current legislature is still in the process of creating a budget this legislative session, and therefore nothing has yet been cut because the discussions are about what is going to happen. She asked whether the Senior Benefits Program for which there may not be funding for May and June is from decisions made prior to the current administration.

COMMISSIONER CRUM confirmed that the available dollars for the Senior Benefits Program are the funds appropriated last year.

CO-CHAIR SPOHNHOLZ noted there is a second supplemental budget that will be coming through and offered her understanding that the commissioner designee could request a supplemental. She asked whether the commissioner designee is willing to make a supplemental request to ensure full funding of the Senior Benefits Program this year.

COMMISSIONER CRUM responded that DHSS is going to finish its evaluation process of whether there are intra-departmental funds that could be transferred to see if [making a supplemental request] is necessary.

[2:41:24 PM](#)

REPRESENTATIVE PRUITT pointed out that there is a proposal to reduce the Permanent Fund Dividend by \$1,700, which is a lot more than what is being talked about here for some of these seniors. He said going down the budgetary path doesn't get into the discussion about whether the commissioner designee is qualified to do the job. Moving the discussion back to whether the commissioner designee is qualified for the job, he inquired whether API was a budgetary decision for the commissioner designee or a management decision.

COMMISSIONER CRUM answered that API was a management decision. More dollars need to be invested into API in order to ensure patient care and safety, as well as employee safety.

REPRESENTATIVE PRUITT stated it is important to recognize that this was a broken system from prior to Mr. Crum's appointment, yet the commissioner designee is taking heat for actions that

were taken before he was appointed. He said he too sees API as a management challenge, not a budgetary challenge and that a corner is being turned with API. Regarding qualifications for leadership, he asked whether the commissioner designee thinks he made the right decision on API.

COMMISSIONER CRUM replied he absolutely stands by his decision and added that he had the authority to make the decision under Title 47. This was not taken lightly and as a leader he has the responsibility ultimately for the patient care at that hospital. A survey team was on site working on addressing long-term items when an incident of immediate jeopardy was reported and that was more than he could accept at that point. It is his job to take care of those individuals and so a team was brought in to do that. The department is working toward stabilization at the facility. There have been two full cycles of retraining, the culture is being rebuilt, and a level of stability is being put in place. For years API had the executive team turn over so there was no stability. It has been nice to be commended by the joint commission and for API to be recommended for three full years of funding from Medicaid and Medicare.

[2:44:52 PM](#)

CO-CHAIR SPOHNHOLZ said her concern about selecting Wellpath Recovery Solutions ("Wellpath") to run API is no secret. The amount of attention the commissioner designee has given API is appreciated. It is well known that this much attention was needed a year ago. The previous administration learned its mistakes too late, and its budget request for API was similar to what the commissioner designee has requested with the budget amendment, which is \$44 million. The attention to API matters because the people in API cannot advocate for themselves.

CO-CHAIR SPOHNHOLZ stated her concern is about the process that has been undertaken. Essentially, an emergency situation was used as the Trojan horse to get in the door to justify a single source contract of over five years. Representative Claman has compared that to allowing the company that was within three miles of the Minnesota bypass the opportunity to bid on repair of the bypass after the earthquake in December and then award that company the opportunity to do all of the maintenance in that area for the next five years. It's using a short-term crisis as a justification for a very major restructuring. A single source contract was given to a company that has a dubious health and safety track record across the country. She asked

what knowledge the commissioner designee had about Wellpath's health and safety record prior to his signing of the contract.

COMMISSIONER CRUM responded he was well informed of Wellpath's record, particularly the company's very good record in the states of Massachusetts and Florida. As part of its due diligence, the department talked with leaders in both those states and got glowing reviews about the company's ability to take over and transform what were once very violent and destitute hospitals. Working in the psychiatric field is a very litigious field and there are going to be lawsuits all the time. Given the number of facilities Wellpath manages, it is going to have a lot of lawsuits; API has a lot of standing lawsuits. Even Providence was sued just last week for psychiatric care and that is not even the facility's primary function. Wellpath has a lot of key performance indicators it must meet for this to continue on. The state is not abdicating its responsibilities to care for these patients. Dollars will continue to be invested in this, along with an increased governance board that has a lot more teeth.

[2:47:54 PM](#)

CO-CHAIR SPOHNHOLZ asked what the performance metrics are in the contract.

COMMISSIONER CRUM answered that the performance metrics are: stabilization of the facility, maintaining federal accreditation and certification, and getting to the point where full capacity is possible. Anything to do with capacity is a clinical decision and management has no say over the capacity; the psychiatrists on staff make that determination based upon staff loads and what can be handled.

CO-CHAIR SPOHNHOLZ noted she has a master's degree in public administration and a subject she studied was performance metrics, which is "knowing that you get what you measure and that you need tools to be able to get out of a contract if somebody isn't performing to that standard." What the commissioner designee described are one-time things that open up eligibility for phase two. She asked what performance metrics would be looked at year in and year out to ensure that Wellpath is not just keeping the doors open and accredited, but is actually ensuring that patients are getting the care they need.

COMMISSIONER CRUM replied [DHSS] would continue to evaluate the standards of care to make sure, and that both the community and

the state would be involved. [The department] is not abdicating its responsibility on this and will ensure that those patients are taken care of as things move forward. In the contract there is an out clause for [DHSS.]

CO-CHAIR SPOHNHOLZ asked about the criteria for the out clause.

COMMISSIONER CRUM responded that if [DHSS] wanted it could break in service.

CO-CHAIR SPOHNHOLZ inquired whether that is at any time.

COMMISSIONER CRUM offered his belief that there is a notice for a certain number of days.

CO-CHAIR SPOHNHOLZ further inquired whether the contract could be ended at any time because [DHSS] isn't happy.

COMMISSIONER CRUM offered his belief that it is yes.

CO-CHAIR SPOHNHOLZ asked whether it is [DHSS] or Wellpath that will be doing the quality assurance.

COMMISSIONER CRUM answered that part of the quality assurance program is tied into accreditations and it hasn't been fully decided whether that is going to be on the side of [DHSS] or Wellpath, but the governance board will have to see those numbers as well.

CO-CHAIR SPOHNHOLZ suggested that DHSS do the quality assurance so that it is known that Wellpath is not "cooking the books," because as recently as 2018, in Florida, Wellpath was found to have an understaffed hospital and, as a result, patients were harmed, and a person died. She concurred that this is a litigious field, and noted that 90 percent of the 1,110 lawsuits that have been described were found not to be in order, meaning 110 were in order and there were findings in those lawsuits. It is important that a really good job be done. She argued that the performance metrics described by the commissioner designee are not actually terribly substantive when talking about a five-year contract to run the state's in-patient psychiatric institute.

[2:49:56 PM](#)

CO-CHAIR SPOHNHOLZ moved to the topic of block grants and said Alaska's successfully redesigned Medicaid system now serves 63

percent (79,000) more people than four years ago and is doing so for 11 percent less in state spending. She said [the administration] is proposing that Alaska be the first state in the nation to move to block grants. Historically block grants have not worked very well for geographically large but small population states. She inquired whether the commissioner designee has any hesitation about Alaska playing the role of guinea pig as it relates to being the first in the nation to do block grants.

COMMISSIONER CRUM replied that currently there is no mechanism for the federal government to provide block grants for Medicaid.

CO-CHAIR SPOHNHOLZ asked whether it is just an idea.

COMMISSIONER CRUM responded that the idea was to let [the federal government] know that Alaska wanted to be out in front whatever these solutions were. There were some statements from him in the media, but the last line was cut off. As a result of asking this, [DHSS] is now working with CMS and the federal delegation to figure out other possible solutions for Alaska. It was a foot in the door, let Alaska be first on something, and an Alaska-specific solution is needed.

CO-CHAIR SPOHNHOLZ inquired whether the commissioner designee is saying that [DHSS] is not pursuing block grants.

COMMISSIONER CRUM answered that should such an option come available from CMS it is something that will be given due consideration, "but at this point in time that is not our main plan."

CO-CHAIR SPOHNHOLZ said "that is not our main plan" isn't really an answer to her question.

[2:52:38 PM](#)

CO-CHAIR ZULKOSKY stated that the mission of the work done by state government is highly embedded and endemic within the budget that the legislature passes. That is the way state legislators as state leaders talk about the values they support and the programs they support. Recognizing that DHSS has one of the largest budgets and is a budget driver for the State of Alaska, a concerted effort has been made to evaluate where there are cost savings. The governor made a statement to the president supporting Medicaid block grant models. What is known about block grants is that funding levels are fixed, meaning

that the program is rendered unable to automatically respond to any sort of increased need, particularly in times of recession or economic downturns. This also means that a block grant cannot respond the same way to a faltering economy or greater need throughout communities, essentially destabilizing the economy over time, and worsening the downturn. It makes it difficult for Americans and Alaskans to be able to get into the workforce or remain in the workforce if there are health conditions and ultimately it could increase government costs over time because it is pushing people who don't have care into emergency rooms across the state, pushing up uncompensated care costs. She asked whether DHSS under the commissioner designee's leadership would champion the model of block grants when it has been proven that block grants over time are not a sound policy decision in terms of long term sustainable cost savings, or whether the commissioner designee would consider remaining in the same type of Medicaid model that the state currently has, which would be much more responsive to the needs of Alaskans and likely have cost savings over time with increased investments from the federal government.

COMMISSIONER CRUM offered his appreciation for the data and said presenting items like that makes block grants seem not feasible. Going down the road of long-term feasibility has not been done, so when this occurs it will require consideration on [DHSS's] end as well. It is wanted to pursue any options that give the flexibility to address a lot more issues in Alaska and [DHSS] wants to drive dollars towards the local side and deal with mild and moderate issues as opposed to severe issues. [The department] will be in touch as it continues down this path.

CO-CHAIR ZULKOSKY requested the commissioner designee, as a close advisor in the governor's cabinet, to speak to how involved the commissioner designee was in the decision to ask President Trump to lean into a Medicaid block grant model.

COMMISSIONER CRUM replied that it has gotten a lot of attention and shown that Alaska wants to be on the front side. It has determined and driven a lot of conversations that way. How can this be done on an Alaska-specific model? The driving intent of that was to put Alaska out in front, that Alaska wants to be first and so Alaska would like to be a part of any new considerations or guidance that [the federal government] has.

CO-CHAIR ZULKOSKY asked whether the commissioner designee was actively involved in suggesting to the governor to suggest to

President Trump that Alaska is interested in Medicaid block grants.

COMMISSIONER CRUM answered no.

[2:56:42 PM](#)

CO-CHAIR ZULKOSKY returned to the topic of API. She noted that DHSS Deputy Commissioner Wall had appeared before the Senate Health & Social Services Standing Committee regarding the no-bid contract with Wellpath. When asked whether the department would reconsider pursuing a competitive bid process given Providence Hospital's interest in competing for a contract, Mr. Wall said the decision would be up to the commissioner. She inquired whether, as the commissioner, Mr. Crum would be issuing a competitive request for proposals (RFP) for Phase Two or for the long-term management of API.

COMMISSIONER CRUM responded that that decision currently lies with the chief procurement officer.

CO-CHAIR SPOHNHOLZ asked whether Mr. Crum would be encouraging the chief procurement officer to pursue that.

COMMISSIONER CRUM answered that that discussion will continue as the department looks at API. It is an ever-evolving situation that has the department's attention.

CO-CHAIR ZULKOSKY related that while he was before the Senate Health & Social Services Standing Committee, the DHSS deputy commissioner stated, "The contract with Wellpath and decisions regarding moving forward with other providers would have to be taken into consideration by the commissioner's office." She requested that DHSS provide follow-up on the plans moving forward and what the plan of action will be, given nonprofit Alaska-based providers have expressed interest in competitively bidding for the long-term management of that facility.

[2:57:57 PM](#)

CO-CHAIR SPOHNHOLZ drew attention to the topic of per- and polyfluoroalkyl substances (PFAS). She said that for quite some time the health department had a clear statement that if the sum concentration of the five PFAS of concern were above the Department of Environmental Conservation's (DEC) action level of 70 parts per trillion (ppt) to immediately stop drinking the water and stop using it to prepare baby formula. She expressed

her surprise, given the commissioner designee's background in environmental health and safety, to learn that that has now been updated and the specific language referencing the DEC standard of 70 ppt removed. She requested an explanation for this.

COMMISSIONER CRUM replied it was decided, as a state, to follow the Environmental Protection Agency's (EPA) health advisory guidance of 70 ppt for the sum of two PFAS contaminants. Long-term studies are being done on this emerging issue. The Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR) are going to do long-term longitudinal studies at eight sites around the U.S. to figure this out because there is no concrete determined levels across the board. Many states have standards, but they vary. Because of where Alaska is standing at, it was decided to tie Alaska to the current EPA standard.

CO-CHAIR SPOHNHOLZ asked whether the EPA standard is 70 ppt.

COMMISSIONER CRUM confirmed [it is 70 ppt] for the sum of two [PFAS contaminants].

CO-CHAIR SPOHNHOLZ inquired why that information was taken out of the statement on the state's public health web site.

COMMISSIONER CRUM responded he would check on that.

CO-CHAIR SPOHNHOLZ reiterated that the section of the sentence that clearly described the standard has been removed. She said this is concerning from a public health standpoint.

COMMISSIONER CRUM thanked the co-chair for bringing this to his attention and said it will be taken care of.

[3:00:10 PM](#)

CO-CHAIR ZULKOSKY noted the committee has been asking a lot of questions about leadership rationale because the role assumed by commissioner designee is protecting access to some really critical programs for many vulnerable Alaskans, and the budget is tied to managing these issues. The administration recommended eliminating the hold harmless provision as it relates to the permanent fund and individuals on public assistance. Elimination of this program does not save general fund dollars and serves as a critical safety net for low income Alaskans who for a short period of time after receiving their permanent fund [dividend] are bumped out of eligibility. She

asked whether the commissioner designee was involved in suggesting that Alaska eliminate the hold harmless provision.

COMMISSIONER CRUM answered this is not a general fund issue, but rather comes directly from the permanent fund, or where those dollars come from. For that to go away there would have to be a bill. He offered his belief that a bill has not been presented.

CO-CHAIR SPOHNHOLZ stated she is not introducing a bill.

CO-CHAIR ZULKOSKY, given that the hold harmless provision does not save general fund dollars, asked whether the commissioner designee supports eliminating the hold harmless provision program and potentially exposing Alaskans to being at risk of losing benefits that they would otherwise qualify for.

COMMISSIONER CRUM responded that payment of the full permanent fund dividend would more than mitigate that coverage, which was pointed out by Representative Pruitt.

CO-CHAIR ZULKOSKY requested the commissioner designee to state whether he supports eliminating the hold harmless program.

COMMISSIONER CRUM answered yes.

REPRESENTATIVE PRUITT pointed out that about \$43 per permanent fund dividend is paid for the hold harmless. He said the committee seems to be centrally focused instead of having a different discussion about maybe going to a quarterly payout or something else. It is more of a budgetary conversation that doesn't necessarily speak to the qualifications of the individual before the committee. The commissioner designee has demonstrated very well his understanding of the issues, and perhaps that is where the committee should keep its comments and questions.

[3:03:20 PM](#)

CO-CHAIR SPOHNHOLZ noted that early on in the API process the commissioner designee exerted emergency authority over API. This was confusing because as the ultimate arbitrator the DHSS commissioner already has authority over API. She asked what new tools were given to the commissioner designee by exerting the emergency authority.

COMMISSIONER CRUM replied that there is a statute that allows the DHSS commissioner to assume control of any licensed health

facility, either temporarily or permanently, and insert the commissioner's own management, and that was the tool used since API is a licensed health facility in the state of Alaska.

3:04:01 PM

CO-CHAIR SPOHNHOLZ said she is confused because as commissioner, Mr. Crum would already have that authority within his framework since API is a public institution and the director of API fundamentally reports to the DHSS commissioner. She offered her understanding that the statute allows the commissioner to assume authority over a private hospital that isn't living up to the standards of care that are necessary in the state of Alaska.

COMMISSIONER CRUM responded that the decision to use this statutory authority was made in conjunction with the department's partners at the Department of Law (DOL). Responding further, he confirmed that DOL recommended it.

CO-CHAIR SPOHNHOLZ inquired about the additional tools provided by the statute.

COMMISSIONER CRUM answered, "It elevated this to the level to where we understood exactly what was going on and it made it a public issue, so we knew ... we're going to take care of it."

CO-CHAIR SPOHNHOLZ commented she still is not certain why that was needed, but that the commissioner designee is saying DOL told him he needed to do that.

COMMISSIONER CRUM confirmed the aforementioned.

3:05:10 PM

CO-CHAIR ZULKOSKY recalled informal discussions, not before the committee, with the commissioner designee about the department's efforts in approaching CMS for approval of proposed Medicaid cuts. She requested the commissioner designee to describe in detail the efforts DHSS has made since January in seeking approval from CMS for Medicaid cuts.

COMMISSIONER CRUM replied he is not comfortable addressing it at this time because DHSS is waiting on some extra guidance that will help determine the direction DHSS is working on.

CO-CHAIR ZULKOSKY offered the committee's understanding that there is an approval process that needs to happen, and CMS may

not ultimately approve what DHSS is potentially proposing or considering. It would seem that state government should be a public and transparent process and that the commissioner designee would feel comfortable in talking about it with legislative bodies. She asked how the commissioner designee anticipates it would impact Alaska's Medicaid program if CMS does not approve the proposed cuts.

COMMISSIONER CRUM inquired whether the co-chair is referring to the Phase One cuts for Medicaid.

CO-CHAIR ZULKOSKY said she is referring to CMS rate reductions.

COMMISSIONER CRUM responded yes, [DHSS] is "working with CMS on that for those items." He apologized for having thought the co-chair was talking about the Phase Two process.

CO-CHAIR ZULKOSKY asked whether the commissioner designee intends to come back to the legislature next year for a supplemental if CMS does not approve those reductions and [DHSS] is required to pay more than what was budgeted.

COMMISSIONER CRUM responded, "If that is the case, then yes [DHSS] would have to do so."

[3:07:03 PM](#)

CO-CHAIR SPOHNHOLZ related that in the original proposal for Tier I rate reductions, community access hospitals and primary care providers were amongst those that were carved out. She further related that the rebasing of behavior health rates was just completed and that the state has a substance abuse challenge. She inquired whether the commissioner designee is prepared, if funding is available, to also carve out behavioral health providers from the rate reductions and inflation withholding.

COMMISSIONER CRUM answered yes. He added that DHSS evaluates this process and as the Section 1115 Waiver also comes into action the department will evaluate with its partner groups as well to see if there is funding available to appropriate as such, and then yes, the department will continue down that road to make sure it is funded.

CO-CHAIR SPOHNHOLZ stated she thinks that is wise because her experience at the Salvation Army was that it took a while for DHSS to transition from grants over to Medicaid funding. Part

of the problem in that transition was that the Medicaid rates weren't adequate to actually cover the amount of cost of delivering service. Even though the Salvation Army is a bare bones budget operation it struggled to make its Clitheroe Center operation continue to pencil out. As director of development and communications her job was to backfill and ensure that the doors were kept open. The rebasing process was no sooner finished when providers heard that there was going to be a rate reduction and they hadn't even seen the results of the rebasing go into effect. This made it difficult for people to understand how they were going to get to the other end of their behavioral health care system redesign. It gives her some comfort that the commissioner designee is saying he is willing to protect them.

[3:09:42 PM](#)

CO-CHAIR SPOHNHOLZ opened public testimony.

[3:10:11 PM](#)

ALYSON CURREY, Legislative Liaison, Planned Parenthood Votes, testified in opposition to the confirmation of Adam Crum as commissioner of DHSS. She said her organization believes Mr. Crum lacks experience with health care policy, delivering health and social services, and his ideology is fundamentally at odds with the department's mission. In his 2016 campaign for state senate, Mr. Crum ran on a platform of cutting access to government programs and restricting a woman's constitutional right to make decisions about her own body and anti-abortion activists are supporting his nomination for this very reason. In a November 2018 article with Alaska Public Media a representative from Alaska Right to Life, which opposes all abortion, noted that the organization endorsed Mr. Crum in his run for state senate because of his commitment to ending abortion and that the organization hoped Mr. Crum could make an impact on ending abortion in his role at DHSS. The department oversees access to health care services, including abortion care, for people with low incomes in the state. Planned Parenthood Votes recognizes and respects that everybody has a variety of opinions on abortion, but feels that someone who is fundamentally opposed to those services should not be in charge of controlling access to those same services.

MS. CURREY stated Alaska needs a leader who will implement proven and effective strategies for improving public health and decreasing health disparities across communities. Alaska has some of the highest rates of suicide, domestic violence, sexual

assault, and sexually transmitted infections in the nation. Alaska needs a commissioner who has the experience necessary to tackle these challenges and advance bold solutions that will improve the health of all Alaskans across the state, especially historically marginalized communities that are more likely to already lack access to health care and social services. So far, the ideas presented to the legislature by DHSS to contain Medicaid costs would not accomplish these goals, they would further exacerbate the public health problems communities are currently facing. Alaska needs a commissioner that can be counted on to promote healthy communities and families without limiting access to care. Between presentations by department staff in numerous committees and the commissioner designee's noticeable absence from many of them, Planned Parenthood Votes is not confident that Mr. Crum is the best fit for this position and asks the committee to reject his nomination.

3:13:03 PM

JAYNE ANDREEN testified in opposition to the confirmation of Adam Crum as commissioner of DHSS. She said she is before the committee as someone who has worked in Alaska for the last 37 years in health and human services. She has worked in both the private and public sector and worked in leadership roles within the state. She has also served as a national trainer for a health policy curriculum that was developed out of the University of North Carolina, Chapel Hill, from 2009-2017. As such, she has trained hundreds of health service providers on how to do public policy, all the way from determining when policy is needed, to analyzing policy, to when it will best meet the needs of whatever the group is looking at, to implementation and evaluation and that is where she brings her main concern. She has not met Mr. Crum, but hears he is a nice guy, which she appreciates.

MS. ANDREEN expressed her concern about Mr. Crum's lack of experience, particularly in the area of health and human service policy and how to go about doing that, which is one of the most critical components of being a commissioner. A commissioner must have good management skills and good people skills, and must understand and know how to effectively implement policy. Mr. Crum has gone on the record saying he is not a health policy type of guy. She is concerned looking at the number of very significant policies that have come out of the administration and DHSS. Maintenance of the Senior Benefits Program for the state's most vulnerable elders is one of the issues she has been concerned about over the last several years. What she heard

today is that the driving force for most of the policies that have come out is based on the need to cut the budget. What she is concerned Mr. Crum may not bring to the table is the ability to look at who this is going to impact, how it is going to impact them, in what ways can that be mitigated, and what ways can it be worked around. She recently attended two hearings on the Senior Benefits Program in which DHSS staff said they didn't know what the impact of eliminating the program would be on many of the people in the program. That concerns her. The staff keeps saying it is very complex and that these people could get food stamps and that there might be other programs that could help them, but staff couldn't give concrete numbers. That is the kind of information that has to be gathered and assessed upfront before a policy is put into place or even proposed. There are 4,700 people in the state who are very concerned about losing two months' worth of stipends. She is also concerned that in an over \$3 billion budget, staff doesn't know if \$800,000 can be found to fill that gap.

MS. ANDREEN offered her belief that many of the policies that DHSS has been working on implementing are coming from the governor's office, not from Mr. Crum's leadership. She agreed Mr. Crum's statement is true that he takes his marching orders from the governor, but said one of the responsibilities of a good commissioner is to be able to come back to the governor and say it is understood what is wanted, but here is what the department's analysis shows, what the options are, what the evidence is, what the data tells, to help the governor make decisions that are going to be in the best interest of Alaskans' health and wellbeing. While Mr. Crum is a nice guy and has excellent educational credentials, she isn't sure he has the qualities that are most specifically needed for this position.

[3:17:27 PM](#)

TONYA HALLIDAY, Cook Inlet Dental, testified in opposition to the confirmation of Adam Crum as commissioner of DHSS. She stated Mr. Crum does not have the knowledge or experience to run the largest and most complicated agency in the state, and that by his own admission he is not a health policy guy. His retooling of how the most vulnerable Alaskans are collectively cared for has led to crises at API and the Pioneer Homes. His health policy, driven by strategies that drive efficiencies and cost savings within the system, has led the state to "a ten-hundred-million-a-month contract" with Wellpath and huge cost increases at Pioneer Homes for residents. Since Mr. Crum took over DHSS, there has been an alarming trend of delayed and slow

payments to providers and of only paying care coordinators once per month. While waiting until the last moment to pay or deny claims, the department is shifting the cost to providers at the detriment of their livelihoods. Also, the increasing of the pre-authorization process affects recipients' ability to seek timely care and hamstring providers' ability to provide that care. Medicaid block grants don't work and will do more harm than good. What atrocities will Mr. Crum have in store for children's services, juvenile justice, senior and disability services, and public assistance when he believes that getting people off of state-paid health care and into sustainable jobs will be a priority? Not everyone receiving state services is employable, which is why many are receiving state services. Mr. Crum's strategy to cut and gut behavioral health, including the funding of the Suicide Prevention Council, is horrific. She urged the committee to vote no on confirming Mr. Crum.

3:19:50 PM

MICHELLE OVERSTREET, Founder & Executive Director, MyHouse, testified in support of the confirmation of Adam Crum as commissioner of DHSS. She stated Mr. Crum has been a mentor, volunteer, and advisory board member for MyHouse almost since its founding. Mr. Crum does have the qualifications that would be needed. She understands some of the concerns that have been expressed about policy, but given Alaska has the highest rates in the nation of domestic abuse, suicide, child sexual abuse, and sexual assault, it is time for a fresh set of ideas. MyHouse knows Mr. Crum to be a creative and innovative leader from his work with the organization. Mr. Crum answered the committee's questions with integrity and that is his character. MyHouse has experience with Mr. Crum in an advisory capacity for the youth it serves, many of whom are marginalized and left by the wayside, and there was no discrimination for any of the youth by Mr. Crum. His concern is for the betterment of the youth and the betterment of Alaska. That isn't to say he would exclude other groups like seniors or those with other kinds of disabilities, but it is speaking to his character and his commitment to increasing access to services and empowering people to become the best they can be. MyHouse is an organization that utilizes public health in its building, and it utilizes a lot of the same philosophies and strategies that Planned Parenthood does, and she has never had Mr. Crum be negative about the demographic that is served. He has the ability to turn the tide for a lot of things that MyHouse has been trying to change in Alaska for a long time. She urged the committee to offer Mr. Crum the support to do that.

3:23:33 PM

ZHENIA PETERSON testified in opposition to the confirmation of Adam Crum as commissioner of DHSS. She said that while Mr. Crum has experience running a business in Alaska, he has never worked in a health related field and does not have background in working with public policy. This is concerning given his primary job is overseeing numerous health departments. Mr. Crum's past statements about the size of state government and reducing government budgets cause her to worry that his initiatives will put people out of jobs and cut funding to the health care services that many Alaskans rely on. Also concerning are Mr. Crum's ties to the Alaska Right to Life group and past statements about women receiving basic health care services. She fears that Mr. Crum will, when the time comes, make a decision on women's right to choose that is based on his personal ideology. As a woman living in Alaska she worries about her constitutional and health rights being taken away from her because of somebody else's agenda and priorities. She urged the committee to reject the appointment of Mr. Crum.

3:25:45 PM

SHELLEY EBENAL, Executive Director and General Counsel, Greater Fairbanks Community Hospital Foundation; CEO, Foundation Health Partners (FHP), testified in support of the confirmation of Adam Crum as commissioner of DHSS. She explained that FHP offers a full continuum of health care services to Interior northern Alaska residents. These services include Fairbanks Memorial Hospital and Tanana Valley Clinic and Denali Center, a long-term care facility. During Mr. Crum's first few months on the job the FHP board invited the commissioner designee to Fairbanks. Since that first meeting Mr. Crum has made himself available to the board on several occasions and has continued dialogue about existing needs and services in the Interior. His door has always been open, and he has been available to approach problems in a reasonable manner. Mr. Crum asks great questions, as well as the right questions, about what is and isn't working. He was engaging, earnest, a quick study, and was solution oriented. From his first three months on the job Mr. Crum appears to be committed to gain the knowledge necessary to address the issues facing DHSS. The state's challenging budget constraints are understood by FHP. The commissioner's difficult task of identifying ways to reduce the costs while maintaining services for Alaska is appreciated. Her organization stands ready to continue working with the department and the commissioner

designee to identify solutions to problems facing Alaska's health care delivery system. She urged the committee to support Mr. Crum's confirmation.

3:28:30 PM

ELIZABETH RIPLEY, CEO, Mat-Su Health Foundation, testified in support of the confirmation of Adam Crum as commissioner of DHSS. She noted the foundation shares ownership in Mat-Su Regional Health Center. She first met Mr. Crum at the Mat-Su Business Alliance where he and his family's business, Northern Industrial Training, have won multiple awards for growing their business and helping the Mat-Su economy. Since then she has had the opportunity to interact with Mr. Crum in his new role as commissioner and she has been impressed with how quickly he has come to understand the department, Alaska's health care needs and challenges, and the complicated funding streams, systems, and statutes that drive health care delivery in Alaska. Mr. Crum has expressed appreciation and support for DHSS staff for their efforts to improve health care and he is trying to help the divisions break down silos and be more strategic, efficient, and effective. Mr. Crum has a heart for this work and coupled with his business acumen will go a long way toward making his tenure successful. He is trying to negotiate a path forward with CMS to meet the governor's goal of reducing health care costs to the state and reducing the health care costs for Alaskans. Mr. Crum knows Alaska has behavioral health challenges, including an opioid crisis. He recognizes the need to shift investment to prevention and early intervention. He grasps the benefits of maximizing investments in home and community services. Mr. Crum understands that he and his leadership are being counted on to figure out how to make these shifts to get more value and better health outcomes for Alaskans from their health care delivery system.

MS. RIPLEY said her foundation has some concerns about changes to Medicaid that have been put forward by the administration, but the foundation feels that its concerns are being heard by Mr. Crum. The foundation's position has always been that Medicaid reform offers opportunities for efficiencies that must be explored. The foundation has expressed to DHSS that behavioral health and home and community based providers should be excluded from the proposed provider rate cut. The foundation has also discussed how private sector investment in the community to build out behavioral health services and long-term services support is dependent in part on a stable Medicaid environment. There is a need to have someone at the helm of

DHSS who has the business acumen, the finance and budgetary skills, the workforce development expertise, and the communication and emotional intelligence to lead change and Mr. Crum has those skills and experiences. She looks forward to partnering with DHSS to deliver more value for its health and social services dollars.

[3:31:44 PM](#)

GREG WEAVER testified in opposition to the confirmation of Adam Crum as commissioner of DHSS. He said the committee had some direct questions of Mr. Crum, but there were a lot of indirect answers or answers that went nowhere. He met Mr. Crum over 12 years ago when he was employed at the family's truck driving school and he witnessed a lot of things he wasn't happy with between students and instructors. Mr. Crum doesn't have the character or leadership qualities, nor has Mr. Weaver seen any accomplishments or government experience in Mr. Crum's life. He urged the committee to vote no on Mr. Crum's appointment.

[3:33:27 PM](#)

CASEY DSCHAAK testified in support of the confirmation of Adam Crum as commissioner of DHSS. The question before the committee is whether Mr. Crum is qualified for the position. It does not have anything to do with whether members agree with Mr. Crum's policies or the direction that he wants to take the department. Mr. Crum has experience managing a large group of people and a disparate number of competing requirements, which is what the commissioner position will require. Many of the [committee's] questions have been leading and many have given Mr. Crum no choice regardless of whether he answers yes or no. He cautioned the committee to look at whether the person is being evaluated on his ability or on his policies. The committee should not hold this appointee responsible for being a doctor or someone who has long-term experience in the health field. What needs to be looked at is whether this person is able to manage this department and Mr. Crum is a very qualified person to management this department.

CO-CHAIR SPOHNHOLZ responded there might be a difference of [opinion] on what the importance of the committee's questioning is. When running a \$3.4 billion organization it is fair game to have a conversation about the policies in order to demonstrate whether the applicant has the chops and has done the work to demonstrate readiness for the job. This committee takes its

responsibility to vet this candidate very seriously because it is so important.

[3:36:56 PM](#)

CO-CHAIR SPOHNHOLZ left public testimony open.

[3:37:44 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 3:38 p.m.