

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

March 17, 2020

3:22 p.m.

**MEMBERS PRESENT**

Representative Tiffany Zulkosky, Chair  
Representative Ivy Spohnholz, Vice Chair  
Representative Matt Claman  
Representative Harriet Drummond  
Representative Geran Tarr  
Representative Sharon Jackson (via teleconference)

**MEMBERS ABSENT**

Representative Lance Pruitt

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S) :

State Medical Board

Christopher Gay - Anchorage

Sarah Bigelow Hood - Anchorage

David Boswell - Fairbanks

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 267

"An Act relating to short-term health care insurance; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 255

"An Act relating to a waiver of work requirements or time limits in the food stamp program; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 267

SHORT TITLE: SHORT-TERM HEALTH CARE INSURANCE  
SPONSOR(s): REPRESENTATIVE(s) ZULKOSKY

02/21/20 (H) READ THE FIRST TIME - REFERRALS  
02/21/20 (H) HSS, L&C  
03/17/20 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 255

SHORT TITLE: FOOD STAMPS; WORK REQS; TIME LIMITS  
SPONSOR(s): REPRESENTATIVE(s) JOSEPHSON

02/19/20 (H) READ THE FIRST TIME - REFERRALS  
02/19/20 (H) HSS  
03/17/20 (H) HSS AT 3:00 PM DAVIS 106

**WITNESS REGISTER**

CHRISTOPHER GAY, M.D., Appointee  
State Medical Board  
Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the State Medical Board.

SARAH BIGELOW HOOD, Appointee  
State Medical Board  
Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the State Medical Board.

JULIA BUSCHMANN, Staff  
Representative Tiffany Zulkosky  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the committee substitute (CS) for HB 267, Version S, on behalf of Representative Zulkosky, prime sponsor, with the use of a PowerPoint presentation.

SARAH LUECK, Policy Analyst  
Center on Budget and Policy Priorities  
Washington, D.C.

**POSITION STATEMENT:** Testified and answered questions during the hearing on HB 267.

LORI WING-HEIER, Director  
Anchorage Office  
Division of Insurance

Department of Commerce, Community and Economic Development  
(DCCED)

Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during hearing on HB 267.

ELISE SORUM-BIRK, Staff  
Representative Andy Josephson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 255 on behalf of Representative Josephson, prime sponsor, with the use of a PowerPoint presentation.

SHAWNDA O'BRIEN, Director  
Division of Public Assistance (DPA)  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 255.

REPRESENTATIVE ANDY JOSEPHSON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided information and answered questions during the hearing on HB 255, as prime sponsor.

CARA DURR, Director of Public Engagement  
Food Bank of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during hearing on HB 255.

ED BOLEN, Senior Policy Analyst  
Center on Budget and Policy Priorities  
Washington, D.C.

**POSITION STATEMENT:** Testified and answered questions during hearing on HB 255.

#### **ACTION NARRATIVE**

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**CHAIR TIFFANY ZULKOSKY** called the House Health and Social Services Standing Committee meeting to order at 3:22 p.m. Representatives Zulkosky, Spohnholz, Tarr, and Drummond were present at the call to order. Representative Claman arrived and

Representative Jackson joined (via teleconference) as the meeting was in progress.

**CONFIRMATION HEARING(S): State Medical Board**

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CHAIR ZULKOSKY announced that the first order of business would be confirmation hearings for appointment to the State Medical Board.

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CHRISTOPHER GAY, M.D., Appointee, State Medical Board, relayed that he founded the Alaska Center for Pain Relief; with its primary focus to help patients manage pain and minimize reliance on opioids. He maintained his interest in serving on the State Medical Board was to be involved in drafting regulations related to opioid education for providers who were prescribing opioids, to assist in drafting regulations for prescription monitoring, and to review cases regarding opioid prescriptions. He offered his interest stemmed from wanting to ensure the providers who treated his family were the best and would not be a danger to society. He expressed his belief he would bring a useful and unique prospective to the board given his background and specialty in interventional pain management; many of the cases that came up regarding licensing were related to opioid management; and the regulations for licensing in the state were also related to opioid management. He has practiced in several other states and, therefore, brought diversity to the board.

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REPRESENTATIVE SPOHNHOLZ asked why he moved from Virginia to Alaska.

DR. GAY shared one of his mentors had moved to Alaska. He said he worked for one of the largest pain practices in the country; the larger it got the less control he had over his ability to practice the way he wanted. He stated he was attracted to Alaska due to the change of pace, the people, and the practice opportunities.

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REPRESENTATIVE SPOHNHOLZ asked about his interest in managing pain and minimizing the use of opioids. She asked for a

description of the evidence-based strategies he used to help his patients manage pain and how use of the strategies would inform his work on the State Medical Board.

DR. GAY replied "balance" was the key to the management of pain; no one treatment could effectively treat pain, but a combination of treatments. He mentioned working with other specialties - physical therapy, chiropractic treatment, acupuncture, and biofeedback. He said what he added to the equation were his interventions in trying to address the underlying issue causing the pain or limiting mobility and function. He maintained relying too heavily on one modality - specifically opioids - often caused the most issues; when opioids were combined with the other modalities, patients' use of opioids may be reduced or eliminated. Some patients were motivated not to be on opioids, and some may never have relied on opioids. His goal was to keep them off opioids and keep them functional without them. He stated his goal [for serving on the board] was to ensure the state's guidelines were not too onerous; the prescription monitoring program was reviewed by patients and physicians; and information was used to make informed decisions about appropriate therapies.

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CHAIR ZULKOSKY stated the State Medical Board had a statewide reach and by statute, as many geographical areas as possible were represented on the board with diversity in backgrounds. She asked about his familiarity with rural communities off Alaska's road system and the health care organizations within those communities.

DR. GAY recognized that rural communities had many challenges - one being access to care. He said unfortunately that challenge caused some physicians to rely heavily on one modality versus another. He stated his practice had investigated and tried telehealth. He maintained it was more challenging for the providers in the community when the specialties were lacking. He offered the state had led the way in telehealth going back ten years; trained providers in the community worked under the supervision of remote providers to deliver care. He asserted the State Medical Board's role was to ensure statutes and guidelines included the situation in rural communities.

CHAIR ZULKOSKY relayed most of the hub communities had sophisticated tribal health facilities providing a comprehensive

scope of health services. She asked what his relationship was with providers serving in the hub community hospital settings.

DR. GAY answered he had not had any connections with them; he would like to explore doing so; he suggested the possibility of informing providers about the services that could be available to rural residents.

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CHAIR ZULKOSKY relayed the committee had heard testimony from young leaders - in Anchorage, Juneau, and Fairbanks - in support of making medically accurate age-appropriate sexual education accessible to Alaska students. She asked for his prospective as a provider on making such information available to Alaska students.

DR. GAY answered, "It would of course depend on a certain number of things." He posed the questions: Who is making the guidelines? What is age-appropriate? What is being taught? Are religious preferences and cultural sensitivity being followed? He said that the answer was not an easy one, but in select situations in which all these issues are considered, he would be potentially supportive.

CHAIR ZULKOSKY asked Dr. Gay to define ethical, unprofessional, or dishonorable conduct of medical providers, particularly as it related to women's or reproductive health.

DR. GAY replied the first definition would be to respect the wishes of the women. He offered Alaska limited government interference into daily life activities; therefore, regarding reproductive health, it would be an individual decision for women to determine what happened to their bodies. He said there were many experts on the subject, and if the board had to craft regulations on the issue, he would want to hear opinions from all sides and perspectives.

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SARAH BIGELOW HOOD, Appointee, State Medical Board, relayed that she was born and raised in Juneau, was married with two children, and currently worked in family medicine. She stated she applied to be on the State Medical Board so she could work with other providers to ensure Alaska residents were being cared for by competent providers. She reviewed her professional and volunteer experience: 10 years with the Alaska Academy of

Physician Assistants (AKAPA); 10 years as the Alaska representative to the American Academy of Physician Assistants (AAPA); and 17 years' practice in family medicine and pain management. She stated with her history in the medical field, she had a strong understanding of the collaborative role of the physician assistant (PA) in the medical field. She said prior to entering the medical field, she worked for the State of Alaska for about 12 years in human resources and labor relations. During that time, she developed a strong understanding of investigations and reviewing facts leading to accurate and fair conclusions. She offered her combined work history would be an asset to the State Medical Board.

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REPRESENTATIVE SPOHNHOLZ asked Ms. Hood why she wanted to serve on the State Medical Board.

MS. HOOD shared she had followed board activity over the past 10 years and felt there was a lack of communication regarding issues seen in the medical community and how to prevent or correct certain practices. She maintained with her experience and background she could bridge the gap and ensure that PAs served in a capacity that was best-fitting and most appropriate for the medical community.

REPRESENTATIVE SPOHNHOLZ asked for more detail on the issues and communication gaps that the appointee wished to address.

MS. HOOD offered one issue was the Prescription Drug Monitoring Program (PDMP) database; she was supportive of the database; she believed use of the database by providers should be required to ensure prescribing was done appropriately. With the current opioid crisis, the database should be more tightly monitored and used to protect patients.

REPRESENTATIVE SPOHNHOLZ agreed with that sentiment. She asked for clarification of Ms. Hood's testimony that there was a lack of communication.

MS. HOOD answered in the past ten years, a PA school was opened in Anchorage; there were about 24 graduates annually. She communicated with the graduates as a preceptor. She maintained when asked, many students had a lack of understanding of the PA board, the PA community, the State Medical Board, the role of PAs, MDs, and advanced practice registered nurses (APRNs) in the community and their affect on the public. She maintained if the

students were educated earlier in their careers, they would carry an understanding forward throughout their careers with more benefit to patients.

REPRESENTATIVE SPOHNHOLZ shared she worked at the University of Alaska Anchorage (UAA) College of Health when the PA program began in Alaska. She mentioned it was well established and successful in graduating PAs.

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CHAIR ZULKOSKY asked Ms. Hood about her familiarity with rural communities off Alaska's road system and the health systems that provided services to those communities.

MS. HOOD replied she grew up in Juneau and had spent 30 years in that community, which is off the road system. She shared experiences her family had with two children with difficult medical conditions and limited access to health care. Currently in Anchorage she worked with patients coming from remote sites through the Disability During Unemployment (DDU) program or to the pain clinic where she works. She maintained there were many challenges - not just regarding access to care but regarding access to knowledge for providers in remote sites. She worked in journal clubs - both with her job and on the side - to try to disseminate information on latest treatments, medications, and informational websites. She said patients needing follow-up care were limited due to the expense of travel, lack of funding for travel, and family situations.

CHAIR ZULKOSKY asked what experience Ms. Hood had with licensures of applicants, disciplinary sanctions, and license renewals as they related to rural health care system providers.

MS. HOOD responded she worked in the [Bartlett Regional Hospital (BRH)] emergency department in Juneau and on the Kenai Peninsula. She has coordinated the annual PA conference and, therefore, has been in contact with many PAs throughout the state. She relayed she has brought questions from PAs at remote sites to the "state board" to be addressed. She said she was also the contact regarding pain management; she educated providers on the appropriate prescription of opioids. She was the contact for access to the [Alaska] Academy of PAs as well.

CHAIR ZULKOSKY asked Ms. Hood to define ethical, unprofessional, or dishonorable conduct of medical providers, particularly as it related to women's or reproductive health.

MS. HOOD answered respect of women's wishes was top priority. She expressed that her responsibility was to abide by the oath [of medical providers] to do no harm, to inform patients of all options regardless of personal belief, and to ensure safety.

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CHAIR ZULKOSKY opened public testimony on the State Medical Board confirmation hearing. After ascertaining that there was no one who wished to testify, she closed public testimony.

[3:44:16 PM](#)

The committee took a brief at-ease.

[3:44:41 PM](#)

CHAIR ZULKOSKY moved to advance the confirmations of Christopher Gay, Sarah Bigelow Hood, and David Boswell, appointees to the State Medical Board, to a joint session of the House and Senate for consideration. [The confirmation hearing for Mr. Boswell was held during the House Health and Social Services Standing Committee meeting of March 12, 2020.] There being no objection, the confirmations were advanced.

CHAIR ZULKOSKY moved to advance the confirmations of Anita Halterman and Rhonda Boyles, appointees to the Alaska State Mental Health Trust Authority Board of Trustees, to a joint session of the House and Senate for consideration. [The confirmation hearings for Ms. Halterman and Ms. Boyles were held during the House Health and Social Services Standing Committee meeting of March 12, 2020.] There being no objection, the confirmations were advanced.

CHAIR ZULKOSKY reminded members signing the reports regarding appointments to boards and commissions in no way reflected individual members' approval or disapproval of the appointees, and the nominations were merely forwarded to the full legislature for confirmation or rejection.

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The committee took an at-ease from 3:45 p.m. to 3:48 p.m.

[Chair Zulkosky passed the gavel to Vice Chair Spohnholz.]

**HB 267-SHORT-TERM HEALTH CARE INSURANCE**

3:48:20 PM

VICE CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 267, "An Act relating to short-term health care insurance; and providing for an effective date."

3:48:26 PM

REPRESENTATIVE DRUMMOND moved to adopt the committee substitute (CS) for HB 267, Version 31-LS1521\S, Marx, 3/10/20, as the working document.

VICE CHAIR SPOHNHOLZ objected for discussion purposes.

3:48:50 PM

REPRESENTATIVE ZULKOSKY, as prime sponsor of HB 267, introduced the CS for HB 267, Version S, as follows:

This legislation seeks to enact consumer protections for Alaskans insured by short-term limited duration (STLD) health insurance plans. This bill, from our perspective, is narrow and seeks to remedy the lack of protections in Alaska related to short-term health insurance. In the last two years, many states have enacted similar protections for consumers. This legislation seeks to bring similar standards to Alaska and ensure that Alaskans are no longer put at undue risk for significant financial hardship posed by these plans.

REPRESENTATIVE ZULKOSKY added that Version S reflected changes suggested by the Division of Insurance, [Department of Commerce, Community & Economic Development (DCCED)]. The proposed legislation had a zero fiscal note offering the opportunity to protect consumers at no cost to the State of Alaska.

3:50:32 PM

JULIA BUSCHMANN, Staff, Representative Tiffany Zulkosky, Alaska State Legislature, on behalf of Representative Zulkosky, prime sponsor of HB 267, presented Version S, with the use of a PowerPoint presentation. She began with slide 2, entitled "Short-Term Limited Duration Health Insurance," which read:

- Intended to fill a temporary gap in health coverage.
  - Prior to October 2018, STLD plans were permitted for a maximum of 90 days.
  - STLD plans offer lower premiums and are advertised as an affordable alternative to plans that, while more expensive, offer comprehensive essential coverage.
  
- **The fine print:** These plans do not meet federal qualifications for minimum essential coverage.
  - They do not provide coverage for the Essential Health Benefits, the 10 categories of health care that federal law deems essential.
  - They are able to charge more for those with pre-existing conditions.
  - They can deny an individual's enrollment in a health plan due to their health status, age, gender, or other factors that may affect the purchaser's use of insurance.

MS. BUSCHMANN added that STLD plans, also referred to as "short-term plans" or "short-term insurance," were defined by the federal government as insurance coverage with an expiration date of less than 12 months - a definition in place for nearly 20 years. In 2016, STLDs were redefined as lasting up to 90 days with no renewals. She said Alaska statutes currently lacked consumer protections for individuals with short-term plans; short-term insurance was not required by statute to cover services that were otherwise mandated by health insurance, such as infant hearing screening, telemedicine, diabetes equipment, mammograms, and screenings for colorectal, prostate, and cervical cancers. The plans could exclude coverage for entire categories of benefits, charge higher premiums based on health status, exclude coverage for preexisting conditions, and impose annual limits. They had significantly higher out-of-pocket cost-sharing than other plans available on the individual market. She concluded that while the plans were sold as individual health coverage, they very often did not cover consumers.

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MS. BUSCHMANN turned to slide 3, entitled "Federal Rule-Making Finalized in October 2018," which read:

- The final rule amended the definition of short-term limited duration insurance:
  - Lengthening plan duration to 364 days
  - Increasing renewal options to permit a total coverage period of 36 months
- Possible impacts noted in the federal rule:
  - "**Reduced access** to some services and providers for some consumers who switch from available individual market plans and possibly **reduced choice** for individuals remaining in the individual market risk pools."
  - "Potential increase in out-of-pocket costs for some consumers, **possibly leading to financial hardship.**"
  - "Potential increase in **uncompensated care** by hospitals."

MS. BUSCHMANN referred to the graph on slide 4, entitled "Estimated Costs Between Plans - six months following diagnosis," to point out the high out-of-pocket costs to the consumer associated with the new rule. The estimates on the graph showed the differences in costs between Affordable Care Act (ACA) [the U.S. comprehensive health care reform law enacted in March 2010], compliant plans, and STLD plans. She explained that the graph demonstrated the possible cost for an individual with a six-month plan, the possible cost for an individual with a three-month plan including costs from loss of coverage, and the risk of allowing plans that did not cover preexisting conditions. If an individual's three-month plan ended and was renewed while the person still required [medical] treatment, short-term plans could exclude coverage for services associated with a condition through medical underwriting. She gave an example: If the individual's preexisting condition was high blood pressure, and the person had a stroke as a result, the insurer could refuse to pay for any treatment related to the stroke, even if at the time the person had short-term insurance.

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MS. BUSCHMANN moved on to slide 5, entitled "Prevalence of State Regulations - January 2020," which illustrated by way of a map that 32 states and the District of Columbia had regulated the STLD plans: in 8 states STLD plans were banned or precluded based on longstanding requirements; some states had chosen to limit plan duration to 90 days or six months; other states had opted for a full year including renewals. She referred to the handout in the committee packet entitled "Duration and renewals of 2019 Short Term Medical plans by state," for greater detail on state policies. She relayed that on slide 5, states were categorized by permitted length of plan duration, but she suggested that there were other policy areas in which states could enact consumer protections.

MS. BUSCHMANN referred to slide 6, entitled "State-level policies that have since been enacted," which read:

- Limit initial plan duration
- Limit number of renewals
- Limit maximum duration
- Limited availability
- Coverage for pre-existing conditions
- Some states have opted to require coverage for pre-existing conditions only upon plan renewal
- Coverage for essential health benefits
- Required notice to the consumer specifying that STLD plans do not qualify as providing minimum essential coverage

MS. BUSCHMANN relayed that it was possible to limit the availability of the plans: some states didn't allow them to be purchased during the open enrollment period - the period when people could purchase plans on the federal marketplace - or during an individual special enrollment period; Maine required that short-term plans be purchased in person, and there were no short-term plans being sold in Maine currently.

MS. BUSCHMANN continued by saying states had required short-term plans covered certain services: Indiana required short-term plans cover emergency services; the District of Columbia

requires that plans cover services sought in the prior 12 months, if related to a preexisting condition. Some states require that the insurer provide a notice to the consumer relaying that it might medically underwrite the policy and not cover certain services that do not qualify as minimum essential coverage.

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MS. BUSCHMANN turned to slide 7, entitled "Features of HB 267," which read:

- **Defined Duration:** The initial term may not be more than 90 days, which conforms with the duration of STLD plans currently sold in Alaska.
- **Limited Renewal:** An individual can renew an STLD plan once.
- **Required Coverage for Essential Health Benefits and Pre-Existing Conditions:** A plan must cover the ten essential health benefits and services related to a pre-existing condition.
- **Limited Availability:** STLD plans may only be sold outside of the federal marketplace's open enrollment period or an individual's special enrollment period.

MS. BUSCHMANN added that the provision under the last bullet on the slide is important because it required that a person would not be purchasing inherently temporary insurance - a short-term plan - when he/she had the opportunity to purchase longer-term insurance that provides comprehensive coverage.

MS. BUSCHMANN moved on to slide 8, entitled "Summary of Changes for Proposed CS HB 267," which read in part:

- **Limited Renewal:** An individual can renew an STLD plan twice.
- **Required Coverage for Emergency Services:** A plan must, at a minimum, cover ambulatory, emergency, hospitalization, and laboratory services.
- **Protections for Pre-Existing Conditions:** A plan must provide coverage for services associated with pre-existing conditions if an individual renews their plan.

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VICE CHAIR SPOHNHOLZ referred to the third bullet on the slide and asked what the reasoning was for that provision.

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REPRESENTATIVE ZULKOSKY explained Director [Lori] Wing-Heier, [Division of Insurance, DCCED] had relayed some Alaskans reported they lost [health insurance] coverage or had high medical bills, because at the end of 90 days, their policies had to be underwritten; any new medical conditions identified in the initial 90-day window were excluded from coverage. For example, an Alaskan had a leg injury during the initial 90-day period; when the individual had surgery on the leg during a different 90-day period, he/she was told it was a preexisting condition and the cost would not be reimbursed. The consumer was then responsible for the entirety of the coverage being denied.

MS. BUSCHMANN continued with slide 8, which read in part:

- Increase in the Cost-Sharing Provision: A plan can allow up to \$10,000 for self-only coverage and up to \$19,500 for family coverage.

MS. BUSCHMANN explained that the cost-sharing was increased to reflect that lower premium plans tend to have higher cost-sharing.

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REPRESENTATIVE ZULKOSKY drew the committee's attention to the handout in the committee packet describing the STLD plans offered in Alaska.

MS. BUSCHMANN reported there were two insurance companies allowed to issue plans in Alaska - Moda Health and Independence American Insurance Company (IAIC). The plans on the handout were those of IAIC.

[3:59:47 PM](#)

REPRESENTATIVE ZULKOSKY referred to the plans on the handout - offered in Juneau, Bethel, and Anchorage. She pointed out the disparity between the premiums for a female and those for a male, even though pre-natal care and prescriptions drugs were not covered. She relayed that a female paying for a STLD plan

is paying \$132 per month for the least expensive option, or just over \$1,500 per year; the deductible is \$10,000; the coinsurance rate is 50 percent after the deductible is paid. She said, "Essentially while this is being marketed and sold in Alaska as being a health care coverage option, it's essentially not really covering Alaskans who are paying several thousand dollars a year to receive this coverage." She stated that with the understanding that there are Alaskans who may experience a gap in insurance coverage and need a short-term plan until they could purchase more comprehensive coverage, the intent of the proposed legislation was to put parameters around these plans to ensure Alaskans are not exposed to an undue cost burden.

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VICE CHAIR SPOHNHOLZ asked why the insurance cost more for women, considering the typical additional coverages for women like reproductive health care were not covered under the plans.

[4:02:27 PM](#)

SARAH LUECK, Policy Analyst, Center on Budget and Policy Priorities, offered her belief that younger women tended to seek more health care. She acknowledged that without maternity coverage and prescription drug coverage, it was difficult to understand the disparity between women and men regarding cost. She said the higher rates for women reflected practices of the private insurance market before ACA and opined that the short-term plans adopted these practices because they can do so.

VICE CHAIR SPOHNHOLZ asserted any woman would maintain the reason young women use health care more than men is because they are using birth control to prevent pregnancies or because they are pregnant; therefore, if those services are not covered, it makes no sense that health care would cost more.

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MS. LUECK relayed that having observed the changes in the short-term plans and the development of the market over the past couple years as the federal rules have changed, she has heard of situations in which people have been harmed under these plans - with expensive claims not covered. She explained the consumer may understand the plan was not as good as private individual market insurance; however, the surprises for the consumer were not just with benefits not being covered, but with the preexisting exclusions, for which the insurers had a great deal

of latitude. There have been cases in which claims were not covered due to some health condition in the person's past that is not readily recognized by the person to be associated with the present claim. The result is a "bait-and-switch" situation for the consumer in which the person has an expensive and unexpected catastrophic incident occur and discovers that the "catastrophic" insurance does not cover it.

MS. LUECK offered that the data available from the National Association of Insurance Commissioners (NAIC) shows that many of the plans are popular nationwide; they have a medical loss ratio (MLR) of about 40-50 percent. The MLR is a measure of the percentage of the premiums that a health plan spends on medical claims. In the regular individual insurance market, there is a requirement for insurers not only to cover essential health benefits (EHB) and preexisting conditions, and to rate men and women the same, but to spend a minimum portion of the money collected from consumers on actual medical care - 80 percent. The short-term market insurers are not under the 80 percent requirement and, therefore, spend much less.

MS. LUECK concluded, "People may feel, when they buy a short-term plan, that they're getting a good deal or that it's better than nothing." If they are healthy and young, they may be able to find a plan that costs a few hundred dollars per month; however, it may be too much of an expense for the protection they are getting and the risk of financial harm.

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VICE CHAIR SPOHNHOLZ asked for clarification of MLR. She expressed her understanding that it is the amount of funds paid as premium that are used to pay for care.

MS. LUECK answered, "Exactly." She explained that it is the portion of the premiums of the entire group of consumers that is used for medical care. She stated that the rest of the money is used by the insurer for overhead, administrative costs, chief executive officer (CEO) salary, and profit. She further stated that in the regular individual insurance market, the companies were required to spend 80 percent of the premiums on medical care and quality improvement; the remaining 20 percent could be used for overhead, CEO salary, and profit. She maintained that this requirement incentivized companies to not price the insurance plans too high.

MS. LUECK continued by describing the short-term plans - without the 80 percent requirement: Administrative costs were not limited as much. Short-term plans permitted underwriting, which the regular individual insurance market did not permit. Underwriting is an expensive service; it involves looking into the medical records of a consumer, examining medical histories, speaking with physicians, and determining if the consumer was honest and fully disclosed medical conditions upon application. She said that medical underwriting involved a broker and broker commission. The result is that the short-term plans are much more expensive than the ACA plans.

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REPRESENTATIVE ZULKOSKY confirmed for Vice Chair Spohnholz that Moda and IAIC are the two insurance companies that offered the short-term plans, and Moda is just now getting into the market. She relayed there was an interest among insurance companies to expand into the short-term insurance market in Alaska, which is why it was important to establish consumer protections.

VICE CHAIR SPOHNHOLZ asked whether the proposed legislation provided a limit for the MLR.

REPRESENTATIVE ZULKOSKY answered that there is not currently an MLR [limit]; however, there is precedence in other states and would be considered for Alaska.

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VICE CHAIR SPOHNHOLZ asked for comment on the proper role of the short-term plan and the array of options for health care in Alaska.

LORI WING-HEIER, Director, Anchorage Office, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), answered short-term plans did not offer very good coverage. She maintained there was a need for short-term plans in the event of a "gap" in coverage. She pointed out that currently many people were suddenly without jobs due to COVID-19 [a novel coronavirus disease]. She mentioned the U.S. Consolidated Omnibus Reconciliation Act (COBRA) was an option for some people but is extremely expensive. She offered other reasons for suddenly losing health insurance - a divorce or the death of a spouse. She maintained that the short-term plan provided a stopgap measure until a person could determine his/her next step - employee benefits, the individual insurance

market, [U.S. Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Social Services (HSS)] health insurance programs ("Medicaid") and ("Medicare"), or something else.

VICE CHAIR SPOHNHOLZ offered her understanding that in the regular insurance market, Alaska managed the MLR; she asked whether there were other states that managed the MLR proportions.

MS. WING-HEIER answered that the MLR [of 80 percent] was a provision of ACA; all states in that market must comply. She mentioned that in August 2019, Primera [Blue Cross] sent checks to its consumers, because it had not met the 80 percent MLR and, therefore, was required to refund the money. She added that all insurers must do the same under the ACA for the individual and small group markets.

VICE CHAIR SPOHNHOLZ asked whether any states had limited the MLR on short-term limited plans.

MS. WING-HEIER replied, "Not that I'm aware of." She offered to provide that information.

REPRESENTATIVE ZULKOSKY offered to provide a document to committee members showing all state-level actions on STLD plans in a side-by-side comparison. She said there were MLR restrictions in the following states: Delaware at 60 percent; Kansas at 60 percent; Maine at 50 percent; North Dakota at 55 percent; and Vermont at 80 percent.

VICE CHAIR SPOHNHOLZ expressed that it was troubling that 50 percent of a person's premium for a short-term plan was not being spent on health care; a 50 percent profit on health care was excessive. She mentioned the rate differentials between women and men were concerning, as the plans did not cover reproductive health care. She asked for comment on that issue.

[4:17:02 PM](#)

MS. WING-HEIER replied that she shared that concern; however, the actuarial data indicated that young women are more expensive in terms of health care.

VICE CHAIR SPOHNHOLZ asked whether the expense difference is due to health care providers giving young women an annual exam and inoculations.

MS. WING-HEIER said that could very well be.

VICE CHAIR SPOHNHOLZ related an anecdote: She saw her health care provider more frequently than her husband because she was responsible for the reproductive health care for her family. With an annual exam, she received inoculations and preventative care; but to save money, her husband did not.

[4:18:20 PM](#)

REPRESENTATIVE TARR asked whether establishing an MLR restriction would create an administrative burden.

MS. WING-HEIER said it would for plans that are underwritten. She described the increased administrative burden: There are no questions about preexisting conditions on an ACA plan application, but there are on the short-term plan applications. For processing claims, the short-term plan application would be reviewed more thoroughly to determine whether there was a preexisting condition that disqualified the claim.

[4:19:44 PM](#)

The committee took a brief at-ease.

[Vice Chair Spohnholz returned the gavel to Chair Zulkosky.]

[4:19:54 PM](#)

REPRESENTATIVE SPOHNHOLZ removed her objection to Version S. There being no further objection, Version S was adopted as the working document.

CHAIR ZULKOSKY indicated that HB 267 would be held over.

**HB 255-FOOD STAMPS; WORK REQS; TIME LIMITS**

[4:21:11 PM](#)

CHAIR ZULKOSKY announced that the final order of business would be HOUSE BILL NO. 255, "An Act relating to a waiver of work requirements or time limits in the food stamp program; and providing for an effective date."

The committee took a brief at-ease.

[4:21:32 PM](#)

ELISE SORUM-BIRK, Staff, Representative Andy Josephson, Alaska State Legislature, on behalf of Representative Josephson, prime sponsor of HB 255, relayed the proposed legislation would address Supplemental Nutrition Assistance Program (SNAP) waivers for able-bodied adults without dependents - specifically time-limit waivers. She turned to slide 1, entitled "Goals of HB 255," which read:

- Ensure that Alaska is seeking the broadest waiver possible under federal law
- Ensure that Alaska is approving the broadest waiver possible under law
- Ensuring that vulnerable Alaskans have the food they need to be healthy

[4:23:07 PM](#)

MS. SORUM-BIRK moved on to slide 2, entitled "What is SNAP ABAWD work requirement," which read:

Under the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, Able Bodied Adults Without Dependents (ABAWD) are required to meet specific work requirement of 80 hours per month to qualify for benefits.

There is a 3-month time limit per 3 years on benefits if the work requirement isn't met.

MS. SORUM-BIRK explained that SNAP stands for Supplemental Nutrition Assistance Program and is also known as "food stamps." She said that ABAWD stands for Able Bodied Adult Without Dependents; it is someone between 18 and 49 years old who is healthy and capable of working according to federal law.

MS. SORUM-BIRK referred to slide 3, entitled "Waivers SNAP ABAWD Time Limits to Work Requirements," which read:

Since the time limits enactment in 1996 states have been able to apply for waivers in areas of low work availability

Additionally states can exempt up to 12% of caseload who are ineligible for benefits (extending time limit 1 additional month)

Alaska and Guam lost statewide waivers between 4th quarter of 2019 and 1st quarter of 2020

[4:24:38 PM](#)

MS. SORUM-BIRK continued with slide 4, entitled "CBPP- History of ABAWD Waivers from 1998 to 2019." The graphic on the slide was published by the Center for Budget Policies and Priorities (CBPP) and can be found on its website. The slide demonstrated the history of states acquiring waivers from 1998 through 2019. She pointed out from the graph that during that period, Alaska was mostly without any waivers. She mentioned that Alaska has consistently qualified for a statewide waiver due to its challenges in employment.

[4:25:31 PM](#)

MS. SORUM-BIRK turned to slide 5, entitled "Why has Alaska always qualified?" which read:

Consistently High Unemployment

- Alaska has consistently met unemployment requirements under the previous federal rule
- Most areas of Alaska can still meet federal requirements under the new rule

Lack of Traditional Job Opportunities

- Rural communities with less cash economy
- Highly seasonal workforce in many sectors of the economy

[4:26:19 PM](#)

REPRESENTATIVE SPOHNHOLZ asked for a description of the rule recently enacted by the [President Donald J.] Trump administration.

MS. SORUM-BIRK stated the new rule changed the unemployment requirements that a state could use [to qualify for a waiver]. It set the unemployment rate at 10 percent or higher, or for alternate waivers, a base of 6 percent or 20 percent above the national average unemployment rate, whichever is greater. She said that in Alaska, most of the state met the 6-percent requirement. She offered that Alaska has transitioned to the new rule; however, the new rule is not effective until April [2020], and as of [March 13, 2020], implementation of the rule has been temporarily halted under a nationwide injunction [issued by the U.S. District Court for the District of Columbia].

MS. SORUM-BIRK moved on to slide 6, entitled "Which States might be Impacted Most?" which shows the results of an analysis by [Wolfram] Mathematica depicting the states that would be most impacted by the new U.S. Department of Agriculture (USDA) SNAP waiver rule. She pointed out that Alaska would be among the most impacted states with 53-77 percent of ABAWD SNAP participants affected by the new waiver rule.

[4:28:37 PM](#)

MS. SORUM-BIRK moved on to slide 7, entitled "ABAWD Waiver Timeline for Alaska," to provide clarification on the history of the waiver and actions on the national level. In 1964, the Food Stamp Program was codified in federal law. Many changes occurred to the program between 1964 and 1996. In 1996, the ABAWD work requirement became part of federal law with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). In 2008, the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program, or SNAP. In 2010 the American Recovery and Reinvestment Act (ARRA) waived SNAP work requirements nationally and broadened the eligibility for all states to receive waivers. Between 2010 and 2016, the waivers were suspended nationwide.

MS. SORUM-BIRK relayed that in 2016, the time limits were reinstated. In 2018, an overhaul of the SNAP program was put forward in the U.S. Agriculture and Nutrition Act of 2018, or the "Farm Bill," but the proposed tightening measures were rejected by the U.S. Congress. Despite rejection of the measures, the Trump administration put forward a new rule in February 2019 revising the conditions under which USDA would be able to waive ABAWD time limits. It also limited how states could choose metrics and define geographical areas. It was under this rule that the 10 percent and 6 percent were first

discussed. Attorneys general from around the nation and a group of U.S. Senators wrote letters in opposition to the rule.

MS. SORUM-BIRK continued by saying that in October 2019, the [Governor Mike] Dunleavy administration began implementing the new rule at the state level using the 10 percent metric. In December 2019, the Trump Administration rule was finalized and set to go into effect in April 2020. In January 2020 once the rule was finalized, a coalition of states and New York City sued the Trump administration over the new rule. Just a few days ago [U.S. District Court Judge Beryl Howell] blocked the rule temporarily; he cited the pandemic in the opinion.

[4:32:49 PM](#)

CHAIR ZULKOSKY asked how [the new rule] impacted Alaskans.

MS. SORUM-BIRK said that it is estimated that 6,917 vulnerable Alaskans who participated in the SNAP program have lost SNAP benefits due to the rule change. They are individuals who were in the ABAWD category and lived in geographic areas that no longer qualified for the waiver. She referred to the handout in the committee packet, entitled "SNAP Helps 1 in 11 Workers in Alaska Put Food on the Table," and pointed out that about one-third of the Alaskans who were dependent on SNAP worked in the service industry. Those individuals were already at high risk - with little job security and difficulty meeting the 20-hour-a-week minimum for working.

[4:34:37 PM](#)

CHAIR ZULKOSKY asked what the geographic spread was for the nearly 7,000 Alaskans who had lost SNAP benefits under the new rule.

[4:35:10 PM](#)

SHAWNDA O'BRIEN, Director, Division of Public Assistance (DPA), Department of Health and Social Services (DHSS), relayed the areas of the state included in the waiver effective October 2019 were the Bethel Census Area, Bristol Bay Borough, Denali Borough, Haines Borough, Hoonah-Angoon Census Area, Kusilvak, Lake and Peninsula Borough, Nome Census Area, Northwest Arctic Borough, Petersburg Borough, Prince of Wales-Hyder Census Area, Southeast Fairbanks Census Area, Skagway Municipality, Valdez-Cordova Census Area, Wrangell City and Borough, Yakutat City and Borough, and Yukon-Koyukuk Census Area. The total number of

individuals [affected by the waiver] for all those locations is approximately 2,000; the data was constantly changing because the population of people being served significantly fluctuated each month. At any point in time that number might change depending upon when the data was collected, the population included in the data search, and whatever additional information the individuals provided to the division to further exempt them from being considered ABAWD. At the time the waiver went into effect in October 2019, the division calculated about 7,500 individuals to be ABAWD.

CHAIR ZULKOSKY asked Ms. O'Brien to provide the committee with the comprehensive list of communities currently waived and the numbers cited.

MS. O'BRIEN agreed and offered to share information on the waiver for which the division has asked permission to be effective April 1. She also offered to provide the committee with the department's plan in terms of the COVID-19 [a novel coronavirus disease] response; it involved language to exempt all participants of the SNAP program from work requirements due to significant job losses in many communities.

[4:38:34 PM](#)

REPRESENTATIVE TARR asked for clarification as to the number of individuals affected by the rule change.

MS. O'BRIEN responded that when the data was queried in October, about 7,500 individuals were identified and notified that they would be required to participate in ABAWD work-related requirements. She reiterated that the numbers changed monthly.

REPRESENTATIVE TARR asked for clarification on the "2,000" number Ms. O'Brien cited and clarification on the "boroughs" versus "census areas" in the listing of areas of the state.

MS. O'BRIEN replied that about 2,000 individuals were not required to participate [in the new rule] due to the waiver; without the October waiver exempting those areas of the state, there would have been about 2,000 more individuals added to the 7,500. The waiver effective April 1 would have exempted another 900 individuals.

MS. O'BRIEN stated she was not able to explain the terminology or differentiate between census areas and boroughs; it was

determined by the census process within the U.S. Bureau of Labor Statistics (BLS) [U.S. Department of Labor (USDOL)].

[4:41:48 PM](#)

REPRESENTATIVE TARR asked for confirmation of her understanding: the October 1 deadline prompted notices sent to 7,500 people who would be required to participate; that number would have been 9,500; however, 2,000 were identified as not being required to participate; another waiver was requested for April 1, which would exempt an additional 900; therefore, 900 would be subtracted from 7,500.

MS. O'BRIEN answered, "Correct."

[4:42:30 PM](#)

REPRESENTATIVE SPOHNHOLZ asked for confirmation that in October 2019, 7,500 ABAWD were notified that they would be required to work and potentially not eligible for SNAP.

MS. O'BRIEN concurred.

REPRESENTATIVE SPOHNHOLZ asked how many people were no longer eligible for SNAP benefits in November.

MS. O'BRIEN answered that as a result of the ABAWD implementation, none. She explained that November would have been the first month of the three months of benefits in a 36-month time frame; individuals would not have lost benefits until January.

REPRESENTATIVE SPOHNHOLZ asked how many of the 7,500 were eligible for SNAP in January.

MS. O'BRIEN stated that she would ask staff to query the data to determine the number of individuals who lost benefits as a result of the rule change; she added some individuals closed cases for other reasons.

[4:45:09 PM](#)

CHAIR ZULKOSKY referred to the March 2020 injunction citing COVID-19 concerns and asked for the effective date of the decision.

MS. SORUM-BIRK offered her belief that the decision did not apply retroactively but from the point of the decision forward. She offered to confirm that information for the committee.

REPRESENTATIVE SPOHNHOLZ asked Ms. O'Brien to provide the total number of SNAP-eligible people in every month of the calendar years 2019 and 2020.

MS. O'BRIEN agreed to provide that information.

[4:47:10 PM](#)

MS. SORUM-BIRK clarified that "6,917" was the estimate put forth by the Dunleavy administration in August 2019 to quantify the number of SNAP recipients who would be required to meet the work requirements under the new rule starting in October. The information came from the Anchorage Daily News article [August 12, 2019] included in the committee packet.

MS. SORUM-BIRK continued with the PowerPoint presentation, slide 8, entitled "COVID-19 and SNAP," which read:

- Economic uncertainty is increasing dramatically
- Many low wage jobs will be hit hardest (for example- roughly 1/3 of SNAP recipients in Alaska work in the service industry)
- Forcing needy families to go to crowded food pantries or soup kitchens would increase spread of the virus

MS. SORUM-BIRK added that the intent of HB 255 was to make it as easy as possible for people to receive SNAP benefits when they needed food. She reiterated the federal judge cited COVID-19 as one of the reasons for blocking the federal rule.

[4:48:50 PM](#)

MS. SORUM-BIRK reviewed slide 9, entitled "Sectional Analysis," which read:

**Section 1:** Amends AS 47.25.975 to add a new subsection outlining requirements that DHSS:

Must request, accept, and attempt to renew or extend federal waivers relating to work requirements and time

limits for ABAWDs to the maximum extent allowed under federal law in all geographical areas of the state.

Must implement ABAWD waivers approved by the federal government to the maximum allowable extent outlined in each waiver.

May not create more stringent work requirements or time limits for ABAWDs than those outlined in an accepted waiver.

**Section 2:** Adds a new section to the uncodified law of the State of Alaska requiring that DHSS promptly apply to the federal government for a waiver if the department determines that the waiver is necessary to implement the policy changes outlined in Section 1 of this Act.

**Section 3 and Section 4:** Relate to the conditional effective date of this Act.

[4:50:42 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, as prime sponsor of HB 255, shared that the issue was brought to his attention by the Alaska Food Coalition, and he recognized the need for the legislature to set a different path through legislation. He maintained that the position of the Dunleavy administration regarding SNAP benefit waivers was more stringent than that of the Trump administration; the governor's policy was to not seek any possible waiver. Even before COVID-19, Alaska was the 50th state in employment. He maintained that Alaska should seek every opportunity to receive waivers as allowed. He acknowledged the philosophical viewpoint of the Dunleavy administration - the belief that not receiving SNAP benefits would force people into seeking employment. He asserted that the difficulty was that often the employment was seasonal and inadequate. Many of the recipients were service workers who, even though employed, still needed the assistance because they did not get paid enough. He stated there was a class of workers who were most vulnerable; businesses were closing in response to the COVID-19 pandemic; and those workers cannot telework. He emphasized the proposed legislation was timely; it was consistent with the [HCR 17] focus on need [passed in the House on 3/17/20]; and it was critical.

REPRESENTATIVE JOSEPHSON referred to the state's opportunity to identify the most favorable period for waiver; that is, the months with the highest rate of unemployment. He suggested that the administration did not advocate for SNAP beneficiaries in that way. He said that the communities of Anchorage and the Matanuska-Susitna Valley (Mat-Su) were the ones that stood to benefit from the proposed legislation. He offered his belief that it should be the policy of the state to seek the waivers available. Other state policies reflected a similar approach. He quoted U.S. Senator Mitt Romney: "While expansions of paid leave, unemployment insurance, and SNAP benefits are crucial, the check will help fill the gaps for Americans that may not quickly navigate different government options."

[4:56:10 PM](#)

CHAIR ZULKOSKY opened invited testimony during the hearing on HB 255.

[4:56:29 PM](#)

CARA DURR, Director of Public Engagement, Food Bank of Alaska, relayed that staff at the Food Bank of Alaska understand what a critical role SNAP plays in fighting hunger in Alaska. For every meal provided by the Feeding America national network of food banks, SNAP provided nine meals. Her organization was concerned with any policy that restricted access to SNAP, such as is the case with time limits. When people lose SNAP, they turned to the already burdened food bank network; the food banks try but cannot fill that gap. The Food Bank of Alaska supports the goal of helping low income Alaskans who can find work and keep a job; however, restrictions on access to SNAP is not an effective way to attain that goal; it is instead a punitive work requirement. Studies have shown that existing mandatory work requirements in SNAP and other programs, such as Temporary Assistance to Needy Families (TANF), are ineffective. She said that TANF work requirements - in place since 1996 - have yielded little or no long-term positive impacts on employment or earnings.

MS. DURR continued by saying that most people who received SNAP benefits and can work, do work. In many ways SNAP supports work; when people have their basic needs met, they are better prepared for the workforce. Time spent visiting food pantries is time that could be spent looking for work or working. She offered that many SNAP recipients are working in low-wage jobs with unpredictable hours. For people whose hours are reduced,

who get sick, or who have a sick child, SNAP benefits are at risk. She maintained that many people who are subject to the new rule who are not working are not unemployed by choice. Many of those subject to the additional work requirements struggled to find work even when the job market was healthy. Lack of job skills, living in a rural area with few or no jobs, undiagnosed health conditions or disabilities are few of the reasons that individuals may not work. She said that being deemed "able-bodied" does not mean job-ready, and cutting a vulnerable person off food assistance does not make them any more employable.

MS. DURR relayed that while there are allowed individual exemptions - such as having a disability, being medically unfit for work, or receiving unemployment benefits - and the state has a low bar for meeting them, the recipients need to understand enough about the rule to request the exemptions.

MS. DURR stated that at the Alaska Food Bank, staff have received calls from individuals who have lost benefits; in most cases the individuals were very confused about the policy and why they had lost benefits. The confusion is not unique to Alaska and is not a reflection on the work of DPA but is due to the complexity of the rule.

MS. DURR offered that currently there are Alaskans who have lost SNAP due to the new rule who, instead of being able to buy a small amount of emergency grocery supplies, are now going to crowded food pantries and soup kitchens to get food. As more Alaskans lose jobs and directives to stay home increase, it is not reasonable to expect someone to find a job currently. Alaska needs to plan for the possibility that the [COVID-19] situation will intensify, which may force closures of the food distribution centers. She said that while no one could have predicted the current situation, clearly Alaska needs to ensure that SNAP can easily respond to disasters of this sort. Without policy change, those who have lost benefits would be unable to requalify for SNAP; many workers who have lost hours or jobs may only qualify for a short time. She maintained SNAP will be an incredibly important resource to the many Alaskans who are struggling from the economic fallout from COVID-19 in the short- and long-term. She expressed her hope the program could be made accessible to everyone who needed it. She said she is confident the state will seek a variety of ways to expand access to SNAP in consideration of COVID-19. The situation underscored the need to maintain SNAP flexibility at all times.

MS. DURR noted in conclusion that SNAP benefits are 100 percent federally funded; every \$1 spent in SNAP generated \$1.70 in local economic activity; SNAP injected nearly \$200 million in federal dollars into Alaska's economy. She said, "Let's maximize access to this important program by seeking all available waivers from the time limit, which will benefit struggling Alaskans and our state economy."

[5:01:50 PM](#)

REPRESENTATIVE SPOHNHOLZ referred to people coming in to DPA for interviews and application processing, which could present a concern regarding transmission of COVID-19 for clients and employees. She asked what processes the division will adopt to ensure that people can get access to benefits without increased risk of spreading COVID-19.

[5:02:41 PM](#)

MS. O'BRIEN replied that as many agencies are, the division had been working hard to balance the need to protect staff and clients with the delivery of services. She stated that it was especially challenging for DPA: because of the number of homeless individuals who have no other means of communicating with the division, the office cannot close its lobbies or restrict access. She described solutions that DPA is implementing to limit the need for people to visit the office: working with federal partners to use telephonic interview options and asking for permission to extend certification deadlines. For example, DPA is seeking for approval to extend SNAP certifications for a period of six months for March, April, May, and June benefits. She said that staff will reassess as operations progress. She offered that TANF, Adult Public Assistance (APA), Senior Benefits, and [U.S. Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Social Services (HSS)] health insurance program ("Medicaid") will be aligned as much as possible to minimize the impact to clients and staff. She added that she anticipated an increase in the number of individuals coming to the division for assistance as a result of job loss and other issues. She mentioned that changes were occurring rapidly and guidance from federal partners was coming to the division hourly. She concluded that together with federal partners, the division was acting as quickly and as thoughtfully as possible to meet the needs of all Alaskans.

[5:05:42 PM](#)

REPRESENTATIVE SPOHNHOLZ asked about the possibility of increasing the use of online applications and using technology to increase access and reduce in-person contact.

MS. O'BRIEN answered that there is an online application for Medicaid through "myAlaska.gov" or through the federally facilitated marketplace; application for other benefits cannot be submitted online; however, applications can be accessed online, printed out, and submitted through scanning the application and emailing it to the office or dropping it off. She added that the division is seeking to get permission to accept telephone signatures so that individuals may be assisted over the telephone while at home. She maintained that the division is looking for ways to accept documentation outside of normal practices.

5:08:11 PM

REPRESENTATIVE SPOHNHOLZ stated she was surprised online applications were not possible for public assistance benefits. She offered having that capability would save time and money, as well as be useful for both clients and employees.

MS. O'BRIEN responded that the division has been exploring the possibility of an online application with vendors. In Alaska, most of the programs can be applied for in one application; the division has reached out to other states that have successfully made available an online application. She stated that technology is a challenge in Alaska due to its information technology (IT) resources; the division has other IT needs and must prioritize use of those resources. She said that the online application is a priority, but the division must engage with several external stakeholders to accomplish it.

5:09:46 PM

REPRESENTATIVE TARR commented that procedures involving printing an application and then scanning and emailing it presented a very limiting option for many people who did not have Internet, a printer, and/or a scanner. She said that someone could take a photograph of the application with a smartphone, [a multi-purpose mobile telephone with internet access], but not everyone had smartphones. She asked that the division consider other ways for receiving applications so that these people do not "slip through the cracks." She maintained that she has been in

hundreds of homes in her district that do not have these devices.

REPRESENTATIVE TARR asked whether Ms. O'Brien's mention of "permission to accept telephone signatures" refers to permission from the individual applicant, permission from the state, or permission from the federal government.

MS. O'BRIEN responded that for the Medicaid program, the division had permission to accept telephonic signatures; but for programs like SNAP, the division did not have federal permission to accept telephonic signatures. She maintained the division was working with its federal partners, and the federal partners had been responsive and cooperative in helping DPA address its challenges. She acknowledged that Alaska had rural challenges, as well as challenges regarding individuals who did not have the capability to print or access the internet. She offered that DPA could mail applications to individuals, and it is working on options for taking information over the telephone. She mentioned that staffing is a concern as well, and the division is trying to dedicate resources appropriately for stability.

[5:12:52 PM](#)

CHAIR ZULKOSKY asked for comment on the new federal rule and why Alaska's use of the 10 percent unemployment rate [as the requirement for a waiver] is more restrictive.

[5:13:13 PM](#)

ED BOLEN, Senior Policy Analyst, Center on Budget and Policy Priorities, responded that the proposed legislation would give Alaska an important guide for addressing access to food assistance for very poor unemployed workers. He said SNAP was historically the second most effective response to worsening economic circumstances; unemployment insurance offered the quickest response. He relayed that Secretary of Treasury [Steve Mnuchin] just expressed his concern that the unemployment rate may spike to 20 percent. "The current policy in Alaska - where the state would only request waivers of this time limit for ... ABAWDs ... if unemployment is over 10 percent - means that because there is this look-back period that was mentioned, the state would essentially identify areas where unemployment was over 10 percent for at least 12 months." He offered that by the time that happened, the recession would have almost passed. Almost every other state, without the restriction of a 10 percent requirement of unemployment before requesting waivers,

would be able to identify areas where unemployment spikes quickly and at lower rates. He said, "If their unemployment rate is currently 6 percent and then it spikes up, that's a lot of low-income workers losing jobs." States would be able to identify areas in which they could request waivers and ensure that people have access to food while they were looking for work. He opined that HB 255 would address what could be a sudden and worsening impact on low-income people in service industry jobs who would likely be affected.

[5:15:56 PM](#)

REPRESENTATIVE DRUMMOND echoed the comments regarding the access of low-income individuals to computers. She mentioned that the libraries are closed in Anchorage; many services are provided in libraries, such as the social worker stationed at the library to answer questions from homeless people. She offered that not only do people lack the equipment necessary to submit an application, but many lack the sophistication to fill out a form on a smartphone; that is, if one has a smartphone and the form can be filled out on a smartphone.

[5:17:55 PM](#)

REPRESENTATIVE JOSEPHSON encouraged the committee to advance HB 255 as soon as possible. He offered that it would be widely supported and, unfortunately, has become especially important.

[5:18:22 PM](#)

CHAIR ZULKOSKY indicated that HB 255 would be held over.

[5:18:52 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:19 p.m.