

SENATE FINANCE COMMITTEE

April 9, 2019

9:01 a.m.

[9:01:21 AM](#)

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Lyman Hoffman  
Senator Peter Micciche  
Senator Donny Olson  
Senator Mike Shower  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Juli Lucky, Staff, Senator Natasha von Imhof; Senator Cathy Giessel, Sponsor; Jane Conway, Staff, Senator Cathy Giessel; Jill Lewis, Deputy Director, Division of Public Health, Department of Health and Social Services; Rachel Gearhart, Co-Chair, SHARP Advisory Council.

PRESENT VIA TELECONFERENCE

Christopher Dietrich, Orion Behavioral Health Network, Palmer; Debora Stovern, Executive Administrator, State Medical Board, Anchorage; Eric Boyer, Alaska Mental Trust Authority, Anchorage; Nancy Merriman, Executive Director, Alaska Primary Care Association.

SUMMARY

SB 43      EXTEND BIG GAME COMMERCIAL SERVICES BOARD

CSSB 43 (FIN) was REPORTED out of committee with a "no recommendation" recommendation and with one forthcoming fiscal impact note from the Department of Commerce, Community and Economic Development.

SB 44 TELEHEALTH: PHYSICIAN ASSISTANTS; DRUGS

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

SB 93 MEDICAL PROVIDER INCENTIVES/LOAN REPAYM'T

SB 93 was HEARD and HELD in committee for further consideration.

#sb43

SENATE BILL NO. 43

"An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date."

[9:02:07 AM](#)

Co-Chair von Imhof relayed that the committee first heard the bill on March 13, 2019, with an additional hearing on March 27, 2019 to further discuss the investigation process and disciplinary actions by the board.

Senator Wielechowski MOVED to ADOPT proposed committee substitute for SB 43, Work Draft 31-LS0442\M (Bullard, 4/5/19).

Co-Chair von Imhof OBJECTED for discussion.

JULI LUCKY, STAFF, SENATOR NATASHA VON IMHOF, addressed the Explanation of Changes document (copy on file):

Amends section 1 to reduce the sunset extension to 5 years (June 30, 2024).

Adds section 2, which allows the board to immediately suspend a license for violations that already disqualify a person from receiving or renewing that license.

Adds section 3, which increases the minimum qualifications for a master-guide outfitter license, including a requirement to have a clean record for 15 years.

Adds section 4, which allows the board to revoke a master-guide outfitter license if a person's privileges are revoked or if the person is convicted of a violation. A person whose master-guide outfitter license is revoked under this provision can still be issued a registered guide-outfitter license if qualified.

[9:05:10 AM](#)

Co-Chair von Imhof WITHDREW her objection. There being NO further OBJECTION, it was so ordered.

Co-Chair von Imhof invited further discussion of the legislation.

Senator Wielechowski MOVED to report CSSB 43(FIN) out of Committee with individual recommendations and the forthcoming fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 43(FIN) was REPORTED out of committee with a "no recommendation" recommendation and with one forthcoming fiscal impact note from the Department of Commerce, Community and Economic Development.

Co-Chair von Imhof let the committee know that her office was working with the Division of Legislative Budget and Audit regarding investigations. More information would be made available later.

#sb44

SENATE BILL NO. 44

"An Act relating to the prescription of drugs by a physician assistant without physical examination."

[9:06:43 AM](#)

SENATOR CATHY GIESSEL, SPONSOR, explained that the goal of SB 44 was to increase access to medical and behavioral health in the state. She shared that the 2016 Medicaid

Reform bill (SB 74) provided for the use of telehealth by revising Alaska statutes to require the Alaska State Medical Board to adopt regulations and guidelines for physicians rendering a diagnosis, providing treatment, or prescribing, dispensing, or administering a prescription drug to a person without conducting a physical examination under AS 08.64.364. She furthered that SB 74 only addressed physicians, and the Board's interpretation was the bill's provisions should not apply to physician assistants (PAs), and issued guidelines outlining different requirements for PAs and physicians. This has effectively barred PAs from practicing telemedicine, requiring them to first conduct in-person examinations. She offered a brief history of the role of PAs. She spoke to a document in member's packets that outlined the education and experience required for PAs (copy on file). She relayed that education included taking medical histories, doing physical exams, lab testing, and prescribing medications. She shared that, typically, the education of a PA lasted 27 months, with usual medical rotations: medical and surgical, family and internal medicine, pediatrics, obstetrics, emergency medicine and psychiatry. She said that PAs complete 2,000 hours of supervised clinical practice. Nearly all PAs educational programs were master's degrees and would be required to be so by 2020.

[9:10:11 AM](#)

Senator Giessel noted the Alaska State Medical Board guidelines for PAs (copy on file). She said that the collaborative practice agreement must be maintained with the PAs physician supervisor. The collaborating physician authorized where the PA could practice and what medications they could prescribe. The agreement also required monthly contact with the supervision physician. She shared that, in Alaska, PAs were authorized to prescribe certain controlled substances. She said that SB 44 would allow the approximately 700 PAs in the state the ability to provide telemedicine in the same manner as physicians. She revealed that prior to SB 74, PAs had been able to provide this function, she lamented that this was a consequence of the passage of that bill. She detailed the available backup that could be found in member packets and online.

[9:12:58 AM](#)

Senator Shower thought the bill might drive down costs. He asked whether there was potential to lower healthcare costs by providing telemedicine rather than paying for travel.

Senator Giessel answered in the affirmative.

[9:13:58 AM](#)

JANE CONWAY, STAFF, SENATOR CATHY GIESSEL, discussed the Sectional Analysis (copy on file):

**Section 1:**

Amends AS 08.64.101(a)(6) by requiring the board to adopt regulations for a physician assistant practicing telehealth under AS 08.64.364, and that the regulations must use a recognized national model for standards of telehealth care.

**Section 2:**

Amends AS 08.64.364(a) by saying that disciplinary action cannot be directed toward a physician assistant for prescribing drugs via telehealth if the drugs are not controlled substances, if follow up care can be provided from its medical group, and if consent has been given by the patient for care and sharing of records to the primary care provider.

**Section 3:**

Amends AS 08.64.364(b) by saying that a physician assistant may administer botulinum toxin (Botox) if they meet all the requirements set out in 08.64.363 and is supervised by an appropriate licensed health care provider.

**Section 4:**

Amends AS 08.64.364(c) by renumbering and adds that a physician or physician assistant may not prescribe, dispense or administer a prescription drug via an Internet questionnaire or email message without having a prior patient/doctor relationship.

**Section 5:**

Adds an effective date of March 1, 2020

[9:16:19 AM](#)

Senator Wielechowski asked for the rationale for changing "patient" to "person" in Sections 2 and 3.

Ms. Conway thought "patient" was medical terminology, while "person" was legal terminology; the drafter chose to use the legal terminology.

[9:16:54 AM](#)

Senator Shower was curious about Section 3 pertaining to Botox. He asked why botulinum toxin had to be specifically named.

Senator Giessel informed that there had been existing statute and believed that because botulinum was a paralytic agent, it had been specifically named.

[9:17:56 AM](#)

Co-Chair von Imhof addressed Section 5 and asked why the effective date was chosen.

Ms. Conway relayed that the sponsor had conferred with Sara Chambers from the Division of Corporations, Businesses and Professional Licensing who had recommended the date.

[9:18:40 AM](#)

Co-Chair von Imhof OPENED public testimony.

CHRISTOPHER DIETRICH, ORION BEHAVIORAL HEALTH NETWORK, PALMER (via teleconference), testified in support of the bill. He provided an overview of his work in the state. He believed that the bill would make it easier for patients to receive adequate treatment, particularly rural patients.

[9:20:35 AM](#)

Co-Chair von Imhof CLOSED public testimony.

Co-Chair von Imhof asked if the committee had further comments.

[9:20:57 AM](#)

Senator Wielechowski felt that he needed a better understanding of Section 4, (c) (1), and the administration of abortion-inducing drugs.

DEBORA STOVERN, EXECUTIVE ADMINISTRATOR, STATE MEDICAL BOARD, ANCHORAGE (via teleconference), addressed Senator Wielechowski's question pertaining to the change from "or" to "and" under Section 4. She did not know the answer to the question about changing "or" to "and," and mused that there had been a decision by the bill drafter to assure that both items (1) and (2) would be limited. She added that the limitation already applied to physicians.

[9:23:24 AM](#)

Senator Wielechowski said that he would research the issue further.

Co-Chair von Imhof relayed that her office would assist in answering committee questions.

[9:24:02 AM](#)

Senator Micciche reviewed FN 1 from DCCED, OMB Component 2360:

SB044 adds Physician Assistants (PAs) as authorized practitioners of telemedicine. When the telemedicine bill was passed during a previous Legislature, it was specific to physicians. This bill would expand that authority to physician assistants.

If the bill passes the division will require \$5.3 to cover legal costs to amend regulations, printing, and postage in the first year.

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

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

[9:25:36 AM](#)

AT EASE

[9:29:52 AM](#)

RECONVENED

#sb93

SENATE BILL NO. 93

"An Act relating to a workforce enhancement program for health care professionals employed in the state; and providing for an effective date."

[9:29:56 AM](#)

Senator Wilson gave a brief overview of the bill and read from the Sponsor Statement (copy on file):

Urban and rural Alaskan communities face a serious shortage of healthcare providers. If not immediately addressed, this shortage will rapidly worsen.

Senate Bill 93 builds upon successes of the Alaska Health Care Professions Loan Repayment and Incentive Program, commonly referred to as the SHARP Program. Established in 2012, SHARP is a loan repayment and direct monetary incentive program that helps reduce shortages by filling vacant healthcare provider positions in some of the most underserved areas across the state.

SHARP I and SHARP II leveraged federal, state, Alaska Mental Health Trust Authority, and employer funding, with a focus on rural, remote, and safety net providers. To date, the program, which is administered by the Department of Health and Social Services, has supported more than 250 practitioners in nearly 60 sites across the state.

SHARP III fills the gap between the Federally funded SHARP I program and the State-funded SHARP II program by allowing private sponsorship in the form of local government, philanthropic foundation or employer support. SHARP III focuses on private-public partnerships, recruitment, and retention, by offering incentives to new and experienced professionals who may have exhausted other loan repayment options or who no longer carry educational loan debt. These professionals must meet eligibility criteria and be engaged in qualified employment. The program does not

require any state general funds; user fees cover the cost of program administration.

SHARP III is a budget-neutral initiative that addresses service shortages in our current healthcare landscape, leverages community-level investment across the state, and improves health outcomes of Alaskans. I encourage your support of this legislation.

[9:33:25 AM](#)

JILL LEWIS, DEPUTY DIRECTOR, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, addressed the presentation "SB 93 Medical Provider Incentives/Loan Repayment":

Ms. Lewis looked at Slide 2, "SB 93":

- Establishes a Health Care Professionals Workforce Enhancement Program to address shortage of health care workforce.
- Health care professionals agree to work for three years in underserved areas in exchange for repayment of student loans or direct incentives.
- Employers fully fund the program. No unrestricted general funds are involved.
- Replaces the existing program in AS 18.29 scheduled for sunset June 30, 2019.

Ms. Lewis stated that the Health Care Professionals Workforce Enhancement Program was referred to as SHARP III. She said that under the program employers would be able to take advantage of a federal tax exemption available only to state-run programs. She said that the public/private partnership would increase the number of providers, while minimizing the use of state funds.

[9:34:31 AM](#)

Ms. Lewis informed the committee that health care was one of the largest and dynamic industries in the state and the availability of health care services was important for initiating health, managing disease, reducing cost from unnecessary emergency room visits, hospital readmissions,

and temporary staffing costs. To meet the ongoing demand the state must continue to address the shortage of health care professionals.

Ms. Lewis highlighted Slide 3, "Challenges in health care access":

- Alaska needs a more optimal distribution of health care professionals, across regions, across disciplines and across populations served.
- Many citizens, especially in rural and frontier areas, continue to experience challenges with accessing health care.
- One reason access to care is limited, particularly in rural Alaska, is due to shortages of healthcare professionals.
- Health care sites struggle with recruiting and retaining health care professionals.
- Health care professionals have challenges with large student loan debt, high cost of living in rural and remote locations, and resulting financial pressures.

[9:35:27 AM](#)

Ms. Lewis showed slide 4, "SHARP-2":

- Operated 2013 - 2018
- No new contracts after 2015 due to GF budget reductions
- 83 contracts: 39 Tier 1 and 44 Tier 2
- 47-53% positions very hard-to-fill
- \$25,560 average payment per contract per year
- 10-30% employer match
- 31 employers distributed across 25 communities
- Primarily non-profit and hospital associated
- Similar numbers of tribal and non-tribal affiliated organizations

Ms. Lewis informed that the SHARP II program was scheduled to sunset June 20, 2019. The federally funded SHARP I option would not be affected by sunset or SB 93; the program will continue. She said that other health care

practitioner programs were needed to continue to reduce workforce shortages throughout the state.

[9:37:31 AM](#)

Ms. Lewis discussed Slide 5, "An innovative solution":

**A public-private partnership that ensures access to health care by expanding the distribution of health care professionals all Alaskans at no cost to the state.**

- SHARP-3 builds on the success of SHARP-1 and SHARP-2 with new practice settings, new occupations, new employers, new locations, and new roles.
- Benefit will not be limited to rural areas or primary care; there is also room for specialists and urban health care professionals.
- Takes advantage of a federal law that exempts loan repayment from federal income tax if awarded through a state-run program.
- Public-private partnerships increases the number of providers while minimizing the use of state funds.

[9:38:22 AM](#)

Ms. Lewis referenced Slide 6, "Benefits":

- Health care sites can hire much needed staff
- Health care professionals get assistance with their student loans
- Alaskans have improved access to health care
- Access to health care is important for maintain health
- and reducing costs
- All without the use of undesignated general funds

[9:38:52 AM](#)

Ms. Lewis reviewed Slide 7, "SHARP-3":

- Health care professionals receive student loan repayment and/or direct incentives for working in underserved areas.
- Employer sites provide health care services in underserved or health care professional shortage areas.
- 3-year contract with renewals; 12-year lifetime limit.
- Employer payments fully cover cost of the professional's program payment and an administrative fee.
- An advisory council recommends eligibility criteria, prioritization of sites and professionals for participation, and contract awards.

Ms. Lewis explained that health care professionals applied to join the program and chose whether they wanted to get student loan repayment, a direct incentive, or a combination of both. She reiterated that the program was of no cost to the state.

[9:40:48 AM](#)

Ms. Lewis addressed Slide 8, "SHARP-3":

- **Tier 1:** dentist, pharmacist, physician
  - o \$35,000/year regular or \$47,250 very hard-to-fill
- **Tier 2:** dental hygienist, registered nurse, advanced practice registered nurse, physician assistant, physical therapist, clinical psychologist, counseling psychologist, professional counselor, board certified behavior analyst, marital and family therapist, or clinical social worker
  - o \$20,000/year regular or \$27,000 very hard-to-fill
- **Tier 3:** not otherwise eligible under Tier 1 or Tier 2
  - o \$15,000/year regular or \$20,250 very hard-to-fill

Ms. Lewis shared that the three different tiers offered different payment maximums for health care professionals. She noted that Tier 3 was new under SB 93.

[9:41:44 AM](#)

Senator Micciche asked whether there was clear-cut criteria for "hard to fill" as listed on the slide.

Ms. Lewis noted that the term was documented in current regulation and was part of the SHARP II program. She said that "very hard to fill" required documentation by the employer that the position had been vacant for at least a year and employers had to demonstrate how actively they had recruited for the position.

[9:42:31 AM](#)

Senator Olson asked about the percentages of hard to fill positions between rural and urban clinics.

Ms. Lewis stated that the difficulty particularly effected urban areas. She said that much of the health care in the state was served in a "hub and spoke" model, which saw concentrations of physicians in urban areas that also served rural areas. She said that geographic limitations existed but that the SHARP III program would be open to urban areas, as well as rural, and would include specialties the state was in dire need of but had never had an incentive program before.

Senator Olson assumed that inner cities qualified for being "underserved" as well.

Ms. Lewis explained that there were healthcare shortages within individual occupations. She said that employers had to provide care to underserved populations (uninsured or on Medicaid).

[9:44:38 AM](#)

Senator Olson considered Slide 4 and asked what the difference was between Gulf Coast versus Anchorage.

Ms. Lewis asked him to restate the question.

Senator Olson discussed the percentages listed at the bottom of Slide 4.

Ms. Lewis stated that the Gulf Coast was part of the area around Kodiak, Dillingham, and the Kenai.

[9:45:57 AM](#)

Senator Wilson stated that the final report to the legislature on the SHARP II program released in December 2018, Anchorage only had 2 behavioral health; 4 dentists; 2 medical, while the Gulf Coast had 2 health; 4 dentists; 2 medical.

Co-Chair von Imhof asked if Senator Wilson was citing vacancies.

Senator Wilson relayed that the numbers represented people participating in the program.

[9:47:02 AM](#)

Senator Shower referenced the "hub and spoke" model mentioned in the presentation. He lamented the cost of travel for providers. He asked whether the model was working. He wondered whether the program would truly be covered by the employers and not the state.

Ms. Lewis stated that the hub and spoke model had been used in the state for a great deal time, and telehealth expanded the model. She stated that there were ways that technology was helping keep costs down. She said that travel for health care a burden on both patients and health care professionals.

Senator Shower requested assurances that the state would not ever be burdened with the cost of staffing hard to fill positions.

Ms. Lewis stated that SHARP-III used no state funds, and 100 percent of funding was provided by employers. She reiterated that the program was voluntary. She shared that the state funded program allowed for health care practitioners' loan repayment to be exempt from federal income tax, which was a boon to the professional and reduced costs to the employer. She restated that employers would pay all costs.

[9:50:46 AM](#)

Senator Wilson added that the hub and spoke model provided different levels of service for small communities.

[9:51:43 AM](#)

Senator Shower thought the model was inefficient. He wondered how the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) program could be tied into the SHARP III program.

Ms. Lewis stated there was more than one underlying reason why the state had healthcare shortages. One problem was attracting professionals to rural areas and getting them stay. Additionally, the state did not train and educate its own health care professionals in all necessary areas; particularly physicians and dentists. She stated that individuals that had gone through the WAMMI, and had repayment, could qualify for the SHARP III program once they were fully trained and in practice.

[9:53:54 AM](#)

Co-Chair von Imhof thought it was a positive direction that the private sector was helping to fund programs that it found important. She reminded the committee to speak to the bill but appreciated Senator Shower's comments. She stated that the private sector would not step in across the board to help with public services because it was not profitable to do so. She thought that it was refreshing to see some private sector efforts to help off-set some costs in high need areas.

[9:54:55 AM](#)

Senator Micciche thought the bill was a clear example of the use of designated general funds (DGF). He reiterated that although it looked like the program was part of the state budget, it was not, costs were covered by the private sector.

[9:55:43 AM](#)

Ms. Lewis returned to Slide 8. She noted that Tier 3 was an innovation that had been crafted using feedback from the health care industry. Tier 3 allowed physicians that were

otherwise not eligible and would include drug and alcohol counselors, pathologists, radiologic technologists, infection prevention specialists, care coordinators, and other. She said that Tier 3 was intentionally broad to include professionals that were necessary to deliver quality health care. She said that the council would set the priorities to assure that the applicant addressed a real shortage need in the state.

[9:57:35 AM](#)

Ms. Lewis turned to Slide 9, which showed a flow chart of the program's process:

Health care professionals work at eligible site for a calendar quarter

Sites report quarterly to SHARP on professionals' hours worked

SHARP adjusts maximum payment amount for hours worked  
SHARP adjusts maximum payment amount for hours worked

SHARP invoices sites for professional's program payment and administrative fee

Sites send SHARP their quarterly payment

SHARP makes loan payments to lenders, and/or direct incentives to professionals

SHARP provides data to the Advisory Council for evaluation and planning

[9:59:01 AM](#)

Senator Micciche asked whether an employer had to register in advance to be a member of the program.

Ms. Lewis stated that eligible sites had to provide care to the underserved population in a state designated shortage area, defined in regulation. Employers and professionals could apply separately and seek each other out; a health care professional who was looking for loan repayment would seek out an eligible site when seeking employment.

Senator Micciche understood that the employer was not charged unless they hired a program eligible employee.

Ms. Lewis confirmed that there was no cost to the employer until after the professional had provided a quarter of care.

[10:00:24 AM](#)

Ms. Lewis referenced Slide 10, "In closing..":

**SB 93**

- Keeps health care professionals in rural communities
- Promotes health and economic community stability
- Ensuring a healthier future for all Alaskans
- At the lowest possible cost.

[10:00:54 AM](#)

Senator Olson considered the student loan repayment program and asked how individuals could qualify for that program. He wondered about students that had financed their own education through bank loans.

Ms. Lewis affirmed that commercial loans were included in the loans that could be repaid. She said that personal loans were not eligible for repayment.

[10:01:51 AM](#)

Senator Shower asked whether the statute was needed to give authority for providers to join the program. He wondered why government was getting involved.

Senator Wilson saw the program as a public-private partnership. He said that employers could do it on their own but would not receive the federal tax benefits available by going through the state. He reiterated that the goal of the bill was to help the state with provider shortages.

Senator Shower asked whether the legislation was required to provide the tax benefits, or could private entities receive the benefits on their own.

Senator Wilson explained that authority needed to be established within statute to allow the department to receive the funds for dispersal to private entities.

[10:04:26 AM](#)

Senator Micciche surmised that there was tax protection in two directions. The statute made it a state loan repayment program; a deduction for those contributing to the program as an employer and not counted as income for the employee as a loan repayment.

Ms. Lewis stated it was true that the loan repayment option for health care professional in the state-run program would be considered income. The direct incentive would be considered taxable income. The tax benefit for the employer was more of a cost-savings, rather than a tax benefit.

[10:07:03 AM](#)

Senator Olson asked what happened to medical professionals that already had loans paid off. He wondered how the program would be an incentive for those that did not have loan debt.

Ms. Lewis stated that there were a great many mid-career professionals, without loans, would benefit from the direct incentive.

[10:07:53 AM](#)

Senator Wilson addressed the Sectional Analysis (copy on file):

**Section. 1.** Adds a new Article 2, Health Care Professionals Workforce Enhancement Program, to AS 18.29, Health Care Professions Loan Repayment and Incentive Program.

**Sec. 18.29.100.** The legislative intent is to increase the availability of health care services throughout the state, especially to underserved individuals or in health care professional shortage areas.

**Sec. 18.29.105(a).** The program's purpose is to address the increasing shortage of health care professionals

in the state by expanding the distribution of health care professionals.

**Sec. 18.29.105(b)**. Outlines the structure of the program, including application processes, public notice requirements, and a 12-year lifetime maximum for participation.

**Sec. 18.29.105(c)**. Outlines the role and structure of the advisory council.

**Sec. 18.29.105(d)**. Outlines the responsibilities of the commissioner and his or her relationship with the advisory council.

**Sec. 18.29.105(e)**. Outlines requirements for the department's annual report to the advisory council.

**Sec. 18.29.105(f)**. Specifies the department may contract for services and adopt regulations.

[10:10:11 AM](#)

Senator Wielechowski asked whether designated funds would be used if the the department were to contract for services.

Senator Wilson answered in the affirmative.

[10:10:29 AM](#)

Senator Wilson continued to address the Sectional Analysis:

**Sec. 18.29.110**. Details the requirements for employer payments.

**Sec. 18.29.115**. Establishes the structure for initial and renewal payments and sets out annual maximum limits for student loan repayments and direct incentives for Tiers I, II, and III.

**Sec. 18.29.120**. States eligible professionals may receive direct incentive quarterly cash payments. Employers provide the payment amount.

**Sec. 18.29.125**. Pertains to student loan repayments.

**Sec. 18.29.130.** Details the eligibility requirements for direct incentive payments and student loans.

**Sec. 18.29.190** Contains the Definitions Section.

**Section 2.** Repeals the existing health care loan repayment and incentive program in AS 18.29.010 - 18.29.099, which is scheduled to sunset July 1, 2019.

**Section 3.** Applicability to applications or contracts on or after July 1, 2019.

**Section 4.** Contains transition language stating the existing advisory council will act as a transition council until a new advisory council is appointed by the commissioner.

**Section 5.** States if sec. 1 of this Act takes effect after July 1, 2019, sec. 1 of this Act is retroactive to July 1, 2019.

**Section 6.** States sec. 5 of this Act takes effect immediately under AS 01.10.070(c).

**Section 7.** States that except for sec. 6, the effective date is July 1, 2019.

[10:13:26 AM](#)

Senator Wielechowski asked about Page 7, lines 23-25 of the bill. He asked whether the sponsor had a sense of what percentage of people who received SHARP benefits were Tier 3 health care professionals.

Ms. Lewis stated there were currently no Tier 3 contracts as the tier was new after the passage of SB 93. She expected that the contracts would be mostly health care professional jobs. She noted that if there was a shortage of any position, that was not a direct care professional but was necessary to provide healthcare, the council would weigh the application and decide whether incentivization was in the best interest of the state.

[10:15:17 AM](#)

Co-Chair von Imhof noted that there was invited testimony.

RACHEL GEARHART, CO-CHAIR, SHARP ADVISORY COUNCIL, offered her credentials. She noted that her district, District Q, was not considered a federally geographic healthcare professional shortage area; unless you worked for a tribal health organization you could not be eligible for student loan repayment through SHARP I. She pointed out that the certain members of the committee did not live in federally geographic healthcare professional shortage. She felt that those that did could appreciate the problem and support the legislation. She had participated successfully in the SHARP II program. She believed that the SHARP III program would help to recruit and retain quality staff to serve vulnerable and underserved Alaskans. She cited a study by the National Health Care Retention and Registered Nurse Staffing Report, since 2013 the average hospital had turned over 85.2 percent of its workforce. She noted that turnover was costly.

[10:19:45 AM](#)

Ms. Gearhart continued to discuss the myriad of ways in which the program would enhance healthcare services within the state. She offered that the therapeutic alliance that a provider has with a client is considered the most important factor in determining how well they will work together. She said that connection between providers and clients resulted in better health outcomes. She concluded that SHARP III support for service helped all Alaskans live their own best lives.

[10:22:17 AM](#)

Senator Wielechowski was curious whether the program was a tax on every health care provider in the state.

Ms. Gearhart stated that the program was entirely voluntary. She thought that the program leveled the playing field for smaller agencies. There were large employers that used sign-on bonuses and other incentives that not all agencies had the ability to offer. She relayed that since the program did not require state general funds, innovative partnerships could be sought.

Senator Wielechowski wanted to see how the program was administered.

Co-Chair von Imhof reiterated that the program was voluntary. She asked Ms. Gearhart to provide information on how the funding was sourced.

Ms. Gearhart noted that there was a 5 percent administrative fee that would help to fund the program.

[10:24:34 AM](#)

Senator Olson asked what percentage of the program was effective, and what was the most effective part of the program

Ms. Gearhart agreed to provide graphs demonstrating retention. She shared that between SHARP 1 and SHARP 2, the program had served 328 different contracts. She said that data could be shared for each site or within the entire state.

Senator Olson thought that the federally funded program would be more restrictive.

Ms. Gearhart answered in the affirmative. Those people would be required to work within a geographic health professional shortage area.

[10:25:35 AM](#)

Senator Bishop appreciated the program and likened it to an apprenticeship program.

[10:26:33 AM](#)

Co-Chair von Imhof OPENED public testimony.

ERIC BOYER, ALASKA MENTAL TRUST AUTHORITY, ANCHORAGE (via teleconference), testified in support of the bill. He relayed that the authority had invested in the SHARP I and SHARP II programs, resulting in the recruitment and retention of clinicians across the state. He asserted that the bill would expand healthcare access for trust beneficiaries. He stressed the importance of the program. He relayed that the legislation would result in more trust beneficiaries getting necessary care in their community of residence.

[10:28:28 AM](#)

NANCY MERRIMAN, EXECUTIVE DIRECTOR, ALASKA PRIMARY CARE ASSOCIATION (via teleconference), strongly supported the bill. She highlighted three ways the bill would help serve Alaskans. She discussed the shortage of healthcare providers in the state. She detailed that SHARP and other programs had been critical for community health centers. The program had been able to address some disparity in distribution of providers. She thought the program was innovative and reminded that it was of no cost to the state. She said that the program would offer a valuable state infrastructure without the use of state general funds. She expounded on her support of the legislation and the SHARP III program.

[10:32:19 AM](#)

Co-Chair von Imhof CLOSED public testimony.

Senator Micciche understood that the SHARP III program used no state funds. He noted that the contract fee for those that chose to participate, which increased to 6.5 percent in year 5, would cover the one position that would be added.

Ms. Lewis answered in the affirmative. She reiterated that the program was voluntary for employers and would be of no cost to employers unless they chose to participate by hiring someone and offering them the incentive. There was no requirement that the incentive be offered.

[10:34:00 AM](#)

Co-Chair Stedman addressed FN 1 from DCCED, OMB Component 2360. The fiscal note was zero.

Co-Chair Stedman addressed FN 2 from DHSS, OMB Component 2877. The fiscal note had \$814,300 in FY 20; and \$2,060,000 in FY 21, increasing to \$5,043.0 in FY 2025. He noted that DGF did not have budgetary impact and used pass-through funds. The bill did not reflect the growth in government that the committee was trying to control.

[10:36:13 AM](#)

Senator Micciche thought the use of DGF was an important point for the public to understand.

SB 93 was HEARD and HELD in committee for further consideration.

Senator Wilson thanked the committee for hearing the bill.

[10:37:51 AM](#)

Senator Micciche thought the note was indeterminate, and the fiscal impact reflected on the note was only for illustrative purposes.

Ms. Lewis confirmed that the figure was an estimate.

Co-Chair von Imhof discussed housekeeping.

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ADJOURNMENT

[10:39:04 AM](#)

The meeting was adjourned at 10:39 a.m.