

SENATE FINANCE COMMITTEE
March 16, 2020
9:05 a.m.

[9:05:14 AM](#)

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Senator David Wilson, Sponsor; Gary Zepp, Staff, Senator David Wilson.

PRESENT VIA TELECONFERENCE

Albert Wall, Deputy Commissioner, Department of Health and Social Services; Jared Kosin, President and CEO, Alaska State Hospital and Nursing Home Association, Anchorage; Jon Zasada, Policy Director, Alaska Primary Care Association, Hope; Jocelyn Pemberton, CEO, Alaska Hospitalist Group, Anchorage; Prentiss Pemberton, Counseling Solutions of Alaska, Anchorage; Jennifer Morton, Licensed Professional Counselor, Nome; Vikki Jo Kennedy, Self, Juneau; Laura Porter, Self, Palmer.

SUMMARY

SB 134 MEDICAID COVERAGE OF LIC. COUNSELORS

SB 134 was HEARD and HELD in committee for further consideration.

#sb134

SENATE BILL NO. 134

"An Act relating to medical assistance reimbursement for the services of licensed professional counselors; and providing for an effective date."

[9:05:44 AM](#)

Co-Chair von Imhof discussed housekeeping and read the title of the bill.

[9:06:12 AM](#)

SENATOR DAVID WILSON, SPONSOR, read from the sponsor statement (copy on file):

"An Act relating to medical assistance reimbursement for the services of licensed professional counselors; and providing for an effective date."

If enacted, SB 134 would add licensed professional counselors to the list of independent licensed practitioners to address the shortage of Medicaid-eligible behavioral health providers in the state, afford more options for beneficiaries, and increase access to behavioral health care.

Currently, licensed professional counselors (LPCs) are only allowed to provide services in community health clinics or physician mental health clinics, which limits the number of willing providers. SB 134 expands medical assistance reimbursement services to cover those services provided directly/independently by LPCs.

Specifically, SB 134:

- Adds Professional Counseling services to the list of Medicaid optional services under AS 47.07.030(b);
- Defines Professional Counseling services and licensing under AS 08.29;
- Authorizes Professional Counselor services as eligible to render and bill for Medicaid funded

services as independent practitioners under Alaska Statute 47.07.030 (b).

- Requests the Department of Health & Social Services to amend the state plan for medical assistance coverage under Title XIX of the Social Security Act;

We respectfully encourage your support of Senate Bill 134.

9:08:03 AM

AT EASE

9:11:45 AM

RECONVENED

GARY ZEPP, STAFF, SENATOR DAVID WILSON, discussed the presentation "SB 134" (copy on file). He commented that the bill concept was to add additional capacity and utilization of behavioral healthcare in a clinical setting versus a state of crisis in emergency rooms throughout the state. The expansion of healthcare was projected to reduce wait times and improve quality of care by providing the appropriate care by the appropriate healthcare professional. He related that the cost would be less than the behavioral healthcare in emergency rooms across the state. He said that conversations with stakeholders had revealed problems with wait times for services like alcohol and drug abuse, suicide and depression, trauma from violence and serious mental illness; wait times for these issues averaged 3 to 6 months for Medicaid clients. The wait times were due to a workforce shortage of behavioral health professionals available to receive Medicaid clients. He thought that examples of the behavioral healthcare shortage could be witnessed in the daily lives of communities throughout the state.

9:13:18 AM

Mr. Zepp looked at Slide 2, "SB 134":

"An Act relating to medical assistance reimbursement for the services of licensed professional counselors; and providing for an effective date."

SB 134 would add 717 Licensed Professional Counselors to the Medicaid Optional Services. The concept of the bill is to expand behavioral health capacity and utilization for Alaska's most vulnerable population,

our Medicaid population. If behavioral health issues can be treated in a preventative manner within a clinical setting, rather than a crisis stage at a platinum level, the costs lesson and the quality of the healthcare services improves. This proposed legislation is a piece of the puzzle for providing behavioral health services to Alaskans. his would provide the "appropriate care with the appropriate provider."

Mr. Zepp said that licensed, professional counselors were a valuable, cost effective, part of treatment for behavioral healthcare. He stated that the legislation was a piece of the behavioral healthcare puzzle that already included licensed social workers, PHD psychologists, prescribing nurse practitioners, marital and family therapists, and medical doctors like psychiatrists and primary care physicians. He relayed that there were approximately 717, licensed, professional counselors currently in the state.

[9:13:55 AM](#)

Mr. Zepp spoke to Slide 3, " Behavioral Health":

Behavioral health is the scientific study of the emotions, behaviors, and biology relating to a person's mental well-being, their ability to function in everyday life, and their concept of self. "Behavioral health" is the preferred term to "mental health." A person struggling with his or her behavioral health may face stress, depression, anxiety, relationship problems, grief, addiction, attention deficit/hyperactivity disorder or learning disabilities, mood disorders, or other psychological concerns.

Counselors, therapists, life coaches, psychologists, nurse practitioners, or physicians can help manage behavioral health concerns with treatments such as therapy counseling or medication.

Mr. Zepp related that the term "mental health" covered many of the same issues as "behavioral health" but only covered the biological component of the aspect of wellness.

[9:14:47 AM](#)

Mr. Zepp referenced Slide 4, " Why Medicaid clients and who are they?":

Medicaid provides health coverage and long-term care services for Alaska's most vulnerable: children, seniors, people with disabilities, pregnant women, and very low income or working poor.

Medicaid clients have difficulties finding access to behavioral healthcare and often have to wait three to six months for appointments. So you can imagine a person in crisis who cannot find behavioral healthcare access or are told it's available in three to four months, what are their options?

Alaska's emergency room facilities are in a crisis mode treating behavioral health issues.

Mr. Zepp stressed that the legislation would directly impact the lives of the state's most vulnerable population of citizens: the poor, the young, and seniors. He lamented that Alaska's emergency rooms had been overwhelmed with volumes of Medicaid clients in emergency situations and in need of behavioral health. He shared that leading cause of emergency room visits were related to alcohol related disorders and the associated ailments of alcohol abuse. He furthered that often Medicaid clients had nowhere else to go because of the lack of access and the lack of capacity, which caused two problems; patients stay longer in hospital than they should and if a Medicaid client is in a stage of crisis without access to the appropriate care - they leave the facility and the cycle repeats itself.

[9:16:24 AM](#)

Co-Chair von Imhof noted that Mr. Zepp had brought up Medicaid because of the recent 115 waiver and the need to expand access to health insurance for that particular population. She asked if Mr. Zepp could comment on private insurers and whether the population had access to a wider pool of providers.

Mr. Zepp did not know specifics of coverage by private insurance for behavioral health. He said he could provide the information to the committee.

Mr. Zepp thought the General Government Bargaining Unit had an employee assistance program that covered counselling and other various services.

[9:17:29 AM](#)

Senator Wilson thought one of the invited testifiers could answer the question. He thought generally private insurers covered 10 weeks of behavioral health therapy but the it had to be pre-approved, depending on the provider. He said that health insurance for state employees covered behavioral health services.

[9:18:07 AM](#)

Mr. Zepp turned to Slide 5, "Adult Untreated Behavior Health Statistics," which showed a flow chart of statistics related to adult behavioral health:

- In 2017, of the 56.8 million adults ages 18 or older with a behavioral health condition about 39.7 million (70 percent) did not receive treatment in the past year.
- 18.7 million with substance use conditions, 17.2 million of those are untreated
- 11.2 million with serious mental illness, 3.7 million of those are untreated
- 35.4 million with other mental illness, 22.9 million of those are untreated

Mr. Zepp said that approximately 70 percent of Americans that needed behavioral health services did not receive treatment. For substance abuse disorders the statistic was 92 percent; 66 percent of adults with serious behavioral health issues did not receive treatment. He lamented that lack of treatment in a timely manner often lead to interactions with law enforcement, and the court and prison systems. He relayed at according to Bureau of Justice Statistics approximately 51.4 percent of prisoners have a seriously psychological distress or a history of mental health problems, 20 percent of which were considered severely and persistently mentally ill.

[9:19:03 AM](#)

Mr. Zepp considered Slide 6, "Children's Untreated Behavioral Health Statistics," which showed a bar graph entitled 'Depression, Anxiety, Behavior Disorders, by Age.' He pointed out that children were very susceptible to behavior health issues. Common issues included depression, anxiety, behavioral disorders, and most commonly Attention Deficit Hyperactivity Disorder (ADHD). He said that a child diagnosed with depression had a 74 percent chance of having a co-disorder like anxiety. He warned that if not treated the condition increased and worsened over time. He pointed out that boys were more likely than girls to have a mental disorder and children living below the poverty line had a 22 percent more likelihood of a mental, behavioral, or developmental disorder. He stressed that the legislation could expand the capacity of behavioral healthcare in schools, communities, and healthcare facilities.

[9:20:04 AM](#)

Mr. Zepp lamented that mental disorders among children could cause serious changes in ways that children learn, behave, and express their emotions, which can cause stress throughout their day.

Mr. Zepp displayed Slide 7, "Alaska assessment of behavioral health care needs":

Mental Health Care Needs Alaska's suicide rate is among the highest in the nation, with the prevalence among the Alaska Native population, particularly in the most remote areas of the state, surpassing that of the general Alaskan population¹ (Figure 1). The 2016 Alaska Behavioral Health Systems Assessment Report estimated that 145,790 adult Alaskans—roughly 20% of the state's population—need mental and behavioral health services. One component necessary to address mental health issues is a well-trained cadre of mental health care providers to provide preventative support and treatment.

There are several reasons why individuals needing mental health services do not receive them. In some cases, the perceived stigma associated with the problem or illness prevents individuals from seeking help. In other cases, individuals may be more comfortable seeking help from alternative providers

such as faith-based, tradition/culture based or peer-support resources within their community. Finally, particularly in remote areas, availability and access to mental health care providers are often limited.

Mr. Zepp relayed that Alaska has the highest rate of suicide, per capita, of any state in the country and that suicide was the number one cause of death for Alaskans ages 10 to 64. He said that the state's suicide rate was 21.8 suicides per 100,000 people; for rural Alaska it was 35.1. He relayed that there was a 13 percent increase in suicides from 2013 to 2017, as compared to the previous 5-year period of 2007 to 2011. He related that toxicology results following suicides since 2015 showed 70 percent involved one or more substances, most frequently alcohol. He shared that more than 90 percent of people who die by suicide have depression or diagnosable, treatable, mental or substance abuse disorders.

[9:21:27 AM](#)

Mr. Zepp highlighted Slide 8, " Alaska assessment of behavioral health care needs":

How Many Behavioral Health Care Providers Are Needed?

Despite the number of individuals in need of behavioral health care services, the ratio of behavioral health care providers to population is lower in Alaska than nationally. Furthermore, most providers work in urban areas, such that the state's remote areas have even lower provider/population ratios. There are many types of behavioral health providers in Alaska (e.g., psychiatrists, neurologists, psychologists, counselors, clinicians, technicians, behavioral nurse practitioners, and behavioral health aides), though as an example, here we consider only the shortage of psychiatrists. Two studies estimated a need for 25.96 and 15.37 psychiatrists per 100,000 adults nationally, with the authors of the second study noting that the behavioral health care needs of rural populations may not have been adequately captured. National estimates do not account for Alaska's unique population, geography, and need but can serve as a benchmark for estimating the number of psychiatrists needed in Alaska. Based on

2010 Census data, Alaska needs 184 or 106 psychiatrists, respectively.

[9:22:15 AM](#)

Mr. Zepp looked at Slide 9, "Alaska Emergency Room Department; Super-Utilizer Facts - Total Medicaid Billed Charges," which showed a bar graph that reflected the total cost that the state had paid to emergency rooms for Medicaid clients throughout the state over the previous 4 years.

Mr. Zepp continued to address Slide 9. He noted that in 2016, the state paid over \$233 million, which had risen by \$47.1 million, or 20.1 percent. He said that in 2019, the top 2.9 percent of super utilizers (more than 5 ER visits per calendar year) consumed 16.3 percent of the charges at \$46 million. He furthered that that was 1301 clients at an average cost of \$35,357 per person. He furthered that in 2019, 10.03 percent, or 6,250 Medicaid clients, cost the state \$114 million - 40.67 percent of the overall annual charges. He lamented that costs were rising at an unsustainable rate. Programs needed to be improved and made more cost efficient. He believed that outcomes would be improved by adding more licensed professional counselors.

[9:23:59 AM](#)

Senator Wielechowski asked whether the graph on Slide 9 showed all Medicaid clients or only behavioral health.

Mr. Zepp replied that the chart included all Medicaid clients.

Senator Wielechowski asked whether there was a way to separate the behavioral health clients from the non-behavioral health clients.

Mr. Zepp stated he had a "super-utilizer" report (copy on file) that might prove illuminating.

[9:24:56 AM](#)

Senator Bishop understood that a "super utilizer" had 5 or more visits to the ER per calendar year.

Mr. Zepp replied in the affirmative.

[9:25:11 AM](#)

Co-Chair von Imhof asked whether Mr. Zepp had a slide showing super-utilizers.

Mr. Zepp replied that he did not have a slide that specifically showed the Alaska Medicaid facts and figures from DHSS, but he had several graphs that summarized the issues.

[9:25:53 AM](#)

Senator Wielechowski pointed out to everyone that the fifth page of the report listed that the health issues for the top 2.7 percent of patients, with more than 10 visits were:

1. Alcohol abuse with intoxication
2. Alcohol dependents with withdrawal
3. Chest pain

Co-Chair von Imhof relayed that the Department of Corrections subcommittee had discussed inebriates being picked up and held until they were sobered up. She wondered whether the state needed more "sleep it off" centers. She wondered whether the sponsor could comment on the prevalence of alcohol as an outstanding issue.

Senator Wilson stated that the bill was trying to address some of the larger issues, but not all super-utilizers would be addressed. He cited that a large hospital in Anchorage had over 220 assessments at their ER that had to be billed at a high rate. He discussed the provider shortage and mentioned un-used beds in the Mat-Su hospital due to lack of the ability to bill Medicaid for them due to the provider shortage. He wanted to allow entities to recoup costs related to the high need of behavioral health services in the state.

[9:28:29 AM](#)

Mr. Zepp continued to address Slide 9. He considered that by adding more LPC counseling services the state could improve outcomes. He said that the federal approval of the state's 1115 waiver for behavioral healthcare services, and by adding LPCs to the mix of behavioral healthcare professionals, would provide the opportunity to expand

capacity, increase quality of care, and lower the cost that the state was already paying.

[9:29:14 AM](#)

Senator Wielechowski understood that there was a difference between behavioral health and mental health. He wondered whether the LPCs that would be hired would be dealing with alcohol related issues.

Mr. Zepp answered in the affirmative. He noted that SB 105, passed in 2018, included licensed marital and family therapists who could treat substance abuse.

Senator Wielechowski spoke of the 2,531 patient visits related to alcohol abuse with intoxication in 2018. He thought that the 2019 numbers showed alcohol abuse with intoxication as the leading cause of patient visits.

[9:30:26 AM](#)

Mr. Zepp addressed Slide 10, "Alaska Emergency Room Department Super-Utilizer Facts Number of Medicaid Clients," which showed a line graph that depicted that the medical costs, and not the number of Medicaid clients in ERs, had increased. He stated that invited testimony from DHSS would comment on the statistics. He reiterated that the most common diagnosis for super utilizers were from alcohol related disorders and associated ailments. The top 2.7 percent were likely to be between 20 and 59 years of age; 61 percent were female, and 39 percent were male.

[9:31:10 AM](#)

Mr. Zepp turned to slide 11, "Preventative behavioral health care can reduce costs":

Cost of Emergency Room visit for Medicaid client for a behavioral health assessment = \$4,360 versus \$200 average per clinical visit to a behavioral healthcare professional like a Licensed Professional Counselor (LPC).

The fiscal note from the Department of Health & Social Services reflects that 20% of the Medicaid clients would receive behavioral health services from LPCs, if this bill were passed. Keep in mind, these are not new

Medicaid clients, they are current clients. In FY2019, the total cost of emergency room care in Alaska for Medicaid clients totaled \$280.0 million. If we use 20% of the Medicaid client population for comparison purposes as stated in the fiscal note, we believe there is an opportunity for significant cost savings. Consider:

- In 2019: 62,284 Medicaid clients visited the emergency rooms in Alaska:
- 20% X 62,284 clients = 12,457 clients
 - Current costs of emergency room visits = 12,457 clients X \$4,360 = \$54,312,250
 - Current average costs of LPC clinical visit = 12,457 clients X \$200 = \$2,491,520

The difference equals = \$51,821,120. We are not saying this is what you'll save but you can clearly the potential savings of diverting Medicaid clients from the emergency room in a crisis stage and at a platinum cost to a preventative clinical setting with a Licensed Professional Counselor.

Mr. Zepp commented that the fiscal note from DHSS.

Senator Wilson commented that some hospitals in the state would like to hire an LPC to help divert those overutilizing the ER. He elaborated on the various ways that this would benefit hospitals.

[9:34:58 AM](#)

Senator Bishop asked the sponsor about the 12,457 clients listed on Slide 11, and how many of the visits were alcohol related.

Senator Wilson stated that the departmental invited testimony would address the numbers further.

[9:35:48 AM](#)

Mr. Zepp looked at Slide 12, "SB 134":

"An Act relating to medical assistance reimbursement for the services of licensed professional counselors; and providing for an effective date."

Acknowledgement of support & our sincere thanks to the following:

- Alaska State Hospital and Nursing Home Association
- Providence Health and Services Alaska
- Southeast Alaska Regional Health Consortium
- Alaska Regional Hospital
- Mat-Su Health Foundation
- Alaska Primary Care Association
- Mat-Su Health Services
- Alaska Mental Health Trust Authority
- Alaska Department of Health & Social Services
- Alaska Department of Commerce, Community & Economic Development
- Discovery Cove Recovery & Wellness Center
- Recover Alaska

[9:36:34 AM](#)

Mr. Zepp addressed a Sectional Analysis (copy on file)"

SB 134 impacts AS 47.07.030(b) "Medical Services to be Provided" and AS 47.09.900 "Definitions," under title 47, chapter 5, "Administration of Welfare, Social Services, and Institutions."

Section 1: "Medical Services to be Provided" - AS 47.07.030(b) PAGE 1, LINES 4-14 & PAGE 2, LINES 1-9: expands the Medicaid optional services by including professional counseling services to the list of optional services available through the Department of Health & Social Services under this subsection.

Section 2: "Definitions" - AS 47.07.900(20) PAGE 2, LINES 10-14: amends chapter 07, "Medical Assistance for Needy Persons" by adding the definition of professional counseling services.

Section 3: "Medical Services to be Provided" - AS 47.07.030(b) PAGE 2, LINES 15-20: adds professional counseling services to the list of optional services available through the Department of Health & Social Services under this subsection.

Section 4: "Medicaid State Plan and Federal Approval" PAGE 2, LINES 21-29: amends the uncodified law to instruct the Department of Health and Social Services to submit an amendment to the state plan for medical

assistance coverage and seek approval from the U.S. Department of Health and Human Services.

Section 5: PAGE 2, LINES 30-31 & PAGE 3, LINE 1: provides for a contingent effective date.

[9:38:58 AM](#)

Co-Chair von Imhof asked invited testimony to speak to the issues related to the legislation.

ALBERT WALL, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), stated that the department was pleased to work with the sponsor on the bill. He reiterated that it was possible to bill Medicaid currently, but only under the auspices of working in a clinic, with supervision from a medical provider that could sign off on their work. This limited the number of LPCs that were available to do work with Medicaid patients across the state. He stated in the department's view, the bill would provide more accessibility for behavioral healthcare for Alaskans and provide some relief for the stress currently placed on the behavioral health system. He noted that currently a patient had to be in crisis and go to the ER in order to get help. The provision of adding LPCs as independent practitioners would divert patients from ERs by providing more mid-level and preventative care. He shared that private insurance covered LPCs, to a point. He explained that LPC coverage was available depending on the individual care plan, such as covering several appointments with prior authorization; counselors had to be referred and Medicaid did not cover those appointments.

[9:42:20 AM](#)

Mr. Wall commented on the super-utilizer program, which the department called the Care Management Plan. He explained that the individuals in the plan had co-occurring conditions and the highest number of visits to ERs. He mentioned the 1115 Waiver, and thought the legislation was an importance piece of rolling out coverage for the waiver. He commented that there were a few pieces of legislation related to the waiver. He discussed substance abuse providers, many of whom were LPCs.

Mr. Wall explained that the 1115 Waiver was an effort to drive the level of acuity down in order to drive costs down and allow people to be treated in their communities.

[9:44:02 AM](#)

Senator Hoffman referenced Slide 11, which was an analysis of potential savings. He asked Mr. Wall to comment on the slide.

Mr. Wall could not see the slide but recalled he had seen it previously. He spoke generally to the savings proposed by the bill. He explained if more providers were present, there was better accessibility, which would prevent crisis situations.

[9:45:43 AM](#)

Senator Wielechowski asked how patients suffering from alcohol abuse related issues were cared for in emergency room situations.

Mr. Wall stated that many hospitals had an adjacent sleep-off centers. He stated that generally hospitals would give care to individuals experiencing a dangerous level of intoxication that required medical observation. He said that if a detox bed was available, the patient would be sent there, but that the beds were limited.

Mr. Wall noted that there was a significant difference between detoxification and ongoing therapy. He explained that the detoxification process was done by medical professionals that could administer drugs if needed. An LPC would see a patient on an ongoing basis in order to keep the patient sober. The LPC did the work to keep people out of the ER in the first place.

[9:48:00 AM](#)

Senator Wielechowski asked whether the bill would provide hospitals with the tools needed to break the cycle of drug and alcohol abuse.

Mr. Wall thought the bill was not a panacea but would help. He thought the problem should be addressed culturally and noted that alcohol killed people at high rates all over the country.

[9:49:17 AM](#)

Senator Hoffman asked how many LPCs would be needed and if there were enough counsellors available to fill the positions should the funding become available.

Mr. Wall thought there was 700 LPCs licensed across the state and that some were currently working in health centers. He thought one barrier that would happen to reduce the effectiveness of LPCs was the administrative work of billing Medicaid. He did believe that the bill would address the issue of accessibility. He thought that once the 1115 waiver made different types of services available, the level of acuity in the state would decrease.

[9:52:18 AM](#)

Senator Wielechowski pointed out that the number one reason people visited the ER was for acute upper respiratory issues such as influenza. He asked what the department was doing to educate the public, and the Medicaid population in particular, about handwashing and social distancing.

Mr. Wall explained that the public health did a tremendous job through signage and advertisement; including messaging through radio and print. He noted that providers were trained to interact in a preventative way with patients. He stressed that there was a multi-level effort to address preventative care.

[9:54:16 AM](#)

Co-Chair von Imhof thought that cultural shifts needed a catalyst and that Covid-19 could be that catalyst. She considered other countries behavior in relation to the virus and noted that some had bent the curve more successfully than others due to a more robust national response based on historical knowledge. She suspected that rather than just signs in the doctor office there would be signs everywhere in the ensuing years.

[9:56:05 AM](#)

JARED KOSIN, PRESIDENT AND CEO, ALASKA STATE HOSPITAL AND NURSING HOME ASSOCIATION, ANCHORAGE (via teleconference), introduced himself. He explained that he had been in meetings all morning regarding the COVID-19 response. He

thought the bill should be a priority. He expressed that if more counselors were willing and able to see Medicaid patients, Alaska's behavioral health care will be in a better place. He emphasized that hospitals were the most expensive point of care in the healthcare continuum. He stated it was better for the patients and caregivers that people received care at the correct and preventative level.

Mr. Kosin pondered whether the bill would allow hospitals the tools to address the problem. He strongly believed that if there was a sustainable place in the community for individuals to receive long-term recovery care it would allow patients to receive needed services at a much lower cost to all involved parties. He thought the bill was very smart public policy and very good fiscal policy. He had spoken with a CEO of a rural hospital, who had expressed that if the bill did not get passed "all hope was lost." He reiterated his strong support for the legislation.

10:00:43 AM

Co-Chair von Imhof OPENED public testimony.

JON ZASADA, POLICY DIRECTOR, ALASKA PRIMARY CARE ASSOCIATION, HOPE (via teleconference), spoke in support of the bill. He stated that adding Medicaid reimbursement for LPCs was a top priority for his organization, and had been for many years, to expand access to behavioral health services. He noted that community healthcare centers were already using LPCs in their practices to provide school-based services, individual counselling services, substance abuse disorder treatment, and in supporting care coordination and coaching for basic health and hygiene issues such as handwashing. He explained that the services were not reimbursable and were paid for with private grants, which was not sustainable. He furthered that federally qualified health centers had received considerable federal investment to expand behavioral health services and substance abuse treatment in the primary care setting. Those centers are required to provide behavioral healthcare integrated with medical, dental, pharmacy, and other services. Adding LPCs to the roster of available providers enables health centers to make their service expansion sustainable and was a national best practice. He stressed that LPCs were a valuable component to team based, whole person, primary care. He explained that whole person

primary care consisted of medical, dental, behavioral, pharmacy, and support providers.

[10:04:20 AM](#)

JOCELYN PEMBERTON, CEO, ALASKA HOSPITALIST GROUP, ANCHORAGE (via teleconference), testified regarding her concerns with the bill. She expressed concern that the provision to require a medical provider to oversee an LPN in order to provide therapy would restrict access. She said that no other insurance companies had the same requirement. She believed that many Medicaid recipients could be referred to either psychiatrists or nurse practitioners for behavioral health medication prescriptions. She stressed that talk therapy could prove more beneficial to a person's behavioral health than medication.

[10:06:21 AM](#)

PRENTISS PEMBERTON, COUNSELING SOLUTIONS OF ALASKA, ANCHORAGE (via teleconference), voiced his concerns with the legislation. He noted that his company employed therapist in Anchorage and eagle River who could not provide services to Medicaid recipients because they did not employ a psychiatrist. He reiterated the previous testifiers concerns about accessibility.

[10:09:09 AM](#)

JENNIFER MORTON, LICENSED PROFESSIONAL COUNSELOR, NOME (via teleconference), spoke in support of the bill. For the previous eight years she had worked in rural parts of the state including Dillingham and surrounding villages. She thought the primary issue in rural Alaska is that there was only one option for care: the community mental health center. She lamented that many of the public did not trust the care provided by the centers because it was short-lived. This caused abandonment issues. She said that the community would not seek services if they felt providers were not invested in the community. She had specialized in art therapy, which she thought was culturally relevant. She stated that she could not bill Medicaid. She stressed that low-income, unemployed people needed the most help. She stressed the additional counselling services would help keep people out of the emergency room.

[10:13:02 AM](#)

VIKKI JO KENNEDY, SELF, JUNEAU (via teleconference), testified in support of the bill. She discussed the importance of mental health. She had spoken with DHSS about the matter. She thought there was a problem with people receiving services and then leaving the state. She thought mental health services and substance abuse services were important.

[10:14:51 AM](#)

LAURA PORTER, SELF, PALMER (via teleconference), spoke in support of the bill. She was an LPC and worked as a subcontractor with a children's advocacy center. She said that she received weekly calls from people in need and she had to turn them away. She shared that she was in private practice and was willing to take on the administrative side to billing Medicaid.

Senator Wilson asked Ms. Porter to explain a child's advocacy center.

Ms. Porter explained that a children's advocacy center investigated Office of Children's Services (OCS) cases involving abuse, neglect, or sexual assault.

[10:16:59 AM](#)

Co-Chair von Imhof CLOSED public testimony.

Co-Chair von Imhof noted there were invited testifiers available to answer questions.

[10:17:34 AM](#)

Senator Olson wondered why the fiscal note was so significant for a bill that was expected to save Medicaid dollars.

Co-Chair von Imhof said that the fiscal note would be discussed.

[10:18:00 AM](#)

Senator Wielechowski discussed FN 1 from the Department of Health and Social Services, OMB Component 3234. He read from the analysis on page 2 of the fiscal note:

The bill allows licensed professional counselors (LPCs) to enroll and participate in the Medicaid program as individual billing providers and receive Medicaid reimbursement for medically necessary services provided to eligible Medicaid beneficiaries outside of a clinic setting.

Total number of registered LPCs in Alaska: 717
Percentage estimated to accept Medicaid patients: 20%
Estimated LPCs accepting Medicaid patients: 143

Estimated number of patients seen per week by one counselor (one hour each): 20
Percentage of patients estimated to be Medicaid eligible: 20%
Estimated Medicaid patients seen per week by one counselor (one hour each): 4

Current individual psychotherapy hourly reimbursement for LPC: \$118.60

143 LPCs x 4 Medicaid patients/week x \$118.60/hr cost = \$67.8 estimated weekly incremental cost
Estimated annual incremental cost of LPCs (48 working weeks): \$3,254.4

To implement this bill a modification of Medicaid Management Information System to add a new provider type and associated business rules would be required. The work would take an estimated 600 modification hours at a total cost of \$55.9 and would be completed by the system contractor. Adding this provider type would not require additional staff to maintain the system changes.

Co-Chair von Imhof asked Senator Wielechowski to review the fund sources.

Senator Wielechowski read from Page 1:

Fund Source (Operating Only)

1002 Fed Rcpts (Fed) \$2,385.1
1003 GF/Match (UGF) \$14.0
1037 GF/MH (UGF) \$911.2
Total: \$3,310.3

1002 Fed Rcpts (Fed) through FY 26: \$2,343.2
1037 GF/MH (UGF) through FY 26: \$911.2

Co-Chair von Imhof referenced Senator Olson's question.

[10:20:46 AM](#)

Senator Wilson stated that he had been working with the department on the fiscal note. He thought it was difficult to disperse the cost savings. He discussed the complexity of the medical billing.

[10:21:52 AM](#)

Senator Olson wondered whether the sponsor expected the fiscal impact to change.

Senator Wilson answered in the affirmative. He said that the goal was to increase the access at the lower level and cost of care.

Senator Olson thought the plan was optimistic.

Co-Chair von Imhof thought the intent of the bill was to shift care when appropriate from other medical care providers to LPCs. She thought the issue was any savings should be examined and considered. She thought it could take several years for the system to come up to speed.

Co-Chair von Imhof addressed Senator Olson's point and thought the department was hesitant to identify savings until they materialized.

[10:23:31 AM](#)

Senator Wielechowski was curious about Mr. Wall's opinion on the matter.

Senator Wilson thought that Gennifer Moreau-Johnson, Acting Director, Division of Behavioral Health, Department of Health and Social Services could speak to the question.

[10:24:01 AM](#)

Ms. Moreau stated that Senator Wilson described the matter accurately, and the fiscal note reflected an abundance of caution. There were multiple initiatives that were

anticipated to result in a cost savings by reduced use of the emergency room. She detailed the complexity of the note.

Senator Wielechowski queried the savings using the average cost of each ER visit.

Ms. Moreau believed there had been a report submitted to the sponsor that cited the LPCER savings estimate, which was determined through the department's actuary.

[10:26:21 AM](#)

SB 134 was HEARD and HELD in committee for further consideration.

Co-Chair von Imhof discussed housekeeping.

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ADJOURNMENT

[10:26:58 AM](#)

The meeting was adjourned at 10:26 a.m.