

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 12, 2020

1:32 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Tom Begich

MEMBERS ABSENT

Senator Mike Shower

COMMITTEE CALENDAR

PRESENTATION: CORONAVIRUS: ALASKA'S RESPONSE AND PREPAREDNESS

- HEARD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 96 (FIN)
"An Act relating to Alaska Pioneers' Home and Alaska Veterans'
Home payments, rates, and services."

- MOVED CSHB 96 (FIN) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 96

SHORT TITLE: PIONEERS' HOME AND VETERANS' HOME RATES

SPONSOR(S): REPRESENTATIVE(S) FIELDS

03/15/19	(H)	READ THE FIRST TIME - REFERRALS
03/15/19	(H)	STA, HSS
03/26/19	(H)	STA AT 3:00 PM GRUENBERG 120
03/26/19	(H)	Heard & Held
03/26/19	(H)	MINUTE (STA)
03/28/19	(H)	STA AT 3:00 PM GRUENBERG 120
03/28/19	(H)	Heard & Held
03/28/19	(H)	MINUTE (STA)
04/02/19	(H)	STA AT 4:00 PM GRUENBERG 120
04/02/19	(H)	Moved CSHB 96 (STA) Out of Committee
04/02/19	(H)	MINUTE (STA)
04/03/19	(H)	STA RPT CS (STA) 2DP 4NR

04/03/19 (H) DP: SHAW, FIELDS
 04/03/19 (H) NR: LEDOUX, WOOL, STORY, KREISS-TOMKINS
 04/09/19 (H) HSS AT 3:00 PM CAPITOL 106
 04/09/19 (H) -- MEETING CANCELED --
 04/11/19 (H) HSS AT 3:00 PM CAPITOL 106
 04/11/19 (H) -- MEETING CANCELED --
 04/18/19 (H) HSS AT 3:00 PM CAPITOL 106
 04/18/19 (H) Heard & Held
 04/18/19 (H) MINUTE(HSS)
 04/23/19 (H) HSS AT 3:00 PM CAPITOL 106
 04/23/19 (H) Moved CSHB 96(STA) Out of Committee
 04/23/19 (H) MINUTE(HSS)
 04/24/19 (H) HSS RPT CS(STA) 4DP 1NR 1AM
 04/24/19 (H) DP: DRUMMOND, TARR, ZULKOSKY, SPOHNHOLZ
 04/24/19 (H) NR: JACKSON
 04/24/19 (H) AM: PRUITT
 04/24/19 (H) FIN REFERRAL ADDED AFTER HSS
 04/29/19 (H) FIN AT 1:30 PM ADAMS ROOM 519
 04/29/19 (H) Heard & Held
 04/29/19 (H) MINUTE(FIN)
 05/02/19 (H) FIN AT 1:30 PM ADAMS ROOM 519
 05/02/19 (H) Heard & Held
 05/02/19 (H) MINUTE(FIN)
 05/03/19 (H) FIN AT 1:30 PM ADAMS ROOM 519
 05/03/19 (H) Moved CSHB 96(FIN) Out of Committee
 05/03/19 (H) MINUTE(FIN)
 05/06/19 (H) FIN RPT CS(FIN) NT 4DP 6NR
 05/06/19 (H) DP: KNOPP, JOSEPHSON, ORTIZ, FOSTER
 05/06/19 (H) NR: JOHNSTON, TILTON, LEBON, MERRICK,
 SULLIVAN-LEONARD, WILSON
 05/07/19 (H) CORRECTED FIN RPT CS(FIN) NT 4DP 6NR
 05/07/19 (H) DP: ORTIZ, KNOPP, JOSEPHSON, FOSTER
 05/07/19 (H) NR: JOHNSTON, LEBON, TILTON, MERRICK,
 SULLIVAN-LEONARD, WILSON
 05/10/19 (H) TRANSMITTED TO (S)
 05/10/19 (H) VERSION: CSHB 96(FIN)
 05/10/19 (S) READ THE FIRST TIME - REFERRALS
 05/10/19 (S) HSS, FIN
 01/27/20 (S) HSS AT 1:30 PM BUTROVICH 205
 01/27/20 (S) Heard & Held
 01/27/20 (S) MINUTE(HSS)
 01/29/20 (S) HSS AT 1:30 PM BUTROVICH 205
 01/29/20 (S) -- MEETING CANCELED --
 02/12/20 (S) HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

ANNE ZINK, M.D., Chief Medical Officer
Division of Public Health
Department of Health and Social Services (DHSS)
Anchorage, Alaska

POSITION STATEMENT: Presented on Coronavirus: Alaska's Response and Preparedness.

CLINTON LASLEY, Acting Deputy Commissioner
Family, Community, and Integrated Services; Director
Division of Alaska Pioneer Homes
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Presented an overview of rate increases at the Pioneer Homes.

LAURA MARTINSON, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 96.

KARI SPENCER, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 96.

LYNN WILLIS, representing self
Eagle River, Alaska

POSITION STATEMENT: Testified in support of HB 96.

KAY ANDREW, President
Pioneers of Alaska Igloo 16 & 7
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 96.

ED ZASTROW, member
Pioneers of Alaska Igloo 16 & 7
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 96.

AVES THOMPSON, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 96.

MALAN PAQUETTE, representing self
Kenai, Alaska

POSITION STATEMENT: Did not testify on HB 96.

DEBBIE TILSWORTH, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 96.

NORMAN BEAN, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 96.

DOROTHY DITTMAN, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 96.

BILL BROKAW, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 96.

DAVE BROWN, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 96.

CRIS EICHENLAUB, representing self
Eagle River, Alaska

POSITION STATEMENT: Testified that the state must find ways to cut costs.

ACTION NARRATIVE

[1:32:01 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Giessel, von Imhof, Begich, and Chair Wilson.

Presentation: Coronavirus: Alaska's Response and Preparedness

[1:32:22 PM](#)

CHAIR WILSON announced the presentation "Coronavirus: Alaska's Response and Preparedness" by Dr. Anne Zink. He called Dr. Zink to the table.

[1:32:44 PM](#)

ANNE ZINK, M.D., Chief Medical Officer, Division of Public Health, Department of Health and Social Services (DHSS), Anchorage, Alaska, said that during her PowerPoint, she would give the medical background of the coronavirus as well as describe what the state is doing. In the last 24 hours the virus name changed from 2019-nCoV to the WHO (World Health Organization) title COVID-19.

DR. ZINK reviewed slide 2, Coronaviruses. She explained that the coronavirus is smaller than bacteria. There are seven types that infect people. It is zootic, living amongst animals. Four types cause the common cold. Ten to 30 percent of common colds are caused by coronaviruses. Occasionally a novel, new, coronavirus emerges, likely from animal species. It is called corona because the virus has spikes that look like a halo.

DR. ZINK reviewed slide 3, Coronaviruses (general). She said coronaviruses last one to two hours on nonporous or hard surfaces and eight to 12 hours on porous or soft surfaces.

DR. ZINK reviewed slide 4, New Coronaviruses. She said the novel coronavirus is believed to have jumped from animals into the human population around November. The two most famous coronaviruses that moved from an animal to a human host are SARS (Severe Acute Respiratory Syndrome) and MERS (Middle Eastern Respiratory Syndrome). Now there is COVID-19.

DR. ZINK reviewed slide 5, 2019-nCoV. She said the COVID-19 was first reported by Chinese health officials on December 31, 2019. It is not clear whether someone without symptoms can spread it to others (asymptomatic shedding). The incubation period is between two to 14 days with an average of five days. The numbers of confirmed cases continue to change. As of today, there are 45,171 cases worldwide. One U.S. citizen died in Wuhan city and outside of China, 1,014 deaths have occurred as of today. There are 13 confirmed cases in the United States in six states and no deaths have occurred in the United States.

DR. ZINK reviewed slide 6, Graph of nCoV cases to date. She displayed a Johns Hopkins graph of COVID-19 showing confirmed cases in mainland China and the rest of the world. From an epidemiology standpoint, these graphs are very useful to see the trends.

DR. ZINK reviewed slide 7, case Fatality. She said SARS had a case fatality rate of 10 percent, meaning 10 percent of people who got SARS died. MERS had a fatality rate of 35%. The influenza fatality rate is .1 percent. The 2019n-CoV is currently estimated to be 2 percent.

[1:37:44 PM](#)

SENATOR VON IMHOF observed that the influenza mortality rate average is less than 1 percent. She asked how many people in the United States generally get the flu and how many die.

DR. ZINK replied that last year there were about seven million cases of flu with 3.7 million doctor visits and 109,000 hospitalizations and 8,000 deaths. Alaska has had just over 4,000 cases of flu and one confirmed death so far this year

CHAIR WILSON clarified that Alaska's peak flu season is later than in the lower 48 and February is usually the peak.

DR. ZINK answered that it changes every year. The lower 48 this year has had a bimodal distribution. There was a peak of influenza B and then later a peak of influenza A. Alaska had a peak in influenza B about the same time as the lower 48 but has not seen the second peak of influenza A. In general, Alaska tends to be a bit later than the lower 48 with flu cases.

DR. ZINK reviewed slide 8, Transmission. She explained that transmission is now clearly person-to-person through respiratory droplets when an infected person coughs or sneezes, usually at close contact. That is different from an airborne disease that can persist in the environment for a long period of time. It not clear if it is transmitted through touching a surface or object. It is unclear how easily it is spread from person to person. That is why more data is needed from China. The current estimate is that this coronavirus has an R naught value of about 2.5. That means that each infected person will transmit the virus to about 2.5 other people. Measles has a 12 value. SARS is 3. The 1918 flu pandemic was 1.5. H1N1 was 1.5 and the seasonal flu is 1.2. Part of the Centers for Disease Control and Prevention (CDC) concern is that this seems to be slightly more infective than general flu. That is why a lot of attention is being placed on this disease.

[1:41:07 PM](#)

CHAIR WILSON asked about the efficacy of masks that were not the N95 respirator masks.

DR. ZINK answered she will address that in a later slide, but the CDC does not recommend the average person wear a mask. A person wearing a mask is breathing into a wet, moist environment collecting viruses and bacteria, and it is in general not useful for protection from other persons. It can be useful when people walk into a clinic coughing and sneezing so people who are ill do not cough or sneeze on other people or on surfaces. If someone is walking into a clinic sick, putting a mask on and calling in beforehand is recommended. The N95 mask has to be fitted and tested. It is useful for health care workers with

extensive exposure to people with airborne or droplet-exposed viruses. The recommendation is not for the average person to wear a mask.

CHAIR WILSON shared that he saw many people wearing masks at airports during recent travel and that he wanted a health care professional to address that.

DR. ZINK reviewed slide 9, Map from February 11, 2020. The slide depicted a map of current cases in the United States.

DR. ZINK reviewed slide 10, Signs and Symptoms. She explained that the signs and symptoms of 2019-nCoV are similar to those of the common cold. This coronavirus appears to disproportionately affect the elderly or those with underlying medical conditions.

DR. ZINK reviewed slide 11, Testing and Treatment. She explained that the CDC has developed a PCR (Polymerase Chain Reaction) test that looks at a little bit of the virus. Currently all testing is being done at the CDC in Atlanta, but the CDC is working on getting tests to Alaska. Alaska did get its first test kit, but one of the three components of the test wasn't functioning properly. Numerous states had the same experience and are waiting for the CDC to recalibrate the tests and send them out. Once everything is working well, it will take Alaska two weeks to have those tests up and running. Alaska has two labs run by Public Health, one in Anchorage and one in Fairbanks, and is working to get those set up. Currently, there is no known treatment except good supportive care. The CDC says not to expect a vaccine soon.

DR. ZINK displayed slide 12, CDC Evaluation Flowchart, for who should be screened for the coronavirus.

[1:45:39 PM](#)

SENATOR VON IMHOF shared that she has received calls from school districts and wondered how Dr. Zink is dealing with school districts and organizations that deal with large populations.

DR. ZINK replied that DHSS has been working with the Department of Education and Early Development (DEED) as well as with individual school districts. DHSS wrote letters to state employees and superintendents of school districts. DHSS stood up its emergency operations system and joint information center on January 24. There are regular calls with PIOs (public information officers) from districts and hospitals schools. Consistent information is incredibly important. Dr Jay Butler

has said four epidemics are being fought right now. One is the novel coronavirus, and the others are the epidemics of fear, stigma, and misinformation. Good, consistent information is incredibly important.

DR. ZINK displayed slide 13, Persons Under Investigation. A PUI is a person with a higher risk of having the novel coronavirus. A PUI is person who has clinical features and the features of epidemiologic risk, such as travel to Hubei Province in China or close contact with a laboratory-confirmed case of 2019-nCoV. Alaska has no PUIs.

DR. ZINK reviewed slide 14, Notes on travel. She said that on January 1, 2020, Huanan Seafood Wholesale Market was closed. On January 23, 2020, Wuhan City shut down public transportation. On January 31, 2020, a Presidential Proclamation suspended entry into the United States to foreign nationals who visited Mainland China in the past 14 days. Exempted persons included immediate family members of U.S. citizens, legal permanent residents, and crew members of air travel.

CHAIR WILSON pointed out that the Anchorage airport is one of the busiest international airports in the country. He asked about the screening process for pilots.

1:49:00 PM

DR. ZINK replied that currently, Anchorage is not one of the five main airports that passengers from Mainland China are traveling through. Seattle is one. Those passengers fill out a health questionnaire. Customs and Border Protection call the CDC quarantine if necessary. If passengers look well and their answers are negative, these passengers are allowed to continue on with their travels. Alaska is notified if someone has gone through the process and flies to Alaska. Crew members for cargo flights are thought to be at lower risk than the crew members for passenger flights. The Presidential Proclamation excluded crew members from the passenger quarantine measures. Eighty to 90 percent of medical supplies come from China, so a complete stop of all of the supply chain from China could have large health impacts. The FAA (Federal Aviation Administration) has issued guidelines for crew members, and Alaska has worked closely with the FAA on what that looks like. Alaska does have a quarantine station that would evaluate crew members who look ill. U.S.-based crews are advised to practice social distancing while in China. With so many cargo flights, it is a concern in Alaska. DHSS has been meeting with the airline companies and

crews making sure staff have seen these guidelines and are staying in close contact with them.

DR. ZINK reviewed slide 15, Isolation vs. Quarantine. She said she wanted to review this concept because the federal government issued a quarantine order for the first time since the 1960s, when it was done because of smallpox. That is different from previous flu pandemic planning. Isolation is when someone is sick and is separated from the rest of the population. This can be done at home. Quarantine is for asymptomatic people, people who are not sick but are high risk. High risk individuals are asked to stay away from other people. The CDC is asking people who have traveled to Mainland China to self-quarantine for 14 days if the travelers arrived in the United States after 2 p.m. on February 3. That is based on when the rapid growth in China occurred.

DR. ZINK reviewed slide 16, Prevention:

- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Avoid close contact with people who are sick.
- Stay home when you are sick.
- Cover your cough or sneeze with a tissue, then throw the tissue in the trash.
- Clean and disinfect frequently touched objects and surfaces using a regular household cleaning spray or wipe.
- Wash your hands often with soap and water for at least 20 seconds, especially after going to the bathroom; before eating; and after blowing your nose, coughing, or sneezing.
- If soap and water are not readily available, use an alcohol-based hand sanitizer with at least 60% alcohol. Always wash hands with soap and water if hands are visibly dirty.

DR. ZINK added that getting a flu shot is a great way to keep the number of respiratory symptoms presenting to the hospital down and keep the health care system up and running.

[1:54:12 PM](#)

DR. ZINK displayed slide 17, An Outbreak. The slide consisted of a graph. The DHSS is spending so much time in combination with federal, state, tribal, and local partners on this effort because it is hoping that with good pandemic outbreak response,

the numbers of cases will be decreased the peak numbers of cases and the demand on hospitals. Because Alaska has few hospitals with great distances between them, it is imperative that everything be done to keep hospitals functioning and minimize the blow if this coronavirus comes to Alaska.

DR. ZINK reviewed slide 18, Disaster Preparedness. The slide depicted a disaster management workflow that includes plan/prepare, respond, and recover. Plan/prepare also includes a plan to mitigate. Since Alaska currently has no PUIs or cases, it is planning, preparing, and mitigating. Alaska has a pandemic flu plan that it has worked on for years. That is being brushed off. Last year Alaska had its raging contagion exercise, which informs the state plan. It is impressive to her how much work has been put into Alaska's disaster management plan.

DR. ZINK reviewed this information on slide 19, Preparing for the next steps:

- Preparedness is something that we do, practice and prepare for
- Build on existing structures and lessons learned from the 1918 flu, H1N1, SARS, MERS, and Ebola
- Have recently updated Pandemic Influenza Plan that can be used as guidelines
- Exercised planning for a contagious pandemic in the "Ragin' Contagion" exercise from April 8-13, 2019
- Have active Emergency Medical Countermeasures Management Plan
- DHSS EOC (Emergency Operations Center) stood up Jan. 24, 2020
- Working closely with other departments, tribal, federal and local partnerships to run through all of the "what ifs"

DR. ZINK reviewed slide 20, A Special case. This case involved the repatriation of up to 240 U.S. citizens and their families from China. Alaska received a call from the U.S. government asking if Alaska would be willing to allow the plane carrying those passengers to refuel in Anchorage on its way back from China. When the plane landed in Anchorage on Saturday, January 28, 2020, DHSS had already stood up its Emergency Operations Center and worked carefully with its federal partners to consider scenarios such as what if the whole plane was positive. DHSS learned a lot from preparing and planning and set limits about what the state could or could not care for. It was in a

secure part of the North Terminal that was not accessed by other passengers. The experience reminded her of how much better off everyone is by working together. The quarantine window was closed yesterday at 9 a.m., which means all passengers were cleared from having any risk of infection. The very few Alaskans who were part of the repatriation effort are all completely in the clear.

1:59:11 PM

DR. ZINK reviewed slide 21, Looking forward - Cruise Ships and Cargo. She said the department receives numerous questions about planes, cargo ships, and cruise ships. Anchorage is one of the busiest cargo airports in the world. Cruise lines are limiting who can board with preboarding screening. DHSS has been talking to its partners about what it would like in Juneau if a cruise ship had coronavirus cases. DHSS has time to plan and prepare for that and the cruise industry is very involved in that.

CHAIR WILSON asked if DHSS is working with Canada since some cruise ships come from Canada.

DR. ZINK replied that in general it has been a large, international effort. The recommendations have been similar across the board. Most recommendations are coming from cruise lines. Regardless of what country the ships originate from or visit, the guidelines are all the same.

DR. ZINK reviewed slide 22, Strengths and Weaknesses. She said one strength of Alaska is a strong, centralized public health system including labs, epidemiology, and emergency operations center. In other states, many times counties run their public health and there can be breakdowns in communications. The strong state, federal, tribal, and local partnerships are huge. Alaska does have limited health care capacity. Housing and quarantine will be a challenge, so DHSS is working through different scenarios. Supply chains can be a concern. The rapid spread of fear, stigma, and misinformation can be as damaging sometimes as the virus itself. DHSS is closely monitoring this and working with others to make sure the population is safe. As soon as it sees any changes, it will get that information out to people.

DR. ZINK reviewed slide 23, What Is Being Done. She said DHSS is providing weekly health provider webinars. Emergency operations meetings continue. DHSS has daily national calls with federal partners including the CDC. Public messaging and media and interdepartmental preparedness planning are impressive and ongoing.

DR. ZINK reviewed slide 24, What You Can Do. She said people can wash their hands, stay home when sick, stay calm, get your flu shot, and stay involved.

[2:02:50 PM](#)

SENATOR GIESSEL said she heard that the coronavirus had some similarities to HIV.

DR. ZINK responded that she had heard that in the context of what sort of retroviral and antiviral medications would be useful. The spread is very different, but some of the antivirals could be useful, she said.

CHAIR WILSON clarified that when Dr. Zink said earlier that she has been in the state since July, she meant that she became a state employee in July.

DR. ZINK answered that she has been a resident of the state for almost 12 years and she began working for the state in this capacity in July 2019.

[2:03:45 PM](#)

At ease

HB 96-PIONEERS' HOME AND VETERANS' HOME RATES

[2:05:33 PM](#)

CHAIR WILSON reconvened the meeting announced the consideration of COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 96(FIN), "An Act relating to Alaska Pioneers' Home and Alaska Veterans' Home payments, rates, and services."

He noted that the committee heard an overview of the bill on January 27 and he planned to continue public testimony at today's hearing.

[2:06:24 PM](#)

CLINTON LASLEY, Acting Deputy Commissioner, Family, Community, and Integrated Services, Director, Division of Alaska Pioneer Homes, Department of Health and Social Services (DHSS), Juneau, Alaska, said he would give an overview of how the rate increases enacted in September affected the Pioneer Home system and what the revenue projection looks like.

MR. LASLEY said the graph on slide 2, FY2019-FY2020 Revenue, shows revenues from 2019 compared to the projections for FY

2020. Because of the rate increases, the Department of Health and Social Services (DHSS) is projecting \$7 million in additional general fund program receipt revenue for FY 2020. Last year the projection for the rate increase was \$5.5 million. One increase of \$350,000 on the chart is federal revenue coming from the Veterans Affairs (VA) because 14 beds at the Palmer Pioneer Home became eligible for the higher VA reimbursement rate.

MR. LASLEY displayed slide 3, Long Term Care Cost Comparison--2019 Genworth. He noted that he used the [Pacific] Northwest for cost comparisons. Genworth surveys providers to find out what providers are charging in different markets. A website allows users to select regions for doing comparisons. The chart looks at prices for assisted living and nursing homes in Seattle, Portland, Anchorage, Alaska, and the Pioneer Homes. Many have asked him why he looks at nursing homes when the Pioneer Homes are assisted living facilities, but the Pioneer Homes have played a unique role in Alaska as there have not been enough nursing home facilities in the state. The Pioneer Homes do not provide every level of care but pride themselves in having elders move in and age in place in their final home. The average rate for nursing homes in Anchorage and Alaska is about the same at \$30,000 per month. The average rate for assisted living is \$6,000 per month. Some facilities in Anchorage have a base rate with add-ons for additional services, such as nursing services. The Pioneer Home system has 24-hour nurses unlike many assisted living homes, especially the smaller ones. For this chart, he averaged the rates for Levels I, II, and III to create the average rate of \$7,126 for assisted living in the Pioneer Homes. He used the rate for Level IV, the highest level of care for Pioneer Homes, for the nursing home rate of \$14,167. The Pioneer Homes have implemented Level V in regulation but are not utilizing that level yet. DHSS has received capital funding to build out a complex behavior neighborhood in the Anchorage Pioneer Home. That project went out to bid a week ago. Hopefully, DHSS will be able to stand up that complex in the next few months.

[2:12:22 PM](#)

MR. LASLEY described slide 4, Pioneer Home Rates with Medical CPI Urban, as the most important slide in the presentation. He said he used the 2005 Pioneer Home rates to look at what the rate increases should have been to stay up with what it truly cost to provide services. The rates that went into effect September 2019 are what it truly cost to provide services. In 2005, the Level I rate was \$2,240 and Level III, which was the

highest level of care at that time, was \$5,880. He applied medical CPI to the 2005 rates. The table shows that today's Pioneer Home rates are very close to what the 2005 rates would be today with medical CPI. The cost of providing services at the Pioneer Homes has been increasing at a rate close to medical CPI. Part of the problem is that the Pioneer Home rate increases have been sporadic. A methodology is needed to avoid this huge gap between the rates and the cost of services.

MR. LASLEY noted that last year some people asked for the justification for using medical CPI when the Pioneer Homes are not hospitals, but the previous slides show that the cost of doing business is much closer to medical CPI.

He said slide 5, Additional Cost in FY2020, shows just one example of an additional cost to the system of \$2,850,400 in FY 2020. This slide shows only non-UGF [unrestricted general fund] and only some personnel services. This increase of \$2.8 million for FY 2020 is for furlough reversals and increased pay for nurses to be equal to the private market. The Pioneer Home system had to absorb that \$2.8 million, which is an almost 5 percent increase (including \$900,000 in general funds added to the Pioneer Homes budget) for the Pioneer Home budget of \$60 million.

MR. LASLEY said slide 6, Alaska Pioneer Homes Admissions, Discharge, and Death Statistics, provides discharge data since the rate increase went into effect. Since August 1 from January 13, there were 57 admissions, 46 deaths, and 21 discharges. From their surveys, the Pioneer Homes know that 16 discharges were for individuals who moved because of the rate increases.

MR. LASLEY presented slide 7, Occupancy-Waitlist Data, which shows 176 people are on the active waitlist as of December 31 and 5,448 people are on the inactive waitlist. Slide 8, Levels of Care, shows the number of residents in each level of care.

He said slide 9, Payer Source, shows the number of people for different payer sources--Medicaid waiver, payment assistance, and private pay--between 2018 and 2019.

[2:19:07 PM](#)

CHAIR WILSON opened public testimony on HB 96.

[2:19:26 PM](#)

LAURA MARTINSON, representing self, Juneau, Alaska, said she is in favor of keeping Pioneer Homes as affordable as possible to

allow families like hers to stay more connected. Her grandfather is a Korean War veteran. He was completely independent until about a year ago when he broke his hip snow blowing his neighbor's driveway at age 86. Moving him to a care facility was one of the hardest decisions her family has had to make. Ultimately, he chose to stay in Alaska to be close to his family, most of whom are in Juneau. There are many more affordable options outside of Alaska that allow more independence but he wanted to be close to his family. Shortly after he moved to the Sitka Pioneer Home, the cost of his care increased by more than \$20,000 for the year and he had a 30-day warning for that. The size of the increase would be massive to anyone, but for someone who has worked his entire life to be self-sufficient in his older years is insurmountable. He is so proud that he has saved enough to take care of himself and that is crumbling out from beneath him. The fiscal priorities of the state reflect who Alaskans are as a people. She knows legislators are facing challenges, but a priority should be to take care of the state's elders and keep them close.

[2:22:07 PM](#)

KARI SPENCER, representing self, Juneau, Alaska, said her 87-year-old father is in the Sitka Pioneer Home. He is trying to move to Juneau but he is on the waiting list. He has lived in Juneau many years, volunteered at the St. Vincent de Paul store, and picked up trash while he walked two miles every day. Everyone called him the can man. He was given less than 30-days' notice about the rate increase from \$4,692 to \$6,596, which is an increase of 40 percent. He saved his whole life for this, and he can self-pay at the Level II rate. She just saw him yesterday in Sitka and told him that she would testify today. He wanted everyone to know that he is very sad. If he runs out of money, the state will liquidate his assets, including his life insurance policies at the cash out rate instead of the full rate. That would include his U.S. Navy military life insurance that he bought at age 19. He is a Korean War veteran. He wanted his voice to be heard supporting this bill because it represents a moderate amount between the two rates.

[2:24:33 PM](#)

LYNN WILLIS, representing self, Eagle River, Alaska, said he was representing himself and his friend of 45 years who lives in the Palmer VA/Pioneer Home. Mr. Willis said he heard the state representative say there was a methodology to the rate increase and if ever there was a methodology that needed careful state legislative oversight, it was this. The only word for this is cruel. It scared his friend. He thought he would be evicted, and

Mr. Willis told him apparently that is not going to happen. His friend has Parkinson's and can't talk or write well. He is at the Level III of care and probably will advance to Level IV. The state made him sign a care contract for Level IV, truly a Hobson's choice. His friend doesn't want to become a ward of the state. Mr. Willis was not encouraged to read the bill has a 50/50 chance. Every day that the legislature delays taking action to bring justice to these people, these fees move them closer to financial ruin. He urged the committee to bring a fair solution to these most vulnerable of Alaskans.

[2:26:51 PM](#)

KAY ANDREW, President, Pioneers of Alaska Igloo 16 & 7, Ketchikan, Alaska, said she is a lifelong resident of Ketchikan. Her 200 local members of the Pioneers of Alaska are concerned about the new price structure for the Pioneer Homes. The prices are completely out of reason and not affordable to the residents and future residents who need the security and care of the homes. This could cost the state more in the end when residents run out of money. These residents choose to stay in the state, raise their families here, and support their communities and state. These residents also hope to remain in Alaska in their old age and to be able to afford to go to the Pioneer Home to live out their lives and not have to go out of state because of cost. The Pioneers of Alaska played an integral role in the establishment of the Pioneer Homes. The original Pioneer Home in Ketchikan was a four-unit apartment building built on land donated by a member of Igloo 7. Igloo 16 and 7 continue to support the Ketchikan Pioneer Home and hold several events a year there, plus bring birthday cakes every month. She urged the committee to pass the bill to continue to give a secure and safe place for the state's elders.

[2:29:10 PM](#)

ED ZASTROW, member, Pioneers of Alaska Igloo 16 & 7, Ketchikan, Alaska, said he is a 65-year resident of Alaska. He was the chair of the Pioneer Homes Advisory Board for many years. He signed up for admission to the Pioneer Homes many years ago hoping to live out his remaining years in Ketchikan with the assistance of the Pioneer Home system. Today with these price increases he has concerns. A more reasonable cost should be considered. Much of the testimony has been about people concerned about running out of money. He reminded elected officials in Juneau that the Pioneer Homes were committed to the senior population in the state of Alaska.

[2:30:43 PM](#)

AVES THOMPSON, representing self, Anchorage, Alaska, said his wife was in the memory care unit at the Anchorage Pioneer Home until August 31, 2019. Her monthly cost for Level III care was \$6,795 a month. On September 1, 2019, the Division of Pioneer increased the rate to \$13,333 per month, an annual increase of over \$78,000 a year, a 96.2 percent increase. These residents were private payers funded by their retirement income, long-term care insurance, and personal savings. This increase drove his wife out of the pioneer home. Her replacement, more than likely, will be receiving a state or federal subsidy to pay the bill as those are the only ones who can afford the pioneer home. In the long run this means that all, if not most, of the residents will be subsidized. Alaskans have often talked about a glide path to a soft landing to minimize the effect of revenue reductions and budget cuts. Late last summer HB 96 passed the House with a substantial bipartisan majority. The Senate did not have time to deal with this important bill and disappointingly, the administration still enacted the rate increase. While he can appreciate the effort to make the user pay for the service, this action is not consistent with the discussions and negotiations of other state agencies that received the benefit of restorations or portions thereof of their budgets. The residents of the Pioneer Homes can live with a more moderate increase and further increases can be done incrementally, not in one fell swoop.

[2:33:30 PM](#)

MALAN PAQUETTE, representing self, Kenai, Alaska, did not testify on HB 96.

[2:35:47 PM](#)

DEBBIE TILSWORTH, representing self, Fairbanks, Alaska, said her 94-year-old mother has been a resident at the Fairbanks Pioneer Home for two-and-a-half years. She said she listened to Mr. Lasley's presentation last year about the 40 to 140 percent rate increase. The residents opposed those rates and described the hardships those rates would cause. At every legislative hearing she participated in, there was overwhelming testimony from people all over the state opposing such dramatic increases. She sent a letter to Mr. Lasley May 15, 2019, signed by 103 residents of the Pioneer Homes and their families, opposing the new rates. After HB 96 passed the House, about 20 representatives wrote to the administration asking the governor to postpone the increases because this legislation was pending. The administration ignored all the public testimony and the request of the representatives and imposed increases anyway on September 1, 2019.

MS. TILSWORTH said she is at the Pioneer Home six days a week, and she sees the culture has changed. "I've heard residents tell each other, 'If you need help, don't let the nurses or CNAs know. Come to me. I'll stand outside your bathroom while you're showering and make sure you don't fall. If they know you need help, they'll bump you up to the next level and charge you outrageous rates.'" She has heard residents talk about how they are going to run out of money in months instead of years and have to go on state assistance. She has heard them saying they are paying more and getting less. There are three vacant rooms in what she calls the high-rent neighborhood where the rate is currently \$13,333 a month. Not surprisingly, these rooms have been vacant ever since the new rates went into effect. A friend who was going to move her mother to the Pioneer Home canceled the admission when she learned the rate would be \$13,333 a month. She moved her mother to the Washington area where she found a beautiful home with assisted living for \$4,500 a month. Ms. Tilsworth asked the committee to support the more reasonable rates of HB 96. The current rates need to be repealed and refunds made. An apology is also in order from the administration who caused such grief, hardship, and stress for residents and their families.

[2:38:53 PM](#)

NORMAN BEAN, representing self, Palmer, Alaska, said he sold everything to move into the Palmer Veterans Home. At some point the Pioneer Home was going to close and the community supported the home. Residents thought it would quiet down. Then increases created stress. He is 91. He can't take too much stress. He signed a contract with the Pioneer Home that he was to pay so much. He figured that if he were careful, he might have enough money. He doesn't understand the people in Juneau. He understands Trump saying it's nothing but a swamp. That's what is in Juneau now. He is a strong Republican. When he signed a contract to buy a house, a car, property, the contract did not change until it was paid for. This should not change until the rites are read and he is under the ground.

[2:42:01 PM](#)

SENATOR GIESSEL said the members of this committee support this bill and are eager to move it on to the next committee, so it will hopefully cross the finish line this year. She thanked him for his testimony.

[2:42:26 PM](#)

DOROTHY DITTMAN, representing self, Palmer, Alaska, said she was born in Fairbanks and joined the military while in Alaska and then came back home. She moved to the Palmer Veterans and Pioneer Home on June 10, 2015, when she could afford the rate. This September rates went up and she was allotted the courtesy by the state to go on the assistance payment program. She cannot afford to live there even though she loves it, but she has been told that she has been grandfathered in. She asked where she could go if anything unforeseen were to happen. She cannot afford to live anywhere else. All the seniors she talked to greatly feel this monetary crunch. HB 96 will be a godsend.

2:45:09 PM

BILL BROKAW, representing self, Palmer, Alaska, said he is a 60-year-resident of Alaska. He has been in the Palmer Pioneer Home for a year-and-a-half. His 81-year-old wife has Alzheimer's. He is 84 himself and it became impossible to handle the 24/7 care that she needed. As veterans, Mr. Brokaw, and his wife both qualified for the Palmer Veterans home. The couple moved in in June 2018. His wife has a room in the Alzheimer's section while he is in the independent living area. Through his insistence, he qualified his wife for the Medicaid waiver, VA help, and long-term care help. The financial help of these agencies paid all but \$600. Last September the home made huge increases in rent. Because of agency help and the Medicaid waiver, his wife did not have increased charges, but his monthly charge increased over \$1,000 a month. He was not informed of this increase when making the decision to move into the pioneer home. Their living expenses exceed their income and there is no money for some of the fun things associated with senior living. He was hoping the Senate would pass HB 96 to rescind the huge increases from September of 2019. The extravagant September increase would be replaced by a much smaller increase based on the Consumer Price Index for the urban wage earners and clerical workers in Anchorage. He would hope for a refund for himself and other residents who have suffered financially because of this unwarranted increase. Financial help to financially strapped old folks is desperately needed.

2:48:05 PM

DAVE BROWN, representing self, Palmer, Alaska, said he retired after 23 years of service in the U.S. Army. He retired out of Fort Richardson in 1976 and has lived in Alaska ever since. He was able to enter the Palmer Veterans and Pioneer Home two years ago because of veteran preference. His wife could not come at the time. While waiting for his wife to join, she developed Alzheimer's and went into assisted living, which cost him \$4,000

a month. He sold his house and car and everything that he had. He made a special fund to take care of her. The VA helps to subsidize him at the Palmer home. His wife never got to join him. She passed away a year ago this month. She was never able to join him under the same roof. When he brought her ashes to the Pioneer Home after she was cremated, that was the first time in two-and-a-half years that the couple were under the same roof. The spouse of a service member should be allowed in automatically. It is too late for him, but the Palmer Pioneer Home is a wonderful home. He doesn't want anything to happen to disturb that. He strongly encouraged the passing of HB 96.

[2:50:46 PM](#)

CRIS EICHENLAUB, representing self, Eagle River, Alaska, said he wanted to see real solutions, not Band-Aids, for the state's challenges affecting things like ferry service, Pioneer Homes, and education. People are trying to hit the easy button by going for money, money, money and want to subsidize everything. There are ways to be more efficient, such as using interns and church organizations. The state must reorganize. There is a pot of money with not enough in it. The legislature does not have to go after people's permanent fund dividends. The state needs to see how it can be cheaper. These people do not feel that their expenses are being subsidized. There must be ways to make \$4,000 a month work for someone.

[2:53:03 PM](#)

CHAIR WILSON closed public testimony on HB 96 and solicited a motion.

[2:53:42 PM](#)

SENATOR VON IMHOF moved to report the committee substitute (CS) for HB 96, version 31-LS0646\S, from committee with individual recommendations and updated fiscal notes.

[2:53:54 PM](#)

There being no objection, CSHB 96(FIN) was reported from the Senate Health and Social Services Standing Committee.

[2:54:08 PM](#)

At ease

[2:54:13 PM](#)

CHAIR WILSON reconvened the meeting. There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee at 2:54 p.m.