

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 21, 2022

3:05 p.m.

MEMBERS PRESENT

Representative Liz Snyder, Co-Chair
Representative Tiffany Zulkosky, Co-Chair
Representative Ivy Spohnholz
Representative Zack Fields

MEMBERS ABSENT

Representative Ken McCarty
Representative Mike Prax
Representative Christopher Kurka

COMMITTEE CALENDAR

HOUSE BILL NO. 295

"An Act relating to the practice of dentistry; relating to dental radiological equipment; and providing for an effective date."

- MOVED HB 295 OUT OF COMMITTEE

CONFIRMATION HEARING(S) :

Alaska Mental Health Trust Authority

Kevin Fimon - Anchorage
Agnes Moran - Ward Cove

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 382

"An Act relating to insurance coverage for pharmacy services."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 295

SHORT TITLE: DENTIST SPEC. LICENSE/RADIOLOGIC EQUIP

SPONSOR(S) : REPRESENTATIVE(S) ORTIZ

01/31/22 (H) READ THE FIRST TIME - REFERRALS
01/31/22 (H) L&C, HSS, FIN
02/09/22 (H) L&C AT 4:30 PM BARNES 124
02/09/22 (H) Heard & Held
02/09/22 (H) MINUTE(L&C)
02/14/22 (H) L&C AT 3:15 PM BARNES 124
02/14/22 (H) Moved HB 295 Out of Committee
02/14/22 (H) MINUTE(L&C)
02/16/22 (H) L&C RPT 5DP 2NR
02/16/22 (H) DP: SCHRAGE, MCCARTY, SNYDER,
SPOHNHOLZ, FIELDS
02/16/22 (H) NR: KAUFMAN, NELSON
03/31/22 (H) HSS AT 3:00 PM DAVIS 106
03/31/22 (H) -- MEETING CANCELED --
04/12/22 (H) HSS AT 3:00 PM DAVIS 106
04/12/22 (H) Heard & Held
04/12/22 (H) MINUTE(HSS)
04/19/22 (H) HSS AT 3:00 PM DAVIS 106
04/19/22 (H) -- MEETING CANCELED --
04/21/22 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 382

SHORT TITLE: INSULIN COVERAGE:INSURANCE;MEDICAID

SPONSOR(S): REPRESENTATIVE(S) SNYDER

02/22/22 (H) READ THE FIRST TIME - REFERRALS
02/22/22 (H) HSS, L&C
04/21/22 (H) HSS AT 3:00 PM DAVIS 106

WITNESS REGISTER

REPRESENTATIVE DAN ORTIZ
Alaska State Legislature
Ketchikan, Alaska

POSITION STATEMENT: Offered final comment on HB 295, as the prime sponsor.

KEVIN FIMON, Appointee
Alaska Mental Health Trust Authority
Anchorage, Alaska

POSITION STATEMENT: Testified as appointee to the Alaska Mental Health Trust Authority.

AGNES MORAN, Appointee
Alaska Mental Health Trust Authority
Ward Cove, Alaska

POSITION STATEMENT: Testified as appointee to the Alaska Mental Health Trust Authority.

BRENDA STANFILL

Alaska Network on Domestic Violence and Sexual Assault
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of Agnes Moran's appointment to the Alaska Mental Health Trust Authority.

JAMES HOLZENBERG, Staff
Representative Liz Snyder
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 382, on behalf of Representative Snyder, prime sponsor.

LAURA KELLER, Managing Director of Advocacy
American Diabetes Association
Phoenix, Arizona

POSITION STATEMENT: Offered invited testimony during the hearing on HB 382.

BRANDON OUSLEY, Chief Executive Officer
Anchorage Fracture & Orthopedic
Consultant
Capstone Endocrinology and Diabetes Center
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 382.

CALISTA OUSLEY
Palmer, Alaska

POSITION STATEMENT: Offered invited testimony during the hearing on HB 382.

ACTION NARRATIVE

[3:05:37 PM](#)

CO-CHAIR LIZ SNYDER called the House Health and Social Services Standing Committee meeting to order at 3:05 p.m. Representatives Spohnholz, Zulkosky, Fields, and Snyder were present at the call to order.

The committee took an at-ease at 3:05 p.m.

HB 295-DENTIST SPEC. LICENSE/RADIOLOGIC EQUIP

[3:06:34 PM](#)

CO-CHAIR SNYDER announced that the first order of business would be HOUSE BILL NO. 295, "An Act relating to the practice of dentistry; relating to dental radiological equipment; and providing for an effective date."

CO-CHAIR SNYDER sought final comment from the bill sponsor.

[3:07:27 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, as prime sponsor of HB 295, thanked the committee for hearing the bill and said he had nothing to add at this time.

[3:07:57 PM](#)

CO-CHAIR ZULKOSKY moved to report HB 295 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 295 was reported out of the House Health and Social Services Standing Committee.

[3:08:33 PM](#)

The committee took an at-ease at 3:08 p.m.

CONFIRMATION HEARING(S):
Alaska Mental Health Trust Authority

[3:10:23 PM](#)

CO-CHAIR SNYDER announced that the next order of business would be confirmation hearings on the governor's appointees to the Alaska Mental Health Trust Authority.

[3:10:52 PM](#)

KEVIN FIMON, Appointee, Alaska Mental Health Trust Authority (AMHTA), summarized his 44-year history in Alaska, stating that after several years in Nome he moved to Anchorage where he has been running his tax preparation business for the last 31 years. He shared that he and his wife were very active in many aspects of their community, including charity. He described the AMHTA as a unique organization that he was honored to serve on. He shared that his ability to learn, question, and listen would allow him to make informed decisions on behalf of all trust beneficiaries whom he described as "our friends, neighbors, and even family members." He concluded that he would work along the

chief executive officer (CEO), staff, and other trustees of the AMHTA while drawing on his own experience to present possible improvements for better outcomes for current and future Alaskans.

[3:13:31 PM](#)

CO-CHAIR SNYDER asked whether Mr. Fimon was continuing service or whether he was a new appointee.

MR. FIMON explained he was newly appointed to replace an appointee who was not confirmed the previous year.

[3:13:58 PM](#)

REPRESENTATIVE FIELDS questioned what role the trust should take in providing resources for crisis intervention care for behavioral health across the state.

MR. FIMON explained that he sees the trust's main role in crisis intervention to be as a partner to organizations that provide those services by helping with funding and furthering education of their staff.

REPRESENTATIVE FIELDS asked which funding streams the trust could use to help municipalities, such as Anchorage, implement a crisis intervention approach [to behavioral health].

MR. FIMON explained that the board has been approached for funding by organizations that address many facets of crisis intervention, and that he believes the role of the trust is to work with the organizations to ensure the money is spent properly and efficiently. He shared his hope that providing funding to such organizations would take the pressure off of other municipal services, specifically the police force and emergency care services.

REPRESENTATIVE FIELDS referred to a bill addressing needs for the behavioral health crisis intervention in the state and opined that the success of the bill hinged on the development of more physical space to provide these intervention services. He asked Mr. Fimon where he thinks funding would build more capacity for short-term care for people in a behavioral health crisis.

MR. FIMON replied that he is still learning about the complexities of expanding treatment capacity; nonetheless, he

thinks there would be a partnership of funding between the AMHTA, the state government, and national government funding sources.

[3:19:11 PM](#)

AGNES MORAN, Appointee, Alaska Mental Health Trust Authority, provided a personal history, sharing that she was born and raised in Ketchikan, Alaska, and spoke briefly about her career in aerospace engineering, computer networking, and grant-making. She spoke about her experience on the First Bank board as the head of multiple committees. She shared that she had worked with beneficiaries of the AMHTA in a volunteer or professional capacity for the last ten years, mentioning her work with populations experiencing chronic homelessness and substance abuse. She related that she had volunteered with the community meal program, co-founded an overnight warming center in Ketchikan, and served on the First City Homeless Services Board. In a professional capacity, she said that she served as the Executive Director for Women in Safe Homes (WISH), an organization that provides services for women and families experiencing physical and sexual abuse. She reported that before she started, WISH was on probation for funding and facing permanent closure and lack of community support. However, she stated that during her tenure she has been able to restore funding, stabilize her staff and attract new talent, triple the ground space, and expand the services they provide to the community, all while improving community relations. She clarified that WISH has not received any funding from AMHTA during her tenure. She emphasized that WISH serves the full spectrum of AMHTA beneficiaries and that her extensive experience working within this population fuels her strong connection to the mission of the AMHTA, which she described as the fundamental quality of a board member. She stated that her main goal for working as a trustee is to be an advocate for rural areas and to establish collaborative relationships between the trust and the people working directly with beneficiaries in those communities.

[3:22:42 PM](#)

CO-CHAIR SNYDER asked whether Ms. Moran would be continuing service or whether this would be an initial appointment.

MS. MORAN confirmed that this would be her initial appointment.

[3:23:08 PM](#)

REPRESENTATIVE FIELDS asked what Ms. Moran viewed as the trust's roll in providing funding for behavioral health crisis intervention and how that would extend to the building of new facilities.

MS. MORAN explained that what drew her to want to serve as a trustee was AMHTA's history of working directly with local organizations to provide multiple types of funding for important services. She stated that in her experience, an organization must have funding from a variety of sources to be successful, and that the crisis intervention initiative would also need multiple funding sources to come to fruition.

[3:25:15 PM](#)

CO-CHAIR SNYDER opened public testimony on the confirmation hearing of the governor's appointees to the Alaska Mental Health Trust Authority.

[3:25:33 PM](#)

BRENDA STANFILL, Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), testified in support of Ms. Moran's appointment. She stated that she works with Ms. Moran in her capacity as Executive Director for WISH and said that Ms. Moran is able to balance her strong budgetary finesse and ability to run the business side of the organization with her deep compassion for serving the population with which AMHTA works. She said she believes that Ms. Moran would bring her extensive experience to the board and be a strong representative for the people being served by the trust. She concluded by emphasizing her support for Ms. Moran as an appointee to AMHTA.

[3:26:47 PM](#)

CO-CHAIR SNYDER, after ascertaining that no one else wished to testify, closed public testimony.

[3:27:18 PM](#)

CO-CHAIR ZULKOSKY stated that the House Labor and Commerce Standing Committee has reviewed the qualifications of the governor's appointees and recommends that the following names be forwarded to a joint session for consideration: Kevin Fimon and Agnes Moran, Alaska Mental Health Trust Authority. She said that signing the report regarding appointments to boards and

commissions in no way reflects individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[3:27:40 PM](#)

The committee took an at-ease from 3:27 p.m. to 3:30 p.m.

HB 382-INSULIN COVERAGE:INSURANCE;MEDICAID

[3:30:11 PM](#)

CO-CHAIR ZULKOSKY announced that the final order of business would be HOUSE BILL NO. 382, "An Act relating to insurance coverage for pharmacy services."

[3:30:58 PM](#)

CO-CHAIR SNYDER, as prime sponsor, explained that HB 382 had two main focuses: promoting prevention to produce better health outcomes and improving health care access. She stated that the bill was motivated by the "astronomically high" price of insulin, citing that the current \$300 cost of a single vial is four times what it was in 1996, including inflation. She reported that in Alaska, 50,000 people were diagnosed with diabetes, with an average of 5,000 new diagnoses every year, and an additional estimated 15,000 people have diabetes but are unaware. She shared that there is also a large population of pre-diabetic people in the state and mentioned that the high cost of insulin can force patients to choose between their medication and paying for rent or groceries or to "ration" their prescriptions and not use them as prescribed. She stated that the bill would put a monthly cap on insulin copay which is similar to legislation that has been passed in other states. She addressed the concern about increased premiums by reporting findings from various studies that said the cost per insured individual would increase by somewhere between 70 cents to \$3 a year. She shared that there were states that saw a decrease in premium costs, and that even those where their costs did increase to the highest end of the estimate described that increase as "negligible." She went on share that the cap would allow more people to have regular utilization of insulin at the appropriate dosage, which would save additional money on healthcare overall by reducing the number and length of hospitalizations and the severity of disease.

[3:36:24 PM](#)

JAMES HOLZENBERG, Staff, Representative Liz Snyder, on behalf of Representative Snyder, prime sponsor, read the sectional analysis for HB 382 [included in the committee packet], which read as follows [original punctuation provided]:

Sec. 1: Adds conforming language to AS 21.42.390 (a) *Coverage for treatment of diabetes* stating that coverage for other kinds of medicines required by this section are still subject to standard policy provisions, except as provided in a new section, (d), which is in section 2 of the bill.

Sec. 2: Adds a new section to AS 21.42.390 that states that a private health care insurer that operates within the State cannot charge more than \$100 in copays for a 30-day supply of insulin. There is an exception, if necessary, for some high deductible health plans that are eligible for a health savings account tax deduction under 26 U.S.C. 223.

Sec. 3: Adds conforming language to AS 21.42.420 *Coverage for prescription drugs; specialty drug tiers prohibited*, ensuring that all other kinds of medicine are still subject to standard policy provisions defined in other statutes.

Sec. 4: Adds a new section stating that these provisions apply to all insurance policies created on or after the bill's effective date.

[3:37:51 PM](#)

REPRESENTATIVE FIELDS asked whether the attorney general had attempted to pursue legal action against the insurance companies for unfair trade practices under the Alaska Consumer Protection Act.

CO-CHAIR ZULKOSKY noted that there were no representatives from the Department of Law (DOL) available for questions and asked Co-Chair Snyder to follow up with the department and share her findings with the committee later.

CO-CHAIR SNYDER confirmed that she would provide that information to the committee and noted that HB 382 is the first

step in solving the problem of increasing medicine costs; it focuses on the relationship between insurers and patients. She acknowledged that there are many other factors centered around the actions of pharmaceutical companies but said she does not see those factors being altered by the presence or absence of a cap. She stated that she would want to work with the administration to create future legislation to combat those other factors.

REPRESENTATIVE FIELDS commented that he wants to look at the full range of options for tackling the "predatory pricing practices" and would welcome the opportunity to work on legislation complimentary to HB 382.

[3:39:58 PM](#)

CO-CHAIR ZULKOSKY proceeded with invited testimony.

[3:40:26 PM](#)

LAURA KELLER, Managing Director of Advocacy, American Diabetes Association, referred to a non-partisan study on copay cap legislation from California that projected a raise in premiums by less than one percent and a decrease in emergency room visits and hospitalization costs by ten percent. She referenced the same State of Washington legislation Co-Chair Snyder had mentioned and said that the initial cap of \$100 had lowered premiums, allowing the state to pass further legislation dropping the copay to \$35, matching the recently passed national Medicaid cap. She highlighted that there is no generic form of insulin on the market at more affordable costs unlike other major pharmaceuticals, and this has forced families in Alaska to choose between paying their rent or getting the needed insulin. She suggested that the committee consider lowering the cap to align with the \$35 national cap but emphasized that "any cap would be better than none" and would work towards increasing a sense of security for people with diabetes and saving lives. She reported that the State of Alaska spends an estimated \$575 million on diabetes and associated complications every year due to the cost-prohibitive nature of insulin for many Alaska patients.

[3:43:26 PM](#)

REPRESENTATIVE FIELDS asked how many people have had to seek more expensive care after not receiving their insulin due to "price gouging by drug companies."

MS. KELLER responded that she would work to provide that information to the committee.

[3:44:06 PM](#)

REPRESENTATIVE SPOHNHOLZ requested further details on some of the complications of improperly managed insulin-dependent diabetes that can send patients to emergency care.

MS. KELLER explained that insulin allows blood cells to take in nutrients, and for people like herself with Type 1 diabetes that do not produce any insulin on their own, they must take insulin to survive. She described what happens within the bloodstream when there is no insulin present to process nutrients as high blood sugar levels creating a "sludge" within the blood. She stated that being unable to process sugar through the bloodstream can lead to many different complications, including retinopathy, neuropathy, potential amputations, kidney failure and dialysis, increased dental issues, the possibility of heart disease, and even death. She concluded that being able to manage blood sugar appropriately with insulin allows diabetics to reduce their chances of these costly and sometimes deadly complications.

[3:46:33 PM](#)

REPRESENTATIVE FIELDS posited that the core issue is the monopolization of insulin production and asked whether any states have sought other ways of producing and providing insulin in a more cost-effective manner.

MS. KELLER replied that California had looked into making generic medications available to the public, with insulin high on the priority list, but the process was interrupted by the COVID-19 pandemic. She mentioned that other states had expressed interest in joining California's efforts in this, but that putting that project into motion would require a large investment of time and resources. She explained that creating the facilities, producing the drugs, and getting them into pharmacies would be a very long-term solution, and she emphasized that a copay cap could be implemented quickly to provide needed relief for Alaskans while more time-intensive options are put into place.

REPRESENTATIVE FIELDS expressed his hope that Alaska would seek to join the consortium to produce insulin at a lower cost. He

asked whether Ms. Keller is aware of attorneys general from other states that have pursued legal action against the "monopoly" that pharmaceutical companies have on insulin, and he opined that Alaska would have to pursue criminal or civil action due to those companies' violation of multiple Alaska Statutes.

MS. KELLER said she is not aware of any attorney general currently in that process.

[3:50:12 PM](#)}

BRANDON OUSLEY, Chief Executive Officer, Anchorage Fracture & Orthopedic; Consultant, Capstone Endocrinology and Diabetes Center, began invited testimony on HB 382 by sharing that his journey with advocating for affordable diabetes care started with his daughter, who has Type 1 diabetes. He opined that it can be easy for people to think diabetes is "no big deal" if they do not have direct exposure to it. He underscored the importance of proper health care access by mentioning the 100,000 prediabetic people in Alaska, and he applauded the cap proposed under HB 382, commenting that he would love to see it match the \$35 in the Affordable Insulin Now Act. He explained that in his personal and professional experience dealing with access to diabetes care, a cap on copay is only one step of controlling the "downstream" cost.

MR. OUSLEY shared that when his daughter was diagnosed, the closest pediatric endocrinologist that would admit them was in Utah, exemplifying that finding a practitioner to manage one's condition and dosage of insulin is just as difficult as affording the insulin. He reported that there is a shortage of endocrinologists throughout the country and that it is particularly hard to attract those specialists to practice in Alaska, further stating that most of the small number of existing endocrinologists in the state are several years beyond retirement age. He pointed out that one of the biggest financial burdens to both patients and the state is the cost of dialysis, and he mentioned that dialysis centers get reimbursed by Medicare for 2,500 to 7,000 percent. In comparison to the numerous challenges and costs associated with diabetes care, he opined that solving the cost of insulin with a copay cap is "an easy piece" of this complicated issue.

[3:54:24 PM](#)

REPRESENTATIVE FIELDS asked what further measures in addition to the proposed cap Mr. Ousley would suggest to decrease the price of insulin.

MR. OUSLEY reported that every diabetes center he has worked with in Alaska has a very high number of self-pay patients who are constantly in search of cheaper insulin. He strongly advocated that the state "go out of [its] way" to address the need of the uninsured as well.

REPRESENTATIVE FIELDS asked whether Mr. Ousley is familiar with ways other states have provided insulin to uninsured patients.

MR. OUSELY replied that he is not.

CO-CHAIR ZULKOSKY redirected the question to Ms. Keller.

MS. KELLER described a component of the passed Utah insulin copay bill called the "insulin purchasing program" that allows uninsured patients to buy insulin for the same price that the state's employee plans pay. She explained that the system is all digital, which kept the operation costs for the program down, and once approved, uninsured applicants receive a card via email that allows them to pay for the medication at a pharmacy, but at the much lower rate that is granted to the state insurance plan. She stated that it is a widely successful program with most pharmacies in Utah accepting the cards, and she offered her understanding that the executive and legislative branches of Utah's government are pleased with how it has been implemented so far.

REPRESENTATIVE FIELDS requested "the department" analyze the viability of instituting a program similar to Utah's in Alaska.

[3:58:22 PM](#)

REPRESENTATIVE SPOHNHOLZ questioned the copay for insulin in Utah.

MS. KELLER replied that the cost through the purchasing program is \$75 a vial.

[3:59:20 PM](#)

REPRESENTATIVE SNYDER explained that within the context of inflation, \$75 per vial is comparable to 1994's rate of \$20 per

vial. She mentioned that typically patients use two vials per month, which translates to a \$150 monthly copay.

MS. KELLER responded that the Utah cap for copay is \$30 per month, which covers as many vials as are prescribed.

[4:00:19 PM](#)

CALISTA OUSLEY began invited testimony by sharing her personal experience as a teenager with Type 1 diabetes. She explained that although she has a strong support system between her family and her medical team, she still struggles with the many challenges of managing her health. In the 8 years since her diagnosis, she reported, she has used 176 vials, which would have cost \$35,200 without insurance. She posited that without any change, the costs of insulin will grow to an "unimaginable number," and she asked the committee to consider amending the bill to have a \$35 cap to ensure insulin is available for all Type 1 diabetics. She opined that if HB 382 were not passed, lives would be put at risk as insulin remained inaccessible to many Alaskans. She argued that access to insulin provides a higher quality of life to diabetics that should be a right and not a luxury.

[4:02:58 PM](#)

The committee took an at-ease from 4:03 p.m. to 4:09 p.m.

[4:09:07 PM](#)

CO-CHAIR ZULKOSKY opened public testimony on HB 382. After ascertaining that no one wished to testify, she closed public testimony.

[HB 382 was held over.]

[4:10:11 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:10 p.m.