

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

May 5, 2022

3:07 p.m.

MEMBERS PRESENT

Representative Liz Snyder, Co-Chair
Representative Tiffany Zulkosky, Co-Chair
Representative Ivy Spohnholz
Representative Zack Fields
Representative Ken McCarty
Representative Mike Prax
Representative Christopher Kurka

MEMBERS ABSENT

COMMITTEE CALENDAR

SENATE BILL NO. 132

"An Act exempting veterinarians from the requirements of the controlled substance prescription database."

- MOVED HCS SB 132 (HSS) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 98 (FIN)

"An Act relating to adult adoption; relating to medical assistance for recipients of adult home care services; establishing an adult home care home license and procedures; providing for the transition of individuals from foster care to adult home care settings; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 176

"An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 132

SHORT TITLE: CONTROLLED SUB. DATA: EXEMPT VETERINARIAN

SPONSOR(S): SENATOR(S) HOLLAND

04/28/21 (S) READ THE FIRST TIME - REFERRALS

04/28/21 (S) HSS, L&C
02/03/22 (S) HSS AT 1:30 PM BUTROVICH 205
02/03/22 (S) Heard & Held
02/03/22 (S) MINUTE(HSS)
02/08/22 (S) HSS AT 1:30 PM BUTROVICH 205
02/08/22 (S) Moved SB 132 Out of Committee
02/08/22 (S) MINUTE(HSS)
02/09/22 (S) HSS RPT 4DP
02/09/22 (S) DP: WILSON, REINBOLD, BEGICH, HUGHES
02/23/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/23/22 (S) Heard & Held
02/23/22 (S) MINUTE(L&C)
03/02/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/02/22 (S) Moved SB 132 Out of Committee
03/02/22 (S) MINUTE(L&C)
03/04/22 (S) L&C RPT 2NR 1DP
03/04/22 (S) NR: COSTELLO, REVAK
03/04/22 (S) DP: GRAY-JACKSON
03/04/22 (S) FIN REFERRAL ADDED AFTER L&C
03/17/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/17/22 (S) Heard & Held
03/17/22 (S) MINUTE(FIN)
03/22/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/22/22 (S) Moved SB 132 Out of Committee
03/22/22 (S) MINUTE(FIN)
03/23/22 (S) FIN RPT 7DP
03/23/22 (S) DP: STEDMAN, BISHOP, HOFFMAN, WILSON,
WIELECHOWSKI, OLSON, VON IMHOF
03/28/22 (S) TRANSMITTED TO (H)
03/28/22 (S) VERSION: SB 132
04/04/22 (H) READ THE FIRST TIME - REFERRALS
04/04/22 (H) HSS, L&C
04/14/22 (H) HSS AT 3:00 PM DAVIS 106
04/14/22 (H) Scheduled but Not Heard
04/19/22 (H) HSS AT 3:00 PM DAVIS 106
04/19/22 (H) -- MEETING CANCELED --
04/26/22 (H) HSS AT 3:00 PM DAVIS 106
04/26/22 (H) Heard & Held
04/26/22 (H) MINUTE(HSS)
04/28/22 (H) HSS AT 3:00 PM DAVIS 106
04/28/22 (H) Heard & Held
04/28/22 (H) MINUTE(HSS)
05/03/22 (H) HSS AT 3:00 PM DAVIS 106
05/03/22 (H) Heard & Held
05/03/22 (H) MINUTE(HSS)
05/05/22 (H) HSS AT 3:00 PM DAVIS 106

BILL: SB 98

SHORT TITLE: ADULT HOME CARE; ADULT ADOPTION

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/03/21 (S) READ THE FIRST TIME - REFERRALS
03/03/21 (S) HSS, FIN
03/18/21 (S) HSS AT 1:30 PM BUTROVICH 205
03/18/21 (S) Heard & Held
03/18/21 (S) MINUTE(HSS)
03/30/21 (S) HSS AT 1:30 PM BUTROVICH 205
03/30/21 (S) Moved SB 98 Out of Committee
03/30/21 (S) MINUTE(HSS)
03/31/21 (S) HSS RPT 4DP 1NR
03/31/21 (S) DP: WILSON, BEGICH, COSTELLO, HUGHES
03/31/21 (S) NR: REINBOLD
04/07/21 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/07/21 (S) Heard & Held
04/07/21 (S) MINUTE(FIN)
03/31/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/31/22 (S) <Bill Hearing Canceled>
04/05/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/05/22 (S) Heard & Held
04/05/22 (S) MINUTE(FIN)
04/12/22 (S) FIN AT 1:00 PM SENATE FINANCE 532
04/12/22 (S) Moved CSSB 98(FIN) Out of Committee
04/12/22 (S) MINUTE(FIN)
04/15/22 (S) FIN RPT CS 4DP NEW TITLE
04/15/22 (S) DP: STEDMAN, BISHOP, HOFFMAN,
WIELECHOWSKI
04/27/22 (S) TRANSMITTED TO (H)
04/27/22 (S) VERSION: CSSB 98(FIN)
04/29/22 (H) READ THE FIRST TIME - REFERRALS
04/29/22 (H) HSS, FIN
05/03/22 (H) HSS AT 3:00 PM DAVIS 106
05/03/22 (H) Heard & Held
05/03/22 (H) MINUTE(HSS)
05/05/22 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 176

SHORT TITLE: DIRECT HEALTH AGREEMENT: NOT INSURANCE

SPONSOR(s): RASMUSSEN

04/16/21 (H) READ THE FIRST TIME - REFERRALS
04/16/21 (H) L&C, HSS
05/03/21 (H) L&C AT 3:15 PM BARNES 124
05/03/21 (H) Heard & Held
05/03/21 (H) MINUTE(L&C)

05/07/21	(H)	L&C AT 8:00 AM GRUENBERG 120
05/07/21	(H)	Heard & Held
05/07/21	(H)	MINUTE(L&C)
05/12/21	(H)	L&C AT 3:15 PM BARNES 124
05/12/21	(H)	<Bill Hearing Canceled>
03/23/22	(H)	L&C AT 3:15 PM BARNES 124
03/23/22	(H)	Heard & Held
03/23/22	(H)	MINUTE(L&C)
04/06/22	(H)	L&C AT 3:15 PM BARNES 124
04/06/22	(H)	-- MEETING CANCELED --
04/11/22	(H)	L&C AT 3:15 PM BARNES 124
04/11/22	(H)	Heard & Held
04/11/22	(H)	MINUTE(L&C)
04/20/22	(H)	L&C AT 3:15 PM BARNES 124
04/20/22	(H)	Moved CSHB 176(L&C) Out of Committee
04/20/22	(H)	MINUTE(L&C)
04/25/22	(H)	L&C RPT CS(L&C) NEW TITLE 3DP 3NR
04/25/22	(H)	DP: NELSON, FIELDS, SPOHNHOLZ
04/25/22	(H)	NR: KAUFMAN, SCHRAGE, SNYDER
04/25/22	(H)	FIN REFERRAL ADDED AFTER HSS
04/25/22	(H)	BILL REPRINTED
05/05/22	(H)	HSS AT 3:00 PM DAVIS 106

WITNESS REGISTER

Laura Carrillo, MPH, Executive Administrator
 Alaska Board of Pharmacy
 Prescription and Drug Monitoring Program
 Division of Corporations, Business and Professional Licensing
 Department of Commerce, Community and Economic Development
 Juneau, Alaska

POSITION STATEMENT: Answered questions on amendments to SB 132.

TRACY WARD, DVM, President
 Alaska Veterinary Medical Association
 Juneau, Alaska

POSITION STATEMENT: Answered questions on amendments to SB 132.

SCOTT FLAMME, DVM, Former Member
 Board of Veterinary Examiners
 Fairbanks, Alaska

POSITION STATEMENT: Answered questions on amendments to SB 132.

JUSTIN RUFFRIDGE, PharmD
 Alaska Board of Pharmacy
 Soldotna, Alaska

POSITION STATEMENT: Answered questions on amendments to SB 132.

JOHN LEE, Director
Division of Senior and Disabilities Services
Department of Health and Social Services
Palmer, Alaska

POSITION STATEMENT: Presented CSSB 98(FIN), on behalf of the bill sponsor, Senate Rules by request of the governor.

TONY NEWMAN, Deputy Director
Division of Senior and Disability Services
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Answered questions on CSSB 98(FIN), on behalf of the bill sponsor, Senate Rules by request of the governor.

CRYSTAL KOENEMAN, Staff
Representative Sara Rasmussen
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Rasmussen, prime sponsor, gave a sectional analysis of HB 176 and answered questions.

ACTION NARRATIVE

[3:07:00 PM](#)

CO-CHAIR TIFFANY ZULKOSKY called the House Health and Social Services Standing Committee meeting to order at 3:07 p.m. Representatives Kurka, Prax, Spohnholz, Fields, Snyder, and Zulkosky were present at the call to order. Representative McCarty arrived as the meeting was in progress.

The committee took an at-ease from 3:07 p.m. to 3:08 p.m.

SB 132-CONTROLLED SUB. DATA: EXEMPT VETERINARIAN

[3:08:32 PM](#)

CO-CHAIR ZULKOSKY announced that the first order of business would be SENATE BILL NO. 132, "An Act exempting veterinarians from the requirements of the controlled substance prescription database."

[3:08:28 PM](#)

The committee took an at-ease from 3:08 p.m. to 3:10 p.m.

[3:10:33 PM](#)

REPRESENTATIVE SNYDER moved to adopt Amendment 1 to SB 132, labeled, 32-LS0861\A.1, Ambrose, 4/27/22, which read as follows:

Page 1, line 1:

Delete "exempting veterinarians from the requirements of"

Insert "relating to"

Page 1, line 4, through page 2, line 6:

Delete all material and insert:

"* **Section 1.** AS 17.30.200(k) is amended to read:

(k) In the regulations adopted under this section, the board shall provide

(1) that prescription information in the database shall be purged from the database after two years have elapsed from the date the prescription was dispensed;

(2) a method for an individual to challenge information in the database about the individual that the person believes is incorrect or was incorrectly entered by a dispenser;

(3) a procedure and time frame for registration with the database;

(4) that a practitioner review the information in the database to check a patient's prescription records before dispensing, prescribing, or administering a schedule II or III controlled substance under federal law to the patient; the regulations must provide that a practitioner is not required to review the information in the database before [DISPENSING, PRESCRIBING, OR ADMINISTERING]

(A) dispensing, prescribing, or administering a controlled substance to a person who is receiving treatment

(i) in an inpatient setting;

(ii) at the scene of an emergency or in an ambulance; in this sub-subparagraph, "ambulance" has the meaning given in AS 18.08.200;

(iii) in an emergency room;

(iv) immediately before, during, or within the first 48 hours after surgery or a medical procedure;

(v) in a hospice or nursing home that has an in-house pharmacy; [OR]

(B) dispensing, prescribing, or administering a nonrefillable prescription of a controlled substance in a quantity intended to last for not more than three days; or

(C) prescribing a controlled substance if the practitioner is a veterinarian."

Renumber the following bill sections accordingly.

Page 2, line 8, following "practitioner":
Insert "means"

Page 2, line 9:
Delete "means"

Page 2, line 10, following "investigator,":
Insert "veterinarian,"

Page 2, line 14:
Delete "means"

Page 2, lines 17 - 18:
Delete "
(C) does not include a veterinarian"

Page 2, line 19:
Delete all material.

CO-CHAIR ZULKOSKY objected for the purpose of discussion.

REPRESENTATIVE SNYDER shared that Amendment 1 resulted from multiple conversations with veterinarians, and it would address veterinarian concerns, public health concerns, and interests of the state. She explained that if veterinarians prescribe opioids but do not dispense the drugs, the veterinarians are still required to report to the Prescription Drug Management Program (PDMP). She noted that some exemptions exist. She stated that Amendment 1 would exempt veterinarians who prescribe Schedule II, III, or IV controlled substances, but do not dispense the drugs, from reviewing the PDMP in all instances. She stated that the amendment would shift the responsibility of querying PDMP to pharmacists who dispense the controlled substances.

[3:12:31 PM](#)

REPRESENTATIVE KURKA questioned whether pharmacists experience the same issues with animal data as veterinarians, and if so, he questioned how the pharmacy would track the animal data in PDMP.

REPRESENTATIVE SNYDER stated that, according to conversations with stakeholders, the Alaska Board of Pharmacy, and PDMP reports, pharmacists are more adept at properly utilizing PDMP. She recognized that the issue of human and animal data comingling would not be solved by the amendment; however, she voiced the opinion that it would relieve some pressure from veterinarians, while maintaining opioid tracking. She suggested that additional work to the functionality of PDMP would still be needed.

REPRESENTATIVE KURKA questioned how Amendment 1 would address the issue of entering data for animals without owners, such as those living in animal shelters.

REPRESENTATIVE SNYDER expressed uncertainty and deferred to the PDMP manager.

[3:15:29 PM](#)

LAURA CARRILLO, MPH, Executive Administrator, Alaska Board of Pharmacy, Prescription and Drug Monitoring Program, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development, explained that with the amendment, any prescribed Schedule II, III, or IV controlled substances would still need to be reported.

REPRESENTATIVE SNYDER added that with Amendment 1, veterinarians who prescribed and dispensed opioids to animals onsite would still be required to query and report to PDMP. She mentioned that the upcoming Amendment 2 would further address exemptions based on the length of the prescription, and she explained that the intention of both amendments would be to reduce the burden on veterinarians, while maintaining tracking capabilities.

[3:18:41 PM](#)

REPRESENTATIVE MCCARTY expressed the opinion that if PDMP is not working as intended with the animal data, the amendment would be shifting the burden of dealing with a broken system to the pharmacist. He pointed out that the person who takes the animal to the veterinarian may not be the same person picking up the

prescription from the pharmacist. He questioned whether this issue would be addressed.

REPRESENTATIVE SNYDER explained that the Alaska Board of Pharmacy has given positive feedback concerning the shift of PDMP responsibility to pharmacists. She expressed the belief that the state could improve the tracking of animal data within PDMP, and she expressed support for maintaining pressure on the administration to fix the data entry for animals.

REPRESENTATIVE MCCARTY questioned whether veterinarians had National Provider Identifier (NPI) numbers and if they did not, would Amendment 1 put the pharmacist "on the line" since their NPI would be the only one associated with the prescriptions.

[3:22:25 PM](#)

The committee took a brief at-ease.

[3:22:53 PM](#)

CO-CHAIR ZULKOSKY deferred the question to the invited testifiers.

[3:23:09 PM](#)

TRACY WARD, DVM, President, Alaska Veterinary Medical Association, in response to Representative McCarty's question, stated that veterinarians are not required to have NPI numbers. She stated that the only requirement for veterinarians to prescribe opioids is to present a Drug Enforcement Agency (DEA) license to the pharmacy when a prescription is called in.

REPRESENTATIVE MCCARTY stated that PDMP requires a NPI number to be entered when making a query or a report and opined that the amendment would require the queries about animal prescriptions to be tied to the pharmacist's NPI number. He posited that this could lead to confusion during an investigation and stressed the need for systematic changes to PDMP.

[3:25:06 PM](#)

REPRESENTATIVE PRAX shared the understanding that PDMP serves as a check for other prescriptions human clients may have had before. He posited that if pharmacists are querying the system for animal prescriptions, they still would not be entering the prescriptions into the PDMP.

MS. CARRILLO explained that there is a requirement to enter animal information, including the person's last name, when a review or investigation is made. She said that Amendment 1 would put the responsibility on the pharmacist to make those entries.

REPRESENTATIVE PRAX requested clarification on when a human client goes to a pharmacist to pick up a prescription for a pet, in this situation the pharmacist would query the human client's name; however, the prescription for the pet would not be entered under the client's name.

MS. CARRILLO confirmed that Representative Prax's understanding is correct. She said that the pharmacist would use the pet's profile to enter information, and the prescription would not be linked to the human client's profile.

REPRESENTATIVE PRAX questioned whether a human client could pick up a prescription from one pharmacy and fill the same prescription at another pharmacy, as a way to "defeat the system."

MS. CARRILLO clarified that reviewing PMDP and reporting to PMDP are two separate things. She explained that a pharmacy would be able to see whether a prescription was already filled.

[3:30:02 PM](#)

JUSTIN RUFFRIDGE, PharmD, Alaska Board of Pharmacy, in response to a question from Representative Spohnholz, explained that NPI stands for National Provider Identification. In response to a follow-up question, he stated that a NPI number is associated with the provider but not with the patient.

[3:30:41 PM](#)

MS. CARRILLO, in response to a question from Representative Prax, explained that the DEA registration number is the identifier required for access to PDMP, and any query or report made is associated with this number. She stated that NPI is used for insurance purposes and is not required for use of PDMP.

[3:32:39 PM](#)

CO-CHAIR ZULKOSKY removed her objection to Amendment 1.

REPRESENTATIVE PRAX objected.

A roll call vote was taken. Representatives Sponholz, Fields, Snyder, and Zulkosky voted in favor of Amendment 1 to SB 132. Representatives McCarty, Prax, and Kurka voted against it. Therefore, Amendment 1 was adopted by a vote of 4-3.

[3:33:25 PM](#)

The committee took an at-ease from 3:33 p.m. to 3:34 p.m.

[3:34:07 PM](#)

REPRESENTATIVE SNYDER moved to adopt Amendment 2 to SB 132, as amended, labeled, 32-LS0861\A.2, Ambrose, 4/27/22, which read as follows:

Page 1, line 1:

Delete "exempting veterinarians from the requirements of"

Insert "relating to"

Page 1, lines 4 - 8:

Delete all material.

Page 1, line 9:

Delete "Sec. 2"

Insert "Section 1"

Re-number the following bill sections accordingly.

Page 1, line 12, following "AS 08.98":

Insert "who is dispensing a prescription of a controlled substance in a quantity intended to last for not more than three days"

Page 2, line 8, following "'practitioner'":

Insert "means"

Page 2, line 9:

Delete "means"

Page 2, line 10, following "investigator":

Insert "veterinarian,"

Page 2, line 14:

Delete "means"

Page 2, lines 17 - 18:

Delete ";

(C) does not include a veterinarian"

Page 2, line 19:

Delete all material.

CO-CHAIR ZULKOSKY objected for the purpose of discussion.

REPRESENTATIVE SNYDER explained that Amendment 2 would reduce the burden on veterinarians by limiting PDMP participation. She stated that the amendment would remove the reviewing and reporting requirement for veterinarians who prescribe and dispense a Schedule II substance with a dosage lasting three days or less. She reported that conversations with veterinarians and other stakeholders informed the proposed exemption, and she expressed the belief the prescription amounts of three days or less to be a low risk concerning public health.

[3:36:08 PM](#)

REPRESENTATIVE MCCARTY expressed agreement with the amendment, as it proposes similar protocol for prescribing human medicine.

[3:36:28 PM](#)

REPRESENTATIVE SNYDER confirmed that in existing statute there are exemptions which apply to all physicians for PDMP reporting and reviewing. She explained that the amendment would be extending the existing exemption for veterinarians prescribing these substances from 24 hours or less to 3 days or less.

[3:37:16 PM](#)

REPRESENTATIVE PRAX asked whether the exemption would also apply to other practitioners, such as physicians and pharmacists.

REPRESENTATIVE SNYDER explained that the exemption is designed only for veterinarians.

[3:37:47 PM](#)

REPRESENTATIVE KURKA questioned the percentage of veterinary prescriptions of opioids which are 3 days or less. He asked the veterinarians in the meeting whether the amendment would rectify issues with PDMP.

[3:38:54 PM](#)

SCOTT FLAMME, DVM, Former Member, Board of Veterinary Examiners (BOVE), explained that most of the controlled substance prescriptions made by veterinarians are a type of seizure-control medication.

[3:39:25 PM](#)

DR. WARD responded that she could not estimate a percentage; however, she noted that most animal prescriptions are for short-term pain control, such as after a dental procedure or orthopedic surgery. She expressed agreement with Dr. Flamme, that the most common long-term opioid prescription is phenobarbital for seizures, with the next most common being a cough suppressant.

REPRESENTATIVE KURKA expressed the opinion that the explanation seemed to be in opposition to previous testimony the committee has heard. He expressed the understanding that most opioid prescriptions are short-term; however, it has been suggested that it is common for veterinarians to make prescriptions for longer than three days.

DR. WARD redefined "prescriptions" as a term of measurement and explained that one patient may be on the same drug for many years but, because there is a 90-day prescription limit, receive multiple prescriptions. Although the number of long-term prescriptions is "not negligible," she assured the committee that the majority of patients are being prescribed short-term supplies. She opined that exempting veterinarians who dispense scheduled substances from zero-reporting would be beneficial. She estimated that "definitely more than half" of opioid prescriptions [by veterinarians] are short term; however, there still would be many prescriptions requiring PDMP participation.

[3:42:34 PM](#)

REPRESENTATIVE KURKA expressed the belief that none of the amendments would address the underlying barriers to veterinary participation in PDMP, and he opined that PDMP could not be altered to meet the needs of veterinarians.

[3:43:03 PM](#)

REPRESENTATIVE PRAX expressed agreement with Representative Kurka. He stated that the proposed amendments would put "a new coat of paint" on PDMP, but it would still be broken.

[3:43:37 PM](#)

REPRESENTATIVE SNYDER argued against the idea that the amendments would be "trying to put a square peg in a round hole" and the intention is to lessen the reporting burden for lower-risk prescriptions, while still keeping track of longer-term prescriptions. She expressed the concern that "we are in the middle of an opioid crisis" and measures on the human medicine side of the issue should be tightened. She deduced that putting pressure on individuals to obtain opioids in other ways could lead to veterinarian "shopping," which is a low concern at the moment; however, as measures tightened elsewhere, prevention would help avoid this from becoming a problem. She expressed the belief that the amendments would greatly decrease the burden experienced by veterinarians, while not "opening the door to a whole other problem down the road."

[3:45:31 PM](#)

CO-CHAIR ZULKOSKY removed her objection.

REPRESENTATIVE PRAX objected and spoke to his objection. He referred to a chart in the PDMP annual report showing the rate of patient reviews and the rate of opioids dispensed since 2017, when PDMP participation was put into place. He reported that the chart shows a steady decrease in opioid prescriptions since 2018 but a sharp increase of patient reviews starting in 2019. He deduced that the large increase of patient reviews has not affected the amount of opioids dispensed. He opined that, in comparison to larger societal conversations about lessening opioid use, reporting and recording has not swayed prescription habits. Because veterinarians are a small part of the problem, he expressed the belief that, instead of asking veterinarians to prove why they should not be included, it should be the legislature's burden to show why veterinarians should be included in the first place. He expressed agreement that the amendments would make PDMP easier for veterinarians to use; however, he argued that veterinarians should never have been included in PDMP, and they should be completely exempt until the state can prove participation beneficial and make it as convenient as possible.

[3:49:41 PM](#)

A roll call vote was taken. Representatives Sponholz, Fields, Zulkosky, and Snyder voted in favor of Amendment 2 to SB 132, as amended. Representatives Kurka, McCarty, and Prax voted against it. Therefore, Amendment 2 was adopted by a vote of 4-3.

[3:50:26 PM](#)

The committee took an at-ease from 3:50 p.m. to 3:53 p.m.

[3:53:41 PM](#)

REPRESENTATIVE SPOHNHOLZ moved to adopt Amendment 3 to SB 132, as amended, labeled, 32-LS0861\A.4, Ambrose, 5/4/22, which read as follows:

Page 1, line 1:

Delete "exempting veterinarians from the requirements of"

Insert "relating to"

Page 1, lines 4 - 8:

Delete all material.

Page 1, line 9:

Delete "Sec. 2"

Insert "Section 1"

Renumber the following bill sections accordingly.

Page 1, line 12, following "AS 08.98":

Insert "who did not dispense a controlled substance during the daily reporting period"

Page 2, line 8, following "\"practitioner\"":

Insert "means"

Page 2, line 9:

Delete "means"

Page 2, line 10, following "investigator,":

Insert "veterinarian,"

Page 2, line 14:

Delete "means"

Page 2, lines 17 - 18:

Delete ";
(C) does not include a veterinarian"

Page 2, line 19:
Delete all material.

CO-CHAIR ZULKOSKY objected for the purpose of discussion.

REPRESENTATIVE SPOHNHOLZ explained that, in the spirit of making PDMP reporting easier for veterinarians, Amendment 3 would remove the "zero-reporting" requirement, so veterinarians only have to login to PDMP when prescribing or dispensing opioids. She shared her belief that this would reduce the "red tape and bureaucracy" for veterinarians.

[3:54:55 PM](#)

REPRESENTATIVE KURKA expressed the intention to not dismiss the work done to make PDMP workable for veterinarians; however, he expressed the opinion that the original bill [fully excluding veterinarians from PDMP participation] solves the issue. Considering the previous amendments being passed [and full exemption being removed from the bill], he voiced support for Amendment 3.

[3:55:28 PM](#)

REPRESENTATIVE PRAX questioned the login time PDMP. He argued the login time could add to the length of customer interactions.

[3:56:14 PM](#)

REPRESENTATIVE SPOHNHOLZ explained that the PDMP administrators have provided a tutorial video which suggests the logins happen as part of a veterinarian's end of the day routine and should only take about 30 seconds. However, she opined that it was an unnecessary use of time and removing the requirement for daily logins would make veterinarians feel more comfortable with PDMP participation.

REPRESENTATIVE PRAX expressed agreement and asked for an opinion from a veterinarian.

[3:57:08 PM](#)

DR. FLAMME confirmed that the process does take about 30 seconds; however, he stated that he always logs out of PDMP

after every interaction to ensure privacy for his human clients, as their medical history would be available as well. He explained that the biggest problem entering data into PDMP is, "half the time" the information does not appear when making queries later. He expressed uncertainty concerning this, which caused worry concerning data entry and PDMP violations. He stated that as a member of BOVE, there were over 100 open investigations for PDMP violations. He expressed the belief that this had been because veterinarians did not know the process to enter the data correctly. He added that this led to the creation of the tutorial video; however, when he tried to enter data as instructed by the tutorial, he had encountered the same issues with animal-patient history not appearing. He stated that he mentioned this because not being able to consistently see patient history is a major concern. He stated that he had spent "hours and hours" addressing the problem with the department.

REPRESENTATIVE PRAX questioned the frequency of veterinarians logging in to the system. He posited that an upside of frequent logins could be the process becomes "second nature."

REPRESENTATIVE SPOHNHOLZ clarified that the amendment would remove the daily login requirement for veterinarians who dispense opioids. She stated that this is one of the main points of contention for veterinarians.

[4:02:39 PM](#)

REPRESENTATIVE MCCARTY expressed the belief that shifting the reporting and querying responsibilities to pharmacists, per Amendment 1, conflicts with the "grace period" which would be established in Amendment 3.

REPRESENTATIVE SPOHNHOLZ explained that Amendment 1 would address veterinarians who choose to only prescribe opioids and do not dispense them, while Amendment 3 would assist the remaining veterinarians who continue to dispense from their office. She explained that the amendments complement each other, with each narrowing the burden on veterinarians in a different way.

REPRESENTATIVE MCCARTY questioned whether an increase of investigations by the Alaska Board of Pharmacy would result. To keep investigations from occurring, he asked whether veterinarians could prove they had not participated in PDMP for certain cases.

REPRESENTATIVE SPOHNHOLZ reiterated that veterinarians who dispense opioid are currently required to log into PDMP on the days when opioid prescriptions were not made, and this requirement has been deemed "unnecessary" and a barrier to efficiency for veterinarians. She pointed out that especially since there is a shortage of veterinarians and veterinary technicians in the state. She argued that Amendment 3 would "make life easier" for veterinarians.

[4:07:24 PM](#)

CO-CHAIR ZULKOSKY removed her objection. There being no further objection, Amendment 3 was adopted.

[4:07:44 PM](#)

The committee took an at-ease from 4:07 p.m. to 4:08 p.m.

[4:08:42 PM](#)

REPRESENTATIVE SPOHNHOLZ moved to report SB 132, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCSSB 132(HSS) was reported from the House Health and Social Services Standing Committee.

[4:09:37 PM](#)

The committee took an at-ease from 4:09 p.m. to 4:12 p.m.

SB 98-ADULT HOME CARE; ADULT ADOPTION

[4:12:42 PM](#)

CO-CHAIR ZULKOSKY announced that the next order of business would be SENATE BILL NO. 98, "An Act relating to medical assistance for recipients of adult foster care services; establishing an adult foster care home license and procedures; and providing for the transition of individuals from foster care to adult foster care homes." [Before the committee was CSSB 98(FIN), reported out of the Senate Finance Committee on April 12, 2022.]

[4:13:29 PM](#)

JOHN LEE, Director, Division of Senior and Disabilities Services, Department of Health and Social Services, presented CSSB 98(FIN) on behalf of the bill sponsor, Senate Rules by request of the governor. He thanked the committee for considering the bill. He stated that he would be available for any question.

[4:14:10 PM](#)

REPRESENTATIVE SPOHNHOLZ stated that she had supported the original version of the bill; however, she expressed concerns in the latest version about the inclusion of a new licensure category. She shared her understanding that the intent behind creating adult foster care is to establish continuity of care for adults aging out of their foster-care placement. She reported that a typical stipend for foster care is between \$40 and \$60, with a slight increase for foster children with disabilities. She expressed concern that a proposed stipend of \$200 per day for adult foster care, combined with lower licensure requirements, could provide a monetary incentive for people to get licensed as a workaround of formal assisted living facilities.

MR. LEE deferred to the deputy director.

[4:17:58 PM](#)

TONY NEWMAN Deputy Director, Division of Senior and Disability Services, Department of Health and Social Services, answered questions on CSSB 98(FIN), on behalf of the bill sponsor, Senate Rules by request of the governor. He explained that the estimated stipend would be about \$349, and this number was given to the committee to encompass all the possible services which would need to be compensated for, including the daily rate of \$115, the costs of transportation, day habilitation, and other services the providers would be providing. He offered to provide the committee with a written breakdown of the different service rates and how the division arrived at the larger daily number. He reported that the division had consulted with the Office of Child Services (OCS) on appropriate stipend amounts, and the division had learned that a foster child could be eligible for other waiver services, for which the state would need reimbursement.

REPRESENTATIVE SPOHNHOLZ expressed appreciation for the corrected stipend amount and pointed out the rate is five times higher than the child foster-care rate.

[4:20:39 PM](#)

REPRESENTATIVE SNYDER expressed support for expanding care for the state's elders and those with disabilities; however, she pointed out the pushback on HB 292, which focuses on providing the lowest cost for health insurance for individuals receiving in-home care services. She reported that the concerns about HB 292 were in regard to maintaining and monitoring eligibility. She posited that the creation of a new category in CSSB 98(FIN) would introduce the same challenges. She requested clarification from the department.

[4:22:21 PM](#)

MR. LEE explained that the two bills addressed completely different issues, which explains the different responses from the department. He stated that the full rates for adult foster care would need to be decided, but the proposed daily stipend is \$115, which is not three to four times higher than child foster care. He stressed that the bill would allow certain seniors to transition from an institution to a home-like setting, and this would open options for individuals to return to or remain in their communities near loved ones while still receiving the services and supports they need. He opined that it would be an important option for the state to help manage costs as Alaska's population continues to age.

[4:24:50 PM](#)

REPRESENTATIVE FIELDS shared his confusion about how the rates would compare to rates in other settings. He questioned whether the new setting would divert existing services from assisted living facilities or provide additional services. He expressed indecision on the breadth of the bill.

[4:25:32 PM](#)

REPRESENTATIVE SPOHNHOLZ expressed reticence concerning the proposed legislation bill because of the fiscal note. She questioned how home-care homes would fit into the spectrum of service options. She expressed the need for more stakeholder feedback. She reiterated her support for the "lighter" version of the bill which focused on extending foster care services to adults and allowed for the adoption of adults. She expressed opinion that there is not enough understanding and stakeholder engagement to make a decision on the creation of a new care

category. She opined that the fiscal notes were "a little light," considering the higher daily rate. She suggested that a more "granular" understanding of the issue is needed before pushing to move people from formal assisted living into home-care homes. She referenced conversations with professional care providers and foster parents who had questions which required very detailed answers. She stated that she is not prepared to dig into the answers two weeks before the end of session. She expressed appreciation of the intention of diversifying the spectrum of care available; however, she would only be comfortable with passing the House version of the bill which focused on adult foster care. She surmised that creating a new category requires more stakeholder alignment, along with a better understanding of the fiscal impact, of which, there is not time for this session.

[4:29:10 PM](#)

REPRESENTATIVE PRAX expressed agreement with giving consumers another choice. He posited that creating a setting with lower licensure requirements may lead to a "lower level of care," but this could also be more affordable, create more business, relieving the pressure on assisted living facilities. He said he was in favor of additional options for care and offered support for the proposed bill.

[4:31:19 PM](#)

CO-CHAIR ZULKOSKY announced that SB 98 was held over.

HB 176-DIRECT HEALTH AGREEMENT: NOT INSURANCE

[4:31:26 PM](#)

CO-CHAIR ZULKOSKY announced that the final order of business would be HOUSE BILL NO. 176, "An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

[4:31:44 PM](#)

CRYSTAL KOENEMAN, Staff, Representative Sara Rasmussen, Alaska State Legislature, on behalf of Representative Rasmussen, prime sponsor, gave a sectional analysis of HB 176. She stated that HB 176 would establish direct health care agreements for medical providers to provide Direct Primary Care (DPC) to patients. She explained that DPC would be a membership based alternative

payment model where patients, employers, or health plans pay primary care providers flat, simple periodic fees directly, in exchange for access to a broad range of primary care services. She reported that the previous committee of referral had done quite a bit of work on the proposed legislation, and it suggested going through the sectional analysis to better understand all the many intricate parts of the bill.

CO-CHAIR ZULKOSKY requested a reading of the sectional analysis.

MS. KOENEMAN gave a sectional analysis of HB 176 [copy included in the committee packet], which read as follows [original punctuation provided]:

Section 1: AS 21.03.025 - Direct health care agreements. Adds a new section to AS 21.03 creating direct health care agreements.

Subsection (a) outlines that a direct health care agreement is between a health care provider and a government entity, individual patient, employer of a patient, or a representative of a patient.

Subsection (b) states the provider shall disclose the services provided under the agreement and establish an annual fee comparable to other agreements.

Subsection (c) The health care agreement must be legible and in language an individual with no medical training can understand. It must: Describe the services to be provided by the health care provider; Specify the annual fees associated with the agreement; Prominently state that the agreement is not health insurance and that it does not meet health insurance mandates that may be required by federal law; Include contact information for the person receiving and addressing complaints; State the annual fee under the agreement; and Specify the number of patients the health care provider has the capacity to serve and the number they are currently serving.

Subsection (d) allows for the policy to be terminated within 30 days of entering into the agreement from the patient.

Subsection (e) allows for the policy to be terminated after a 30-day written notice from either party.

Subsection (f) allows for the policy to be terminated in accordance with the agreement.

Subsection (g) allows for policy modification

Subsection (h) States that the services and agreements are subject to consumer protection laws

Subsection (i) specifies that the offering or execution of an agreement is not engaging in the business of insurance or underwriting in the state.

Subsection (j) [states that a person may not make, publish or disseminate an assertion that is untrue or deceptive.]

Subsection (k) providers that enter into agreements shall file a report with the Division of Insurance on or before September 1 each year.

Subsection (l) defines the terms "health care practice", "health care provider", and "health care service"

Section 2: AS 45.45.915 - Direct health care agreements. Adds a new section under Trade Practices.

Subsection (a) prevents health care providers from declining or terminating direct health care agreements based on a patient's protected class under federal or state law that prohibits discrimination.

Subsection (b) provides that a provider may decline or terminate a direct health care agreement if the provider is unable to provide the level or type of care the patient requires. The provider shall ensure the patient is referred to a health care provider who is able to provide the level or type of care required and agrees to provide said care.

Subsection (c) allows for a provider to decline to enter into an agreement if they do not have the capacity to accept new patients.

Subsection (d) defines the terms "direct health care agreement" and "health care provider."

Section 3: AS 45.50.471(b) Unlawful acts and practices. Updates definitions for "unfair methods of competition" and "unfair or deceptive acts or practices" to include violating direct health agreements under AS 45.45.915.

Section 4: Amends uncodified law for the Division of Insurance to adopt regulations.

Section 5: provides an immediate effective date for Section 4.

Section 6: provides for a January 1, 2023, effective date.

[4:37:48 PM](#)

REPRESENTATIVE PRAX pointed out that the proposed legislation provides that DPC would not be insurance. He questioned why the Division of Insurance would regulate DPC.

MS. KOENEMAN explained that the proposed legislation is similar to the laws for air ambulance service. She stated that this service is also not insurance; however, it does fall under Title 21, which allows for a regulatory authority to oversee the agreements. She stated that other options were discussed, such as placing the bill under Title 8 as a medical statute or giving the Department of Health and Social Services oversight. She reported that the Division of Insurance was chosen as this would increase consumer protection, as the providers would be required to provide documentation to the division.

[4:39:23 PM](#)

REPRESENTATIVE SPOHNHOLZ pointed out that the decision to put the DPC under the Division of Insurance was made in the House Labor and Commerce Standing Committee, which she co-chairs. She explained that the choice was made based on the Division of Insurance having the expertise to prioritize consumer protection while implementing this novel way to access health care.

[4:40:28 PM](#)

REPRESENTATIVE FIELDS added that the House Labor and Commerce Standing Committee, which he also co-chairs, wrote the "not insurance, consumer protection" regulation language with the

director of the Division of Insurance. Instead of any problem requiring a new bill, he expressed the need to allow for timely resolutions to implementation issues. He stated that as a new healthcare vehicle, it was decided the division would be the best to have regulatory oversight. He cited the director of the division's institutional knowledge and expertise in consumer protection.

[4:41:18 PM](#)

CO-CHAIR ZULKOSKY asked whether similar types of agreements between businesses and consumers existed in Alaska. She questioned whether the framework would be a similar to other agreements. She suggested that the proposed legislation could create a brand-new consumer dynamic.

MS. KOENEMAN explained that because statute does not explicitly prohibit these types of agreements, there are providers already using them. She stated that it would be advantageous for the state to create a regulatory system for these agreements based on the framework which already exists. This way providers and patients would have any future disputes addressed.

[4:43:06 PM](#)

REPRESENTATIVE PRAX referred to language in Section 2 which addresses price discrimination. He expressed the understanding that often life insurance costs less for women, while health insurance costs more. He questioned whether this would be the type of discrimination the language is trying to prevent.

MS. KOENEMAN explained that the intent of the legislation is to facilitate fair and equitable agreements, which would allow anyone to enter a DPC agreement without fear of discrimination.

MS. KOENEMAN, in response to a follow-up question, reiterated that the intent is for there to be no price discrimination. She reported that in states where DCP agreements have been legalized there are set rates for individuals, families, adults, and children, but there were no rates based on gender.

[4:45:40 PM](#)

REPRESENTATIVE FIELDS recollected that the language was written to include "age bands" with different rates, but discrimination between genders within these age bands would not be allowed. He

requested confirmation of this from the director of the division.

CO-CHAIR ZULKOSKY explained that the committee would follow up with the director outside of the meeting.

[4:46:12 PM](#)

CO-CHAIR ZULKOSKY announced that HB 176 was held over.

[4:46:56 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:47 p.m.