

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 13, 2021

2:01 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator Shelley Hughes, Vice Chair
Senator Mia Costello
Senator Lora Reinbold
Senator Tom Begich

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 93

"An Act relating to the establishment of an all-payer health claims database; and providing for an effective date."

- MOVED CSSB 93 (HSS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 93

SHORT TITLE: HEALTH INS. ALL-PAYER CLAIMS DATABASE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/24/21	(S)	READ THE FIRST TIME - REFERRALS
02/24/21	(S)	HSS, L&C, FIN
03/11/21	(S)	HSS AT 1:30 PM BUTROVICH 205
03/11/21	(S)	<Bill Hearing Rescheduled to 3/16/21>
03/16/21	(S)	HSS AT 1:30 PM BUTROVICH 205
03/16/21	(S)	<Bill Hearing Canceled>
03/23/21	(S)	HSS AT 1:30 PM BUTROVICH 205
03/23/21	(S)	Heard & Held
03/23/21	(S)	MINUTE (HSS)
04/07/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/07/21	(S)	Scheduled but Not Heard
04/13/21	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

LORI WING-HEIER, Director
Division of Insurance
Department of Commerce, Community and Economic Development
Anchorage, Alaska
POSITION STATEMENT: Answered question on SB 93.

ACTION NARRATIVE

[2:01:50 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 2:01 p.m. Present at the call to order were Senators Begich, Hughes, Costello, Reinbold, and Chair Wilson.

SB 93-HEALTH INS. ALL-PAYER CLAIMS DATABASE

[2:02:20 PM](#)

CHAIR WILSON announced the consideration of SENATE BILL NO. 93 "An Act relating to the establishment of an all-payer health claims database; and providing for an effective date."

[2:02:56 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, stated that she is available to answer questions.

CHAIR WILSON stated his office received five amendments.

[2:03:28 PM](#)

At ease.

[2:04:02 PM](#)

CHAIR WILSON reconvened the meeting for discussion on SB 93 Amendment 1.

SENATOR REINBOLD moved Amendment 1.

AMENDMENT 1

32-GS1530\A.1
Marx
3/24/21

OFFERED IN THE SENATE
TO: SB 93

BY SENATOR REINBOLD

Page 3, line 11:

Delete "may"
Insert "shall"

CHAIR WILSON objected for purposes of discussion.

SENATOR REINBOLD stated that the amendment changes the word "may" to "shall" on page 3 line 11 of the bill.

SENATOR COSTELLO asked if members know why the bill was drafted using the word "may", which would not require the competitive bid process to be used. She asked if the recovery from COVID-19 would have an impact.

MS. WING-HEIRER stated that the drafter of the bill had no concerns changing the word to "shall". "May" was carried over from the federal bill.

[2:05:24 PM](#)

CHAIR WILSON withdrew his objection. There being no further objection, Amendment 1 passed.

[2:05:34 PM](#)

CHAIR WILSON moved Amendment 2.

AMENDMENT 2

32-GS1530\A.2
Marx
3/31/21

OFFERED IN THE SENATE
TO: SB 93

BY SENATOR WILSON

Page 4, following line 14:
Insert a new section to read:

"Sec. 21.92.040. Eligibility for state grants.

(a) A health care insurer that is required to submit health care data to the statewide all-payer health claims database may not receive a state grant unless the insurer submits the data as required by the director under AS 21.92.010.

(b) A health care payer that agrees to voluntarily report health care data to the statewide all-payer health claims database may not receive a state grant unless the payer reports the data to the database as required by the payer's agreement."

Page 4, line 15:
Delete "**Sec. 21.92.040**"
Insert "**Sec. 21.92.050**"

2:05:41 PM

SENATOR BEGICH objected for purposes of discussion.

2:05:45 PM

At ease.

2:06:11 PM

CHAIR WILSON reconvened the meeting and stated that Amendment 2 is on page 4 line 14. Amendment 2 is incentive language for healthcare facilities that enter data in the database and are eligible to receive grants. He stated facilities must enter data into the database to continue receiving state grants.

SENATOR REINBOLD stated that she disagrees with Amendment 2 as it appears to be quid pro quo. Putting information into the database should not be required in order to get a grant.

SENATOR COSTELLO asked if grant recipients in other fields are required to submit information and if it is a problem getting them to submit it.

CHAIR WILSON answered that there are entities that must give reports in order to be eligible for state grants. Some healthcare services must be Medicaid eligible in order to receive grants. Some areas of behavioral health must be inclusive of all providers, for example IHS beneficiaries. If a state grant in behavioral health is received, all members must be seen, not subsets of populations.

SENATOR HUGHES stated that she is for the amendment because its purpose is to control costs in the state. Recipients benefit from state grants. Requiring they provide de-identified information at the onset of receiving a grant should not be a problem.

2:09:02 PM

SENATOR BEGICH withdrew his objection and thanked members for the description of change that Amendment 2 creates.

2:09:11 PM

SENATOR REINBOLD contended that Amendment 2 was outlandish. Insurers should not have to provide confidential data that is protected by the Health Insurance Portability and Accountability

Act (HIPPA). Awarding grants should not be dependent on providing confidential data. She offered her belief that the bill is unconstitutional.

SENATOR HUGHES asked Ms. Wing-Heier to speak to the assertion that the amendment will violate HIPPA laws and reveal confidential information.

MS. WING-HEIER LORI WING-HEIER, Director, Division of Insurance Department of Commerce, Community and Economic Development Anchorage, Alaska replied that the bill already asks that healthcare insurers submit data and there are penalties if they do not. Amendment 2 states that if insurers do not submit the data, they will not be eligible for state grants. Amendment 2 does not change the type of data to be submitted therefore HIPPA laws have no relevance to the amendment.

SENATOR HUGHES asked if there is any data in the database that breaks patient confidentiality.

MS. WING-HEIER answered no. The data must be de-identified.

SENATOR REINBOLD questioned if any of the healthcare data submitted to the claims database regard the patient, their diagnosis or medication.

MS. WING-HEIER clarified that the database will not identify a patient, but information on pharmaceuticals, medicines and procedures will be collected. That is the intent of the database.

[2:11:09 PM](#)

SENATOR REINBOLD asked how the state rates in keeping data secure.

MS. WING-HEIER replied she cannot answer the question.

SENATOR REINBOLD stated that the bill is dangerous, and she is against the amendment.

SENATOR HUGHES asked if it is correct that a patient's name will not be attached to submitted data.

MS. WING-HEIER replied yes. Information is de-identified, and data cannot be tied back to an individual.

SENATOR COSTELLO asked what the procedure would be if a grantee did not submit the information but had begun utilizing the grant. She asked if it would increase the state costs to retract and reissue grants.

MS. WING-HEIER offered her belief that the grant would be held up until amends were made. It would not automatically cancel any grant.

CHAIR WILSON noted the objection and asked for a roll call.

[2:12:24 PM](#)

A roll call vote was taken. Senators Hughes, Costello, Begich, and Wilson voted in favor of Amendment 2 and Senator Reinbold voted against it. Therefore, Amendment 2 passed by a 4:1 vote.

[2:13:13 PM](#)

SENATOR BEGICH moved Amendment 3.

AMENDMENT 3

32-GS1530\A.3
Marx
4/9/21

OFFERED IN THE SENATE BY SENATOR BEGICH
TO: SB 93

Page 3, line 7:

Delete the second occurrence of "and"

Page 3, following line 7:

Insert a new paragraph to read:

"(5) establish by regulation a schedule of reasonable fees to be charged to an authorized requester that is a business entity for the use and distribution of data from the database to the business entity; and"

Renumber the following paragraph accordingly.

[2:13:18 PM](#)

SENATOR COSTELLO objected for purposes of discussion.

[2:13:22 PM](#)

SENATOR BEGICH stated that Amendment 3 provides the opportunity for the director to establish, by regulation, a reasonable fee schedule for enterprises that request more than publicly available data. It is preceded in the bill by a "may" clause. A director is not required to set fees for enterprises but is provided an opportunity should there be a need to recoup costs. The database would be free to the public.

[2:14:20 PM](#)

SENATOR COSTELLO removed her objection.

[2:14:33 PM](#)

SENATOR HUGHES asked if reasonable fees are defined.

SENATOR BEGICH replied that the language came from Legislative Legal Services, and they could answer the question.

CHAIR WILSON stated legal services is not in attendance and suggested others who might answer.

MS. WING-HEIER stated that reasonable fees for the regulation project would be established by collecting data from similar databases and determining the median. Public comment would also be taken. The federal bill states who must be charged to use the database, such as universities, researchers and insurance companies.

SENATOR HUGHES asked if the division charging a fee is to recover data collection costs rather than making a profit.

SENATOR BEGICH replied yes; producing data has a cost and other states have instituted fees for similar data sets. The fees are to cover costs, not to be onerous.

SENATOR REINBOLD stated her objection to the bill and the database. She offered her belief that the state should not be collecting data on diagnoses, pharmaceuticals and other private data. She does not trust the government to protect the data it collects. She does not want database information to be available for individuals and enterprises to delve into.

CHAIR WILSON asked for a roll call.

[2:18:12 PM](#)

A roll call vote was taken. Senators Costello, Begich, Hughes, and Wilson voted in favor of Amendment 3 and Senator Reinbold voted against it. Therefore, Amendment 3 passed by a 4:1 vote.

[2:18:48 PM](#)

SENATOR BEGICH moved Amendment 4.

AMENDMENT 4

32-GS1530\A.4
Marx
4/9/21

OFFERED IN THE SENATE BY SENATOR BEGICH
TO: SB 93

Page 3, following line 26:
Insert a new paragraph to read:

"(6) engage consumer protection stakeholders and the community in the process described in (5) of this subsection to ensure claims and other data from the database are available in a format accessible to all authorized requesters;"

Renumber the following paragraphs accordingly.

CHAIR WILSON objected for purposes of discussion.

[2:19:00 PM](#)

SENATOR BEGICH stated Amendment 4 came from a desire to involve community groups in the process so that the database is accessible to all Alaskans. This amendment asks the division to work with community groups and consumer protection stakeholders to ensure the database is available and easy to use for all Alaskan citizens.

[2:19:31 PM](#)

CHAIR WILSON asked Ms. Wing-Heier how engagement of stakeholders and the community would work in terms of accessing the data.

MS. WING-HEIER replied outreach to various groups, such as the Alaska Native Tribal Health Consortium, would be done to determine interest. If a group expresses interest, the division will strive to put a translatable feature on the database to meet that group's need. The division will prioritize those groups who express interest in using the database.

CHAIR WILSON asked Senator Begich to clarify user accessibility.

SENATOR BEGICH replied the data from the database would be available in a format accessible to all authorized requesters.

This means the data must be understood by requesters and it means that data must be accessible. Consumers would be engaged in determining what barriers there are to accessing information. Ways would then be identified to make the data available. Amendment 5 is relevant to this point, as it provides a continual means of keeping the database current. Amendment 4 is about format, but it is also about making sure the database is accessible to users by virtue of language or other matters.

[2:21:44 PM](#)

SENATOR HUGHES asked if Alaska Native Tribal Health providers will contribute to the database.

MS. WING-HEIER replied yes. Providers that are insured plans and Medicaid will contribute to the database.

SENATOR HUGHES commented that de-identified information is an advantage of the database since information will be publicly accessible. She appreciates that the information will be in a format that makes ascertaining identity impossible, even for small communities. She asked if another fiscal note will be necessary.

MS. WING-HEIER replied she did not know. Based on other projects, programs come with translation capability. Language is a small portion of the programs; mostly programs are about numbers, which don't need translation.

SENATOR HUGHES asked if an increment will be added at this point.

MS. WING-HEIER answered no.

SENATOR REINBOLD asked if anyone in the state is excluded from the database.

MS. WING-HEIER replied the division is not excluding anyone.

SENATOR REINBOLD asked if everybody in the state of Alaska will be in the database.

MS. WING-HEIER replied that insured plans, Alaska Care, and Medicaid are expected to contribute to the database. There will be people who are not included. The bill specifically states insurance companies and everyone else is voluntary.

SENATOR REINBOLD asked if there is any tribal health that is excluded from the data.

MS. WING-HEIER responded no.

SENATOR REINBOLD sought confirmation that people associated with tribal health are not excluded but they may not be included either.

MS. WING-HEIER answered correct.

SENATOR REINBOLD stated that she objects to the amendment because if it was really about healthcare, it would be promoting healthy lifestyle instead of being a massive database that everyone has access to.

[2:25:22 PM](#)

CHAIR WILSON removed his objection and asked for a roll call. A roll call vote was taken.

[2:25:32 PM](#)

Senators Begich, Hughes, and Wilson voted in favor of Amendment 4 and Senators Costello and Reinbold voted against it. Therefore, Amendment 4 passed by a 3:2 vote.

[2:25:57 PM](#)

SENATOR BEGICH moved Amendment 5.

AMENDMENT 5

32-GS1530\A.5
Marx
4/9/21

OFFERED IN THE SENATE
TO: SB 93

BY SENATOR BEGICH

Page 3, following line 20:

Insert a new paragraph to read:

"(4) engage stakeholders in the development and maintenance of the database;"

Renumber the following paragraphs accordingly.

[2:26:02 PM](#)

CHAIR WILSON objected for purposes of discussion.

SENATOR BEGICH stated that Amendment 5 asks for stakeholders to be engaged in the development and maintenance of the database. Currently the director could design the database without input from stakeholders.

CHAIR WILSON asked Ms. Wing-Heier if she had any issues with the amendment.

MS. WING-HEIER stated the department does not object to the amendment. Stakeholder engagement is encouraged. The regulations of the database will be an open and transparent process and involve stakeholders. She suggested that hearings could be held once or twice a year to take public comment.

[2:27:37 PM](#)

SENATOR HUGHES noted the prior amendment mentioned stakeholders as being consumer protection stakeholders. She asked the Senator Begich if Amendment 5 includes consumer protection stakeholders. She opined that doing so would ensure information is de-identified and the database is used to lower healthcare costs for the state.

SENATOR BEGICH replied that is the intent of the amendment.

SENATOR HUGHES stated that sometimes only people in the healthcare industry are considered. She appreciates that consumer protection stakeholders will be included in the amendment.

SENATOR REINBOLD asked for the stakeholders mentioned in the amendment to be identified.

SENATOR BEGICH stated that the stakeholders would be consumer stakeholders, those who deposit information into the database and consumers of the data, which could be members of the public, businesses and researchers.

[2:29:44 PM](#)

SENATOR REINBOLD stated objection to Amendment 5.

SENATOR HUGHES stated she was in favor of the amendment because it is an important safeguard.

CHAIR WILSON removed his objection.

SENATOR REINBOLD stated that the database is unnecessary. It chases federal dollars to data mine Alaskan's sensitive

information. She offered her belief that it will not be censored or achieve its objective.

[2:30:34 PM](#)

CHAIR WILSON called for a roll call.

[2:30:57 PM](#)

A roll call vote was taken on Amendment 5. Senators Begich, Hughes, Costello, and Wilson voted in favor of Amendment 5 and Senator Reinbold voted against it. Therefore, Amendment 5 passed by a 4:1 vote.

[2:31:30 PM](#)

At ease

[2:31:51 PM](#)

CHAIR WILSON reconvened the meeting and asked for closing comments on SB 93.

SENATOR REINBOLD asked if the database will show doctors' charges or define what the insurance companies paid.

MS. WING-HEIER stated that showing doctor and insurance information is intended. The grant requires that the department of labor's formatting be used. She cannot say what information will be contained in the database until the Department of Labor and Workforce Development (DOLWD) provides formatting. If her department was doing the formatting, the database would have both.

[2:33:01 PM](#)

SENATOR REINBOLD stated she will be voting no on SB 93. She opined that it is the second worst bill in committee. The bill is not necessary. It chases federal dollars, while the federal government is trillions of dollars in debt. She stated that the Alaska State Constitution Article 1 Section 22 provides privacy rights. She is concerned the bill violates HIPPA laws. Legislators should uphold the oath of office and not pass the bill. It is ridiculous to require patients' information be divulged in order to be eligible for grants. She referenced Legislative Budget and Audit reports that recommended increased security for two state databases. She offered her belief that the bill could lead to a "universal payer system."

SENATOR HUGHES commented that the database will not be in violation of HIPPA laws, and it will not infringe on Alaskan's privacy. She offered her belief that it is not leading to a

"universal one payer system." Alaska has the highest healthcare costs in the entire world. The database is a step towards figuring out how to bring healthcare costs down. If this bill allowed for identifying information to be in the database she would be against it.

SENATOR COSTELLO stated that for too long Alaskan's have struggled with healthcare costs. The healthcare industry has been shrouded in secrecy. Revealing information on what people pay begins the process of transparency, which will lead to consumers having more choice in healthcare.

[2:38:32 PM](#)

SENATOR BEGICH stated that the bill now requires a competitive bid, which means the director will be writing a request for proposal (RFP). Concerns brought up by the committee can be met in the RFP.

SENATOR REINBOLD opined that people should think for themselves.

[2:39:24 PM](#)

At ease

[2:40:26 PM](#)

CHAIR WILSON reconvened the meeting.

[2:40:26 PM](#)

SENATOR REINBOLD offered her belief that de-identified information can be reidentified and databases do not reduce healthcare costs.

[2:41:17 PM](#)

CHAIR WILSON solicited a motion to move the bill from committee.

[2:41:21 PM](#)

SENATOR HUGHES moved to report SB 93, version A as amended, from committee with individual recommendations and attached fiscal note(s).

[2:41:25 PM](#)

SENATOR REINBOLD objected.

CHAIR WILSON asked for a roll call

[2:41:30 PM](#)

A roll call vote was taken. Senators Hughes, Costello, Begich, and Wilson voted in favor of reporting SB 93 as amended from

committee and Senator Reinbold voted against it. Therefore, the motion passed by a 4:1 vote.

Chair Wilson stated CSSB 93 (HSS) was moved from the Senate Health and Social Services Standing Committee.

[2:42:11 PM](#)

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 2:42 p.m.