

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

May 2, 2022

1:30 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Joshua Revak, Vice Chair (via teleconference}
Senator Peter Micciche
Senator Gary Stevens
Senator Elvi Gray-Jackson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATIONS HEARINGS

**Department of Commerce, Community and Economic Development
Commissioner
Julie Sande**

- CONFIRMATION ADVANCED

**Alcoholic Beverage Control Board
Douglas Moore
Janice Hill**

- CONFIRMATIONS ADVANCED

**State Board of Registration for Architects, Engineers, and Land
Surveyors
Sterling Strait
Brent Cole**

- CONFIRMATIONS ADVANCED

**Board of Chiropractic Examiners
Walter Campbell**

- CONFIRMATION ADVANCED

Board of Examiners in Optometry

Kathleen Rice

- CONFIRMATION ADVANCED

Fishermen's Fund Advisory and Appeals Council
Clay Bezenek

- CONFIRMATION ADVANCED

Alaska Labor Relations Agency
Paula Harrison

- CONFIRMATION ADVANCED

Marijuana Control Board
Bruce Schulte
Eliza Muse
Ely Cyrus

- CONFIRMATIONS ADVANCED

Board of Marital and Family Therapy
Tristian Monterastelli

- CONFIRMATION ADVANCED

Board of Certified Direct-Entry Midwives
Hannah St. George

- CONFIRMATION ADVANCED

Board of Dental Examiners
Dominic Wenzell

- CONFIRMATION ADVANCED

Board of Massage Therapists
Kelli Shew
Amanda Nosich

- CONFIRMATIONS ADVANCED

Board of Nursing
Lena Lafferty
Jody Miller

- CONFIRMATIONS ADVANCED

Board of Pharmacy

Ashley Schaber

Ramsey Bell

- CONFIRMATIONS ADVANCED

Alaska State Board of Public Accountancy

Elizabeth Stuart

- CONFIRMATION ADVANCED

Board of Certified Real Estate Appraisers

Valery Kudryn

- CONFIRMATION ADVANCED

Real Estate Commission

Devon Thomas

Chad Stigen

- CONFIRMATIONS ADVANCED

Board of Social Work Examiners

Gabriel King

Sharon Woodward

- CONFIRMATIONS ADVANCED

Board of Veterinary Examiners

Ciara Vollaro

- CONFIRMATION ADVANCED

Alaska Workers' Compensation Board

Bradley Austin

Christopher Dean

Randy Beltz

Matthew Barth

Michael Dennis

Sara Faulkner

Sarah Lefebvre

- CONFIRMATIONS ADVANCED

Workers' Compensation Appeals Commission

Stephen Hagedorn

- CONFIRMATION ADVANCED

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 265(FIN)

"An Act relating to telehealth; relating to the practice of medicine and the practice of nursing; relating to medical assistance coverage for services provided by telehealth; and providing for an effective date."

- MOVED CSHB 265(FIN) OUT OF COMMITTEE

HOUSE BILL NO. 306

"An Act extending the termination date of the Board of Pharmacy; and providing for an effective date."

- MOVED HB 306 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 265

SHORT TITLE: HEALTH CARE SERVICES BY TELEHEALTH

SPONSOR(S): REPRESENTATIVE(S) SPOHNHOLZ

01/18/22	(H)	PREFILE RELEASED 1/14/22
01/18/22	(H)	READ THE FIRST TIME - REFERRALS
01/18/22	(H)	HSS, FIN
02/01/22	(H)	HSS AT 3:00 PM DAVIS 106
02/01/22	(H)	-- MEETING CANCELED --
02/03/22	(H)	HSS AT 3:00 PM DAVIS 106
02/03/22	(H)	-- MEETING CANCELED --
02/17/22	(H)	HSS AT 3:00 PM DAVIS 106
02/17/22	(H)	Heard & Held
02/17/22	(H)	MINUTE(HSS)
03/03/22	(H)	HSS AT 3:00 PM DAVIS 106
03/03/22	(H)	Heard & Held
03/03/22	(H)	MINUTE(HSS)
03/10/22	(H)	HSS AT 3:00 PM DAVIS 106
03/10/22	(H)	Moved CSHB 265(HSS) Out of Committee
03/10/22	(H)	MINUTE(HSS)
03/14/22	(H)	HSS RPT CS(HSS) NEW TITLE 5DP 1NR 1AM
03/14/22	(H)	DP: MCCARTY, SPOHNHOLZ, FIELDS, ZULKOSKY, SNYDER
03/14/22	(H)	NR: PRAX
03/14/22	(H)	AM: KURKA
03/24/22	(H)	FIN AT 9:00 AM ADAMS 519
03/24/22	(H)	<Bill Hearing Canceled>
03/29/22	(H)	FIN AT 1:30 PM ADAMS 519

03/29/22 (H) Heard & Held
 03/29/22 (H) MINUTE(FIN)
 04/14/22 (H) FIN AT 1:30 PM ADAMS 519
 04/14/22 (H) Moved CSHB 265(FIN) Out of Committee
 04/14/22 (H) MINUTE(FIN)
 04/20/22 (H) FIN RPT CS(FIN) NEW TITLE 6DP 2NR
 04/20/22 (H) DP: ORTIZ, EDGMON, LEBON, WOOL,
 MERRICK, FOSTER
 04/20/22 (H) NR: CARPENTER, JOHNSON
 04/26/22 (H) BEFORE HOUSE IN SECOND READING
 04/26/22 (H) CALL FOR THE QUESTION UC
 04/27/22 (H) TRANSMITTED TO (S)
 04/27/22 (H) VERSION: CSHB 265(FIN)
 04/29/22 (S) READ THE FIRST TIME - REFERRALS
 04/29/22 (S) L&C, FIN
 05/02/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 306

SHORT TITLE: EXTEND BOARD OF PHARMACY

SPONSOR(S): REPRESENTATIVE(S) STORY

02/04/22 (H) READ THE FIRST TIME - REFERRALS
 02/04/22 (H) L&C, FIN
 02/23/22 (H) L&C AT 3:15 PM BARNES 124
 02/23/22 (H) Heard & Held
 02/23/22 (H) MINUTE(L&C)
 02/28/22 (H) L&C AT 3:15 PM BARNES 124
 02/28/22 (H) Moved HB 306 Out of Committee
 02/28/22 (H) MINUTE(L&C)
 03/02/22 (H) L&C RPT 4DP 3NR
 03/02/22 (H) DP: SNYDER, NELSON, SPOHNHOLZ, FIELDS
 03/02/22 (H) NR: SCHRAGE, KAUFMAN, MCCARTY
 03/11/22 (H) FIN AT 9:00 AM ADAMS 519
 03/11/22 (H) Heard & Held
 03/11/22 (H) MINUTE(FIN)
 03/15/22 (H) FIN AT 9:00 AM ADAMS 519
 03/15/22 (H) Heard & Held
 03/15/22 (H) MINUTE(FIN)
 03/31/22 (H) FIN AT 9:00 AM ADAMS 519
 03/31/22 (H) Moved HB 306 Out of Committee
 03/31/22 (H) MINUTE(FIN)
 04/04/22 (H) FIN RPT 3DP 6NR
 04/04/22 (H) DP: ORTIZ, EDGMON, WOOL
 04/04/22 (H) NR: LEBON, THOMPSON, JOHNSON,
 JOSEPHSON, RASMUSSEN, MERRICK
 04/15/22 (H) TECHNICAL SESSION 4/15 - ON 4/19
 CALENDAR

04/19/22 (H) NOT TAKEN UP 4/19 - ON 4/20 CALENDAR
04/20/22 (H) TRANSMITTED TO (S)
04/20/22 (H) VERSION: HB 306
04/25/22 (S) READ THE FIRST TIME - REFERRALS
04/25/22 (S) L&C, FIN
04/25/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/25/22 (S) -- MEETING CANCELED --
05/02/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

Jody Miller, Appointee
Board of Nursing
Department of Commerce, Community and Economic Development
Haines, Alaska
POSITION STATEMENT: Testified as appointee to the Board of Nursing.

KATIE MCCALL, Staff
Senator Mia Costello
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Read a letter from Hannah St. George asking for support in her appointment to the Board of Certified Direct-Entry Midwives.

REPRESENTATIVE IVY SPOHNHOLZ
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of HB 265.

DR. MELINDA RATHKOPF, Director
Allergy, Asthma, and Immunology Center of Alaska
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation in support of HB 265.

GENEVIEVE MINA, Staff
Representative Ivy Spohnholz
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented the sectional analysis for HB 265, version E, on behalf of the sponsor.

PAM VENTGEN, Executive Director
Alaska State Medical Association
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation in support of HB 265, version E.

CHRISTOPHER DIETRICH, Medical Director
Orion Behavioral Health
Palmer, Alaska

POSITION STATEMENT: Testified by invitation in support of HB 265.

PHILIP LICHT, President and CEO
Set Free Alaska
Wasilla, Alaska

POSITION STATEMENT: Testified by invitation in support of HB 265.

NANCY MERRIMAN, Executive Director
Alaska Primary Care Association
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation in support of HB 265.

JAYNE ANDREEN, President
Alaska Public Health Association
Douglas, Alaska

POSITION STATEMENT: Testified in support of HB 265.

LARRY JOHANSEN, representing self
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 265.

REPRESENTATIVE ANDI STORY
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 306.

KRIS CURTIS, Legislative Auditor
Legislative Audit Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Reviewed the sunset audit to extend the Board of Pharmacy during the hearing on HB 306.

JUSTIN RUFFRIDGE, Chair
State Board of Pharmacy
Department of Commerce, Community and Economic Development
Soldotna, Alaska

POSITION STATEMENT: Testified by invitation in support of HB 306.

RENEE ROBINSON, President
Alaska Pharmaceutical Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 306.

ACTION NARRATIVE

[1:30:20 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Gray-Jackson, Micciche, Revak (via teleconference), and Chair Costello. Senator Stevens arrived immediately thereafter.

CONFIRMATION HEARING(S)

Board of Nursing

Board of Certified Direct-Entry Midwives

[1:30:33 PM](#)

CHAIR COSTELLO announced the consideration of governor appointees to Boards and Commissions.

[1:31:05 PM](#)

SENATOR STEVENS joined the committee.

CHAIR COSTELLO asked Jody Miller to tell the committee about her interest in serving on the [Board of Nursing].

[1:31:12 PM](#)

Jody Miller, Appointee, Board of Nursing, Department of Commerce, Community and Economic Development, Haines, Alaska, stated that she was appointed to the LPN seat. She is interested in serving to share her knowledge, experience, and skills working in various areas of nursing. This includes work in the emergency department, critical care, medical surgery, obstetrics, as a floor nurse in Haines, and as a flight nurse. She is immune compromised so she is now working to support nurses in a variety of ways. She said she would like to share her work experience and passion for nursing with others and she looks forward to serving to ensure that qualified and skilled nurses are caring for patients.

CHAIR COSTELLO commented that her experience speaks to her passion. She asked if this was a new appointment.

MS. MILLER replied this was her first appointment.

SENATOR COSTELLO asked what challenges she sees for nurses as the state and communities are emerging from COVID-19.

[1:34:22 PM](#)

MS. MILLER said the greatest challenge she sees is burnout, noting that the board has been working to help smooth and expedite the licensing process to help ease the load on nurses.

CHAIR COSTELLO found no questions and advised that the committee would be forwarding all the names today. She thanked Ms. Miller for being willing to serve.

[1:35:43 PM](#)

CHAIR COSTELLO stated that Katie McCall would read a letter from appointee Hannah St. George because she was unavailable today.

[1:36:24 PM](#)

KATIE MCCALL, Staff, Senator Mia Costello, Alaska State Legislature, Juneau, Alaska, stated that Ms. St. George is a midwife who lives in Fairbanks and is the mother of ten children and two foster children. She has attended more than 30 births as a support figure and is working on her doula certification with a focus on post-partum support.

MS. MCCALL stated that Ms. St. George has served on the Board of Certified Direct-Entry Midwives for nearly four years and has gained an even deeper appreciation for midwifery. It is a valuable service upon which many people in the state depend. Her belief is that these board members are dedicated to keeping midwifery accessible and safe for mothers and babies. She looks forward to continuing to serve on this board.

CHAIR COSTELLO advised the listening public that members are not required to appear or testify.

[1:37:41 PM](#)

CHAIR COSTELLO opened public testimony on the appointments of Hannah St. George to the Board of Certified Direct-Entry Midwives and Jody Miller to the Board of Nursing; finding none, she closed public testimony.

[1:37:59 PM](#)

CHAIR COSTELLO stated that in accordance with AS 39.05.080, the Senate Labor and Commerce Committee reviewed the following and recommends the appointments be forwarded to a joint session for consideration:

**Department of Commerce, Community and Economic Development
Commissioner**

Julie Sande

Alcoholic Beverage Control Board

Douglas Moore

Janice Hill

State Board of Registration for Architects, Engineers, and Land Surveyors

Sterling Strait

Brent Cole

Board of Chiropractic Examiners

Walter Campbell

Board of Examiners in Optometry

Kathleen Rice

Fishermen's Fund Advisory and Appeals Council

Clay Bezenek

Alaska Labor Relations Agency

Paula Harrison

Marijuana Control Board

Bruce Schulte

Eliza Muse

Ely Cyrus

Board of Marital and Family Therapy

Tristian Monterastelli

Board of Certified Direct-Entry Midwives

Hannah St. George

Board of Dental Examiners

Dominic Wenzell

Board of Massage Therapists

Kelli Shew

Amanda Nosich

Board of Nursing

Lena Lafferty

Jody Miller

Board of Pharmacy

Ashley Schaber

Ramsey Bell

Alaska State Board of Public Accountancy

Elizabeth Stuart

Board of Certified Real Estate Appraisers

Valery Kudryn

Real Estate Commission

Devon Thomas

Chad Stigen

Board of Social Work Examiners

Gabriel King

Sharon Woodward

Board of Veterinary Examiners

Ciara Vollaro

Alaska Workers' Compensation Board

Bradley Austin

Christopher Dean

Randy Beltz

Matthew Barth

Michael Dennis

Sara Faulkner

Sarah Lefebvre

Workers' Compensation Appeals Commission

Stephen Hagedorn

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

HB 265-HEALTH CARE SERVICES BY TELEHEALTH

[1:40:13 PM](#)

CHAIR COSTELLO announced the consideration of CS FOR HOUSE BILL NO. 265(FIN) "An Act relating to telehealth; relating to the practice of medicine and the practice of nursing; relating to medical assistance coverage for services provided by telehealth; and providing for an effective date."

She advised the public that the committee was very familiar with this issue.

[1:41:15 PM](#)

REPRESENTATIVE IVY SPOHNHOLZ, Alaska State Legislature, Juneau, Alaska, sponsor of HB 265, stated that in the interest of time she would bypass the presentation. She presented the legislation paraphrasing the following sponsor statement for CSHB 265(FIN):

The COVID-19 pandemic relaxed Alaska's telehealth laws and enabled broader access to behavioral health and specialty care, created cost-savings from reduced travel, and increased the convenience of high-quality health care to patients across the state. However, Alaskans have faced barriers to telehealth appointments due to regulatory hurdles across professions and inconsistent Medicaid coverage for services delivered via telehealth. Furthermore, COVID-19 related flexibilities were regulatory suspensions and not permanent.

HB 265 maintains these pandemic-related telehealth flexibilities and expands Alaska Medicaid coverage of telehealth services in statute as follows.

- 1) Creates a new section on telehealth for all health care providers licensed with the State of Alaska that removes the requirement for an in-person visit and documentation of a barrier to an in-person visit prior to the delivery of telehealth.
- 2) Allows telehealth follow-up visits from physicians licensed in another state who have established a physician-patient relationship and conducted an in-person physical examination with an Alaska patient.
- 3) Ensures telehealth availability for services related to opioid use disorder and controlled substances for certain providers.
- 4) Increases telehealth access for Alaska Medicaid beneficiaries by ensuring coverage for services for behavioral health, home and community-based services, rural health clinics, federally qualified

health centers, and other programs eligible for Alaska Medicaid reimbursement. Ensures payment parity and Medicaid coverage for telehealth modalities (e.g., appointments over the Internet, phone, etc.).

- 5) There is no requirement to deliver services through telehealth, and both the provider and the patient may choose to limit or decline a telehealth encounter.

Comprehensive telehealth delivery has revolutionized health care in Alaska by creating another tool for providers to care for patients when they cannot physically be together. HB 265 will continue to modernize the state's health care system to the benefit of all Alaskans.

1:44:13 PM

REPRESENTATIVE IVY SPOHNHOLZ stated that HB 265 aligns the statute regarding controlled substances via telehealth with the federal Drug Enforcement Agency (DEA) regulations so Alaska providers have to comply with just one set of regulations. DEA regulations require an in-person examination prior to prescribing a controlled substance, and the bill ensures that people have access via telehealth to controlled substances once they have established a relationship with a provider. The bill supports the marketplace for telehealth by ensuring equal pay for equal work, but allows lower Medicaid payments when services are not comparable. This supports reduced health care spending. She noted that between FY 2020 and FY2021, Medicaid increased telehealth spending and reduced Medicaid travel for a net savings of 38 percent or \$46 million.

1:45:34 PM

REPRESENTATIVE SPOHNHOLZ highlighted the narrow exception crafted in HB 265 to allow Alaskans to receive follow-up care with doctors they have seen from out of state. The Alaska State Medical Association supports this change to help eliminate unnecessary travel. The Division of Corporations, Business, and Professional Licensing has oversight and the ability to recoup costs in the event there is a bad actor licensed in another state. The bill also allows more flexibility in the mode of delivery of telehealth and it protects the patient/provider relationship. Nothing in the bill requires the provider to deliver care via telehealth or the patient to receive care via telehealth.

REPRESENTATIVE SPOHNHOLZ underscored that HB 265 does not allow non-Alaskan providers to practice in Alaska without state licensure. This was important to stakeholders, and the telemedicine business registry for Alaska shows that 84 percent of registrants are Alaskan providers and the 16 percent of non-Alaskan providers are licensed in Alaskan. The bill also does not increase access to controlled substances. Both prescription drug limits and the Prescription Drug Monitoring Program (PDMP) remain in place, and DEA regulations still require in-person examinations before an opioid is prescribed. She highlighted that providers throughout the state report being able to provide high-quality care to Alaskan patients. She said the invited and public testimony will talk about how telehealth has increased access to care without a reduction in quality.

REPRESENTATIVE SPOHNHOLZ extended her thanks to the diverse group of stakeholders her office had been working with over the last 18 months to get HB 265 passed. She added that the robust expansion the bill proposes could not have been accomplished without the partnership with both DCCED and DHSS.

[1:49:16 PM](#)

CHAIR COSTELLO turned to invited testimony and recognized Dr. Melinda Rathkopf, the director of the Allergy, Asthma, and Immunology Center of Alaska.

[1:49:37 PM](#)

DR. MELINDA RATHKOPF, Director, Allergy, Asthma, and Immunology Center of Alaska (AAICA), Anchorage, Alaska, stated that she has been practicing medicine at AAICA for 16 years and she wanted to share how telehealth has made it easier for the clinic to serve the entire state. She explained that the clinic has satellite clinics and had already started looking into telehealth before the pandemic. They had purchased some of the software and hardware, which made the transition easier.

DR. RATHKOPF said she wanted to speak to the bill to stress the importance of pay parity for telehealth. Her clinic accepts all payment options and it's challenging to continue to provide care as the cost of everything continues to rise except reimbursements. It wouldn't be sustainable if they go down.

She explained that by paying in parity she can block a half day and see patients in outlying areas via telehealth and still pay the ongoing costs to maintain the brick and mortar office in Anchorage. Doing telehealth doesn't eliminate the need to pay her receptionist and other staff or order supplies. These costs

are ongoing regardless of the mode of delivery of care. She said allowing parity in pay will continue to be key in continuing to be able to provide annual and follow up service for instate physicians.

DR. RATHKOPF stated that allowing out-of-state providers to provide follow-up care works well for her business. For example, she sees some rare immune deficiency patients some of whom have to utilize services through Seattle. It's been very helpful for these high risk patients to get follow-up care without having to take time to fly down and risking potential exposures during that flight. She described HB 265 as a very good compromise that allows Alaska physicians to provide care for their patients while also allowing those patients to receive care from an out-of-state provider when it's appropriate.

[1:54:13 PM](#)

CHAIR COSTELLO commented that it seems that her particular specialty lends itself to in-person visits. She asked her to talk about what happens differently for her patients when they have a telehealth appointment versus an in-person appointment.

DR. RATHKOPF responded that she was initially concerned about not being able to lay her hands on her patients, but quite a bit of an exam can be done over video and her patients have a primary physician who has done an in-person exam. She acknowledged that certain procedures like skin and pulmonary testing require an in-person visit, but pointed out that allergists treat a lot of diseases that do not require any testing. She advised that one reason her clinic started telehealth pre-pandemic was to screen out those who had to be seen in person versus via telehealth. Sometimes she determines a patient really needs an in-person visit but the telehealth option cuts down up to 75 percent of the people that will require travel or need to be put on a waitlist so she can travel to meet them. Telehealth makes her more efficient both at her satellite clinics and her office.

[1:56:22 PM](#)

SENATOR STEVENS referenced a book he'd been reading on longevity that offers statistical evidence that patients who have a personal relationship with their doctor live longer than those who do not have that type of relationship. He asked if she had any further reflection on the importance of a personal relationship with a doctor.

DR. RATHKOPF said her experience is that doctor/patient relationships that were established in person can easily continue online. What she believes would be very difficult is to establish a relationship in the telehealth model where the patient calls a national line and gets a different provider each call. She assured the committee that most providers in Alaska that are participating in telehealth are using it to support established patients.

[1:58:53 PM](#)

SENATOR MICCICHE stated that when he worked on an early telehealth bill he was led to believe that telehealth would be at a lower cost because there wouldn't be the facility and materials costs and the visits would be shorter than in-person visits. He asked for her logic on why pay parity is the correct path.

[2:00:11 PM](#)

DR. RATHKOPF said it would be difficult to justify blocking half or a whole day clinic to treat telehealth patients if she weren't paid the equivalent because she could easily fill the clinic with in-person patients. She said most providers squeeze telehealth into blocks during the day, but the overhead costs still exist and the telehealth appointments generally take the same amount of time as the in-person visits. She explained that when she sees patients in person she can have three patients in separate exam rooms at the same time whereas with telehealth it's a one-on-one appointment. Telehealth is not a cost savings for the provider and without pay parity it would be too easy for providers to say they didn't want to do telehealth.

[2:02:50 PM](#)

SENATOR MICCICHE said the argument was very convincing and he'd like her to send the chair that explanation in writing.

DR. RATHKOPF agreed to do so.

CHAIR COSTELLO asked the sponsor if she had anything to add.

[2:03:18 PM](#)

REPRESENTATIVE SPOHNHOLZ said she had two things to add. First, she clarified that the cost savings between FY2020 and FY2021 was 23 percent, not 38 percent but the \$48 million savings was correct.

Second, she said the testimony and questions about pay parity target the underlying issue of ensuring that patients continue

to receive treatment from their established providers and that Alaskan providers continue to be able to provide the care. She shared her personal experience using telehealth when she had COVID-19 last month and was able to see both her long-time physician and a specialist. She agreed with Dr. Rathkopf's explanation of the need for pay parity and highlighted her earlier testimony that 84 percent of telehealth care in Alaska is provided by Alaska-based organizations and providers.

CHAIR COSTELLO asked Genevieve Mina to present the sectional analysis for HB 265.

[2:05:19 PM](#)

GENEVIEVE MINA, Staff, Representative Ivy Spohnholz, Alaska State Legislature, Juneau, Alaska, read the sectional analysis for CSHB 265(FIN), version E:

[Original punctuation provided.]

Section 1

Adds a new section on telehealth under Title 8 for all health care providers licensed with the State of Alaska.

- Subsection (a) removes the requirement for an in-person visit prior to a telehealth appointment.
- Subsection (b) narrowly exempts physicians licensed in another state to deliver health care services via telehealth if there is an established physician-patient relationship, an in-person physical exam, and the services are related to ongoing treatment or follow-up care related to past treatment. The language also references new enforcement language in Section 2.
- Subsections (c) and (d) create limits for a telehealth appointment. If a telehealth appointment falls outside of a provider's authorized scope of practice, they may refer a patient to an appropriate clinician. The cost of a service delivered through telehealth must be the same as if it were delivered in person.
- Subsections (e), (f), and (g) ensure that only authorized providers licensed with the State of Alaska can prescribe controlled substances (e.g., buprenorphine, Adderall, etc.) via telehealth without conducting an in-person visit. These providers must comply with the state and federal

laws regarding the prescription of controlled substances via telehealth.

- o Subsection (e) pertains to providers in Title 8, Chapter 64 (Medicine) (i.e., physicians, podiatrists, osteopaths and physician assistants).
- o Subsection (f) pertains to Advanced Practice Registered Nurses (APRNs) in Title 8, Chapter 68 (Nursing).
- Subsection (h) removes requirements to document all attempts for an in-person visit and prevents the department or board from limiting the physical setting of a health care provider delivering telehealth.
- Subsection (i) confirms that health care providers under this section are not required to deliver telehealth services.
- Subsection (j) provides definitions for all health care providers applicable to this section, specifies that the provider must be licensed in good standing, and defines telehealth.

Section 2 Creates AS 08.64.33 defining the State Medical Board's authority to enforce against exempted physicians in Section 1 and ensures these providers must comply with Alaska laws for licensed physicians.

- o Subsection (a) describes the grounds for the board to sanction a physician licensed in another state providing telehealth services in Section 1: if they violate Alaska laws for Alaska-licensed physicians; exceed the defined scope of telehealth services in Section 1; or prescribe, administer, or dispense a controlled substance to an Alaska patient located in the state.
- o Subsection (b) and (c) ensures that the board can enforce exempted physicians in the same manner as Alaska-licensed physicians. In addition to this authority, they can issue a cease-and-desist order and notify the licensing authority for each state the physician is licensed.
- o Subsection (d), (e), (g), and (h) details the board's disciplinary actions for exempted physicians, mirroring similar language regarding sanctions for Alaska-licensed physicians.
- o Subsection (f) ensures that the board can recover costs related to the proceedings and

investigation directly from an exempted physician in Section 1.

[2:09:21 PM](#)

Section 3 Amends language related to the prescription of controlled substances via telehealth under the State Medical Board. This deletes language requiring an additional health care provider to assist a patient during a telehealth appointment with a physician or physician assistant regarding the prescription, dispensing, and administration of controlled substances.

[2:09:45 PM](#)

Section 4-5 Adds sections related to the prescription of controlled substances via telehealth under the Board of Nursing. This does not change the Board of Nursing's authority or the scope of practice for APRNs ensures regulatory equity between the Board of Nursing and the State Medical Board regarding the prescription of controlled substances via telehealth for all DEA-registered practitioners.

- Section 4 amends the Board of Nursing's regulatory authority to include controlled substances via telehealth in Section 5, mirroring statutory language for the State Medical Board.
- Section 5 creates a new section AS 08.68.710 defining the telehealth prescriptive authority of APRNs in statute. This section removes the regulatory in-person requirement for APRNs under 12 AAC 44.925(c), mirroring the deletion of language for the State Medical Board in Section 3.

[2:10:50 PM](#)

Section 6 Adds a new section on telehealth under Title 18 for emergency medical services. This section removes the requirement for an in-person examination prior to a telehealth encounter. This section replicates the same provisions on cost, scope of services, documentation, physical setting, and patient protections as Section 1.

Section 7 Adds a new section on telehealth payment under Title 47 for Alaska Medicaid.

- Subsection (a) requires the Department of Health to pay for telehealth services in the same manner as an in person service for the following: behavioral health services, home and community based services (HCBS), services provided by a community health aide or community health practitioner, behavioral health aide or behavioral health practitioner, dental health aide therapist, chemical dependency counselor, non-HCBS services covered under a federal waiver or demonstration, other services provided by an individual or entity eligible for department certification and Medicaid reimbursement, and services provided at rural clinics and federally qualified health centers.

[2:11:59 PM](#)

This subsection also allows for a telehealth visit to be conducted through any means which could be useful in a patient-provider relationship, including an audio-only (i.e., phone call) appointment.

- Subsection (b) requires the department to adopt regulations regarding payment of telehealth services. This provision also allows the department to limit or restrict Medicaid coverage under this section if a service delivered via telehealth cannot be safely delivered according to substantial medical evidence, or if the federal government will not reimburse the delivery of the service via telehealth.
- Subsection (c) specifies that the coverage of services in Alaska Medicaid must be HIPAA compliant.

Section 8-9 Adds sections on telehealth under Title 47 for grantees that deliver community mental health services, or facilities approved by the department to deliver substance use disorder treatment. Both sections replicate the same telehealth provisions on cost, scope of services, patient protections, documentation, and physical setting as Section 1.

- Section 8 creates AS 47.30.585 to include entities approved to receive grant funding by the Department of Health to deliver community mental health services.

- Section 9 creates AS 47.37.145 to include public or private treatment facilities approved by the Department of Health to deliver services addressing substance use disorders.

Section 10 Provides an immediate effective date.

[2:13:32 PM](#)

CHAIR COSTELLO referenced Section 1(d) and shared a constituent's experience of flying to Seattle and having a telemedicine appointment while in the Board Room at the airport because the physician was not licensed in Alaska. Following the appointment, her constituent got back on a plane to return to Alaska. She said she brought it up because there are Alaskans who have established relationships with physicians that are not licensed in Alaska and when COVID-19 happened those Alaskans weren't able to travel to get care from those physicians. She asked the sponsor to talk about the balance the bill strikes in that regard and whether it also allows telemedicine counseling and mental health appointments to be conducted by an attending physician who is not licensed in Alaska.

[2:15:02 PM](#)

REPRESENTATIVE SPOHNHOLZ replied that constituent's experience is the reason for the provision in Section 1 of the bill. She described the work to get stakeholders to agree to this narrow exception and shared that her focus was to reduce unnecessary travel while ensuring that Alaska licensees wouldn't bear the cost of investigations into potential bad actors from out-of-state. The bill authorizes the State Medical Board to recoup the costs of those investigations.

She clarified that the bill does not provide an exception for counseling and behavioral health care via telemedicine when the provider is not licensed in Alaska. Licensing for the professionals that typically provide this type of care is simpler and less time consuming than for medical doctors. According to the chair of the Psychology Board, it takes about six weeks to get an Alaska license as a psychologist, whereas the barrier is higher and it takes a lot longer to become licensed as a physician in Alaska.

CHAIR COSTELLO asked Pam Ventgen whether the Alaska State Medical Association supports the current version of HB 265.

[2:18:19 PM](#)

PAM VENTGEN, Executive Director, Alaska State Medical Association (ASMA), Anchorage, Alaska, answered yes; ASMA fully supports the current version of HB 265. ASMA worked closely with the many stakeholders to craft the narrow language to allow out-of-state specialists to continue to care for their Alaska patients via telemedicine.

[2:19:52 PM](#)

CHAIR COSTELLO asked the sponsor to talk about the urgency and timeliness of this legislation, and thus the reason for the immediate effective date.

REPRESENTATIVE SPOHNHOLZ explained that both DCCED and DHSS indicated they would be able to implement the legislation within the 90-day window of an immediate effective date. This will ensure that Alaskans continue to have access to the care they have been receiving after the federal public health emergency expires on July 22, 2022.

SENATOR MICCICHE noted that a constituent who is an optometrist contacted his office to articulate the concern that the [Board of Examiners in Optometry] did not feel that all examinations can take place online via video. He asked how the bill proposes to address those limited situations.

[2:21:38 PM](#)

REPRESENTATIVE SPOHNHOLZ agreed that not all examinations are appropriate for online. The decision in HB 265 was to provide a framework for telehealth and leave the regulations for the many individual license types to the appropriate board because they have the expertise and understand the scope of practice better than legislators.

SENATOR MICCICHE summarized that certain procedures could be excluded from telehealth through regulation.

REPRESENTATIVE SPOHNHOLZ confirmed that was the intention because it would be too onerous to define every license type by statute.

CHAIR COSTELLO recognized Christopher Dietrich as the next person invited to testify.

[2:24:40 PM](#)

CHRISTOPHER DIETRICH, Medical Director, Orion Behavioral Health (OBH), Palmer, Alaska, testified by invitation in support of HB 265. He stated that he is a member of the American Academy of

Physician Assistants and on the board for PAs in Virtual Medicine and Telemedicine. He opined that from a behavioral health perspective, HB 265 will break down barriers to patient care, particularly with controlled substances. OBH has many patients from rural areas who currently have to travel to the clinic to meet with a nurse and get medication to maintain their behavioral health even when they have been taking the medication for years. The bill will eliminate the need for much of this travel, make it more likely that patients stay on their medication, and reduce behavioral health crises. He also spoke in support of payment parity for care delivered via telemedicine.

[2:27:55 PM](#)

PHILIP LICHT, President and CEO, Set Free Alaska (SFA), Wasilla, Alaska, testified by invitation in support of HB 265. He stated that SFA offers substance abuse and mental health services in both MatSu and Homer. It provides residential and outpatient care for adults and behavioral health services for children. In 2016, SFA began exploring telehealth as a way to remove barriers, such as lack of transportation, in an effort to improve access to care. Individuals who need treatment for substance abuse often don't have a driver's license, so getting to an intensive outpatient treatment program several times a week is extremely challenging. He cited a study from Massachusetts that found that living more than a mile from their intensive outpatient treatment center made it significantly less likely that the client would complete their treatment. Clearly, not many Alaskans who need treatment live within that critical radius. When SFA started offering telehealth care they saw a significant increase in show rates both pre and during the pandemic. The point is that telehealth increases the likelihood of successful outcomes for individuals who need substance abuse and mental health services.

MR. LICHT mentioned payment parity and highlighted that SFA's experience has been that telehealth is a little more expensive to provide. Personnel costs and overhead remain the same, but there has been an increase in costs due to the Zoom subscription and the technology and hardware that's needed. Internet speed is critical and it's more practical for each clinician to have dual monitors so they can have clinical notes on one screen and the clients on the other. For SFA it is very important that telehealth appointments are reimbursed at the same rate as in-person visits.

[2:31:55 PM](#)

NANCY MERRIMAN, Executive Director, Alaska Primary Care Association (APCA), Anchorage, Alaska, provided the following testimony in support of HB 265:

The Alaska Primary Care Association (APCA) supports the operations and development of Alaska's 29 Health Centers (also commonly referred to as Community Health Centers or Federally Qualified Health Centers). Health Centers provide comprehensive whole person care, which includes medical, dental, behavioral, pharmacy and care coordination services.

APCA and Alaska's Health Centers support HB265 because it increases access to primary care and behavioral health services and expands telehealth in Alaska. This legislation:

- Includes a range of telehealth modalities, including audio-only, now & into the future
- Allows patients and providers to engage in telehealth services outside a clinic setting if they so choose
- Provides adequate reimbursement for telehealth visits, providing new points of access to whole person care, including behavioral health and substance use disorder treatment.

In the most recent year of full reporting, 2020, Alaska's Health Centers served 105,000 patients through 450,000 visits delivering medical, dental, behavioral health, substance use disorder treatment and other care. Behavioral health and substance use disorder services are Health Centers' fastest growing area of service. 40% of these visits were accommodated via telehealth. In the subspecialty of substance use disorder services, 45% of visits were via telehealth.

Alaska's Health Centers have weathered many emerging challenges brought on by the pandemic and APCA appreciates the actions taken by the Department of Health Social Services, which have allowed Health Centers to reach their patients via telehealth.

The temporary telehealth policy changes allowed Health Centers to be recognized as telehealth treating providers; to furnish some behavioral health services via audio-only technology; and to be paid for

telehealth services furnished to Medicaid beneficiaries under the Health Centers' unique payment system, called the prospective payment system (PPS).

APCA supports HB265 as this key legislation allows these temporary telehealth provisions to become permanent for patients and providers in Alaska.

Health Centers, by definition, serve hard-to-reach communities. The majority of Health Center patients experience a range of challenges in accessing health care that include facing long distances to reach local providers, cost of care, transportation, language, and cultural barriers. In Alaska, over half of Health Center patients are racial/ethnic minorities, a majority are low-income, and most patients live in rural communities.

Health Centers can best serve their patient populations if they have the ability to use technology to better support their patients. Additionally, workforce shortages, particularly in the behavioral health sector, impact Health Centers uniquely as nonprofit safety-net providers, and telehealth allows Health Centers to use their clinical workforce most nimbly.

In 2021, a cohort of health centers reported that [of] their telehealth interactions, 59 percent occurred by phone and 41 percent by audio and video. Through the pandemic, demand for tele-behavioral health now represents 35 percent of all telehealth usage.

Health Centers have witnessed how telehealth has provided stronger continuity of care for patients, reduced travel costs, has resulted in fewer dropped visits and a reduction in delayed (and more costly) care. We understand that delivering quality whole person care ultimately leads to better health outcomes, saves lives and in the long run, it saves on cost.

MS. MERRIMAN urged the committee to support HB 265.

[2:35:51 PM](#)

CHAIR COSTELLO opened public testimony on HB 265.

[2:36:10 PM](#)

JAYNE ANDREEN, President, Alaska Public Health Association (APHA), Douglas, Alaska, stated that she was testifying from a personal perspective as well as on behalf of APHA in support of HB 265. She shared that she and her husband had to make four trips to Seattle for care in 2021. This was difficult and time consuming despite having a good relationship with the out-of-state provider. On the last trip they spent 10 minutes with the specialist who said they were following the treatment plan and that it was too bad the appointment couldn't have been done on the phone. They left Juneau at 5:30 a.m. that morning and got back to Juneau that evening at 9:30 p.m.

MS. ANDREEN emphasized that it was critical for Alaska to have a good telehealth system that maintains Alaska's standards. For this reason, she wholeheartedly supported HB 265.

[2:37:57 PM](#)

LARRY JOHANSEN, representing self, Ketchikan, Alaska, stated that he was testifying in support of HB 265 because it will save him money and allow him to receive the health care he needs. He shared that he was diagnosed with Parkinson Disease 14 years ago and has been able to keep the symptoms under control with expert specialty care that is not available in Alaska. Early on he was told he should move to Seattle, but he loves Alaska and doesn't want to leave. He was living in Haines late last winter when he got sick and had to go to Seattle to get the specialty treatment he needed. He advocated for Alaskans to be able to access the specialty care they need via telehealth using audio and video and online computer-aided treatment. He restated his strong support for HB 265.

[2:44:19 PM](#)

CHAIR COSTELLO closed public testimony on HB 265.

[2:44:35 PM](#)

SENATOR STEVENS moved to report HB 265, work order 32-LS0754\E, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and CSHB 265(FIN) was reported from the Senate Labor and Commerce Standing Committee.

She thanked the sponsor and her staff for the background work that was done on the bill and voiced her personal support for telemedicine for Alaskans.

REPRESENTATIVE SPOHNHOLZ thanked the chair and committee for supporting the bill and offered to answer any additional questions.

CHAIR COSTELLO noted that Senator Micciche asked Dr. Rathkopt to follow up in writing about the cost for her office to provide telemedicine compared to in-person visits. That information would be forwarded to the next committee of referral.

REPRESENTATIVE SPOHNHOLZ said she'd make sure the committee received the information.

HB 306-EXTEND BOARD OF PHARMACY

[2:46:30 PM](#)

CHAIR COSTELLO announced the consideration of HOUSE BILL NO. 306 "An Act extending the termination date of the Board of Pharmacy; and providing for an effective date."

She noted that this was the first hearing and the intention was to hear the introduction, take invited and public testimony, and look to the will of the committee.

[2:46:49 PM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, Juneau, Alaska, sponsor of HB 306, introduced the legislation paraphrasing the following sponsor statement:

House Bill 306 extends the termination date of the Board of Pharmacy until June 30, 2028. The current sunset date is June 30, 2022.

The first Alaska Board of Pharmacy was created in 1913. Those provisions were repealed in 1955 and a new board was enacted with many of the same functions.

The Board of Pharmacy benefits Alaskans by regulating pharmacies, pharmacists, pharmacy technicians, and pharmacy interns, and ensuring the practice of pharmacy is done safely and within the bounds of state law. Allowing the board to terminate would not be in the best interest of the state.

The Division of Legislative Audit (DLA) found in their 2021 audit of the Board of Pharmacy that the "board served the public's interest by effectively conducting its meetings and actively amending regulations;

however, improvements over the board's licensing functions are needed." DLA recommended the extension of the board for six years to reflect "the need for more timely oversight of the board's evolving role in combating the public health opioid crisis."

REPRESENTATIVE STORY relayed that the Board of Pharmacy has seven members, five of which must be licensed pharmacists who have been actively engaged in the practice of pharmacy in Alaska for three years immediately preceding their appointment. The remaining two positions are public members who must not have a direct financial investment in the health care industry.

[2:48:53 PM](#)

REPRESENTATIVE STORY stated that the legislative auditor made five recommendations.

CHAIR COSTELLO pointed out that the auditor was in the room and available to discuss the audit.

REPRESENTATIVE STORY responded that she wanted to talk about the recommendations to improve the monitoring and enforcement of the Prescription Drug Monitoring Program (PDMP) because it was a topic during the House committee process.

She explained that while the PDMP is housed in the Board of Pharmacy, it is just one of six licensing boards that is responsible for monitoring and enforcing the requirements related to the PDMP.

REPRESENTATIVE STORY reported that the audit found that at the time of the audit only the Board of Pharmacy was effectively monitoring both registration and reporting to the PDMP. She assured the committee that steps were taken to improve compliance with the PDMP. The chairs of the six boards and division staff now meet twice monthly to discuss the ongoing efforts to improve the shortcomings in the program. She highlighted that the Department of Health intends to use federal opioid grant funds to hire a contractor to evaluate the suggested improvements to the PDMP, which will help the chairs of the six licensing boards. She said it's important to extend the Board of Pharmacy so it can continue to protect the health and safety of Alaska.

CHAIR COSTELLO asked Kris Curtis to present the overview of the sunset audit for the Board of Pharmacy.

[2:52:19 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Alaska State Legislature, Juneau, Alaska, stated that the audit concluded that the Board of Pharmacy was serving the public's interest by effectively conducting meetings and actively amending regulations, but improvements are needed in the licensing functions. The audit further concluded that the Division of Corporations, Business, and Professional Licensing (DCBPL) staff actively worked to implement the new requirements of the PDMP database. However, at the time of the audit the occupational boards were not enforcing or monitoring the requirement. The audit recommended a six year extension. This is two years less than the maximum extension, which is a reflection of the need for more timely oversight of the board's evolving role in helping the public combat the public health opioid crisis.

[2:53:17 PM](#)

MS. CURTIS directed attention to Exhibit 4 on page 13 that shows that there were 4,280 active licenses. This includes both facility and individual licenses and reflects a 14 percent increase since the last sunset audit in 2017. The increase is due to three new facility license types.

The board's schedule of revenues and expenditures on page 15 shows a surplus of nearly \$800,000 as of January 2021. During the February meeting, the board discussed, but decided against, reducing licensing fees because it planned to add a new licensing examiner position. There was also concern that establishing a disciplinary matrix of all noncompliance with the controlled substance prescription database (CSPD) likely would result in increased investigation expenditures. The schedule of fees appears on page 14.

MS. CURTIS stated that much of the audit was dedicated to evaluating the board's changing role in administering the CSPD. The sunset audit in 2017 concluded that changes in the laws governing the database would give the board a more active role in combating the misuse of controlled substances. That audit recommended just a four year extension to allow the legislature time to review the board's progress in administering the new laws.

[2:54:56 PM](#)

MS. CURTIS reviewed the information in the audit about the controlled substance prescription database (CSPD). She paraphrased the first paragraph on page 5:

Senate Bill 196, passed in 2008, required the Board of Pharmacy (board) to establish and maintain a CSPD.³ The law was passed with the intent to improve patient care and foster the goal of reducing misuse, abuse, and diversion of controlled substances. The statute requires each dispenser submit to the board, by electronic means, information regarding each prescription dispensed for a controlled substance. The CSPD electronically collects information from in-state pharmacies, as well as other dispensers of controlled substance prescriptions.

MS. CURTIS advised that it soon became clear that the 2008 legislation lacked important authority that prevented the CSPD from meeting its intent. The law was significantly amended in 2017 and 2018 and those changes affected how the board administers the database.

[2:55:56 PM](#)

MS. CURTIS turned to the report conclusions that begin on page 16. The changes to the database included that licensees from the six occupational boards that dispense controlled substances are required to register with the CSPD. Regulations were updated to require daily reporting of prescription data, and review is required.

In general, the audit concluded that the changes made the database more capable of combatting opioid abuse. Implementing the laws requires the coordination of six occupational boards. The Board of Pharmacy administers the database and provides information to the other occupational boards, but each board is required to enforce and monitor the requirements for their respective licensees.

As of January 2021, each board had started implementing the requirements, but none were fully enforcing the requirements. Exhibit 7 on page 17 summarizes the progress each board had made to monitor the requirement to register and report to the database. Only the Board of Pharmacy was monitoring compliance with both the registration and reporting requirements. Regarding reviewing the database prior to dispensing, prescribing, and administering controlled substances, the audit concluded that none of the boards were monitoring individual licensee compliance with this requirement. The Board of Pharmacy Prescription Drug Monitoring Program (PDMP) coordinator does provide summary information regarding the percent of the

prescribers checking the database for the respective boards but the summary does not show individual licensee compliance.

MS. CURTIS directed attention to Exhibit 8 on page 18 that shows that according to a 2021 legislative report of the Alaska Prescription Drug Monitoring Program, a majority of practitioners were not checking the CSPD.

The audit also found that enforcement was limited by inadequate enforcement matrices, which guide a board's resolution of cases. Board disciplinary matrices did not cover noncompliance with the CSPD requirements during the audit period. Exhibit 9 on page 20 summarizes the status of the disciplinary matrices as of January 31, 2021. Several board matrices covered the failure to register, but not failure to report to the board or failure to review the database.

[2:58:49 PM](#)

MS. CURTIS reviewed the provision of unsolicited reports, paraphrasing the text on pages 20-21:

Statutes authorize the Board of Pharmacy to provide unsolicited notifications to a pharmacist or practitioner if a patient has received one or more prescriptions for controlled substances inconsistent with generally recognized standards of safe practice. The term "generally recognized standards of safe practice" must be defined by the respective boards. At the time of the audit, the standards had not been fully defined. Only two of the applicable boards set prescription limitations in regulation. The State Medical Board set a limitation of 50 morphine milligram equivalents (MME) for initial opioid prescriptions only and the Board of Dental Examiners set a limitation of 60 MME. (See Recommendation 3)

The Board of Pharmacy may, but is not required to, send patient-specific utilization notifications to pharmacists and practitioners. Instead of sending patient-specific notifications, the PDMP coordinator provided summary data to applicable occupational boards as part of standard board reports and to practitioners as part of prescriber report cards. The following three metrics, referred to as "clinical alerts," were provided:

1. Number of patients treated with over 90 and 120 MME;
2. Number of patients treated with dangerous combinations;
and
3. Number of patients who received controlled substances from five prescribers, at five pharmacies, over a three month period.

The process of sending board reports evolved during the audit period. Not all boards were sent reports on a routine basis and not all board reports included the three metrics. Exhibit 10 on page 21 that summarizes the number of board reports issued during the audit period and the number of reports that included one or more of the three clinical alert metrics.

[3:00:42 PM](#)

MS. CURTIS described the prescriber report cards, paraphrasing the text on page 22:

Beginning FY 18, CSPD information, referred to as Prescriber Report Cards, was provided to prescribing practitioners. The report cards were intended to give practitioners the ability to review their prescribing activity and compare the activity to other practitioners within the same occupation and within a specific specialty. Quarterly report cards included:

- the three clinical alerts;
- the prescriber's current prescribing controlled substance volumes and duration, including comparison to peers;
- the top three prescribed controlled substances; and
- the number of patients searched in the CSPD.

Exhibit 11 illustrates the number of practitioners who received a prescriber report card by occupational board.

MS. CURTIS moved to the findings and recommendations starting on page 25:

Recommendation No. 1:

The board chair and DCBPL's director should improve procedures and training to ensure applicants meet requirements prior to licensure.

MS. CURTIS said the audit found that 20 percent of the 25 facility licenses it tested did not include required regulatory documentation. By statute, a board may deny a license if an applicant has been convicted of a crime or has acted in a way that does not conform to professional standards. To help evaluate an applicant's professional fitness, the application asks a series of questions. Division policy is that a supervisor must review and approve applications of applicants who answered "yes" to the professional fitness questions. This usually involves referral to the board's investigative section for follow up. Three facility applicants answered "yes" to professional fitness questions, but there was no evidence that a supervisor either reviewed or referred the application to the investigative arm for follow up prior to the issuance of the license.

DCBOL management attributed the facility license errors to turnover in the licensing examiner position, a lack of training, and human error.

[3:03:08 PM](#)

Recommendation No. 2:

The board should adopt regulations for renewing outsourcing facilities and third-party logistics provider licenses.

MS. CURTIS explained that the renewal regulations weren't changed to reflect the addition when these two new facility license types were added, so the fix shouldn't be difficult.

Recommendation No. 3:

Applicable occupational boards and DCBPL's director should continue to coordinate efforts to improve the monitoring and enforcement of CSPD requirements.

Recommendation No. 4:

The Department of Commerce, Community, and Economic Development's (DCCED) commissioner should allocate sufficient resources to ensure licensees holding a Drug Enforcement Administration (DEA) registration

number are consistently recorded in DCBPL's licensing database.

MS. CURTIS explained that this is important to ensure the ability to electronically monitor the requirement to register with the CSPD.

Recommendation No. 5:

DCCED's commissioner should allocate sufficient resources to ensure the CSPD requirements are enforced.

MS. CURTIS noted that the audit found that cases weren't investigated because of insufficient resources.

[3:04:13 PM](#)

MS. CURTIS directed attention to management's response to the audit on page 47. The DCCED commissioner generally agreed with the conclusions and recommendations and reported that corrective action was taken to address several of the deficiencies. She indicated that training had been provided and procedures instituted regarding recording the DEA number in the licensing database.

The response from the Board of Pharmacy is on page 51. The board chair agreed with the recommendations and said the board had taken action to address the regulatory deficiency and forwarded the suggested regulations to DCBPL. The chair also stated that being able to use the controlled substance prescription database to identify issues, promote better prescribing practices, and investigate those who fall outside guidelines requires people and process, both of which are in short supply. The chair stated that the board will continue to request resources be dedicated to the database to combat opioid abuse.

CHAIR COSTELLO asked Board of Pharmacy chair Justin Ruffridge to comment on the audit.

[3:05:44 PM](#)

JUSTIN RUFFRIDGE, Chair, State Board of Pharmacy, Department of Commerce, Community and Economic Development (DCCED), Soldotna, Alaska, stated that he agreed with the audit findings, many of which had been addressed. Processes and people were a work in progress, but the division was working hard to find and train personnel. Since the 2017 audit the board has been working to overhaul outdated regulations and that package had been delivered to the regulatory specialists for processing. He

reported that the board worked through the pandemic to ensure that licensing was accessible, that there was emergency access to medications, and that patients had access to care. The board has also continued to serve the public by restarting onsite inspections, reducing license fees, and working on regulations to support changes in the field of pharmacy.

MR. RUFFRIDGE stated that he was proud of the work the Board of Pharmacy had done the last few years and he fully supports the suggested board extension.

CHAIR COSTELLO asked if he had found the Division of Corporations, Business, and Professional Licensing to be responsive to the board's needs.

MR. RUFFRIDGE replied that the division is working hard and it tries to be responsive but it is plagued by budgetary constraints and hiring difficulties, so the response is slow.

CHAIR COSTELLO expressed appreciation for the candor.

[3:08:51 PM](#)

CHAIR COSTELLO opened public testimony on HB 306.

[3:09:08 PM](#)

RENEE ROBINSON, President, Alaska Pharmaceutical Association, Anchorage, Alaska, stated that she had been a practicing pharmacist in the state for more than 14 years and she supported HB 306 to extend the Board of Pharmacy. She opined that the board had done an excellent job the last couple of years to make significant changes in the profession. She urged the committee to support HB 306 to keep the board from sunseting for the next six years.

[3:09:57 PM](#)

CHAIR COSTELLO closed public testimony on HB 306. She found no questions and solicited a motion.

[3:10:04 PM](#)

SENATOR STEVENS moved to report HB 306, work order 32-LS1434\A, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and HB 306 was reported from the Senate Labor and Commerce Standing Committee.

[3:10:35 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 3:10 p.m.