HOUSE FINANCE COMMITTEE
April 12, 2023
1:35 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:35 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Tony Newman, Acting Director, Division of Senior and Disabilities Services, Department of Health; Emily Ricci, Deputy Commissioner, Department of Health.

PRESENT VIA TELECONFERENCE

Robert Nave, Program Manager, Division of Health Care Services, Department of Health; Dr. Anne Zink, Chief Medical Officer, Department of Health; Rebekah Morisse, Acting Director, Division of Public Health, Department of Health.

SUMMARY

HB 58 ADULT HOME CARE; MED ASSISTANCE

HB 58 was HEARD and HELD in committee for further consideration.

HB 59 MEDICAID ELIGIBILITY: POSTPARTUM MOTHERS

HB 59 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda.

#hb58
HOUSE BILL NO. 58

"An Act relating to medical assistance for recipients of Medicaid waivers; establishing an adult 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."

1:36:52 PM

TONY NEWMAN, ACTING DIRECTOR, DIVISION OF SENIOR AND DISABILITIES SERVICES, DEPARTMENT OF HEALTH, explained that the bill would add to the array of services under the Medicaid Home and Community Based Waiver Program. He provided a PowerPoint presentation titled "State of Alaska Department of Health: House Bill 58: Adult Home Care," dated April 4, 2023.

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Mr. Newman turned to slide 2 titled "Senior and Disabilities Services – Medicaid Home and Community Based Waivers:"

- Allow people with disabilities and seniors to remain in their homes or local community settings when they would otherwise need institutional care.
- Home and Community Based Waivers receive a 50% Federal and 50% General Fund Match
- Alaska provides five home and community-based waivers:
    1. Intellectual and Developmental Disabilities waiver (serving about 2,000 people)

2. Alaskans Living Independently waiver (2,200 people)
3. Children with Complex Medical Conditions waiver (225 people)
4. Adults with Physical & Developmental Disabilities waiver (144 people)
5. Individualized Supports waiver (500 people)

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Mr. Newman provided examples of the types of Alaskans served by waivers. He exemplified that the first type of waiver would serve a senior who suffered a stroke that resulted in permanent limited mobility. The second waiver would serve someone with cerebral palsy or a disabled person able to live at home with support. He interjected that waivers provided people with more independence and personal choice as well as saved the state significant amounts of money that would otherwise be spent on institutional care. He turned to slide 3 titled "Services Available Under Alaska's Medicaid Home and Community-Based Waivers:"

- Residential Habilitation (Group Home, Family Home Habilitation)
- In-Home Supports
- Supported Living
- Day Habilitation
- Ault Day Services
- Respite
- Supported Employment
- Transportation
- Environmental Modifications
- Meals
- Specialized Medical Equipment
- Nursing Oversight
- Intensive Active Treatment
- Specialized Private Duty Nursing

and Care Coordination…

Mr. Newman delineated that not all services were available for every waiver; some only provided one service, some provided many services, some only applied to group living homes, and some were only for in-home care. All waivers relied on care coordinators who set up a plan and helped waiver recipients take advantage of resources in their

community. He detailed that care coordinators were not state employees. They were community members who worked for private agencies throughout the state.

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Mr. Newman moved to slide 4 titled "Options for 24/7 Residential Care for People on Medicaid Home and Community Based Waivers." He expounded that HB 58 provided elderly Alaskans and adults with disabilities who were enrolled in Medicaid home and community-based waiver services with a new living option: Adult Home Care. The bill established a new licensed residential setting type: Adult Care Home. The vision was that the service and setting would offer reduced administrative burdens compared with current assisted living options but still ensure the care and safety of the resident. The legislation would help address the shortage of services and settings for seniors and other individuals who required help with the activities of daily living and other assistance to live more independently and created an option that may enable some people to remain in a community. He exemplified a provider as someone who could provide space like an extra bedroom but was unable to provide all of the care. The idea for the bill had first been brought to the governor's attention by constituents who were serving as foster parents for children with severe disabilities that were aging out of the foster care system and the only way to continue to provide care was to turn the home into an assisted living home, which had many requirements. The department realized that a new type of home care setting could be of value to other individuals with disabilities including senior citizens. He pointed to the proposed Adult Care Home information box on the right lower corner of the slide and informed the committee that there would be different administrative expectations compared to assisted living homes. He indicated that the reduced requirements would be worked out in regulation as well as many other aspects like the type of credentials caregivers would need, the rate of payment, etc. The division would invite much input from its partners that included care coordinators, families, service providers, advocacy groups, etc. and from the Center for Medicaid and Medicare Services (CMS). The drafted regulations would be subject to a public comment period.

Mr. Newman concluded that the bill provided a conceptual framework to implement the new waiver. The bill was

necessary due to the lack of care options, growth in the senior population, and workforce shortages. The situation required that the department think creatively and provide more options to help people get necessary care while living as independently as possible. The concept was especially important in small communities that lacked good care options. The department expected that Adult Home Care would grow in popularity and ultimately be an attractive alternative for Alaskans.

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Mr. Newman concluded the presentation and offered to go through the sectional analysis.

Co-Chair Foster requested a review of the sectional.

Mr. Newman reviewed the sectional analysis (copy on file):

> Section 1. Adds a new section in AS 47.07, Medicaid Assistance for Needy Persons, declaring that the state shall pay for adult home care services for an individual at a daily rate set by the department in regulation for individuals on Medicaid who are at least 18; enrolled in a home and community-based waiver under AS 47.07.045; if the individual's support plan is approved for adult home care services; and if they person providing the services to the individual holds an adult care home license issued under AS 47.32. This section also allows individuals to receive habilitative and rehabilitative care in addition to adult home care services and directs the department to adopt regulations setting a rate for the service, establish standards for operating an adult care home, and establish a procedure for transitioning an individual from a licensed foster care home to a licensed adult care home. This section also directs the department to establish a simple and efficient process to allow a foster parent who holds a foster home license issued under AS 47.32 to transition from the foster home license to an adult care home license for purposes of maintaining the placement of and services provided to an individual who is transitioning out of foster care, enrolled in a waiver, and at least 18 years of age.

Section 2. Amends AS 47.32.010(b) to add a new entity, "adult care homes," that shall be subject to the centralized licensing functions of the department.

Section 3. Adds a new section to AS 47.33 that defines the conditions under which the department may license an adult care home. A person may be licensed to operate such a home for an individual who is at least 18 years of age and enrolled in Medicaid and home and community-based waiver services. An adult care home may provide 24-hour oversight and care for up to two adults for compensation or reimbursement under the adult home care service, allows the department to establish standards in regulation to authorize care for up to three individuals based on unusual circumstances; and defines "care" as providing for the physical, mental, and social needs of an individual.

Section 4. Amends AS 47.32.900(2) to add adult care homes to the list of settings that are not defined as assisted living homes.

Section 5. Amends AS 47.32.900 to add a definition of adult care home, meaning a licensed home, not a business site, in which the adult head of household resides and provides 24-hour care on a continuing basis for eligible individuals.

Section 6. Amends uncodified law by adding a new section that requires the Department of Health to submit for approval by the United States Department of Health and Human Services an amendment to the state medical assistance plan, waivers, or an 1115 demonstration waiver as necessary to allow eligible individuals to receive adult home care services and other long-term care services that are not duplicative.

Section 7. Amends uncodified law by adding a new Conditional Effect Notification section specifying that Section 1 takes affect if the United States Department of Health and Human Services approves amendments to the state plan submitted under Section 6 by July 1, 2027, and adds requires the commissioner of health to notify the revisor of statutes in writing within 30 days that those amendments were approved.

Section 8. Provides for an effective date for any portion of section 1 as the day after the revisor of statutes receives notice from the commissioner of health, per Section 7.

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Co-Chair Foster referenced the fiscal notes. He stated that committee members could ask questions about fiscal notes during the current meeting and receive an answer the following meeting.

Representative Josephson supported the legislation. He understood that the current fiscal notes were in anticipation of implementing the program. He asked once the program was running what the General Fund (GF) need would be. He asked if it would be possible to decrement other programs for services that were no longer necessary due to the new care type. Mr. Newman answered that the fiscal notes addressed hiring two new staff. He elaborated that one would be placed in the Division of Senior and Disabilities Services (SDS) to administer the adult home care service by certifying and monitoring providers. The other staff would be housed in the Division of Health Care Service for licensing needs. There was not a fiscal note for Medicaid Services because the Adult Care Home service would serve as an alternative to the existing service and in some cases, it would be more expensive and, in some cases, it would be less expensive. He anticipated that costs would breakeven and DOH did not anticipate an increase in Medicaid serve costs.

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Representative Stapp looked at both of the positions under the fiscal notes. He wondered whether all of the backend work as far as the waiver application process through CMS was already completed. Mr. Newman answered in the negative and added that the work had not yet been done. He noted that the department had a policy team that did the work of interfacing with CMS when changes to the waivers were made. Representative Stapp stated that applying for a waiver typically had an associated cost. He asked if the cost was already covered and assumed the department could handle it with existing resources. Mr. Newman responded in the affirmative.

Representative Galvin assumed that other states had similar issues and turned to similar programs. She asked if there was data that could help detail the ongoing costs of the proposed program. Mr. Newman responded that one of the challenges with comparing the waiver program with other states was that every state's waiver program was different. He delineated that Washington and Oregon had similar programs in place with different names, but the idea was similar across the board in other states as well. The program enabled turning private homes where seniors and those with disabilities could live and subject them to lower licensing requirements than assisted living homes. They would become a less expensive alternative than nursing homes and other institutional care.

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Representative Galvin asked for verification that the proposal had been proven to be less of an expense than institutional care. She voiced that it was reassuring to hear other states had successful programs. She wondered how long the program had been in effect in other states. Mr. Newman replied that the programs had been in existence for years, but he did not know the exact length of time.

Co-Chair Johnson asked how many people the department expected to be part of the program over time. Mr. Newman answered there were currently about 5,500 Alaskans on Home and Community Based Waivers, with approximately 2000 residing in institutional care or assisted living homes. He elaborated that the program intended to serve a smaller subset of people. He did not know the number of people that would eventually sign up. He noted that the fiscal note was estimated at 40 people occupying the homes in the first few years. Co-Chair Johnson looked at the fiscal note that remained the same until FY 2029 when a new position was added. She asked if the funding would be automatically added to the base without coming back to the legislature.

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Mr. Newman responded that he was not certain how it worked. He guessed that there was "some sort of true up" that informed the legislature of the intended funding for a new position.

Co-Chair Foster remarked that the next bill hearing would include authors of the fiscal notes that could answer questions.

Mr. Newman interjected that someone from the department was online to answer the question. He indicated that the question of anticipated need for the program in the outyears could be answered.

ROBERT NAVE, PROGRAM MANAGER, DIVISION OF HEALTH CARE SERVICES, DEPARTMENT OF HEALTH (via teleconference), replied that the forecasted need for the extra position in FY 29 was based off the current caseload of a Community Care Licensing Specialist 1, which was 76 assisted living homes. The anticipated increase in licensing needs created the need for the secondary position in FY 29.

Co-Chair Johnson was curious about whether the increase in the outyears would be automatic because it was in the fiscal note.

Co-Chair Foster indicated that he would reach out to the Legislative Finance Division for an answer.

Co-Chair Johnson asked where the new positions would reside.

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Mr. Newman believed the positions would be located in Anchorage.

Representative Coulombe pointed to a bullet point on slide 4 that stated, "less administrative requirements." She acknowledged that the requirements would be forthcoming. She cited page 1, Section 1 of the bill and noted the requirements were establishing a daily rate, standards for care, standards for operating and transitioning, etc. She understood the concept that there should not be as many requirements as in assisted living homes, but it appeared that many requirements could not be eliminated. She was concerned because it was often family members providing care and if they had to jump through so many hoops to get a license it could create a second waiting list. She wondered if there was a discussion about removing some of the assisted living requirements from the list.

Mr. Newman answered that the department had compiled some ideas regarding lowering the administrative burden. He detailed that currently an assisted living home was required to maintain three months of operating reserves. He desired to waive that requirement and reduce other administrator requirements. He reported that there was a degree requirement to operate an assisted living home which he wanted removed or lessened. There was a small licensing fee to provide assisted living, which the department would like to see waived. In addition, the DOH wanted to remove square footage requirements. The department intended to engage with the stakeholders for input. Representative Coulombe favored the ideas. She asked about the few bad actors that may try to take advantage of the program. She wondered if there had been discussion around follow ups or how the service would be monitored and inspected to ensure client safety. Mr. Newman answered that it would be a certified service and the service would need to be renewed with the division and licensure renewal included home visits and monitoring.

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Representative Coulombe asked what the ramifications would be if a person was not taking good care of their residents. Mr. Newman responded that the individual receiving care would not lose their waiver. The department would suspend certification if the provider was not living up to the standards and requirements and waivers could revoked.

Representative Ortiz asked if the purpose of the bill was to make homecare more available in Alaska and more affordable and advantageous for people to consider providing the services in their homes because the services would be covered through Medicaid. Mr. Newman confirmed that Representative Ortiz's summary of the bill was correct. He added that the bill was intended to provide more home style alternatives so people could stay in their home or community and also enable more providers to become available. Representative Ortiz deduced that the provider would also be motivated by the ability to get some reimbursement for the service. Mr. Newman answered in the affirmative. Representative Ortiz asked whether HB 58 enabled more options available in rural areas. He asked if monitoring in rural areas was possible.

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Mr. Newman responded that providing services in rural areas was exactly the hope, particularly in rural communities where assisted living was lacking. The driving force of the legislation was to enable people to remain in their communities. Representative Ortiz thought the concept sounded good.

Representative Hannan relayed that she had a family member in care that passed away and was assessing the bill as it related to her experience. She referenced the sectional analysis that stated the head of the household lived in the residence and provided 24 hour care. She wanted to ensure that her interpretation was not so narrow as to assume the person was the only caregiver. She wondered whether other caregivers were allowed or was it reliant on only the head of the household as caregiver. She noted that no individual could provide 24 hour care for very long. Mr. Newman replied that one of the things he was most looking forward to with HB 58 was to decide on the ancillary services that would assist the caregiver. He pointed to Section 1 of the bill that allowed "an individual may receive habilitative and rehabilitative care in addition to adult home care services." He delineated that the resident would receive supplemental services. The details would be worked out with stakeholders to determine what mix of services would be available. The homeowner would be expected to provide a certain level of care and what needed to be determined was the supplemental care services. Representative Hannan shared that when her sister needed increased overnight care and had finally agreed to assisted living, she needed a nurse to administer medications. She hoped that in the proposed adult home care model a caregiver could administer medications, or the person would need to reside in a nursing home. She added that current assisted living homes were not set up to administer medications. She presumed the division was fully aware of the situation.

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Mr. Neuman replied that every case was different and emphasized that every person needed different care and a different level of care. He noted that one of the waiver services called "nursing oversight" where a nurse could be available to a caregiver.

Co-Chair Foster reiterated that there would be a deeper dive into the fiscal notes in the next bill hearing.

HB 58 was HEARD and HELD in committee for further consideration.

#hb59
HOUSE BILL NO. 59

> "An Act relating to Medicaid eligibility; expanding eligibility for postpartum mothers; conditioning the expansion of eligibility on approval by the United States Department of Health and Human Services; and providing for an effective date."

2:09:32 PM

EMILY RICCI, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH, introduced herself and appreciated the committee hearing the bill.

DR. ANNE ZINK, CHIEF MEDICAL OFFICER, DEPARTMENT OF HEALTH (via teleconference), introduced herself and provided a PowerPoint presentation titled "State of Alaska Department of Health: HB 59: Postpartum Medicaid Extension," dated April 4, 2023 (copy on file). She began on slide 3 titled "What is Postpartum Medicaid Extension?"

> HB 59 extends postpartum Medicaid coverage for new mothers from 60 days to 12 months as postpartum health issues occur far beyond 60 days.
>
> HB 59 supports growing families and will improve Alaskan maternal and child health, setting the stage for a healthier future.
>
> Simplified Medicaid pregnancy coverage reduces bureaucracy and stress to a young families' life.
>
> Saves health care dollars in the long run because early interventions have the best return on investment and focuses on prevention.

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Dr. Zink elaborated that the coverage period was increased through the American Rescue Plan Act (ARPA) and subsequently the 12 month extension was offered to states that chose to continue with the program. She noted that 10 states had completely implemented the program and 31 states

plus the District of Columbia had begun the extension process.

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Dr. Zink turned to slides 4 and 5 titled "What are the Stakes?" She informed the committee that the United States (US) was the only developed country where maternal mortality rates were worsening. She pointed to the bar chart on slide 4 that depicted Maternal Mortality Ratios per 100,000 live births in selected countries that showed the US rated significantly higher than other countries. She highlighted slide 5:

What Are the Stakes?

Pregnancy-related deaths occur well beyond the 60-day postpartum period.

29% of pregnancy-related deaths in the U.S. –not including those caused by accidents, homicides, and suicides –occur 43 to 365 days postpartum.

For every pregnancy-related death, there are 70 to 80 cases of severe maternal illness and morbidity in the postpartum period.

Medicaid-enrolled women are especially vulnerable to pregnancy-related death as they are more likely to experience chronic conditions, pre-term or low-weight births, and severe maternal morbidity.

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Dr. Zink elucidated that postpartum could not be diagnosed for at least 6-weeks after birth. She addressed slide 6 titled "Pregnancy-Associated Deaths in Alaska:"

In 2021, Alaska's overall pregnancy-associated death rate exceeded the previous 5-year average by 109 percent.

Among deaths in 2015-2019: 73% occurred >6 weeks post-delivery.

Among deaths reviewed by Alaska's Maternal and Child Death Review (MCDR) committee during 2016-2022, 88% were potentially preventable, and 44%were associated with barriers to health care access.

Dr. Zink pointed to the bar graph on the left of the slide and furthered that there was a significantly faster increase in morbidity and mortality rates in rural areas (233 deaths per 100,000 live births) compared to urban areas (110 deaths per 100,000 live births).

Ms. Ricci addressed slide 7 titled "What Can Alaska Do About It?"

Section 9812 of the American Rescue Plan Act (ARPA) added the time-limited option for allowing states to extend postpartum coverage from the required 60 days to 12 months for eligible beneficiaries through March 1, 2027.

The Consolidated Appropriations Act of 2023 (CAA-2023) revised ARPA to make the optional coverage extension permanent.

Ms. Ricci discussed that typically there was nothing easy or simple about the Medicaid program or about making changes to the program. However, the federal government devised the easiest method to allow states to participate in this type of extension, which was a new approach for Medicaid. Ms. Ricci turned to slide 8 titled "Why a Bill?"

The Legislature must approve all optional groups for Medicaid coverage in statute AS 47.07.020.

Women who are eligible for Medicaid in Alaska based on their pregnancy currently only receive coverage for 60 days postpartum.

In Alaska, 51% of births are covered by Medicaid.

Ms. Ricci indicated that at 51 percent of Medicaid coverage for births it was critically important to scrutinize the states postpartum coverage.

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Dr. Zink turned to slide 9 titled "Benefits to Alaskans:"

Improves maternal health outcomes:
Prevents gaps in health care coverage and improves health care access.

Improves maternal mental health:
Mental health conditions contributed to 31% of pregnancy-associated deaths in Alaska between 2014 and 2018.

14% of Alaskan mothers who had a baby in 2020 had symptoms of postpartum depression.

Addresses disparities in maternal health outcomes:
Medicaid plays a vital role in addressing disparities in maternal mortality and morbidity rates.

Postpartum period is an especially vulnerable time for parents recovering from substance use disorders.

Extending postpartum coverage increases access to screening and education about chronic diseases such as diabetes and high blood pressure.

Dr. Zink provided a real life example. She recounted that a patient had struggled with severe depression and while pregnant she was treated for depression and alcoholism, which she had medicated herself with but with help was doing well. Subsequently, she lost her Medicaid coverage 60-day postpartum. She lost access to treatment and started to drink again during that time. She appeared at the Emergency Room (ER), and they had been able to reenroll her in the Medicaid program. She returned to the ER sometime later for her son and she was doing well and not drinking and her son also benefited. She stated that the benefits to Alaskans were multifactorial.

Dr. Zink moved to slide 10 titled "Benefits to Alaskans:"

Improves child health outcomes:
Parental enrollment in Medicaid is associated with a 29% higher probability that a child will receive an annual well-child visit.

Maternal mental health matters not only because of maternal mortality; it is intimately tied to the health and development of the child.

Maternal depression can lead to negative outcomes in children including delayed cognition and social-emotional/behavioral development.

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Dr. Zink addressed slide 11titled "Cost Savings:"

The Congressional Budget Office (CBO) estimates that by 2024, about a quarter of postpartum beneficiaries will live in states that elect the new option and that extended Medicaid coverage will result in almost $6.1 billion in federal spending over the first ten years and expected to grow over time.

The CBO estimates that not only are their federal and state cost savings, but this will decrease ACA subsidy cost for private insurance.

Savings from averted severe maternal morbidity: Medicaid-enrolled pregnant women with severe maternal morbidity cost an average of $10,134 annually compared to $6,894 for those without.

Savings from prevention: Preventing gaps in coverage ensures access to primary and preventive care, including management of chronic conditions and screening for mental health conditions, substance use, and intimate partner violence.

Dr. Zink indicated that the CBO estimated how much potential savings could result through the extension versus how much it cost. The fiscal notes did not take preventative costs into account and only estimated the cost of 10 months of additional coverage. The slide listed some of the savings that were identified. She noted that good prenatal and postpartum care decreased costs in all sectors of healthcare.

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Dr. Zink discussed slide 12 titled "Mental Health:"

Drug/alcohol use or substance use disorders were documented in 72% of Alaskan pregnancy-associated deaths reviewed by the MCDR Committee during 2016-2022.

Increasing access to screening and treatment for substance misuse during and after a pregnancy may reduce costs for the index child as well as subsequent pregnancies and births.

Alaska Medicaid paid 3.9 times as much per infant for those affected by Neonatal withdrawal compared to nonaffected infants.

Dr. Zink pointed to the graphics on top of the slide that depicted data regarding Perinatal Mood and Anxiety Disorder (PMAD). She indicated that 1 in 7 pregnant women were affected by PMAD and roughly half of perinatal women with depression did not receive needed treatment. An estimated $14.2 billion was spent for all births in 2017.

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Dr. Zink advanced to slide 13 titled "Alaska Supports HB 59." She reported that the slide listed the many organizations that supported the extension. She moved to 15 titled "Healthy Families Initiative:"

Strong families are the foundation of a healthy society and a vibrant economy.

4-year statewide investments in the health and well-being of Alaskan families.

Governor Dunleavy proposed $9.5M (UGF) in FY 24 operating budget for Healthy Families activities within DOH:

Postpartum Medicaid extension
Office of Health Savings
TB and congenital syphilis mitigation

Healthy Beginnings
Health Care Access
Healthy Communities

Dr. Zink emphasized that the extension was part of the governor's Health Families Initiative. She communicated that there were three strong pillars to the initiative: Healthy Beginnings, Health Care Access, and Healthy Communities.

2:22:41 PM

Ms. Ricci provided a sectional analysis (copy on file) which was also included on slides 17 through 20:

Section 1
Adds a new section (o) to AS 47.07.020, authorizing the department to implement an extension of postpartum Medicaid coverage up to the maximum period authorized under federal law.

Section 2
Amends the uncodified law to add the requirement for submission of a Medicaid state plan amendment to allow Medicaid beneficiaries to receive postpartum coverage for up to 12 months.

Section 3
Amends the uncodified law to establish the requirement that the commissioner of health notifies the revisor of statutes within 30 days of federal approval of the state plan amendment.

Section 4
Establishes that the postpartum extension takes effect on the day after the date the commissioner notifies the revisor of statutes as described above.

Co-Chair Foster looked at slide 15 showing the governor proposed $9.5 million in Undesignated General Funds (UGF) in the FY 24 budget. He looked at the fiscal note showing $9 million made up of three items: Postpartum Medicaid Extension, Office of Health Savings, and Tuberculosis (TB) and Congenital Syphilis Mitigation. He noted that $6.4 million was comprised of federal funds. He asked if the postpartum extension actually cost $2.6 million and the remainder of the $9.5 million was for the other two items. Ms. Ricci answered that the $9.5 million UGF would be for the three areas: postpartum extension, congenital syphilis mitigation, and the Office of Health Savings. She relayed that the slide was outdated. She detailed that initially the department hoped to get the work done sooner but the earliest the initiative could take effect was July 1 of the following year (2024). The amount had been backed out of the FY 24 budget and would be included in the FY 25 budget, which was reflected in the fiscal note, but not on the slide.

Co-Chair Foster asked for verification the UGF amount was only for the postpartum extension in FY 2025. Ms. Ricci answered in the affirmative.

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Representative Ortiz cited slide 4 and found the mortality rates alarming. He wondered why the US was the only developed country where maternal mortality rates were worsening. Dr. Zink agreed that the data was very alarming. She replied that the reasons were multifactorial, but a lot of the reason had to do with early diagnosis and prevention, in connection with additional systems of care compounded with things like drug abuse, mental health issues, and violence. She shared Alaska data related to maternal mortality between 2015 and 2019: 7 deaths were due to suicide, 7 from drug and alcohol overdose, 8 deaths were related to homicide and assault, 8 were from unintentional injuries, 9 were pregnancy related medical causes, and 9 were other natural causes. She pointed out that there was a disproportionate share of injury deaths versus non-injury deaths. Representative Ortiz understood that the U.S. had one of the highest infant mortality rates. He asked if his statement was accurate. Dr. Zink stated it was her understanding as well, but she deferred to a colleague.

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REBEKAH MORISSE, ACTING DIRECTOR, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH (via teleconference), answered in the affirmative and added that there were higher rates of infant mortality and pre-term birth. In addition, the US had higher rates of chronic disease e.g., diabetes's and obesity, which contributed to poor outcomes.

Co-Chair Johnson referenced slide 4 and wondered if the statistics were consistent across the country and how they were generated. She asked if there was a consistency among mortality. Dr. Zink replied that Alaska had a maternal mortality review committee to try to understand the causes. She added that the reasons were both physical as well as mental conditions, violence, unintentional injury, as well as suicide and homicide, including pregnancy related and other medical causes; all were counted. She indicated that the committee broke the data down on a yearly review and noted that drug and alcohol and substance use disorder was documented for 72 percent of the deaths, 71 percent a

history of domestic violence, 44 percent experienced barriers to health care access, and 88 percent were deemed to be potentially preventable. She reiterated that the data was from the Alaska Maternal and Child Death Review Committee that examined the mortality cases. She detailed that slide 4 reflected national data comparing US national statistics versus international statistics based on the number of deaths per 100,000.

Ms. Morisse did not have anything else to add to Dr. Zinc's answer.

Co-Chair Johnson looked at slide 6 and asked if the chart showed the maternal mortality rate. Dr. Zink responded in the affirmative. Co-Chair Johnson was trying to determine whether there was something hiding in the statistics. She noted the significant changes between rural and urban mortality. She asked if it was because of access to healthcare in rural areas. She believed that the statistics were startling. She asked for someone to speak to the statistics. She wanted to determine the causes.

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Dr. Zink replied that the statistics were incredibly alarming, which was one of the reasons there was a review committee. She delineated that part of the reason for the legislation, besides the logistically simpler new option, was that it was a "critical time" for the state to extend its postpartum coverage and it ensured women had access to healthcare the entire first year after birth. Both mother and child would be covered for the first year. She affirmed the disproportionate burden in rural Alaska versus urban Alaska. Physical and mental health services were harder to access in rural Alaska. There was also a disproportionate burden on races and ethnicities, therefore maternal mortality was higher for Alaska Native women. She concluded that access to healthcare was a major component to the issue. Co-Chair Johnson asked whether infant mortality tracked in a similar line with maternal mortality. Ms. Zink deferred the answer to Ms. Morisse.

Ms. Morisse replied that she did not have the infant mortality data on hand and would follow up with the information. She was aware that the pre-term and infant mortality rates had risen but could not recall specific data.

Representative Stapp favored the bill and did not believe it went far enough. He cited AS 07.020 as the statute the department was amending. He referenced that the Federal Poverty Limit (FPL) was 175 percent of the poverty line adjusted for Alaska. He surmised that equated to $15.38 per hour wage for a single mom. He thought the numbers should be higher. He had heard it already was higher and he wondered how that was possible.

Ms. Ricci responded that currently pregnant women were eligible at 200 percent of the federal poverty level. She explained that when the 175 percent threshold was established in statute it was prior to changes that occurred under the Affordable Care Act (ACA) that took effect in 2014. The ACA used a different method to establish income called "Modified Adjusted Gross Income" (MAGI) and when translated it became 200 percent of the federal poverty level supplanting the 175 percent designated in state statute.

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Representative Stapp asked whether Ms. Ricci did not believe the state needed to amend the state statute to conform with the federal guidelines. Ms. Ricci answered in the affirmative. Representative Stapp asked what steps it would require the department taking if he wanted to amend the bill to 225 percent of FPL. Ms. Ricci answered it would require a state plan amendment, regulatory change, and a CMS 1115 waiver. She added that other states pursued changes to postpartum coverage outside of the CMS 12-month extension, which required waivers.

Representative Galvin wondered about the magnitude of the problem. She referenced Dr. Zink's statistic that 88 percent were deemed to be potentially preventable. She recounted that 44 percent of deaths was associated with barriers to healthcare access. She was concerned it would not be implemented in FY 24. She wondered if the department had thought about a workaround to address some of the dire concerns before the FY 25 implementation date. Ms. Ricci answered that the department was looking at how to initiate the change earlier in 2024. She was hopeful that it could be implemented earlier, but the state plan and regulatory processes could be very time consuming and typically took from 6 to 9 months. The department was ready to start the regulatory process immediately after passage of the bill.

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Representative Galvin understood that because of bureaucratic hurdles they would be delaying the opportunity for a pathway to healthcare access. She wondered how the legislature could help. She referred to slide 11 that related to cost savings and pointed to preventing the deaths and outcomes in children that were critical to mitigate. She asked the department to let the legislature know if there were ways it could help overcome the bureaucratic barriers to helping families.

Representative Hannan cited the data on slides 4 and 6 and noted there was much more detail from the one-page document in the bill backup titled "Pregnancy-Associated Mortality in Alaska" (copy on file). She believed that the fact that the state had a review committee underscored the need for mitigation efforts. She applauded the effort to do as much as possible when faced with the loss of life and impact to families. She recounted earlier testimony that 41 states were already taking advantage of the extension and wondered why it took so long in Alaska. Ms. Ricci replied that Alaska valued legislative input in many aspects of the Medicaid program. However, it created bureaucratic challenges that resulted in a longer process. The positive part of the involvement was engaging with Alaskans, but it could go both ways. When an issue was highly complex more participation was good but was challenging when the changes should be made quickly. There was a saying that every state's Medicaid program was unique and structured differently. She restated that Alaska had a higher level of involvement that was overall good for the program. She added that the regulatory time period was one of the longer aspects to implementing any changes in Medicaid. A robust review process was at times necessary but challenging when faced with a non-controversial issue that warranted quick action. She commented that everyone in the department was "passionate about the bill" and shared a sense of urgency to make positive changes.

Representative Josephson referenced needing legislative authority to expand an optional program. He understood that the governor could remove a program without legislative approval. He asked whether he was correct. Ms. Ricci was unsure of the answer.

Representative Josephson referred to Representative Stapp's question regarding increasing the FPL and wondered why a waiver was necessary. Ms. Ricci replied that it was because it was different than what was offered and asking for something outside of the new streamlined approach would need a longer regulatory process and potentially a waiver. Representative Josephson deduced that there must be an upper limit to qualifying.

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Ms. Ricci answered that she was aware of some states that had a higher limit for coverage up to 300 percent of the FPL. She was uncertain what the process with CMS was. Representative Josephson favored the bill but cited a statistic regarding intimate partner violence and wondered how the bill would work regarding prevention. He guessed that would be a topic for a different bill. Ms. Ricci replied that one aspect to consider was when an individual had independence in different ways, they might leave a violent situation. She believed that having heath coverage may provide that additional support. She deferred to Dr. Zink for additional comments.

Dr. Zink replied that the bill was necessary but not sufficient to address many of the challenges associated with the postpartum period. She added that there was a lot of other work happening with DOH's partners to address the issues. She shared that the research showed that women with increased access to resources including healthcare were less likely to remain in an abusive relationship and more likely to seek help with other issues.

Representative Coulombe had heard that currently women had the option to renew after 60 days. She asked if she was correct. Ms. Ricci answered in the affirmative. She furthered that they had the option to be redetermined to find out if they were eligible for other types of Medicaid coverage. The Medicaid could potentially continue through other categories such as parents with children or Medicaid expansion, depending on the circumstances but not on the postpartum care program. However, some women may not qualify at all. She offered that even aside from whether the women were eligible for Medicaid or other types of coverage, dealing with the transition and the level of paperwork two months after birth could be overwhelming. The data showed gaps in coverage between the 60 day mark and

continued Medicaid or other types of health insurance coverage. The legislation helped reduce the gaps in coverage. She delineated that there had been an association with children having more well check visits when the mother had health insurance because she was not always aware that her child had continued coverage. The extension benefitted both the mother and child.

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Representative Coulombe asked if the baby's coverage stopped at 60 days. Ms. Ricci answered that the infant's coverage typically lasted one year and after the time there was a standard review process for continued eligibility. Representative Coulombe ascertained that the children were covered for an entire year and if the mother was also, it would make the difference in outcomes. Ms. Ricci responded in the affirmative. She added that aligning the child's and mother's coverage made it more likely for both parties to get the coverage they needed. Representative Coulombe requested references to the data included in the slides. Ms. Ricci agreed to provide the information.

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Representative Tomaszewski thanked the governor for bringing the information to the legislature's attention. He asked if there was a location in the department's budget that the $2.6 million could be decremented to make the proposal cost neutral. Ms. Ricci replied that the Medicaid budget was very large, and the department was constantly seeking ways to save money. However, there was an increased need due to impacts of inflation, increased costs across the board, and increased utilization by Medicaid enrollees. Some people had deferred care during the pandemic and currently needed more acute care and chronic diseases had increased. The department believed the fiscal note associated with the bill would ensure that the department had sufficient funds to provide the extended coverage. Representative Tomaszewski remarked that at the same time they would be reconsidering Medicaid eligibility and he thought that would result in decreased costs. He suggested that there was a location in the budget to keep the proposal cost neutral.

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Representative Galvin looked at slide 4 and the 17.4 percent mortality rate in the US. She asked if it was per 100,000 population. Ms. Morisse answered affirmatively. Representative Galvin cited the data on slide 6 and asked if the was based on per 100,000 population as well. Ms. Morisse answered in the affirmative. Representative Galvin asked her to confirm some of the data on the slide. Ms. Morisse wanted to reexamine the national data and would follow up.

Dr. Zink offered to follow up with the information in writing.

Representative Galvin referenced slide 11 that included data on cost savings. She guessed that beyond the first year of the program that would likely increase costs, in the long run the upstream measures would ultimately save money. Ms. Ricci agreed with Representative Galvin's statement. She elaborated that savings were anticipated in the long term but immediately after the expansion implementation claims would begin to come in and need payment.

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Representative Galvin asked if the department had done any other research on savings related to children and fewer costs in future years. Ms. Ricci deferred to Dr. Zink.

Dr. Zink answered she would provide additional information.

Co-Chair Foster thanked the department for the introduction.

HB 59 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the schedule for the following day.

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ADJOURNMENT

3:06:07 PM

The meeting was adjourned at 3:06 p.m.