

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 13, 2023

3:05 p.m.

MEMBERS PRESENT

Representative Mike Prax, Chair
Representative Justin Ruffridge, Vice Chair
Representative CJ McCormick
Representative Dan Saddler
Representative Jesse Sumner
Representative Zack Fields
Representative Genevieve Mina

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S) :

State Medical Board

David Barnes - Anchorage

- ADVANCED

Mental Health Trust Authority Board of Trustees

Anita Halterman - Eagle River

John Morris - Anchorage

- ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DAVID BARNES, MD, Appointee
State Medical Board
Wasilla, Alaska

POSITION STATEMENT: Testified as appointee to the State Medical Board.

ANITA HALTERMAN, Appointee
Alaska Mental Health Trust Authority Board of Trustees
Eagle River, Alaska

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

JOHN MORRIS, MD, Appointee
Alaska Mental Health Trust Authority Board of Trustees
Anchorage, Alaska

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

ACTION NARRATIVE

[3:05:07 PM](#)

CHAIR MIKE PRAX called the House Health and Social Services Standing Committee meeting to order at 3:05 p.m. Representatives Ruffridge, McCormick, Saddler, Sumner, Fields, Mina, and Prax were present at the call to order.

State Medical Board
Alaska Mental Health Trust Authority Board of Trustees

State Medical Board
Alaska Mental Health Trust Authority Board

[3:06:22 PM](#)

CHAIR PRAX announced that the only order of business would be the consideration of the governor's appointees for the State Medical Board and the Alaska Mental Health Trust Authority Board of Trustees.

[3:06:50 PM](#)

DAVID BARNES, MD, Appointee, State Medical Board, testified as the appointee to the State Medical Board. He shared his life experience previous to becoming a doctor, which included being a licensed flight instructor and working for the National Security Agency. He detailed his medical training and his first years of practice as a hospitalist in Denver. He stated that he accepted a position in Palmer in 2003, where he and his veterinarian wife, five kids, and pets have lived since.

DR. BARNES stated that because of the large amount of people who live "off the road," Alaska is a unique place to practice medicine. He spoke to his experience working with patients in many remote villages and he illustrated the difficulties facing medical care in rural Alaska. He reported that his colleague is often the only medical staff present in the village clinics, which means patients often need to be transported to Anchorage for care, and this accompanies many issues of having to receive care away from home, including inability to travel because of weather conditions, receiving care from unfamiliar physicians, and delays in procedure scheduling, which causes unanticipated needs for housing, clothing, food, and other expenses. He contributed many of these challenges to Alaska's unique geography and infrastructure. He applauded the legislature for addressing part of the root problem by passing HB 265 [passed during the thirty-second Alaska State Legislature] which gave doctors the ability to practice via telehealth. He described telehealth as an invaluable tool in providing care to Alaskans.

DR. BARNES expressed the understanding that the main responsibilities of the Board of Medicine is to regulate the practice of medicine per Alaska Statute, contribute to the professionalism of Alaska's medical community, and protect both the public and health care providers. He cited his experience in rural Alaska, in metropolitan hospitals, and with both inpatient and outpatient care as "invaluable" to his ability to fulfil these responsibilities. He shared that his background as a pilot has given him a focus on self-evaluation and staying current with technology, which is also imperative to this position. He expressed hope that he would be granted the opportunity to contribute to the board.

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REPRESENTATIVE FIELDS questioned how the state could address the lack of care for people on Medicare. He asked what the process is of taking in a Medicare patient.

DR. BARNES described the Medicare issue as a "can of worms." He referenced a bill that had passed when he first moved to Alaska that had increased the reimbursement rate for Medicare patients to over 40 percent more than the nationwide rate; however, it had been allowed to eventually sunset. He stated that now Medicare is a significant problem for physicians, as they are facing greater financial pressure. He reported that insurance companies have reduced reimbursements to the point where a

physician would only be paid \$100 to \$120 for a standard hour-long appointment with a Medicare patient. He opined that physicians would go bankrupt under these pay rates, and it would be a felony to charge more. He shared that many patients do not understand that secondary insurance does not cover the difference. He expressed the belief that "firing" Medicare patients is unethical, but many physicians have had to stop seeing Medicare patients to keep from going out of business. He reported that about 50 percent of his patients are Medicare and Medicaid participants, and he has been able to afford this by hiring a physician's assistant (PA) who sees his Medicare patients. He commented that change would have to happen at a federal level. He reiterated that at the moment there is an immense amount of pressure on physicians.

REPRESENTATIVE FIELDS expressed appreciation for the insight. He expressed the hope that if Dr. Barnes is confirmed, he would continue to educate the legislature on what it can do to maintain access for young children and older Alaskans.

DR. BARNES responded that Medicare and Medicaid are both federally funded; therefore, there are not many options for the state legislature on effecting change. He stated that medical practices are businesses and, while he is interested in working with the legislature on the Medicare issues, he expressed uncertainty on what could be done at the state level.

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REPRESENTATIVE RUFFRIDGE inquired about the use of telehealth services and questioned its future use.

DR. BARNES described using telehealth as "glitchy," and he noted that many elderly patients do not understand how it works. Also, he expressed the concern that patients put too much trust in telehealth, as many issues need to be diagnosed in person. However, he reported that it has also been beneficial, especially in the treatment of COVID-19 patients who were too ill to come into a physical office. He added that it has been an incredible help for providing care to remote villages. He reported that increasing access to devices that allow doctors to listen to the heart and take blood pressure remotely would be beneficial; however, he noted that the initial cost is high, and private practitioners do not have access to these devices.

[3:19:16 PM](#)

REPRESENTATIVE SADDLER asked about the practicality and utility of direct health care agreements, or "concierge care," in Alaska.

DR. BARNES tied the question back to the issue of reimbursement, stating that if physicians continue to be pushed [financially] they would have to choose to go out of business, group together to provide rationed health care, or go into a concierge care model. He posited that concierge care is problematic because it is only available to those who can afford it. He maintained that people should find health care affordable. He said that there were "good and bad" aspects to concierge care.

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REPRESENTATIVE SADDLER expressed appreciation for the acknowledgement of "gray" areas in these complex issues. He mentioned that efforts are currently being made through proposed legislation in the Senate to raise Medicare reimbursement rates.

DR. BARNES expressed the opinion that there is no alternative but to raise the reimbursement rates.

[3:21:34 PM](#)

REPRESENTATIVE FIELDS referred to the Department of Health's (DOH's) Healthy Families Initiative. He stated that this would focus on bettering public health measures in order to improve societal outcomes, such as increased literacy and the reduction of incarceration rates. He questioned the role the board would have in these policy efforts made by DOH.

DR. BARNES expressed the hope that the state would be able to achieve these kinds of "incredible outcomes;" however, he expressed uncertainty on the board having a direct interaction with these goals. He expressed the understanding that a position on the board would be spent in supervision of physicians and health care providers to make sure medical practices are safe for patients. He expressed the willingness to support this push towards better public health as much as possible.

[3:22:55 PM](#)

REPRESENTATIVE MCCORMICK requested that Dr. Barnes expand on his experience in remote Alaska.

DR. BARNES replied that he has patients in Dillingham, Bethel, and other villages. He said these patients are typically teachers who can travel to see him during breaks in the school calendar. He reported that their main complaints are the limited access to health care, medication, and the travel requirement to receive services. He stated that telehealth is a step towards a solution to these problems, and he suggested that more PAs and nurse practitioners in places off the road system would be helpful. He expressed uncertainty on how to achieve solutions. He mentioned that state versus federal funding would be a big part of the puzzle.

[3:24:21 PM](#)

REPRESENTATIVE SADDLER mentioned Dr. Barnes' "interesting" career trajectory and asked what motivated him to move from Russian studies and international security to practicing medicine.

DR. BARNES responded that the collapse of the Soviet Union had instigated his career change.

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REPRESENTATIVE MINA thanked Dr. Barnes for his positive comments on telehealth and House Bill 265. She expressed the belief that regulating telehealth by the medical board is essential. She questioned his perspective on health equity and the social determinants of health that can cause different outcomes for certain populations.

DR. BARNES reported that there are certain diseases that can disproportionately effect certain populations, and some medications work better for some populations over others. He referenced his experience in Texas working with the Hispanic and Native populations. He acknowledged that the question is very complex, and he posited that expanding health care to all would be the first step to address it. He suggested that getting more providers into Alaska would help fix the shortage of care, especially in villages. However, he recognized the challenges with recruiting people for those kinds of positions.

[3:27:28 PM](#)

CHAIR PRAX introduced that the next appointee for consideration would be Anita Halterman for the Alaska Mental Health Trust Authority Board of Trustees.

[3:27:44 PM](#)

ANITA HALTERMAN, Appointee, Alaska Mental Health Trust Authority Board of Trustees, testified as an appointee to the Alaska Mental Health Trust Authority (AMHTA) Board of Trustees. She shared that she has been a public servant for most of her career, and she is being reappointed to the Board of Trustees. She stated that after being appointed in 2019, she has had the opportunity to fill several leadership roles for the board, including chair. She described her service on the AMHTA board as an "enlightening and powerful journey" that has provided her with a better understanding of the mental health needs in the state and the many programs funded through the trust. She expressed enjoyment in giving back to her community, as she has been able to work with AMHTA beneficiaries throughout her career. She expressed the desire to continue working with the board to shape meaningful reform for Alaska's mental health programs. She shared her childhood experience in foster care, which was because of the mental health issues in her family. After meeting her husband during their service in the military, she stated that they moved to Alaska and have lived in Eagle River for 28 years. She shared that while working as the chief of staff for an Alaska legislator, she received her master's in business administration.

MS. HALTERMAN reported that she has an extensive background working for the Department of Health and Social Services in Alaska, and in Iowa she worked for the Medicaid program. She continued that for the last seven years she has worked for the Division of Senior and Disability Services. She reported that she had worked with the Department of Health and Social Services' budget development for many years, gaining a better understanding of the funding for regulatory budgets. She reiterated that she has dedicated her career to working with underserved populations, and she shared her personal experiences with the mental health problems in the state, including the loss of her daughter to addiction. She emphasized her continued efforts in studying the issues surrounding mental health and looking for new solutions on behalf of AMHTA's beneficiaries. She posited that her experience in the public sector has allowed her to bring a new perspective, such as the focus on issues like the globalization of the workforce. She expressed the hope to continue using her experience to reform programs to sustain the future populations. She expressed anticipation in working in partnership with the legislature, state departments, and other stakeholders to build an integrated and comprehensive mental

health program that best serves Alaskans, while protecting and enhancing the trust to maximize its impact.

3:35:42 PM

REPRESENTATIVE SADDLER shared that Ms. Halterman is his friend, and he commented on her exemplary service in the community. He thanked her for her work with AMHTA. He questioned how well the trust is providing for its beneficiaries.

MS. HALTERMAN replied that AMHTA has been doing "phenomenally" well in its resource development and investment-based income. She pointed out that the Permanent Fund Division of the Department of Revenue (DOR) manages most of AMHTA's resources. She credited the Trust Land Office with managing its real estate holdings in a way that has maximized the trust's income. She pointed out that the portfolio it has built is impressive. She acknowledged that AMHTA could improve in its beneficiary engagement by better communicating the importance of resource development to Alaskans, but she stated that it is actively working to increase public understanding of the link between resource development and the services that AMHTA provides. She asked Representative Saddler to restate the second part of his question pertaining to beneficiaries.

REPRESENTATIVE SADDLER asked to what degree AMHTA serves its beneficiaries, and he requested a description of its beneficiaries.

MS. HALTERMAN explained that the beneficiaries of the trust are defined in statute. She reported that the beneficiaries are people affected by substance abuse and mental health that receive services through government agencies or nonprofits. She stated that the funding generated through resource development is supplied to organizations that serve populations falling under the definition of an AMHTA beneficiary in statute.

MS. HALTERMAN described AMHTA as a funder of projects and opined that it is only as strong as its partnerships. She explained that AMHTA can only fund projects that are "shovel ready," but it works with organizations through technical support to help projects that are "on the edge" of qualifying. She expressed the desire to help fund projects for those entities who have not requested it. She emphasized the trust's work on improving its ability to help rural communities, such as the Crisis Now program; however, she acknowledged that there is still work to do. She opined that telehealth could be used more effectively,

stating that insurance coverage is a barrier, and this is because Medicaid is the primary source of funding for telehealth. She stated that Tribal health can fund telehealth sometimes; however, there are federal exemptions for this. She reported that many younger Medicare beneficiaries are becoming trust beneficiaries later in life because of the [lack of health care access]. She opined that Alaska could be serving its aging populations better, especially those who struggle with dementia; however, the state does not receive the federal waivers to serve them. She expressed the belief that this has impeded Alaska's ability to best serve these populations. She said that AMHTA is poised with resources to work with the department when it is ready to move forward with reforms of the mental health system. She described the trust as a partner in funding, stating that the federal government, Alaska's general fund, and appropriations made by the legislature for specific organizations are all a part of the concerted effort to improve the state's mental health programs.

[3:42:00 PM](#)

REPRESENTATIVE RUFFRIDGE referred to Alaska's most recent report card on mental health, as Alaska has been trending in an unfavorable direction with increasing rates of depression and suicide. In regard to additional funding, he asked what else the trust could do to curb these trends.

MS. HALTERMAN opined that there is more everyone could do. She described the report from the Department of Justice (DOJ) as very concerning and explained her previous work with the department on the Bring the Children Home initiative. She cited the workforce shortages as an obstacle to providing services. She posited that the state needs to reexamine its systems to find efficiencies. She explained that the trust provides funding for programs, but it does not administer the programs, and this is why the trust was exempted from being identified in the DOJ report. She emphasized the trust's role as a funder and opined that funding requests from state departments to AMHTA should be viewed as joint requests, as both the trust and the legislature should be expected to provide funding. She posited that Alaska needs to look "outside of the box" concerning mental health, as current operations are not working. She reported that many of the programs funded by AMHTA are not funded by the government because some beneficiaries do not receive Medicaid; therefore, do not qualify for government services. Since the move towards the deinstitutionalization of mental health in the 1980s, she reported that most of the funding for mental health

services comes from Medicaid. She stated that many beneficiaries are suffering because of a lack of appropriate service settings in Alaska. She expressed her belief that the main goal for improving the state's mental health services should be providing infrastructure.

[3:45:47 PM](#)

REPRESENTATIVE RUFFRIDGE asked for examples of programs or services that are currently working but could use a funding partnership to get "to the next level."

MS. HALTERMAN expressed the belief that a focus on maternal health programs, which provide families with resources while children are still developing, could allow the state to prevent exacerbated health issues in future populations. She reported that babies and mothers who do not receive prenatal care show much poorer outcomes later in life. She reiterated that focusing more energy on programs for children and young families could go a long way. However, she also emphasized the need for proper support of senior care, and she suggested that there should be a balance between the two areas of services.

[3:47:11 PM](#)

REPRESENTATIVE FIELDS agreed with Ms. Halterman's statements about the importance of maternal health programs and shared his knowledge of declining funding of many programs directed at children and young families. He requested that Ms. Halterman help continue to educate the legislature on the return on investment (ROI) for many of these programs, like infant learning. He mentioned that in recent reports from DOH, one of the worst metrics showed an increased risk of suicide for teens because of social media. He questioned any thoughts on the introduction of regulations for social media companies.

MS. HALTERMAN responded that she has researched this issue and has found no easy way to regulate social media. She compared the process to finding a "needle in a haystack." She suggested that many of the children who were most at risk [for suicide and other mental health issues] are those who live in poverty and lack access to constructive outlets. She posited that "boredom does bad things" to children and can encourage misuse of social media, and she referenced attempting to manage social media with her children. She opined that as a society, meaningful strategies need to be put in place to give children hope, as this would encourage better outcomes. She expressed the belief

that the state needs to provide more opportunities for children to be optimistic about their futures, because currently many do not see any opportunities for themselves in Alaska.

[3:51:58 PM](#)

REPRESENTATIVE MINA questioned the status of the Crisis Now funding in comparison to the demand for Crisis Now implementation across the state. She questioned how the legislature could continue to support implementation efforts.

MS. HALTERMAN responded that the best way for the legislature to support the implementation of Crisis Now is to better fund the program through the general fund. She reported that the trust has implemented Crisis Now in major communities, but work needs to be done to bring the same support to rural Alaska. She explained that AMHTA has worked on implementing "a pure support model" in remote communities, but she stressed that there is a larger need for capital projects to build infrastructure in rural Alaska. She mentioned other ways of improving the mental health system overall, including telehealth. She emphasized that funding projects is critical, as the trust cannot be the only funder for crisis implementation efforts.

MS. HALTERMAN continued that funding for Crisis Now needs to be a cooperative effort between the legislature and AMHTA. She suggested that if the legislature did not appropriate enough from the general fund, AMHTA would have to sacrifice other programs to fully fund Crisis Now. She reported that [because of a lack of funding] AMHTA has been forced to make decisions about which programs are the most important to fund. This has led the trust to "dig deep" into its reserves. She explained that AMHTA chose not to cut funding for any programs because the entire country is experiencing a mental health services crisis. She reported that many state mental health services are not being well reimbursed, and this is because of Medicare reimbursement policies. In result of this, many providers are limiting service to Medicare and Medicaid patients. She said that although there is no way to know the number of patients who are not being served, the evidence is in the "crisis unfolding all around us."

[3:55:38 PM](#)

CHAIR PRAX referenced Ms. Halterman's previous work with a company involved in risk management and asked her to expand on how this experience would apply to her work with the board.

MS. HALTERMAN replied that she has worked for two risk management firms, the first of which was an insurance company that provided supplemental plans to employees. She reported that many of the employers she worked for had employees who were Medicaid beneficiaries and working there gave her better insight into private sector health care needs. She stated that the other risk management company she worked for provided information technology solutions for businesses to improve their cyber security, which she described as an "eye opening" experience.

[3:57:33 PM](#)

CHAIR PRAX opened public testimony for the appointment of Anita Halterman to the AMTHA Board of Trustees. After ascertaining that there was no one who wished to testify, he closed public testimony.

[3:58:23 PM](#)

CHAIR PRAX opened public testimony for the appointment of David Barnes to the State Medical Board. After ascertaining that there was no one who wished to testify, he closed public testimony.

[3:59:01 PM](#)

CHAIR PRAX announced that the last confirmation hearing would be for John Morris, an appointee to the AMHTA Board of Trustees.

[3:59:25 PM](#)

JOHN MORRIS, MD, Appointee, Alaska Mental Health Trust Authority Board of Trustees, testified as appointee to the Alaska Mental Health Trust Authority Board of Trustees. He shared the belief that in order to be successful, a trustee of AMHTA needs to be skilled in financial investment, land management, or have worked extensively in the service of trust beneficiaries. He stated that he has experience in all three areas. He spoke about his childhood exposure to serving others as an emergency responder through his parents' careers as a firefighter and a nurse. He said that accompanying his father to calls inspired him to get involved in service. He shared his early career in the medical field, where he has worked as an anesthesiologist, studied psychiatry, and worked with children in need of major surgery. During a year off from his full-time medical practice, he

reported that he studied financial management and sat for the Chartered Financial Analyst One exam. He shared that this experience gave him a nuanced understanding of active trading and portfolio management, as well as the responsibility that comes with making prudent investment decisions on the behalf of others.

DR. MORRIS stated that when he returned to practicing as an anesthesiologist in West Virginia, he bought a 64-acre farm with mineral rights and quickly learned about the many aspects of land management, including property rights, environmental impacts, and issues with corporations who have differing land use desires. He detailed various experiences he has had while working with state departments, consulting with environmental agencies, and navigating litigation against a utility company. He spoke to his professional experience with trust beneficiaries during his early career. He stated that he worked with individuals with traumatic brain injuries and other mental health issues, and he shared how mental health has impacted his personal life. He emphasized that his motivation to care for beneficiaries came from his ability to relate to their experiences and described AMHTA as one of the most unique ways for Alaskans to care for each other.

[4:04:10 PM](#)

REPRESENTATIVE FIELDS asked what lessons Dr. Morris learned from his work with homeless services and how these lessons could be related to the legislature to insure better services for those experiencing homelessness in the state.

DR. MORRIS replied that there are many things the legislature could do to help the homelessness issue, and a crucial missing piece is good data. He posited that many decisions about homeless populations are based on anecdote or local sentiment rather than scientific data. He stated homelessness is only one of the many issues that AMHTA deals with and reinforced earlier testimony that the legislature needs to work in concert with the trust, the state departments, and other organizations to "move the needle" on all of the mental health issues facing the state. He opined that no single entity could accomplish this on its own.

[4:06:06 PM](#)

REPRESENTATIVE RUFFRIDGE asked how the trust prioritizes funding for the various mental health issues. He questioned whether there are any specific programs that need more support.

DR. MORRIS agreed with Ms. Halterman's testimony on what the trust can do broadly; however, he expressed hesitation on weighing in on the details of its operation before taking his seat on the trust. He emphasized the importance of having time to digest the vast amount of information about the trust before making any high stakes decisions. He pointed out that "what gets measured gets done," and he suggested that the main focus of trustees should be pursuing an integrative and comprehensive mental health system that prioritizes people at the risk of hospitalization, as mandated in statute.

[4:08:10 PM](#)

REPRESENTATIVE RUFFRIDGE acknowledged the difficult role AMTHA has in deciding its funding priorities and asked whether there would be better ways to prioritize things in Alaska to see better mental health results.

DR. MORRIS opined that broadly speaking the state could always do better, but he reiterated his reluctance to take a stance on specific policy changes at this point. He said that he has read extensively about AMTHA on its website, and he has kept up with "frankly depressing" state statistics on mental health issues, such as the rising suicide rate. He expressed motivation to work with the other trustees and AMTHA staff to "move the needle" on these issues.

[4:10:23 PM](#)

CHAIR PRAX questioned whether Dr. Morris has had the opportunity to look at the trust's investment portfolio.

DR. MORRIS expressed uncertainty concerning the portfolio, but he noted the management of extensive holdings and the partnership with the Permanent Fund Division. In response to a follow-up question, he acknowledged the history between the trust and the legislature, which includes an audit from previous years. He echoed Ms. Halterman's testimony in that the portfolio is doing remarkably well. He opined that it would be incumbent on the trustees to remain solvent amid the pressures of high inflation.

DR. MORRIS thanked the committee for the opportunity to speak and expressed his excitement to work on behalf of AMTHA's beneficiaries.

[4:13:01 PM](#)

CHAIR PRAX opened public testimony on the appointment of John Morris to the AMTHA Board of Trustees. After ascertaining that there was no one who wished to testify, he closed public testimony.

[4:13:52 PM](#)

The committee took an at-ease from 4:13 p.m. to 4:16 p.m.

[4:16:49 PM](#)

CHAIR PRAX moved to advance the confirmations of Anita Halterman and John Morris, appointees to the Alaska Mental Health Trust Authority Board of Trustees, and David Barnes, appointee to the State Medical Board, to the joint session of the House and Senate for consideration. He reminded members that signing the reports regarding appointment to the boards and commissions in no way reflected individual members' approval or disapproval of the appointees, and that the nominations were merely forwarded to the full legislature for confirmation or rejection. There being no objection, the confirmations were advanced.

[4:18:30 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:18 p.m.