

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 15, 2024

3:02 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

HOUSE BILL NO. 242

"An Act extending the Alaska senior benefits payment program; and providing for an effective date."

- MOVED HB 242 OUT OF COMMITTEE

CONFIRMATION HEARING(S) :

Board of Massage Therapists

Emily Foster - Palmer

- CONFIRMATION(S) ADVANCED

EXECUTIVE ORDER 125

- HEARD

HOUSE BILL NO. 187

"An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 260

"An Act repealing programs for catastrophic illness assistance and medical assistance for chronic and acute medical conditions."

- MOVED HB 260 OUT OF COMMITTEE

HOUSE BILL NO. 258

"An Act relating to general relief and burial assistance; and providing for an effective date."

- MOVED CSHB 258 (HSS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 242

SHORT TITLE: EXTEND SENIOR BENEFITS PAYMENT PROGRAM

SPONSOR(S): REPRESENTATIVE(S) VANCE

01/16/24	(H)	PREFILE RELEASED 1/8/24
01/16/24	(H)	READ THE FIRST TIME - REFERRALS
01/16/24	(H)	HSS, FIN
02/01/24	(H)	HSS AT 3:00 PM DAVIS 106
02/01/24	(H)	Heard & Held
02/01/24	(H)	MINUTE (HSS)
02/15/24	(H)	HSS AT 3:00 PM DAVIS 106

BILL: HB 187

SHORT TITLE: PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

SPONSOR(S): REPRESENTATIVE(S) SUMNER

05/03/23	(H)	READ THE FIRST TIME - REFERRALS
05/03/23	(H)	HSS, L&C
02/15/24	(H)	HSS AT 3:00 PM DAVIS 106

BILL: HB 260

SHORT TITLE: CATASTROPHIC ILLNESS/MEDICAL ASSISTANCE

SPONSOR(S): REPRESENTATIVE(S) STAPP

01/16/24	(H)	PREFILE RELEASED 1/12/24
01/16/24	(H)	READ THE FIRST TIME - REFERRALS
01/16/24	(H)	HSS, FIN
02/01/24	(H)	HSS AT 3:00 PM DAVIS 106
02/01/24	(H)	Heard & Held
02/01/24	(H)	MINUTE (HSS)
02/15/24	(H)	HSS AT 3:00 PM DAVIS 106

BILL: HB 258

SHORT TITLE: GENERAL RELIEF & BURIAL ASSISTANCE

SPONSOR(S): REPRESENTATIVE(S) STAPP

01/16/24	(H)	PREFILE RELEASED 1/12/24
01/16/24	(H)	READ THE FIRST TIME - REFERRALS
01/16/24	(H)	HSS, FIN
02/08/24	(H)	HSS AT 3:00 PM DAVIS 106
02/08/24	(H)	Heard & Held
02/08/24	(H)	MINUTE(HSS)
02/15/24	(H)	HSS AT 3:00 PM DAVIS 106

WITNESS REGISTER

REPRESENTATIVE SARAH VANCE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 242.

EMILY FOSTER, Appointee*

Palmer, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Massage Therapists.

HEIDI HEDBERG, Commissioner

Department of Health

Anchorage, Alaska

POSITION STATEMENT: Provided background on EO 125 and answered questions.

GENE WISEMAN, Section Chief

Rural & Community Health Services

Department of Health

Anchorage, Alaska

POSITION STATEMENT: Provided background on EO 125 and answered questions.

WILMA VINTON, representing self

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of EO 125.

ROBERTA LEICHTY, representing self

Sitka, Alaska

POSITION STATEMENT: Testified in support of EO 125.

BRIAN WEBB, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in support of EO 125.

CYNTHIA LYNN, representing self
Petersburg, Alaska

POSITION STATEMENT: Expressed concern that the EO would curtail access to care.

SARENA HACKENMILLER, Staff
Representative Jesse Sumner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 187 on behalf of Representative Sumner, prime sponsor.

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

POSITION STATEMENT: Testified in support of HB 187.

EZEQUIEL SILVA, MD, Member
Texas Medical Association
San Antonio, Texas

POSITION STATEMENT: Testified in support of HB 187.

LORI WING-HEIER, Director
Division of Insurance
Alaska Department of Commerce, Community, and Economic
Development
Anchorage, Alaska

POSITION STATEMENT: Answered questions about HB 187.

REPRESENTATIVE WILL STAPP
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 260; as prime sponsor of HB 258, answered questions related to amendments.

HONOR MILLER-AUSTIN, Staff
Representative Will Stapp
Alaska State Legislature

POSITION STATEMENT: Presented background on HB 258 on behalf of Representative Will Stapp, prime sponsor.

DEB ETHERIDGE, Director
Division of Public Assistance
Department of Health

Juneau, Alaska

POSITION STATEMENT: Answered questions regarding HB 258.

ACTION NARRATIVE

[3:02:14 PM](#)

CHAIR PRAX called the House Health and Social Services Standing Committee meeting to order at 3:02 p.m. Representatives Ruffridge, Sumner, Fields, Mina, and Prax were present at the call to order. Representatives Sumner and McCormick arrived as the meeting was in progress.

HB 242-EXTEND SENIOR BENEFITS PAYMENT PROGRAM

[3:04:30 PM](#)

CHAIR PRAX announced that the first order of business would be HOUSE BILL NO. 242, "An Act extending the Alaska senior benefits payment program; and providing for an effective date."

[3:04:53 PM](#)

REPRESENTATIVE VANCE, Alaska State Legislature, as prime sponsor of HB 242, explained the bill simply extends the senior benefits payment program by ten years.

CHAIR PRAX confirmed that a public hearing had been held for the bill. He expressed an interest in moving the bill forward and entertained a motion.

[3:05:38 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 242 out of committee with individual recommendations and the accompanying fiscal notes.

[3:06:05 PM](#)

REPRESENTATIVE FIELDS objected and explained he was going to offer an amendment to index the benefits to inflation. He observed that the Senate version was in its second reading on the Senate floor and would pass first anyway.

[3:06:25 PM](#)

The committee took an at-ease from 3:06 p.m. to 3:07 p.m.

[3:07:36 PM](#)

REPRESENTATIVE RUFFRIDGE withdrew his motion.

[3:07:46 PM](#)

REPRESENTATIVE FIELDS moved Conceptual Amendment 1 to index the senior benefits in the bill to inflation.

REPRESENTATIVE SADDLER explained he generally opposes indexing financial decisions because the state has an ever-moving fiscal situation, and the state constitution does not allow for dedicated funds. It erodes the authority of the legislature to lock in benefit levels for inflation.

REPRESENTATIVE MINA said she supports inflation adjusting because many Alaskans do rely on the benefit program and have relied on it for decades.

REPRESENTATIVE FIELDS requested to hear the bill sponsor's response to Conceptual Amendment 1.

REPRESENTATIVE SADDLER said he did not want anyone to misinterpret his objection to inflation proofing because he does support the senior benefits program.

[3:09:46 PM](#)

REPRESENTATIVE VANCE spoke to the concept of inflation-proofing by explaining it should be approached cautiously because of the fiscal impacts. She pointed out the growing number of seniors who are becoming eligible, and it is a robust though valid discussion.

[3:10:32 PM](#)

REPRESENTATIVE SUMNER asked Representative Fields what he envisioned happening in the case of deflation, particularly because of the housing component of the Consumer Price Index (CPI). He discussed a hypothetical situation where the current increased cost of housing would be reversed and wondered if the inflation index would adjust downwards.

[3:11:21 PM](#)

REPRESENTATIVE FIELDS suggested the amendment leave the potential for deflation or clarify that the index is a floor not a ceiling.

[3:12:02 PM](#)

A roll call vote was taken. Representatives McCormick, Fields, and Mina voted in favor of Conceptual Amendment 1 to HB 242. Representatives Ruffridge, Saddler, Sumner, and Prax voted against it. Therefore, Conceptual Amendment 1 failed to be adopted by a vote of 3-4.

[3:12:59 PM](#)

CHAIR PRAX suggested the committee table HB 242 to be taken up later.

REPRESENTATIVE RUFFRIDGE moved to table HB 242. There being no objection, it was so ordered.

CONFIRMATION HEARING(S)
BOARD OF MASSAGE THERAPISTS

[3:13:28 PM](#)

CHAIR PRAX announced that the next order of business would be the confirmation hearing on the governor's appointee to the Board of Massage Therapists.

[3:14:09 PM](#)

EMILY FOSTER, Appointee, Board of Massage Therapists explained that she was encouraged to apply to the Board of Massage Therapists and described her background as a licensed massage therapist for 23 years. She talked about her experiences in the chiropractic industry, as a small business owner, and as a massage therapist and how her perspective would be a benefit to the board.

[3:15:24 PM](#)

The committee took an at-ease at 3:15 p.m.

[3:15:56 PM](#)

REPRESENTATIVE SADDLER asked Ms. Foster to clarify her name for the record and explain whether Emily Foster and Emma Hardy are the same person.

MS. FOSTER explained that her daughter, Emma Hardy, had been using the computer, and the daughter's resume was attached by mistake.

[3:17:03 PM](#)

REPRESENTATIVE FIELDS pointed out that the Board of Massage Therapists has been working on several important issues including fingerprinting and identification to discourage human trafficking through illicit massage parlors. He asked Ms. Foster to share her views regarding combating human trafficking as a human rights violation as well as how to support legitimate massage therapy.

[3:17:43 PM](#)

MS. FOSTER discussed several ways the issue of illicit massage therapy can be addressed, including identifying red flags during the application process. She defined it as a public safety issue and described her experiences and the difficulties the profession has encountered on the road to becoming a legitimate medical profession.

[3:19:36 PM](#)

CHAIR PRAX opened public testimony on the confirmation hearing for the governor's appointee to the Board of Massage Therapists. After ascertaining there was no one who wished to testify, he closed public testimony.

[3:20:09 PM](#)

CHAIR PRAX stated that the House Health and Social Services Committee has reviewed the qualifications of the governor's appointee and recommends that the following name be forwarded to a joint session for consideration: Emily Foster, Board of Massage Therapists. He said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[3:20:46 PM](#)

The committee took an at-ease from 3:20 p.m. to 3:21 p.m.

[3:21:33 PM](#)

EXECUTIVE ORDER 125

[3:21:40 PM](#)

CHAIR PRAX announced that the next order of business would be consideration of Executive Order 125, Transfer of Function of the Alaska Council on Emergency Medical Services to the Department of Health.

CHAIR PRAX announced the committee would hear invited testimony.

[3:22:13 PM](#)

HEIDI HEDBERG, Commissioner, Department of Health, began her invited testimony with a PowerPoint presentation [hardcopy included in the committee packet], titled "State of Alaska, Department of Health, Executive Order 125." She showed slide 2, Executive Order (EO) 125, which read as follows [original punctuation provided]:

- Removes the Alaska Council on Emergency Medical Services (ACEMS) from Alaska Statute and transfers the responsibilities to the Department of Health
- Transferring the responsibilities does not change the original intent

COMMISSIONER HEDBERG explained that the intent of the order is to create an EMS advisory council or committee that would represent the full spectrum of emergency medical care, also known as pre-hospital care. Much has changed since the council was first created.

[3:24:13 PM](#)

GENE WISEMAN, Section Chief, Rural & Community Health Services, Department of Health, continued the PowerPoint and presented slides 3 and 4, which read as follows [original punctuation provided]]:

[Slide 3]

Alaska Council on Emergency Medical Services

- ACEMS was formed in 1977 when EMS was still emerging as a new industry
- The composition of ACEMS members is a reflection of their early formative years

[Slide 4]

Why is EO 125 needed?

- Flexibility
 - EMS has changed in the last 47 years
- Representation
 - ACEMS is codified in statute - Transitioning the composition to DOH will allow other stakeholders a voice
- Partnership
 - Allow DOH to bring in subject matter experts and partners
- Responsive
 - Advance the development of Alaska's EMS system in a more agile approach

MR. WISEMAN gave a brief history of ACEMS and described how emergency medical care has changed in terms of technology, client care, stakeholders, and areas served. Because the 11 members of the council are codified in statute, it has not been able to represent the current EMS system. By moving the advisory committee to the Department of Health and the commissioner, the EMS system can evolve to meet future needs. The new structure will help with coordination, collaboration, efficiency, effectiveness, and a more rounded representation.

[3:27:06 PM](#)

REPRESENTATIVE RUFFRIDGE asked Commissioner Hedberg if a commissioner can create an advisory council or if that must be done in statute.

COMMISSIONER HEDBERG explained that divisions have the authority to create advisory committees without legislative action. She emphasized the intent and the importance of involving

stakeholders who can help identify gaps in service. She pointed out that ACEMS was effective when it was created, but so much has progressed since that time. The department needs to stay in line with current needs for pre-hospital care.

REPRESENTATIVE RUFFRIDGE inquired whether the Alaska EMS council has met often and whether it drafts regulations. He explained his general concern with many of the executive orders and how eliminating boards such as this may miss the "boots on the ground" approach.

COMMISSIONER HEDBERG replied that ACEMS meets quarterly, and has three subcommittees: EMS for children, training, and medical directors. She explained how the subcommittees currently function and what changes the executive order would bring. She compared the proposed changes to how the department's trauma committee functions. She further suggested that an EMS committee within the department would be able to coordinate with the trauma committee to provide an improved continuum of care.

[3:31:25 PM](#)

REPRESENTATIVE MINA enquired about the modernization proposed with a department's EMS committee.

MR. WISEMAN described the composition of the current ACEMS, pointing out that not all relevant voices are at the table, so ACEMS is unable to address advancing needs of emergency services through the current membership. Examples include quality assurance; electronic patient care reporting; mobile-integrated health; dispatch and communication; behavioral health; and air medical. The limited scope of the existing council does not meet those needs.

[3:34:38 PM](#)

REPRESENTATIVE SADDLER asked whether ACEMS itself could be restructured if the emergency medical system has become more complicated.

COMMISSIONER HEDBERG explained that the department has recognized the need for change to the composition of the EMS system for a number of years. They did meet with ACEMS members from the seven EMS regions to discuss the issue. She emphasized that the department has staffing and administrative support for all the subject matter experts. In addition, the department has many advisory committees that are not in statute.

REPRESENTATIVE SADDLER reiterated his question.

COMMISSIONER HEDBERG responded that EO 125 seeks to do that by transferring the 11-member board so it can change over time.

REPRESENTATIVE SADDLER again questioned the need to eliminate the council instead of revising it to meet current needs. He questioned whether eliminating the council is the only means of changing the emergency medical system to meet current needs.

COMMISSIONER HEDBERG replied that the executive order does not actually eliminate the council but rather removes it from statute and moves the authority to the Department of Health.

REPRESENTATIVE SADDLER asked again why the council could not be modified to meet changing needs.

COMMISSIONER HEDBERG pointed out that the original duty of the statute was to create an EMS system, and that has been accomplished. However, since that time, approaches to emergency medicine have changed, but the current council does not reflect those changes.

[3:39:58 PM](#)

REPRESENTATIVE RUFFRIDGE asked whether the department already performs emergency medical regulatory functions.

COMMISSIONER HEDBERG answered that the state already performs and updates the regulatory duties of EMS.

REPRESENTATIVE RUFFRIDGE explained that if ACEMS performs an advisory function, and the department performs the regulatory functions, then he understands the executive order more clearly.

[3:40:58 PM](#)

REPRESENTATIVE SADDLER drew attention to the statement of cost and asked who the members of the task force would be.

MS. HEDGERG explained that the EMS for children, training, and medical directors subcommittees would continue.

REPRESENTATIVE SADDLER asked whether the members of these subcommittees are current members of ACEMS.

[3:41:54 PM](#)

MR. WISEMAN reviewed the history of ACEMS, explaining that those three subcommittees existed concurrently with ACEMS and then they were moved "underneath" ACEMS and are in the bylaws.

REPRESENTATIVE SADDLER asked for clarification whether the subcommittees that are doing the work of ACEMS and are themselves ACEMS members currently and whether ACEMS members are entirely different members than the subcommittees.

MR. WISEMAN explained that they are not appointed by Boards and Commissions, so they are not official members of ACEMS, but each subcommittee has at least one member of ACEMS.

[3:44:07 PM](#)

CHAIR PRAX explained that if the committee has no objection to the executive order, they can simply let it go forward. If there is an objection, a member would need to draft a resolution.

[3:44:46 PM](#)

CHAIR PRAX opened public testimony on Executive Order 125.

WILMA VINTON, representing self, discussed her background as an EMS and a paramedic in Alaska. She said she supports EO 125 because she feels an advisory council in the Department of Health in partnership with the office of EMS would better represent the stakeholders and the people of Alaska.

REPRESENTATIVE MINA asked whether there are lots of applicants to the council.

MS. VINTON responded that there were currently two openings, and they have been open almost a year. She gave example of some difficulties in staffing due to the appointment process.

[3:49:26 PM](#)

ROBERTA LEICHTY, representing self, reviewed her history as a first responder of EMS. She described ACEMS as a solid foundation and EO 125 as an evolution not an elimination. Now the state is divided into seven EMS regions, and EO 125 could help with some of the difficulties that come from each region's

diverse issues. This would positively affect outcomes, she predicted.

[3:52:17 PM](#)

The committee took an at-ease at 3:52 p.m.

[3:52:51 PM](#)

BRIAN WEBB, representing self, discussed the early days of ACEMS when it was under the Department of Public Safety. Currently, it is a circuitous route to get things done, and the membership reflects EMS from the 1970s when ACEMS was formed. He explained that EO 125 would create a situation more reflective of Alaska's needs than the current ACEMS.

[3:56:34 PM](#)

CYNTHIA LYNN, representing self, touched upon the issues of living in a small community. She expressed concern that EO 125 would create a less personal system which would be difficult for small communities to access.

[3:59:00 PM](#)

CHAIR PRAX closed public testimony on EO 125.

HB 187-PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

[3:59:18 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 187, "An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

[4:00:00 PM](#)

REPRESENTATIVE SUMNER, as prime sponsor, gave the sponsor statement for HB 187 [included in the committee packet], which read as follows [original punctuation provided]:

HB 187 aims to reduce the wait time for certain health care services by exempting health care providers from making preauthorization requests for said services.

Currently, Alaskans who need certain health care services must wait days and even weeks at a time to get pre-authorized to receive health care services because of the processing time between the health care provider and insurance companies. This bill would help Alaskans receive health care services immediately, especially health care services that could save their lives.

This bill would create a utilization review entity that may evaluate whether a health care provider continues to qualify for an exemption if during the most recent 12-month period, the utilization review entity has approved or would approve at least 80% of the prior authorization requests submitted by the health care provider for that health care service.

The Health Care provider is not required to request an exemption to qualify for an exemption. A utilization review may not deny or reduce payment for a health care service that is exempted.

Other states with prior authorization exemptions have seen increased frequency of patients who receive the health care services they need expediently.

This bill will help Alaskans receive fast, efficient, and quality healthcare when they need it without waiting for a preauthorization process that could cause their health to decline even more.

[4:01:42 PM](#)

SARENA HACKENMILLER, Staff, Representative Jesse Sumner, Alaska State Legislature, on behalf of Representative Sumner, prime sponsor, presented the sectional analysis for HB 187 [included in the committee packet] which read as follows [original punctuation provided]:

Section 1: AS 21.07.005(a) is amended to insert the following language into sub-section (1) under (a) so it reads "the structure and operation of utilization review and benefit determination processes, including processes for utilization review entities under AS 21.07.100".

Sec. 2. AS 21.07 is amended by adding a new section called Sec. 21.07.100. Utilization Review Entities to implement the following:

A utilization review entity may not require a health care provider to complete a prior authorization for a health care service for a covered person to receive coverage for the health care service if, during the most recent 12 month period, the utilization review entity has approved or would have approved at least [80] percent of the prior authorization requests submitted by the health care provider for that health care service.

A utilization review entity may evaluate whether a health care provider continues to qualify for an exemption not more than once every 12 months. A utilization review entity is not required to evaluate an existing exemption, and nothing prevents a utilization review entity from establishing a longer exemption period. A health care provider is not required to request an exemption to qualify for an exemption.

If a health care provider does not receive an exemption, the health care provider may, once every 12 months of providing health care services, request the utilization review entity to provide a determination to deny a prior authorization exemption under (a) of this section. The utilization review entity shall provide to the health care provider an explanation of how to appeal the determination.

A utilization review entity may revoke an exemption after 12 months if the utilization review entity does the following:

- Decides that the health care provider would not have met the 80% approval criteria based on a retrospective review of the claims for the health care service for which the exemption applies for the previous three months or the period needed to reach a minimum of 10 claims for review.
- Provides the health care provider with the information used by the utilization review entity to make the determination to revoke the exemption.

- Provides an explanation to the health care provider on how to appeal the determination.

The exemption remains in effect until the 30th day after the date the utilization review entity notifies the health care provider of its determination to revoke the exemption or, if the health care provider appeals the determination, the fifth day after the revocation is upheld on appeal.

A determination to revoke or deny an exemption by a utilization review entity must be made by a health care provider licensed in Alaska with the same or similar specialty as the health care provider being considered for an exemption and must have experience in the health care service, they are providing for which the requested exemption applies.

A utilization review entity must provide a health care provider who receives an exemption of this section with a notice that includes the following:

- A statement that the health care provider qualifies for an exemption from a prior authorization requirement and the duration of the exemption.
- A list of health care services for which the exemption applies.

A utilization review entity may not deny or reduce payment for a health care service exempted from a prior authorization requirement, including a health care service performed or supervised by another health care provider when the health care provider who ordered the service received a prior authorization exemption, unless the health care provider providing the health care service does the following:

- Knowingly and materially misrepresented the health care service in a quest for payment submitted by the utilization review entity with the specific intent to deceive and obtain an unlawful payment from a utilization review entity.
- Failed to substantially perform the health care service(s)

In this sectional analysis, the following are defined:

- "Health care services" means the following:
 - o The provision of pharmaceutical products, services, or durable medical equipment
 - o A health care procedure, treatment, or service provided in a health care facility licensed in Alaska or by a Doctor of Medicine, Doctor of Osteopathy, or within the scope of practice of a health care professional who is licensed in Alaska.
- "Health maintenance organization" has the meaning given in AS 21.86.900.
- "Prior authorization" means the process used by a utilization review entity to determine the medical necessity or medical appropriateness of a covered entity to determine the medical necessity or medical appropriateness of a covered health care service before the health care service is provided or a requirement that a covered person or health care provider notify a health care insurer or utilization review entity before providing a health care service.
- "Utilization review entity" means an individual or entity that performs prior authorization for the following:
 - o An employer in Alaska with employees covered under a health benefit plan or health insurance policy.
 - o A health care insurer
 - o A preferred provider organization
 - o A health maintenance organization
 - o An individual or entity that provides, offers to provide, or administers hospital, outpatient, medical, prescription drug, or other health care benefits to a person treated by a health care provider licensed in Alaska under a health care policy, plan, or contract.

Sec. 3. This Act takes effect immediately under AS
01.10.070(c)

[4:07:54 PM](#)

CHAIR PRAX announced the committee would hear invited testimony on HB 187.

[4:08:09 PM](#)

PAM VENTGEN, Executive Director, Alaska State Medical Association, expressed her support for HB 187. She explained how prior authorization works and how it is often a barrier to treatment. She gave statistics and examples of prior authorization having a negative impact on patient care, and said oncology is especially impacted by the prior authorization issue.

[4:11:04 PM](#)

REPRESENTATIVE MINA asked how often claims are denied due to prior authorization and how much time goes into appealing those claims by patients trying to get services.

MS. VENTGEN replied that the American Medical Association has that data, and she will forward that information to the committee members.

[4:12:17 PM](#)

REPRESENTATIVE RUFFRIDGE described how much time goes into processing prior authorizations, leaving less time for patient care.

MS. VENTGEN agreed with Representative Ruffridge and responded with specific examples.

[4:13:38 PM](#)

REPRESENTATIVE MINA asked Ms. Ventgen what feedback she receives from insurance companies regarding the potential for waste and fraud under this scenario.

MS. VENTGEN explained that insurance companies claim a bill such as this leads to waste and fraud. However, similar bills in other states have shown that when 80 percent of claims are approved, incidents of fraud and waste go down considerably. If

half of the physician's prior authorization requests are denied, that raises more of a question. That is why the bill sets the number at 80 percent. Physicians who have a lower percentage of reliable authorizations will still need to use prior authorization.

[4:15:51 PM](#)

EZEQUIEL SILVA, MD, Member, Texas Medical Association, shared his experience with issues caused by delayed or denied prior authorizations. He gave examples of significant lags in care because of slow authorizations. The serious adverse events motivated the Texas State Legislature to pass a bill similar to HB 187, and since that time, Texas has seen positive results. He expressed support for HB 187.

[4:17:52 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Alaska Department of Commerce, Community, and Economic Development, explained that the prior authorization issue is very emotional for many people, "because when you want your health care service, you want it now." On the other hand, people want affordable health care. The providers claim this bill will reduce costs, but insurers say if there is no review of treatment, it may be even more costly. She explained how the external review process works.

[4:19:59 PM](#)

CHAIR PRAX questioned whether the division has data regarding the records of physicians who no longer need prior authorization because their treatment authorizations are correct 80 percent of the time.

MS. WING-HEIER replied that she didn't have that data but would see what was available.

CHAIR PRAX asked whether the percent of appeals was significant.

MS. WING-HEIER explained that not many people go directly to insurance companies with grievances about authorizations. She would have to ask the insurance companies about the numbers, and it would take several weeks to get the information about how many grievances insurance companies had regarding prior authorizations.

[4:21:48 PM](#)

REPRESENTATIVE SADDLER questioned what constitutes a utilization review entity as referenced on page 4 of HB 187 and whether there were any in Alaska.

MS. WING-HEIER replied that there are utilization review entities in Alaska. She described the procedure a person would go through when a prior authorization is denied. She would get the names of utilization review entities to the committee.

REPRESENTATIVE SADDLER reiterated his understanding of the workflow for prior authorizations, grievances and reviews.

MS. WING-HEIER said the review process starts with the insurance company saying yes or no. If the patient or physician is not happy with the answer, then it goes to the division. At that point the division asks for an external review. Once the external review is returned to the division, it informs all the parties: the insurer, the provider, and the patient.

[4:24:16 PM](#)

CHAIR PRAX reiterated his understanding that once a service provider proves that 80 percent of the prior authorizations have been accepted, then that provider would not need to request prior authorization review. He asked whether that was a lifetime exemption.

[4:25:12 PM](#)

REPRESENTATIVE SUMNER called attention to Section 2, line 8.

CHAIR PRAX requested clarification concerning an insurer's point of view.

REPRESENTATIVE SUMNER described how the utilization review entity would make that determination.

[4:27:13 PM](#)

CHAIR PRAX announced HB 187 was held over.

HB 260-CATASTROPHIC ILLNESS/MEDICAL ASSISTANCE

[4:27:20 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 260, "An Act repealing programs for catastrophic illness assistance and medical assistance for chronic and acute medical conditions."

[4:28:11 PM](#)

REPRESENTATIVE FIELDS explained that he and Representative Mina had discussed HB 260 with the sponsor, and they agreed that it should be advanced from the committee with no amendments.

[4:28:54 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 260 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 260 was reported out of the House Health and Social Services Standing Committee.

[4:29:21 PM](#)

The committee took an at-ease from 4:29 to 4:34 p.m.

HB 258-GENERAL RELIEF & BURIAL ASSISTANCE

[4:34:28 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 258, "An Act relating to general relief and burial assistance; and providing for an effective date."

[4:35:41 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 1 to HB 258, labeled 33-LS1020\B.2, Bergerud, 2/11/24, which read as follows:

Page 4, following line 31:

Insert new bill sections to read:

*** Sec. 7.** AS 47.25.300(3) is amended to read:

(3) "needy person" means a needy resident of the state who is not eligible for aid from another public agency or department providing similar services in the state **and who has personal resources of \$1,500 or less;**

*** Sec. 8.** AS 47.25.300 is amended by adding a new paragraph to read:

(5) "personal resources" does not include credit."

Renumber the following bill sections accordingly.

Page 5, following line 8:

Insert a new bill section to read:

"* **Sec. 10.** 7 AAC 47.160(c)(4) is annulled."

Renumber the following bill section accordingly.

[REPRESENTATIVE SUMNER] objected.

REPRESENTATIVE FIELDS explained that Amendment 1 takes the current statutory \$500 resource threshold and updates it to \$1,500. He explained his rationale for the amendment and gave examples of how general relief has been used.

[4:37:15 PM](#)

REPRESENTATIVE SADDLER asked the bill sponsor for his thoughts on Amendment 1.

REPRESENTATIVE WILL STAPP, Alaska State Legislature, as prime sponsor of HB 258, addressed several concerns he had with the amendment. First, the cost of the program would go up. People would qualify for the program who are additionally enrolled in other programs. He pointed out issues that would ensue with the word "credit" being included. He asked Representative Fields how he arrived at the amount of \$1,500.

[4:38:31 PM](#)

REPRESENTATIVE FIELDS responded that the number was calculated by figuring the value of a very old car in Anchorage under the scenario of people living in their car and seeking shelter.

[4:38:54 PM](#)

CHAIR PRAX asked Representative Sumner if he maintained his objection. [The response was in audible.]

[4:39:00 PM](#)

A roll call vote was taken. Representatives Mina, McCormick, and Fields voted in favor of Amendment 1 to HB 258. Representatives Sumner, Saddler, and Prax voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 3-3.

4:39:45 PM

The committee took a brief at-ease at 4:39 p.m.

4:40:15 PM

REPRESENTATIVE FIELDS moved to adopt Amendment 2 to HB 258, labeled 33-LS1020\B.3, Bergerud, 2/12/24, which read as follows:

Page 4, following line 16:

Insert a new bill section to read:

"* Sec. 5. AS 47.25.150 is amended to read:

Sec. 47.25.150. Application for assistance. A person requesting burial assistance shall apply for it, either personally or through another person, in a format and manner prescribed in regulations adopted by the department. Regulations adopted under this section must establish an electronic application for assistance and allow an applicant to submit an application in electronic format or in other formats required by state and federal law. The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210. If a person has been referred to the general relief and burial assistance program by the department, or has applied for and been denied assistance under all other programs administered by the department under this chapter, the department shall determine whether the person is eligible for assistance under AS 47.25.120 - 47.25.300. If the department finds that the person is eligible for assistance, the department shall grant assistance without collecting further information from the person. In this section, "electronic application" means an application for benefits or renewal of benefits, whether the department exclusively administers the benefits or administers the benefits in coordination with another state agency or federal agency, electronically completed and submitted through the department's Internet website."

Renumber the following bill sections accordingly.

[REPRESENTATIVE SUMNER] objected.

REPRESENTATIVE FIELDS explained the rationale for Amendment 2 is to provide "relief of last resort." He suggested the wording

makes it more efficient for the department to administer that relief.

REPRESENTATIVE STAPP responded that he was not entirely sure if it would work that way. He suggested that it would create more work for the department rather than less.

[4:42:32 PM](#)

CHAIR PRAX asked Representative Sumner if he maintained his objection. [The response was inaudible.]

[4:42:38 PM](#)

A roll call vote was taken. Representatives Fields, Mina, and McCormick voted in favor of Amendment 2 to HB 258. Representatives Ruffridge, Saddler, Sumner, and Prax voted against it. Therefore, Amendment 2 to HB 258 failed by a vote of 3-4.

[4:43:14 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 3 to HB 258, labeled 33-LS1020\B.4, Bergerud, 2/12/24, which read as follows:

Page 4, following line 16:

Insert a new bill section to read:

"* **Sec. 5.** AS 47.25.170 is amended to read:

Sec. 47.25.170. Granting of assistance. Upon the completion of its investigation, the department shall decide whether the applicant is eligible for and should receive assistance promptly under AS 47.25.120 - 47.25.300, the amount of assistance, the manner of paying or providing it, and the date on which the assistance shall begin. The department may approve an applicant for a period of up to six months and may provide the assistance in monthly installments or as a lump sum. The department shall notify the applicant of its decision."

Renumber the following bill sections accordingly.

REPRESENTATIVE SUMNER objected.

REPRESENTATIVE FIELDS pointed to the extremely low threshold of the general relief statute and explained that Amendment 3

provides the department authority to meet the overall relief threshold for a six-month period in a lump sum.

[4:44:40 PM](#)

REPRESENTATIVE STAPP addressed the mechanics of the utilities assistance and how the department negotiates with third-party providers. However, the main objection comes from information provided by staff's discussion with a homeless coordinator.

HONOR MILLER-AUSTIN, Staff, Representative Will Stapp, on behalf of Representative Stapp, prime sponsor of HB 258, described what she learned from Bryan Wilson, one of Juneau's homeless coordinators. He referenced programs that worked for him including Section 8 housing, emergency housing vouchers, and emergency rental assistance programs.

[4:46:54 PM](#)

REPRESENTATIVE MINA addressed the need for additional general relief when costs for housing are rising and people are struggling. There is often a delay in the programs mentioned, and people need emergency options.

[4:47:38 PM](#)

REPRESENTATIVE STAPP said he did not believe that time-sensitive emergency benefits should go through the Division of Public Assistance, and that is generally the nucleus of the bill.

[4:48:10 PM](#)

DEB ETHERIDGE, Director, Division of Public Assistance, Department of Health, discussed the issue of payment for emergency shelter. She talked about evictions, duplicate applications, and the maximum allowable amount of \$120 a month for hotels.

REPRESENTATIVE SADDLER asked Ms. Etheridge to respond to Amendment 3 with its lump sum payment in light of the monthly benefit amount.

MS. ETHERIDGE responded that an individual must apply for the \$120 benefit each month, so the lump sum would affect their ability to apply.

[4:50:34 PM](#)

REPRESENTATIVE FIELDS explained that the intent of the amendment is to allow the six-month amount of \$70 a month to be used at one time. He said that he also reached out to several people who work with the homeless, and there is not complete agreement as to how best to address the problem.

[4:51:37 PM](#)

REPRESENTATIVE SADDLER reiterated that the monthly amount of \$120 would equal \$720. He enquired whether that would contradict the allowable amount of assistance of \$120 a month.

REPRESENTATIVE STAPP answered that it might eliminate the eligibility entirely because it is capped at a certain amount. He deferred to Ms. Etheridge.

MS. ETHERIDGE explained that the general relief program is not a benefit paid to the individual but rather to a vendor. The asset limit is \$500.

REPRESENTATIVE SADDLER requested clarification regarding whether there are time limits to benefits paid on a monthly basis.

MS. ETHERIDGE responded that the division's calculations are based on a monthly amount rather than a lump sum.

[4:53:49 PM](#)

CHAIR PRAX questioned whether the emergency benefits were available on a 24-hour basis and how someone could take advantage of these benefits.

MS. ETHERIDGE replied that the Department of Public Assistance operates on an eight to five basis, Monday through Friday, taking emergency requests during those times.

[4:54:33 PM](#)

REPRESENTATIVE FIELDS reiterated the main points of Amendment 3.

[4:55:30 PM](#)

CHAIR PRAX asked Representative Sumner if he maintained his objection. [The response was inaudible.]

[4:55:34 PM](#)

A roll call vote was taken. Representatives Fields, Mina, and McCormick voted in favor of Amendment 3 to HB 258. Representatives Sumner, Ruffridge, Saddler, and Prax voted against it. Therefore, Amendment 3 failed to be adopted by a vote of 3-4.

[4:56:10 PM](#)

REPRESENTATIVE MINA moved to adopt Amendment 4 to HB 258, labeled 33-LS1020\B.1, Bergerud, 2/10/24, which read as follows:

Page 4, lines 26 - 31:

Delete all material and insert:

"* **Sec. 6.** AS 47.25.300(1) is amended to read:

(1) "assistance" means financial assistance to or on behalf of a needy person **for** [, INCLUDING] subsistence (food, shelter, fuel, clothing, and utilities), [AND] transportation, medical needs, **funeral and** [(INCLUDING, BUT NOT LIMITED TO, HOSPITALIZATION, NURSING, AND CONVALESCENT CARE),] burial **expenses**, and other determined needs;"

[CHAIR SUMNER] objected.

REPRESENTATIVE MINA explained that Amendment 4 retains the rent and utility assistance part of general relief while keeping the part of the bill that addresses the burial services. She pointed out that \$120 doesn't seem like a big amount, but it is significant for people who are at risk of homelessness. She pointed out that the processing time for these benefits is nominal, so the benefits outweigh the administrative burden. In addition, she referenced a letter from the Disability Law Center which said deleting the references of shelter from the bill would affect a different line item which is general relief for assisted living homes. The referenced general relief for assisted living is a last resort for individuals who cannot qualify for a Medicaid waiver but who are in need of assisted living services such as people being discharged from corrections, psychiatric institutes, and hospitals. Since there are not enough general relief behavioral health assisted living homes, it is costing the state a lot more. There is a concern that deleting this language would impact other programs.

[4:58:49 PM](#)

REPRESENTATIVE STAPP addressed the two aspects brought up by Representative Mina. He explained he is concerned with results-based budgeting, and the cost to deliver this nominal service is astronomical. Regarding the second aspect, he thinks there is another amendment which would address that concern.

REPRESENTATIVE MINA pointed out that the amendment refers to shelter, so it also addresses utilities. She prefers to keep the language that is currently in statute to allow some flexibility in how it is administered.

[5:01:11 PM](#)

REPRESENTATIVE SUMNER maintained his objection to Amendment 4.

[5:01:15 PM](#)

A roll call vote was taken. Representatives Fields and Mina voted in favor of Amendment 4 to HB 258. Representatives Saddler, Ruffridge, and Prax voted against it. [Representative Sumner passed.]

[5:01:51 PM](#)

The committee took a brief at-ease at 5:02 p.m.

[5:02:08 PM](#)

CHAIR PRAX voided the roll for Amendment 4 to HB 258.

[5:02:18 PM](#)

A roll call vote was taken. Representatives Fields and Mina voted in favor of Amendment 4 to HB 258. Representatives Ruffridge, Sadler, Sumner, and Prax voted against it. Therefore, Amendment 4 failed to be adopted by a vote of 2-4.

[5:02:51 PM](#)

The committee took an at-ease from 5:02 to 5:04 p.m.

[5:04:16 PM](#)

CHAIR PRAX moved to adopt Amendment 5 to HB 258, labeled 33-LS1020\B.5, Bergerud, 2/12/24, which read as follows:

Page 4, line 29, following "needsl":

Insert "assisted living facility expenses,"

There being no objection, Amendment 5 was adopted.

[5:04:57 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 258, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[5:05:17 PM](#)

The committee took a brief at-ease at 5:05 p.m..

[5:05:33 PM](#)

CHAIR PRAX announced there being no objection, CSHB 258(HSS) was reported from the House Health and Social Services Standing Committee.

[5:05:49 PM](#)

The committee took an at-ease from 5:05 to 5:08 p.m.

HB 242-EXTEND SENIOR BENEFITS PAYMENT PROGRAM

[5:08:51 PM](#)

CHAIR PRAX announced that the final order of business would be a return to HOUSE BILL NO. 242, "An Act extending the Alaska senior benefits payment program; and providing for an effective date."

[5:08:57 PM](#)

REPRESENTATIVE RUFFRIDGE moved to take HB 242 off the table. There being no objection, HB 242 was once again before the committee.

[5:09:13 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 2 to HB 242,

REPRESENTATIVES SUMNER and SADDLER objected.

REPRESENTATIVE FIELDS explained that Amendment 2 ensures senior benefits are paid at the statutory level which is higher than

they have paid out the past five or six years, and they have been administratively reduced for the last five or six years. He provided context for the amendment by pointing out that currently the department has additional administrative authority beyond the legislature's ability to appropriate. The amendment would ensure the greatest likelihood of paying out at the statutory level.

[5:10:39 PM](#)

The committee took an at-ease from 5:10 p.m. to 5:12 p.m.

[5:12:09 PM](#)

REPRESENTATIVE VANCE, Alaska State Legislature, as prime sponsor of HB 242, said she remained neutral regarding Amendment 2 at that point because she did not know whether it would change the fiscal note. She appreciated people being able to appeal the amount of distribution. By principle she likes to apply things equally across law, and this may create a conflict with other monetary distribution people receive from the state.

[5:13:10 PM](#)

REPRESENTATIVE SUMNER explained he is not certain that deleting this language from statute would have the result the amendment's sponsor believes it would have in the event of an insufficient appropriation.

CHAIR PRAX asked for input from someone from the administration.

[5:14:05 PM](#)

DEB ETHERIDGE, Director, Division of Public Assistance, Department of Health, explained that the appropriations would have to be included in the division's base budget. Furthermore, it would require knowing exactly the number of individuals who would be applying at which benefit level. If the division didn't have the appropriations, it would have to ask for additional funds through ratification, otherwise it could impact other general fund programs.

[5:14:54 PM](#)

REPRESENTATIVE SADDLER said he was inclined to not support the amendment and let the division know the issue is likely to come up in the future.

REPRESENTATIVE FIELDS asked whether Legislative Legal Services could answer questions about the amendment.

[5:15:35 PM](#)

REPRESENTATIVE SUMNER posed a hypothetical, asking if this amendment passed, and the appropriation was not made, would other programs be impounded in order to pay off the benefit.

MS. ETHERIDGE explained that she needed additional time to review the impact of the amendment.

[5:16:08 PM](#)

REPRESENTATIVE SUMNER removed his objection to Amendment 2 to HB 242.

REPRESENTATIVE SADDLER [maintained his objection].

REPRESENTATIVE RUFFRIDGE reiterated his understanding that if the division is not allowed to "short" the benefit if the appropriation does not match, under statute the division would have to find those dollars.

MS. ETHERIDGE said that was her understanding.

[5:17:17 PM](#)

REPRESENTATIVE SADDLER confirmed that he still maintained his objection.

[5:17:22 PM](#)

A roll call vote was taken. Representatives Mina, Sumner, and Fields voted in favor of Amendment 2 to HB 242. Representatives Ruffridge, Sadler, and Prax voted against it. Therefore, Amendment 2 242 failed to be adopted by a vote of 3-3.

[5:18:18 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 242 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 242 was reported out of the House Health and Social Services Standing Committee.

[5:18:42 PM](#)

The committee took an at-ease from 5:18 p.m. to 5:20 p.m.

[5:20:46 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:20 p.m.