

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 29, 2024

3:04 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 Board of Nursing

Michael Collins - Wasilla

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 371

"An Act relating to medical review organizations; relating to the definitions of 'health care provider' and 'review organization'; and relating to the duties of the chief medical officer in the Department of Health."

- HEARD & HELD

HOUSE BILL NO. 343

"An Act relating to medical assistance coverage for rehabilitative, mandatory, and optional services furnished or paid for by a school district on behalf of certain children."

- HEARD & HELD

HOUSE BILL NO. 344

"An Act relating to medical assistance demonstration projects established by the Department of Health."

- HEARD & HELD

HOUSE BILL NO. 226

"An Act relating to the Board of Pharmacy; relating to insurance; relating to pharmacies; relating to pharmacists; relating to pharmacy benefits managers; relating to patient choice of pharmacy; and providing for an effective date."

- MOVED CSHB 226 (HSS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 371

SHORT TITLE: MEDICAL REVIEW ORGANIZATIONS

SPONSOR(S): REPRESENTATIVE(S) RUFFRIDGE BY REQUEST

02/20/24 (H) READ THE FIRST TIME - REFERRALS
02/20/24 (H) HSS
02/29/24 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 343

SHORT TITLE: SCHOOL DISTRICT MEDICAL ASSISTANCE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/20/24 (H) READ THE FIRST TIME - REFERRALS
02/20/24 (H) HSS
02/27/24 (H) HSS AT 3:00 PM DAVIS 106
02/27/24 (H) <Bill Hearing Rescheduled to 02/29/24>
02/29/24 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 344

SHORT TITLE: MEDICAL ASSIST. DEMONSTRATION PROJECTS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/20/24 (H) READ THE FIRST TIME - REFERRALS
02/20/24 (H) HSS
02/29/24 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 226

SHORT TITLE: PHARMACIES/PHARMACISTS/BENEFITS MANAGERS

SPONSOR(S): SUMNER

01/16/24 (H) PREFILE RELEASED 1/8/24
01/16/24 (H) READ THE FIRST TIME - REFERRALS
01/16/24 (H) HSS, L&C, FIN
02/27/24 (H) HSS AT 3:00 PM DAVIS 106

02/27/24 (H) Heard & Held
02/27/24 (H) MINUTE (HSS)
02/29/24 (H) HSS AT 3:00 PM DAVIS 106

WITNESS REGISTER

MICHAEL COLLINS, Appointee
State Board of Nursing
Wasilla, Alaska

POSITION STATEMENT: Testified as appointee to the State Board of Nursing.

SABINA BRAUN, Staff
Representative Justin Ruffridge
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of the prime sponsor by request, Representative Ruffridge, presented the sectional analysis of HB 371.

LINDSEY KATO, Director
Division of Public Health
Department of Health
Juneau, Alaska

POSITION STATEMENT: Offered invited testimony in support of HB 371.

JEANNIE MONK, Senior Vice President
Alaska Hospital & Healthcare Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 371 and HB 344.

HEIDI HEDBERG, Commissioner
Department of Health
Anchorage, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, House Rules by request of the governor, introduced HB 343 and HB 344.

EMILY RICCI, Deputy Commissioner
Department of Health
Anchorage, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, House Rules by request of the governor, co-offered PowerPoint presentations during the hearings on HB 343 and HB 344.

LEAH VAN KIRK, Healthcare Policy Advisor
Department of Health

Anchorage, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, House Rules by request of the governor, co-offered a PowerPoint presentation during the hearing on HB 343.

TREVOR STORRS, President & CEO

Alaska Children's Trust

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 343.

ANNE ZINK, Chief Medical Officer

Department of Health

Anchorage, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, House Rules by request of the governor, co-offered a PowerPoint presentation on HB 344.

OWEN HUTCHINSON, Healthcare & Homelessness Integration Manager

Alaska Coalition on Housing and Homelessness

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 344.

BRIAN LEFFERTS, Director

Division of Public Health, Yukon-Kuskokwim Health Corporation

Bethel, Alaska

POSITION STATEMENT: Testified in support of HB 344.

BRYNN BUTLER, Housing Coordinator

City of Fairbanks

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 344.

ACTION NARRATIVE

[3:04:39 PM](#)

CHAIR PRAX called the House Health and Social Services Standing Committee meeting to order at 3:04 p.m. Representatives Ruffridge, Sumner, Fields, Mina, and Prax were present at the call to order. Representatives McCormick and Saddler arrived as the meeting was in progress.

CONFIRMATION HEARING(S)

Alaska Board of Nursing

[3:05:55 PM](#)

CHAIR PRAX announced that the first order of business would be the confirmation hearing on the governor's appointment for the Alaska Board of Nursing.

[3:06:19 PM](#)

MICHAEL COLLINS, Appointee, Alaska Board of Nursing, gave his background and said he believes in community involvement and wants to serve the state. He expressed his wish to be a public voice and said he can offer a transparent voice to aid the board and to assist in public awareness.

[3:08:56 PM](#)

REPRESENTATIVE MINA asked what Mr. Collins sees as the biggest issue currently facing nursing today.

MR. COLLINS answered licensing and getting nurses [hired] as quickly as possible.

[3:10:08 PM](#)

CHAIR PRAX open public testimony on the confirmation hearing. After ascertaining there was no one who wished to testify, he closed public testimony.

[3:11:30 PM](#)

CHAIR PRAX stated that the House Health and Social Services Standing Committee has reviewed the qualifications of the governor's appointees and recommends that the following name be forwarded to a joint session for consideration: Michael Collins, Alaska Board of Nursing. 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.

[3:11:47 PM](#)

The committee took a brief at-ease at 3:11 p.m.

HB 371-MEDICAL REVIEW ORGANIZATIONS

[3:12:08 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 371, "An Act relating to medical review organizations; relating to the definitions of 'health care provider' and 'review organization'; and relating to the duties of the chief medical officer in the Department of Health."

[3:12:51 PM](#)

REPRESENTATIVE JUSTIN RUFFRIDGE, Alaska State Legislature, as prime sponsor by request, presented HB 371. He explained the Department of Health brought forward the request for the bill and asked to be able to modify the public health review organization process, which seeks to eliminate avoidable deaths, injuries, and illnesses of Alaskans. This is done by examining clinical and other records and identifying areas of concern. The proposed legislation would allow "medical provider types" to be a part of these review organizations, update language, and ensure access to data is timely.

[3:14:02 PM](#)

SABINA BRAUN, Staff, Representative Justin Ruffridge, Alaska State Legislature, on behalf of Representative Ruffridge, prime sponsor by request, gave a sectional analysis of HB 371 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1

AS 18.23.030(a) is amended to add an exemption to disclosure of data and is described in Sec 2.

Section 2

AS 18.23.030 is amended to add a new subsection allowing a review organization to publish a report containing data or information acquired in the exercise of its duties, ensuring the report does not violate federal or state law regarding confidentiality of a person or decedent.

Section 3

AS 18.23.070(3) Changes the definition of healthcare provider in reference to a review organization to mean a person licensed, certified, or otherwise permitted by law to provide health care services in the ordinary course of business or practice of a profession and removes the list of specific provider types.

Section 4

AS 18.23.070(5)(A) and **AS.18.23.070(5)(B)** are not modified by HB 371.

AS 18.23.070(5)(C) The review organization membership is approved by the Chief Medical Officer in the Department of Health and removes the provision that at least 75 percent of the committee members must be health care providers.

AS 18.23.070(5)(D) Allows all nationally-recognized groups that accredit health care organizations to have review organizations. Current law limits this to the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

[3:15:53 PM](#)

MS. BRAUN began a PowerPoint Presentation [hard copy included in the committee packet], titled "HB 371 Medical Review Organizations." She covered slide 2, which read as follows [original punctuation provided, with some formatting changed]:

Why?

To review injuries, deaths, and illness in order to provide insight for public policy and health interventions to improve Alaskan's health.

How?

In-depth review of deaths, injuries, and illnesses by examining clinical records and additional data.

Who?

Hospitals, clinics, associations of health care providers, professional standards organizations, the State Medical Board, health care accreditation organizations, and those established by the Commissioner of Health to review public health issues.

MS. BRAUN, at slide 3, "Intent," emphasized the intent of the bill to increase flexibility. Noting current statute on this issue is vague, she showed slide 4, "HB 371 - Changes to Existing Statutes," which read as follows [original punctuation provided]:

- Allows a review organization to publish a report containing data or information acquired in the exercise of its duties, ensuring the report does not violate federal or state law regarding confidentiality of a person or decedent.

- Broadens who can serve on the review organizations.
- Changes who can approve Department of Health morbidity or mortality review organizations from the Alaska State Medical Board to the Chief Medical Officer in the Department of Health.
- Removes composition requirement of 75% health care providers.
- Broadens who can establish review organizations.

MS. BRAUN showed slide 5, "Reasoning," which read as follows [original punctuation provided]:

- This bill increases flexibility to ensure appropriate representation across diverse review committees.
- This bill removes the current list of health care providers allowed to be on the review committee. This bill modifies the requirement of the health care committee of having 75% health care providers. The current definition of health care providers in the current statute is narrow and missing key types.
- Current law requires that the Alaska State Medical Board approve members of Department of Health review organizations, not allowing for efficient and effective decision making tailored to committee needs.

MS. BRAUN drew attention to slide 6, which shows three examples of current medical review committees/boards, and she highlighted two of them: the Maternal Child Death Review Committee, on which she said it would be helpful to have a midwife; and the Overdose Fatality Review Committee, on which she said it would be helpful to have an Alaska State Trooper. In conclusion, she offered to answer questions.

[3:19:23 PM](#)

LINDSEY KATO, Director, Division of Public Health, Department of Health, offered invited testimony in support of HB 371. She said morbidity and mortality review organizations are instrumental in determining the causes and contributing factors of death, illness, and injury. The intent is to provide insight and recommendation toward public policy and interventions. She

noted that the Maternal Child Death Review Committee has been instrumental in providing recommendations that have resulted in changes to training within the Office of Childrens Services and updating law enforcement forms used in investigation. Ms. Kato stated that unfortunately current statute is ambiguous in terms of whether the agencies are allowed to report current findings with those in the best position to help make changes, such as legislators. She echoed Ms. Braun's statement about the current limitation of 75 percent health care providers making up the review organizations, and the department would like to have a wider sampling of people to be on the review committees and boards. She also noted that the current statute mandating that the State Medical Board approve members of DOH's review organizations is cumbersome, and that moving that authority to the chief medical officer in the department would "create a more efficient and effective process." She emphasized the importance of review committees/boards and the need for flexibility. She offered to answer questions.

[3:22:18 PM](#)

REPRESENTATIVE MINA asked Ms. Kato how many medical review committees currently exist in Alaska.

LINDSEY noted the two previously mentioned and the newly formed Congenital Syphilis Review Board. She added that there is also interest in the issue of suicide. In response to a follow-up question regarding the ambiguity of statute relating to reporting, she said there have been modified reports given as a result rather than formal reports. She added that trends and issues identified have to be censored in the reports.

[3:23:41 PM](#)

CHAIR PRAX asked for additional information regarding the committees.

MS. KATO gave examples about how often the various committees meet. In response to follow-up questions, she said the reviews include detailed public safety reports, including those from law enforcement and OCS, as well as medical reports. She offered her understanding that there are no legal implications related to these reviews. She reiterated that the groups meet currently; the desire is for there to be a broader list of who can serve on them.

[3:26:01 PM](#)

CHAIR PRAX opened public testimony on HB 371.

[3:26:40 PM](#)

JEANNIE MONK, spokesperson, Alaska Hospital & Healthcare Association (AHHA) [formerly the Alaska State Hospital & Nursing Home Association (ASHNHA)] testified in support of HB 371. She noted that the review organizations are also used by entities outside of Alaska. She said medical review committees are an important tool used by hospitals to discuss information related to the care and treatment of patients and support improvements in care. She said AHHA supports all of the changes proposed under HB 371. She noted that AHHA is a partner with the state and works with the Maternal Child Death Review Committee, and AHHA thinks removing the 75 percent limit will benefit that committee by allowing a more diverse committee. She said AHHA also supports the aforementioned change to the state medical officer as a means of providing "more efficient and effective decision making." She noted that AHHA is currently in the process of forming an association with these organizations, bringing together hospitals and nursing homes. She said AHHA thinks the clarification related to the sharing of reports and recommendations will help in using the information more effectively. She urged the committee to forward HB 371 through the committee process.

[3:29:05 PM](#)

MS. MONK, in response to Chair Prax, confirmed that the review organizations conduct conversations about issues and then share findings "without disclosing any confidential information."

[3:29:54 PM](#)

CHAIR PRAX, after ascertaining there was no one else who wished to testify, closed public testimony on HB 371.

[3:30:51 PM](#)

CHAIR PRAX announced that HB 371 was held over.

HB 343-SCHOOL DISTRICT MEDICAL ASSISTANCE

[3:30:57 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 343, "An Act relating to medical assistance coverage for rehabilitative, mandatory, and optional services furnished or paid for by a school district on behalf of certain children."

3:31:39 PM

HEIDI HEDBERG, Commissioner, Department of Health, on behalf of the bill sponsor, House Rules by request of the governor, introduced HB 343. She said the proposed legislation would improve access to school-based services "for all eligible Medicaid children." It would remove statutory [language] that limits access to those services. She said HB 343 would provide more convenient choices for parents seeking care for their children and increase flexibility for schools seeking Medicaid reimbursement for eligible children. She turned to Emily Ricci and Leah Van Kirk to offer a presentation.

3:32:45 PM

EMILY RICCI, Deputy Commissioner, Department of Health, on behalf of the bill sponsor, House Rules by request of the governor, co-offered a PowerPoint presentation [hard copy included in the committee packet] during the hearing on HB 343. She began on slide 3, which read as follows [original punctuation provided, with some formatting changes]:

Medicaid can only reimburse for school-based services if the child has a disability and the services are included in the student's individualized education plan (IEP).

Only 6 out of 54 school districts currently submit claims for Medicaid reimbursement.

Speech, Occupational, and Physical Therapy make up 96 percent of reimbursed services.

MS. RICCI explained that within the federal umbrella are state-supported services for children in a school-based setting. She noted that the services that districts can bill Medicaid for to receive reimbursement are limited within the smaller set of services outlined in the state plan. They are limited to services available through a student's individualized educational plan (IEP). She said this creates challenges for school districts. She said HB 343 addresses one administrative

barrier; others are being addressed by the department with stakeholders. She named the districts currently submitting claims for Medicaid reimbursement: Anchorage, Delta/Greely, Fairbanks, Juneau, Ketchikan, and Matanuska-Susitna (Mat-Su).

MS. RICCI turned to slide 4, "Healthy Families Initiative" - the governor's initiative - which focuses on "Healthy Beginnings," "Health Care Access," and "Health Care Communities." She said HB 343 focuses on improving and increasing access to care for students. She turned the presentation over to Leah Van Kirk.

[3:36:49 PM](#)

LEAH VAN KIRK, Healthcare Policy Advisor, Department of Health, on behalf of the bill sponsor, House Rules by request of the governor, co-offered a PowerPoint presentation [hard copy included in the committee packet] during the hearing on HB 343. She touched upon slide 5, regarding what HB 343 would do, and she echoed that it would improve access for students that can receive school-based services. It would allow schools to bill for Medicaid services without having those services included in the IEP. She said the bill would create opportunities to provide services to children that may not need an IEP. Further, HB 343 would provide an option, not a mandate. She said if a parent cannot find services in the community, they may be able to access those services in the school.

[3:39:38 PM](#)

MS. RICCI continued with slide 8, "Benefits to Alaskans," and talked about early intervention and prevention and avoiding emergency room visits or acute level of care. She said the department sees HB 343 as reducing administrative burden and maximizing the federal Medicaid match.

MS. VAN KIRK drew attention to slide 9, "Why now?," and said that by reducing the administrative burden on schools, they would be more likely to deliver school-based services. She said 25 states thus far have "reduced the requirement" and provide services to those who do not have a disability or have an IEP. She indicated that after removing statutory barriers via HB 343, the next step would be to engage stakeholders and identify methodologies that work for school districts. She made note of letters of support that had been received. She stated that DOH is applying for a grant to support efforts.

MS. RICCI added that the process of speaking with stakeholders is beginning, and removing the statutory provision is essential to that process.

[3:45:00 PM](#)

MS. RICCI, in response to a question from Chair Prax, said she is not certain how many of the six aforementioned districts utilize school staff to provide services, but she has seen them contract with outside providers "to come in and offer services in the school setting."

[3:47:49 PM](#)

MS. RICCI, in response to a question from Representative Mina about the second paragraph of one of the fiscal notes, offered her understanding that the reference to an increase of 50 percent refers to current participation. She added that the department sees this as a long process with incremental growth. In response to Representative Saddler, she further clarified that 50 percent pertains to the number of children in school districts.

[3:49:35 PM](#)

MS. RICCI, in response to Chair Prax, indicated that a work group would figure out a flexible system that includes the needs of smaller school districts.

[3:50:28 PM](#)

MS. RICCI next covered the sectional analysis of HB 343, on slide 11, which read as follows [original punctuation provided]:

Sectional Analysis

Section 1

This section removes the requirement that Medicaid services provided in a school setting are limited to those covered under an Individual Education Plan (IEP)

[3:51:10 PM](#)

CHAIR PRAX open public testimony on HB 343.

[3:51:35 PM](#)

TREVOR STORRS, President & CEO, Alaska Children's Trust (ACT), testified in support of HB 343. He thanked the governor and DOH leadership for taking this step to increase health care access for children. He explained that ACT supports policies that promote the health and wellbeing of Alaska's children. He talked about the importance of ensuring that families have access to the knowledge, skill, support, and resources to thrive. He echoed the statements of the presenters about the current status for reimbursement and said HB 343 would allow schools to be reimbursed for services provided to all students eligible for Medicaid. He emphasized that the expansion of school-based Medicaid services would support families by providing opportunities for parents to access health services for their children, increase the convenience for the families seeking that care, and promote parent-directed services within the school setting. Further, he echoed that increasing services would encourage early intervention and prevention. He spoke about the flexibility and support for Alaska communities that would result from HB 343.

[3:54:17 PM](#)

CHAIR PRAX, after ascertaining there was no one else who wished to testify, close public testimony on HB 343.

[3:55:22 PM](#)

MS. RICCI, in response to a question from Representative Saddler regarding whether there would be an increase in positions such as therapists in each school rather than one that travels from school to school indicated that would be up to each school to decide based on the needs of students and what the community can support. In response to follow-up question regarding the cost to the state, she said the services will be built up over time, and she noted these are not additional services but an additional setting in which existing services can be provided. Overall, she said, the department does not believe that HB 343 would result in additional cost to the Medicaid component. She explained that the department thinks of this as a cost shift, not an expansion of services.

[3:58:46 PM](#)

REPRESENTATIVE FIELDS gave his interpretation of the presentation that instead of a parent taking their child to a Medicaid covered appointment after school, they could take them

to the appointment at the school, and this could be a more efficient system but is not necessarily "more care."

CHAIR PRAX announced that HB 343 was held over.

[3:59:47 PM](#)

The committee took a brief at-ease at 3:59 p.m.

HB 344-MEDICAL ASSIST. DEMONSTRATION PROJECTS

[4:00:21 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 344, "An Act relating to medical assistance demonstration projects established by the Department of Health."

[4:01:11 PM](#)

HEIDI HEDBERG, Commissioner, Department of Health (DOH), offered a brief introduction to HB 344 on behalf of the bill sponsor, House Rules by request of the governor. She handed the presentation of the bill over to Emily Ricci and Dr. Anne Zink.

[4:01:53 PM](#)

EMILY RICCI, Deputy Commissioner, Department of Health, co-offered a PowerPoint presentation of HB 344 [hardcopy included in the committee packet] on behalf of the bill sponsor, House Rules by request of the governor. She opened on slide 2, "Total Health Care Expenditures per Capita 2024," which includes a map and states: "Medicaid is a critical tool to improving Alaska's health care delivery system and patient outcomes." She explained that Medicaid covers nearly 38 percent of Alaskans. Health care costs in Alaska are high. She recommended Medicaid as "a vehicle that the state can leverage" to "influence the system" to improve health outcomes.

MS. RICCI moved to slide 3, "Alaska Medicaid Utilization," which has a graph showing that 5 percent of beneficiaries in Medicaid account for about half of Medicaid spending; within those, about 10 percent of beneficiaries account for approximately two-thirds of Medicaid spending. Those with acute needs account for a significant portion of "overall health care spend." She stated the importance of evaluating where money is spent for the best outcome and health of Alaskans.

MS. RICCI turned to slide 4, "Alaska Emergency Department Utilization," noting that "a small number of individuals can have a large impact on the system, particularly when they have acute needs that are not being consistently met." She then turned to Dr. Zink to continue with slide 4.

[4:04:59 PM](#)

ANNE ZINK, MD, Chief Medical Officer, Department of Health, picked up on the PowerPoint presentation of HB 344, on behalf of the bill sponsor, House Rules by request of the governor. She gave an example of a patient who visited the emergency room 300 times in a year and said the system was failing him. She said the purpose of the [section 1115 waiver under 42 U.S.C. 1315(a)], which would be established under HB 344, is to facilitate figuring out what the "highest needs utilizers" need is and how the state can spend money in a way reduces emergency room visits and to figure out what key services outside the hospital are available.

DR. ZINK turned to slide 5, "Chronic Conditions and Medical Utilization," and she said it is intuitive that an increase in chronic conditions equates to "more spend within the health care system."

[4:06:37 PM](#)

MS. RICCI, in response to a question from Representative Sumner as to what the top conditions resulting in the highest Medicaid spend are, named mobility impairment as the highest. She also named, in descending order, blood conditions, cardiovascular disease, congenital disorders, diabetes, and drug and alcohol abuse.

DR. ZINK added that not all conditions are modifiable, and DOH is focusing on those conditions it can respond to with intervention. She also noted that the waiver would not be done "in isolation." She said there is a short program for addressing chronic diseases in addition to looking at the waiver.

MS. RICCI referred back to slide 3 and emphasized consideration of a better way to meet the needs of and support individuals and take advantage of opportunities for cost savings.

[4:09:24 PM](#)

DR. ZINK moved on to slide 6, "Learning from Alaskans," and she highlighted the produce prescription program in the Yukon/Kuskokwim Region that is specifically for people with diabetes to help them improve their eating and has a side benefit of helping those who grow produce in the region.

[4:10:23 PM](#)

DR. ZINK, in response to a question from Representative Sumner, said this prescription program cannot supplant the Supplemental Nutrition Assistance Program (SNAP). The waiver would be specific to the patient and condition. She then noted the case coordination project, shown on slide 6, which takes place at Bartlett Regional Hospital. The program addresses those "MVP" patients with high medical and social needs, with a focus on bringing the community together to address transportation, housing, and care needs in an attempt to keep those patients out of the hospital where the cost of care is greater.

DR. ZINK turned to the next slide, "What Are Health-Related Needs?," to a list of points on the left half of the slide, which read as follows [original punctuation provided]:

Under the 1115 waiver, health-related needs services must be:

- Ø Medically necessary
- Ø The choice of the beneficiary
- Ø Individually tailored
- Ø Distinct from population-based health interventions
(must supplement not supplant existing services)

DR. ZINK said this is concerning the top of the treatment pyramid [shown on the right half of the slide]. She reiterated that this looks at a limited number of people, who have a high cost to the system and where medically tailored interventions can make a big difference for them.

[4:12:56 PM](#)

DR. ZINK, in response to a question from Representative Mina regarding how relevant a program from last year is to expanding case coordination for high utilizers through the proposed waiver, confirmed that the high utilization Mat-Su (HUMS) program is similar to the MVP program in Juneau.

[4:14:04 PM](#)

DR. ZINK, in response to a question from Representative Saddler regarding the expansive scope of "health related needs," shared that one challenge the department has had is that the waiver can be interpreted "as much more than it is." It is an opportunity that the Centers for Medicare and Medicaid have made available. She said 16 states have already implemented waivers along this line, and DOH needs to show that "it is cost neutral" and services are being used in the most cost-efficient way that is the most beneficial for the patient. Using transportation in example, she said this is about providing a ride to someone leaving the hospital who may need it but not about providing cars to everyone. In response to a follow-up question, she gave examples of how the parameters of medical necessity are established. She said the waivers could be based on health conditions. She noted that DOH needs to do actuarial work after coming to the legislature to begin the process.

[4:17:26 PM](#)

MS. RICCI, in response to a question from Representative Saddler regarding chronic conditions, answered that the waiver will be aimed at the 10 percent of the population driving 30 percent of the costs. For each potential condition, the question will be asked, "What is influencing this condition?" She talked about not recycling back into the system to restabilize individuals. She indicated that HB 344 is addressing the questions of why some outcomes do not reflect the amount of money that is being invested into the system and whether simple things effecting the outcomes can be addressed. In response to a follow-up question, she recapped the percentages shown on a previous slide.

[4:20:53 PM](#)

DR. ZINK returned to the PowerPoint to give examples of care needs. She highlighted nutritional support services and gave examples to illustrate the points on slide 8, "Example: Nutrition Supports," which read as follows [original punctuation provided]:

- Poor nutrition contributes to worsening medical conditions and escalates to hospitalization
- During discharge planning, food insecurity is identified as a need
- Nutrition services are tailored to address specific medical needs
- Stabilizes after post-acute event

- Encourages timely discharge
- Maintains independent living

DR. ZINK brought attention to another example on slide 9, "Example: Cycling Through API" [the Alaska Psychiatric Institute], and gave examples that illustrated the slide, which read as follows [original punctuation provided]:

- Co-occurring mental health and chronic health diagnoses
- Unstable living conditions lead to poor medication management
- Multiple admissions and delays in discharge
- Higher level of care than is medically necessary

[4:23:41 PM](#)

MS. RICCI discussed slide 10, "Tailoring Medicaid to Meet Alaska's Needs," which read as follows [original punctuation provided]:

- Medicaid is a state-federal partnership
- New federal support for Medicaid innovation
- 1115 waivers allow states to implement specific strategies reflecting their population's unique needs and priorities

MS. RICCI said the 16 states using the waivers are customizing them to meet the needs of their state. She said DOH envisions Alaska would take the same approach. She moved on to slide 11, which asks the following questions:

Who are we serving?
What are we paying for?
How are we paying for it?

MS. RICCI said this is within the context of community-based health settings or hospitals and facilities. It is a holistic view to support Alaskans.

[4:25:44 PM](#)

DR. ZINK advanced to slide 12, "Goals," and highlighted that they are to improve health outcomes and decrease downstream costs. She said DOH has listened to a lot of other states that have rolled out a waiver-use plan and the key takeaway is that

the process is a slow one, which provides the opportunity to reflect and adjust.

MS. RICCI drew attention slide [13], "Why a bill?," which read as follows [original punctuation provided]:

- Gives the Department the necessary authority to pursue a new 1115 waiver opportunity for health-related needs
- A health-related needs 1115 waiver would be distinct from Alaska's existing 1115 waiver
- Allows the Department to conduct actuarial analysis and develop the waiver application

[4:27:21 PM](#)

MS. RICCI, in response to a question from Representative Fields as to whether actuarial analysis could encompass private sector savings that impact the state, said DOH is working with contractors, and that is something the department would like them to look at. She added that in the context of cost-savings for Medicaid 1115 waivers, the parameters of cost-savings are specific to the Medicaid program.

[4:28:44 PM](#)

DR. ZINK, in response to a question from Representative Mina as to whether the 1115 waiver could address individuals who are in need of home- and community-based services, said there are other waivers via Medicaid that could potentially be utilized, and she emphasized the specificity of waivers.

MS. RICCI turned to slide 14, "Leveraging an 1115 Waiver to Address Health-Related Needs," which read as follows [original punctuation provided, with some formatting changes]:

Time-limited and medically necessary interventions
spanning:
Nutrition and Food Security
Workforce Development
Transportation
Temporary Housing
Case Management

MS. RICCI highlighted a distinction of case management that is necessary to support individuals as they move from using these services on a temporary basis to using them sustainably outside

the Medicaid program on a permanent basis. She said there are new opportunities in the area of workforce development that DOH will consider.

MS. RICCI next covered slide 15, "Financial Considerations," which read as follows [original punctuation provided]:

- Budget Neutrality: Centers for Medicare and Medicaid Services requires budget neutrality for all 1115 waivers.
- Alaska Medicaid Spending: The legislature authorizes Medicaid spending annually.
- Efficiencies in Care: There is strong evidence that addressing health-related needs improves health outcomes and reduces costs.

MS. RICCI noted that states have "the ability to leverage federal savings at the beginning of the waiver to help stand up the infrastructure necessary to support the changes that the waiver is demonstrating."

[4:32:57 PM](#)

DR. ZINK brought attention to slide 16, "Sectional Analysis," which read as follows [original punctuation provided]:

Section 1.

Adds a new section (h) to AS 47.07.036. Sectional Analysis 16

- Authorizes the department to apply for an 1115 waiver to establish one or more demonstration projects focused on addressing health-related social needs for Alaska Medicaid recipients in one or more specific geographic areas.
- Defines "health-related needs" as social or economic conditions that contribute to an individual's poor health outcomes.

MS. RICCI added that this was modeled after the Medicaid reform work of Senate Bill 74 [passed during the Twenty-Ninth Alaska State Legislature].

DR. ZINK brought attention to slide 17, which outlines the process and read as follows [original punctuation provided]:

Preparation

- Partner Engagement

- Tribal Engagement
- Technical Assistance
- Legislative Input & Authority

Development

- Actuarial Analysis
- Partner Engagement
- Tribal Consultation
- Waiver Proposal Drafting

Consultation

- Tribal Consultation
- CMS Negotiation
- Public Comment

Approval

- CMS Approval
- Annual Budget Process

Implementation

- Infrastructure and Capacity Building
- Services Available to Eligible Alaskans

Review

- Required Annual Reporting to CMS
- Annual Budget Process
- Renewal Opportunities

[4:37:22 PM](#)

MS. RICCI, in response to a question from Representative Saddler regarding the capacity of DOH to apply for waivers, indicated there is an Office of Health Savings within the Office of the Commissioner. She said DOH needs three positions and mentioned supportive positions in the Department of Law (DOL). She talked about short-term and long-term perspectives and longevity. She also mentioned the Division of Insurance can help with the necessary contractual work.

DR. ZINK added that federal partners "see a real benefit in moving this direction." She mentioned there are other supportive partners, as well.

[4:39:47 PM](#)

REPRESENTATIVE RUFFRIDGE expressed appreciation of the partners available and the hope that health care costs can be driven down.

[4:40:51 PM](#)

CHAIR PRAX opened public testimony on HB 344.

[4:41:22 PM](#)

JEANNIE MONK, Senior Vice President, Alaska Healthcare & Hospital Association (AHHA), testified in support of HB 344. She said AHHA appreciates the demonstration projects DOH has developed allowing collaboration between the department and health care providers to create change. She noted that Alaska has a "closed" health care system and, thus, it is a suitable environment for testing and innovation. She stated that hospitals feel the impact of health-related social needs daily and address those needs. She relayed that AHHA members would welcome the opportunity to partner with DOH to develop demonstration projects and address problems. She reminded committee members that in 2016, AHHA, [at that time named the Alaska State Hospital and Nursing Home Association (ASHNHA)], played a significant role in the development of Senate Bill 74. She said AHHA sees HB 344 as building on that previous work and thinks the proposed changes are complementary. She emphasized the current need in Alaska for "systems change," and AHHA strongly supports maximizing opportunities related to the 1115 waivers. She highlighted that rather than go to the emergency room, people could have their needs met outside of the hospital. She concluded with thanks to the committee for its consideration of HB 344.

[4:44:40 PM](#)

OWEN HUTCHINSON, Healthcare & Homelessness Integration Manager, Alaska Coalition on Housing and Homelessness, testified in support of HB 344. He offered background information related to the coalition, including that it is a United States Department of Housing and Urban Development designated lead agency for continuum of care for everyone in Alaska outside of Anchorage. He said the coalition, on its own, is unable to care for all homeless people in Alaska. In 2023, 18,000 people accessed homeless services; 43 percent of them self-reported a disabling condition, and 37 percent reported being Alaska Mental Health Trust beneficiaries. He noted that 1115 waivers of varying types are already being used in 47 states; in Arkansas and

Arizona, waivers allow service to people with serious mental illness and substance abuse disorders. He said the coalition sees improved health outcomes by addressing "the social determinants of health in coordination with their medical care." He mentioned an actuarial report from 2020 that revealed "supportive housing" costs at approximately \$50 per day per person compared to API, which costs over \$1,000 per day per person. He said a waiver would help "reduce the number of people accessing homeless services and increase the outflow into housing." He thanked the committee for its consideration of HB 344 and urged members to pass it out of committee.

[4:48:01 PM](#)

BRIAN LEFFERTS, Director, Division of Public Health, Yukon-Kuskokwim Health Corporation (YKHC), testified in support of HB 344. He said this is an incredible opportunity for the state and the Yukon-Kuskokwim Region and would result in improved health outcomes. He offered information regarding YKHC and said the region has many challenges that make health care access difficult and expensive. He reported that there is strong evidence suggesting that focusing on health-related social needs can prevent the need to access costly and difficult to access health care services, and this improves the quality of life while also improving the overall strain on YKHC's overburdened health care system, allowing the corporation to focus its resources on other health care needs. He related that YKHC is eager to work with DOH to pilot the 1115 Medicaid waivers through demonstration projects to help meet basic needs. He concluded by asking the committee to support HB 344.

[4:49:58 PM](#)

BRYNN BUTLER, Housing Coordinator, City of Fairbanks, testified in support of HB 344 and gave "a passionate plea" to the legislature to support it. She described the proposed legislation as "a beacon of hope" for Alaskans in desperate need of supported services. She said evidence clearly shows that house-related needs "are the cornerstone of health outcomes, accounting for up to 50 percent of the equation." Without housing and transportation needs met, an individual's health suffers. She opined that it is time for the state to "pave the way for tailored services that will prevent negative health outcomes" and shift focus to "cost-effective and preventative intervention." She talked about breaking free from "the cycle of costly intervention" and "embracing a new era of supportive services." She asked to see "champions of change."

[4:52:03 PM](#)

CHAIR PRAX, after ascertaining there was no one else who wished to testify, closed public testimony on HB 344.

[4:52:17 PM](#)

REPRESENTATIVE SADDLER stated that he had been involved with Senate Bill 74 and appreciates the cost-saving aspect of the work being done on HB 344.

[4:53:08 PM](#)

CHAIR PRAX thanked the presenters and announced that HB 344 was held over.

[4:53:39 PM](#)

The committee took a brief at-ease at 4:53 p.m.

HB 226-PHARMACIES/PHARMACISTS/BENEFITS MANAGERS

[4:55:05 PM](#)

CHAIR PRAX announced that the final order of business would be HOUSE BILL NO. 226, "An Act relating to the Board of Pharmacy; relating to insurance; relating to pharmacies; relating to pharmacists; relating to pharmacy benefits managers; relating to patient choice of pharmacy; and providing for an effective date." [Before the committee, adopted as a working document on 2/27/24, was the proposed committee substitute (CS) to HB 226, Version 33-LS0955\S, Wallace, 2/9/24, ("Version S").]

[4:55:29 PM](#)

REPRESENTATIVE SADDLER moved to report CSHB 226, Version 33-LS0955\S, Wallace, 2/9/24, out of committee with individual recommendations and the accompanying fiscal notes.

[4:55:54 PM](#)

REPRESENTATIVE RUFFRIDGE objected to declare conflict, stating that he is currently a licensed pharmacist in the state of Alaska and owns and operates multiple pharmacies.

[UNIDENTIFIED SPEAKERS] stated objections [to the declaration of conflict].

[4:56:12 PM](#)

REPRESENTATIVE RUFFRIDGE removed his objection. There being no further objection, CSHB 226(HSS) was reported out of the House Health and Social Services Standing Committee.

[4:56:40 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:57 p.m.