

**ALASKA STATE LEGISLATURE**  
**SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

February 27, 2024

3:31 p.m.

**MEMBERS PRESENT**

Senator David Wilson, Chair  
Senator Löki Tobin  
Senator Forrest Dunbar  
Senator Cathy Giessel

**MEMBERS ABSENT**

Senator James Kaufman, Vice Chair

**COMMITTEE CALENDAR**

PRESENTATION: DEPARTMENT OF HEALTH RESPONSE TO LEGISLATIVE  
BUDGET & AUDIT FINDINGS

- HEARD

SENATE BILL NO. 240

"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

**PREVIOUS COMMITTEE ACTION**

BILL: SB 240

SHORT TITLE: SCHOOL DISTRICT MEDICAL ASSISTANCE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/19/24	(S)	READ THE FIRST TIME - REFERRALS
02/19/24	(S)	HSS
02/27/24	(S)	HSS AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

EMILY RICCI, Deputy Commissioner  
Department of Health (DOH)  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented the Department of Health Response to Legislative Budget & Audit Findings.

HEIDI HEDBERG, Commissioner  
Department of Health (DOH)  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented the Department of Health Response to Legislative Budget & Audit Findings.

DEB ETHERIDGE, Director  
Division of Public Assistance  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions on FY2022 legislative audit findings.

HEIDI HEDBERG, Commissioner  
Department of Health (DOH)  
Anchorage, Alaska

**POSITION STATEMENT:** Introduced SB 240 on behalf of the administration.

EMILY RICCI, Deputy Commissioner  
Department of Health (DOH)  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a presentation on SB 240.

LEAH VAN KIRK, Deputy Director  
Healthcare Policy Advisor  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Offered a presentation on SB 240.

DEBORAH RIDDLE, Operations Manager  
Division of Innovation and Education Excellence  
Department of Education and Early Development (DEED)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions on SB 240.

TREVOR STORRS, President  
Alaska Children's Trust  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 240.

#### **ACTION NARRATIVE**

[3:31:31 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Dunbar, Giessel, Kaufman, Tobin, and Chair Wilson.

**PRESENTATION: DEPARTMENT OF HEALTH RESPONSE TO LEGISLATIVE  
BUDGET & AUDIT FINDINGS**

[3:32:18 PM](#)

CHAIR WILSON announced the consideration of the presentation Department of Health Response to Legislative Budget & Audit Findings.

[3:32:52 PM](#)

HEIDI HEDBERG, Commissioner, Department of Health (DOH), Anchorage, Alaska, introduced herself.

[3:33:00 PM](#)

EMILY RICCI, Deputy Commissioner, Department of Health (DOH), Anchorage, Alaska, co-presented the Department of Health Response to Legislative Budget & Audit Findings. She moved to slide 2:

[Original punctuation provided.]

Division of Behavioral Health  
FY22 Audit Findings

**Audit Finding Category 1**

Major Impacted Programs:

- Medicaid/CHIP (Children's Health Insurance Program)

Audit Finding Conditions

- Benefit Payment Issues
- Member Eligibility Ingestion
- Provider Eligibility Screening

MS. RICCI said Category 1 of the audit finding pertains to Medicaid and the Children's Health Insurance Program (CHIP), particularly focusing on audit findings 2022-050, 2022-051, and 2022-056. These findings primarily concern benefit payment issues, member eligibility, and provider eligibility screening, with the Division of Behavioral Health and the Division of Healthcare Services being the most impacted. The findings are related to a combination of systems and process issues between the two divisions.

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MS. RICCI highlighted that audit finding 2022-050 involves the provisional enrollment of certain provider types for a period of time while they were still providing services to Medicaid recipients, which did not align with existing department regulations. Among other issues, efforts to resolve this include a review of provider enrollment and documentation by both the Division of Behavioral Health and the Division of Healthcare Services to ensure providers meet certification. Also, both the Division of Behavioral Health and the Medicaid Management Information System in the Division of Health Care Services are to maintain regulation standards. The issue is expected to be fully resolved in FY 2025, following the transition to a single Medicaid Enterprise system. Meanwhile, divisions are using system updates along with manual process review and oversight to keep further issues from occurring.

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MS. RICCI explained that audit finding 2022-056 also pertains to documentation gaps in the system for providers. For example, one of the gaps found in the system was the requirement for documentation of a master's degree for the position of Mental Health Professional Counselor that is a Behavioral Health rendering provider type covered under the State plan. The divisions are collaborating to ensure that all necessary documentation is correctly housed within the Division of Behavioral Health and the Medicaid Management Information System (MMIS).

MS. RICCI noted that audit finding 2022-051 was self-reported and concerns the Behavioral Health Administration Services Organization's issues with processing eligibility fees from the Division of Public Assistance. Some issues have been resolved through system updates. However, Optum Alaska Administrative Services Organization (ASO) is not able to address all the issues. Full resolution is anticipated in FY 2025 with the transition to a single Medicaid claims payment system. In the meantime, the department is doing manual checks to address ongoing issues.

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CHAIR WILSON inquired about audit finding 2022-050, specifically concerning paid behavioral health claims. He asked if the department has a new estimate on the error rate.

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MS. RICCI responded that the error rate is lower than 68 percent, but she did not have the exact figure available. She explained that the division has taken several corrective actions, including issuing two cure letters, engaging in a corrective action plan with Optum, and implementing process reviews. The division is also holding historical claims for accuracy reviews, conducting more frequent claims monitoring, performing quarterly reviews specifically related to this audit finding, and increasing post-payment reviews to quickly identify and resolve any issues.

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COMMISSIONER HEDBERG moved to slide 3:

[Original punctuation provide.]

Division of Public Assistance FY22  
Audit Findings

Audit Finding Category 2

Major Impacted Programs:

- Medicaid/CHIP (Children's Health Insurance Program)
- Low Income Heating Assistance Program (LIHEAP)
- Supplemental Nutrition Program (SNAP)
- Temporary Assistance for Needy Families (TANF)

Audit Finding Conditions

- Benefit Payment Issues for SNAP and TANF
- Member Eligibility Issues for Medicaid/CHIP and TANF
- Program Reporting for LIHEAP and TANF

COMMISSIONER HEDBERG addressed the second category of audit findings, primarily involving public assistance programs managed by the Division of Public Assistance. The audit findings related to the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, and the Low-Income Home Energy Assistance Program (LIHEAP), also known as the Heating and Water Assistance Program.

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COMMISSIONER HEDBERG said she would discuss the five major strategies the division is focusing on to address the audit findings:

- Quality Improvement Plan: Prior hearings with the Division of Public Assistance, Field Services, discussed a business process redesign. The division has finalized a strategic roadmap to

identify gaps, streamline processes, and improve service deliveries. This plan involves five committees composed of staff across various sectors of Public Assistance, including policy, finance, field staff, and leadership. These committees will address state and federal corrective action plans, audit findings, and pull together data analysis from the five focus areas of: financial accountability, state and federal corrective action, information technology, policy and procedure, and business process redesign. The five committees will pull together documentation to look at the issues that were identified, how to prevent the issues, and what system changes need to happen surrounding IT, staff training, and policy. The continuous quality improvement plan will occur in April. Home and Community-Based Systems (HCBS) Strategies was contracted to initiate strong facilitation of the quality improvement process.

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COMMISSIONER HEDBERG continued discussing the department's five strategies:

- New Deputy Director: The division has appointed a new deputy director with 20 years of state government experience, specifically in administration and finance, to help ensure the accounting structures are properly set up and expenditures are correctly categorized.
- Accounting Structure Review: The division is conducting a deep dive into its accounting structures to ensure they are set up properly and that expenditures align with the correct accounting code.
- TANF Program Compliance: A contractor, Public Consulting Group (PCG), has been engaged to provide technical assistance and help bring the TANF program into compliance. This includes reviewing audit findings and administrative practices.
- Partnership with U.S. Digital Services: The division is collaborating with U.S. Digital Services to improve the ex parte process for Medicaid redeterminations and enhance the data connections, increasing the percentage of automatically determined redeterminations to 20-25 percent per month. Additionally, they are assisting with improving the SNAP reapplication process.

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SENATOR DUNBAR commented that he had been informed that the new deputy director has relevant experience related to the transition away from Optum and the [Administrative Services

Organization (ASO)] system. Dunbar expressed hope that this transition will proceed smoothly, noting that many providers are eager to return to a system that does not involve [ASOs]. He then inquired about the SNAP program, observing that it seems to have a lower rate of inaccuracies or insufficient documentation compared to Medicaid, where timeliness is a bigger issue. He asked whether the 10 percent of incorrectly calculated cases and the 42 percent with insufficient information are related to the income of the benefit recipients or other factors, such as their assets.

[3:45:43 PM](#)

COMMISSIONER HEDBERG deferred to the question.

[3:45:56 PM](#)

DEB ETHERIDGE, Director, Division of Public Assistance, Department of Health, Juneau, Alaska, clarified that asset levels do not impact SNAP calculations. However, several factors could affect the calculations, not just income. She explained that verification of shelter costs or utilities could also influence the amount of SNAP benefits distributed and the eligibility determination.

[3:46:26 PM](#)

SENATOR DUNBAR noted that 10 percent of SNAP cases were found to be incorrect, and 42 percent had insufficient information or inaccurate data in ILINX. He requested a description of the types of documents that were missing in these cases.

MS. ETHERIDGE explained that errors in SNAP cases could result from both agency and client mistakes. For example, income might not have been reported correctly by the client, or the agency could have registered it incorrectly. She clarified that the ILINX system is the division's online document management system. Errors in this system could occur if verified income documents were not properly stored, making them inaccessible during the audit.

SENATOR DUNBAR asked if the ILINX system is primarily used for income verification documentation or if it includes other types of documentation that individuals might have failed to upload.

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MS. ETHERIDGE explained that the ILINX system contains a variety of documents, including applications, renewal forms, identification, and any other forms required by the division to make a determination. Additionally, the system may store copies

of notices, letters, and requests for fair hearings. She likened the ILINX system to an old-fashioned paper file, except that all documents are stored electronically.

SENATOR DUNBAR inquired whether asset tests are documented and, if so, whether those documents are stored in the ILINX system.

[3:48:15 PM](#)

MS. ETHERIDGE confirmed that all assets, when there are asset tests, are documented, and the related documentation should be stored in the ILINX system. She suggested that some of the errors might have occurred due to issues with the storage of these documents in the system.

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CHAIR WILSON asked whether the department has conducted a retrospective review by taking a random sampling of files to assess the potential error rate.

MS. ETHERIDGE responded that the department conducts a management evaluation, which includes both a federal and an internal management assessment. This evaluation not only reviews cases to determine if they were processed correctly or made an error but also involves extensive staff interviews to assess their knowledge. She noted that this evaluation occurs every other year.

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COMMISSIONER HEDBERG acknowledged the end of the presentation.

[3:49:52 PM](#)

At ease

### **SB 240-SCHOOL DISTRICT MEDICAL ASSISTANCE**

[3:51:51 PM](#)

CHAIR WILSON reconvened the meeting and announced the consideration of SENATE BILL NO. 240 "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."

[3:52:24 PM](#)

HEIDI HEDBERG, Commissioner, Department of Health (DOH), Anchorage, Alaska, introduced SB 240 on behalf of the administration stating it aims to improve access to school-based services for all Medicaid-eligible children. She explained that

SB 240 supports access by removing statutory barriers. The bill offers convenient options for parents seeking care for their children, supports parent-directed services within the school setting, promotes early intervention, and eliminates obstacles that prevent schools from leveraging federal Medicaid matching funds. Additionally, it increases the flexibility for schools to seek Medicaid reimbursement for eligible children.

[3:53:40 PM](#)

EMILY RICCI, Deputy Commissioner, Department of Health (DOH), Anchorage, Alaska, moved to slide 3 and provided a brief overview of school-based services in Alaska under the Medicaid program. She explained that these services, delivered in a school setting as specified in Alaska's Medicaid state plan, include speech-language therapy, occupational therapy, physical therapy, behavioral health, and nursing services. Currently, state law mandates that for a service to be Medicaid reimbursable for a Medicaid-eligible student, it must be outlined in the student's Individual Educational Plan (IEP), and the student must have a disability.

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MS. RICCI noted that SB 240 would remove the requirement for these services to be covered under an IEP, thus broadening the scope of services for which schools can seek Medicaid reimbursement. She emphasized the challenges schools face in navigating Medicaid reimbursement due to their primary role as educators rather than healthcare providers. She mentioned that SB 240 addresses the administrative barrier of the statutory requirement that the service be covered under an IEP, but acknowledged that other challenges remain, which the department is prepared to help school districts overcome. She stated that currently, only six out of 54 school districts in Alaska leverage Medicaid reimbursement for services, including Anchorage, Delta Greeley, Fairbanks, Juneau, Ketchikan, and Matsu. Kenai participated until the 2019-2020 school year. She noted that speech, occupational, and physical therapy make up about 96 percent of the reimbursed services in schools.

[3:57:10 PM](#)

MS. RICCI moved to slide 4 and began discussion of the Healthy Families Initiative. She expressed that SB 240 would increase access to care for students in a convenient location for parents, aligning with the governor's Healthy Families initiative, particularly focusing on Healthy Beginnings and healthcare access.

[3:57:40 PM](#)

LEAH VAN KIRK, Deputy Director, Healthcare Policy Advisor, Department of Health, Juneau, Alaska, moved to slides 5 -6 and said SB 240 allows schools to seek Medicaid reimbursement for services provided to all children covered by Medicaid, enabling access to services in a familiar, daily setting. She emphasized that removing statutory requirements increases schools' flexibility to seek reimbursement when a child is eligible. The federal Medicaid match of 65 percent is crucial for schools, particularly when they already provide some services without seeking reimbursement. Additionally, SB 240 gives schools the option to offer services to children who previously couldn't access them, allowing decisions on service provision to include more children who may not have qualified before.

[3:59:08 PM](#)

CHAIR WILSON noted that the federal match of 65 percent is a little higher than the usual 50 percent match for most Medicaid services. He asked who pays for the remaining 45 percent.

MS. RICCI clarified that the federal match rate could vary between 50 percent and 65 percent, depending on the student's enrollment status, such as whether they are covered by the Children's Health Insurance Program (CHIP) or another Medicaid-qualifying status. She noted that the current system is cumbersome for both school districts and the Division of Healthcare Services. Currently, school districts pre-fund the state's match for services, which the Division then uses to draw down the federal match, passing both the federal and state funds back to the districts. However, under this system, districts must provide the state match upfront, which complicates the process. She mentioned that the presentation would later cover new federal options for Medicaid reimbursement, such as roster billing or a per-student-per-month mechanism, which could be reconciled quarterly, as potential solutions to these challenges. She added that many school systems have failed to leverage federal matching funds due to the complexity of the process.

[4:01:25 PM](#)

CHAIR WILSON asked that during the presentation the Department discuss billing and why SB 240 has a zero fiscal note.

[4:01:40 PM](#)

MS. RICCI explained that SB 240 has a zero fiscal note because the services are already available to Medicaid-enrolled children in community settings. SB 240 is removing an administrative

barrier that would also make services available in a school setting. The anticipated slow increase in the utilization of school-based services is partly due to the need to resolve administrative challenges in creating a reimbursement system that works for both Medicaid and school districts. She mentioned that workgroups have been established, with the first meeting scheduled for next week, to begin discussions with school districts. Additionally, the Department is applying for a grant to cover implementation costs and necessary contractual support. She emphasized that SB 240 results in a cost shift from acute settings to more early intervention and prevention. Addressing students' needs before they become acute results in a cost shift rather than new costs to the system.

[4:03:15 PM](#)

SENATOR DUNBAR agreed with Ms. Ricci's final statement, expressing hope that if the bill passes, an economics student or researcher will conduct a dissertation over the next 10 years to track potential cost reductions in other areas due to early intervention. He noted that Alaska is not the first state to implement this type of school-based, non-Individualized Education Program (IEP) dependent services, and it would be interesting to observe if there are downstream cost savings as Alaska joins other states in providing these services.

[4:04:01 PM](#)

MS. VAN KIRK moved to slide 7 and emphasized that the SB 240 supports parents by providing another setting for their children to receive services, reducing the transportation challenges parents face, such as leaving work to transport their child to and from appointments. She highlighted the importance of this support, especially as children's re-engagement with health services has declined nationally since the pandemic. The Centers for Medicare and Medicaid Services (CMS) is working to increase flexibility for delivering school-based services and simplify the administrative process for schools to submit Medicaid claims. She also pointed out that children are more comfortable receiving services in the familiar school environment, which is beneficial for trauma-informed care. She clarified that the bill does not add any new services but gives schools the option, not a mandate, to submit claims for reimbursement through Medicaid.

[4:05:51 PM](#)

CHAIR WILSON asked if SB 240 requires school districts to hire mental health professionals directly or can districts contract providers.

[4:06:03 PM](#)

MS. VAN KIRK responded that services could be provided either by a school district employee or through a contracted provider.

[4:06:17 PM](#)

MS. RICCI moved to slide 8 and reiterated the benefits SB 240 would provide Alaskans:

[Original punctuation provided.]

**Families and Children**

- Provides more convenient choices for parents seeking care for their children
- Increases access to services for children
- Promotes early intervention and prevention

**System Efficiencies**

- Reduces administrative burden
- Maximizes federal Medicaid match

MS. RICCI added that early intervention and prevention were consistently emphasized during the Department's work on the behavioral health roadmap. She noted that there was a strong desire for increased school-based services in nearly every region visited, making this bill responsive to stakeholder feedback. She reminded the committee that there are administrative burdens that involve process issues that need to be worked through, such as figuring out how to apply the new Medicaid flexibilities to the current system in a way that provides flexibility to school districts in Alaska. It also provides opportunities to maximize federal matching funds.

[4:07:29 PM](#)

MS. VAN KIRK moved to slide 9 and noted that new flexibilities were released in May 2023 to encourage schools to claim reimbursement for school-based services. She mentioned that 25 states have updated regulations and statutes to allow reimbursement for services beyond those included in an Individualized Education Program (IEP). She emphasized the state's efforts to connect with stakeholders, including schools, behavioral health organizations, current service providers, and the Department of Education, to identify effective systems and reduce the administrative burden currently limiting participation. With only six school districts currently submitting Medicaid reimbursement claims, the goal is to

increase that number, which will take work and require stakeholder engagement.

[4:08:57 PM](#)

MS. VAN KIRK announced the initiation of a stakeholder engagement process, with the first meeting scheduled for Friday, involving various organizations, divisions, and departments. The state is also applying for a grant from the Centers for Medicare and Medicaid Services (CMS) to support the implementation of school-based services, with a focus on ensuring rural communities can participate. She highlighted concerns about small rural school districts navigating Medicaid and mentioned that the state is exploring models from other states to address these challenges. She reiterated that school-based services were identified as essential in every region during the behavioral health roadmap process and stressed that Medicaid-reimbursable services are a critical component, though not the complete solution, in meeting the needs of youth across the state.

[4:10:41 PM](#)

CHAIR WILSON asked what the cost to the state is if the grant for starting up the program is not awarded.

MS. VAN KIRK explained that the grant provides an opportunity to explore improvements, such as data systems that would enhance schools' ability to submit claims to Medicaid. She described it as a chance to envision and build a more effective system than the current one. She noted that stakeholder engagement and support for this bill were already planned before the grant's release, and consultation support has been engaged to guide the process.

[4:11:43 PM](#)

MS. RICCI stated that the grant would enhance conversations and bring sophistication to healthcare systems as the department enters the planning phase. However, she assured that even if the grant is not awarded, department staff will continue to support stakeholder engagement, planning, and implementation for school-based services.

[4:12:31 PM](#)

CHAIR WILSON inquired about the dollar amount of the grant.

MS. VAN KIRK replied the grant is \$2.5 million over three years.

[4:12:47 PM](#)

CHAIR WILSON raised concerns about the challenges small healthcare providers, such as independent Licensed Professional Counselors (LPCs), face when billing Medicaid, particularly due to frequent audits. He acknowledged that technical assistance is often provided but questioned whether the state is considering setting up its own billing and claims management service for school districts. He noted that managing billing and denials is a significant resource burden, especially for small clinics, and suggested that a state-supported service could alleviate this burden. He emphasized that while larger districts or third-party providers might manage these tasks efficiently, smaller rural districts might struggle, highlighting concerns from these districts and the need for stakeholder engagement.

MS. VAN KIRK stated that stakeholder engagement would address the concerns raised, including topics like billing and Medicaid services. She confirmed that school districts participating in Medicaid billing would help guide the work and contribute to related discussions.

[4:14:12 PM](#)

MS. RICCI discussed the new flexibilities released by the Centers for Medicare and Medicaid Services (CMS) in May of the previous year, which other states are expanding upon. These flexibilities address the challenges school districts face with traditional Medicaid billing, such as managing billing, denials, and authorizations. She mentioned that some of these flexibilities include waiving the requirement for Medicaid to pursue third-party liability for school-based services, allowing for a larger error rate, extending time for time studies, and exploring alternatives to direct billing, such as a per-pupil-per-month mechanism or roster-based services reconciled quarterly.

MS. RICCI emphasized that the department would work with school districts to apply these theoretical flexibilities to their practical needs. She acknowledged the challenges, such as managing documentation and tracking in a roster-based system and expressed optimism that these CMS flexibilities could be translated into a system that is not administratively cumbersome for school districts.

[4:16:04 PM](#)

MS. RICCI moved to slide 11 and said SB 240 is relatively simple and the sectional analysis has one section:

[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).

[4:16:51 PM](#)

CHAIR WILSON expressed a potential concern regarding SB 240. He noted that the bill allows school districts to provide behavioral modification services within the school setting, which might enable schools to bypass the Individualized Education Plan (IEP) process. He pointed out that students on IEPs have a different funding mechanism, with a differential rate of 13 to 1. He questioned whether school districts might opt to avoid the IEP process to access services through the program, which could result in less funding for those schools.

[4:17:57 PM](#)

MS. VAN KIRK recommended the question be deferred to the Department of Education and Early Development (DEED). She noted that stakeholders have mentioned that children referred for services, such as speech therapy, often do not meet the required level of acuity for those services to be provided in the school setting. She explained that SB 240 would allow and improve access to services for children who currently do not meet that level of need.

[4:18:38 PM](#)

DEBORAH RIDDLE, Operations Manager, Division of Innovation and Education Excellence, Department of Education and Early Development (DEED), Juneau, Alaska, explained that there are different levels of funding for special education. Intensive special education funding is allocated for students with the most significant disabilities at a rate of 13 times the base student allocation, but most students do not fall into this intensive category. She indicated that allowing students who do not qualify for an IEP to receive needed services would not constitute bypassing the IEP process.

CHAIR WILSON asked if there is a difference in the funding rate for students who are not classified at the intensive level of special needs compared to those who are.

[4:19:35 PM](#)

MS. RIDDLE replied no, they're counted as special education students. That is one of the multipliers. However, the 13 times the base student allocation applies only to students who are two standard deviations away from the norm for their specific disability.

CHAIR WILSON asked if there is a multiplier for a special needs child who qualifies for an IEP.

MS. RIDDLE replied that is true.

[4:20:07 PM](#)

CHAIR WILSON asked whether the availability of an easier process for obtaining services might result in fewer children being placed on IEPs, given whatever the rate multiplier is for those children.

MS. RIDDLE explained that the Individuals with Disabilities Education Act (IDEA) has specific rules for identifying children and the services provided through an IEP. She offered to follow up with more detailed information but suggested that services like speech therapy would still be provided through an IEP. However, if additional services are needed, such as in the case of her autistic grandson who receives both in-school and outside services, it would be beneficial if all services could be provided within the school setting. She used this as a scenario to illustrate the potential benefits.

[4:21:05 PM](#)

CHAIR WILSON clarified that his question focused on simpler behavioral health modifications for which some children have IEPs. He noted that the IEP process is not easy to administer, especially in schools with limited resources. Drawing from his experience as a substitute teacher, he observed that teachers often spend significant time on IEP conferences and related tasks, sometimes wishing they could instead focus on teaching while other professionals provide the necessary services. He asked how SB 240 might address the administration of such services to ease the burden on teachers.

[4:21:44 PM](#)

SENATOR DUNBAR said he found the IEP question intriguing and shared his limited experience with a different school district where too many IEPs were issued, sometimes inappropriately, as a pressure release valve for the district. He clarified that this experience was outside of Alaska and hoped such practices would not occur in Alaska.

[4:22:14 PM](#)

SENATOR DUNBAR commented on the drafting of SB 240, noting that issues can arise with non-exhaustive lists in legislation. He suggested that in Section 1, line 6, rather than using the phrase "including a child with a disability," it might be clearer to simply delete "with a disability." This change would avoid implying that only children with disabilities are eligible for the services, aligning with the bill's intent to make services available to any eligible child. He clarified that while this was just a drafting note and not significant enough to propose an amendment, he wanted it on record to ensure the correct interpretation—that any eligible child, with or without a disability, can access these services. He asked if he was misinterpreting the intent of that line.

[4:23:23 PM](#)

MS. VAN KIRK replied that Senator Dunbar was not misinterpreting line 6.

SENATOR DUNBAR sought confirmation that deleting the phrase would have had the same effect.

[4:23:34 PM](#)

MS. VAN KIRK explained that the phrasing in the drafting was intentional to avoid any unintended impact on children with disabilities. The goal was to clearly reference both children with and without disabilities, ensuring that the bill does not negatively affect any existing guidelines or protections for children with disabilities.

SENATOR DUNBAR asked for clarification, emphasizing that the dispositive point is whether the child is eligible for the services, regardless of whether they have a disability. He sought confirmation that eligibility, not the presence of a disability, is the key consideration.

MS. VAN KIRK replied that is correct.

[4:24:24 PM](#)

CHAIR WILSON opened public testimony on SB 240.

[4:24:49 PM](#)

TREVOR STORRS, President, Alaska Children's Trust, Anchorage, Alaska, testified in support of SB 240, which would expand school-based services to all Medicaid-eligible children. As an organization focused on preventing child abuse and neglect, he

emphasized that SB 240 would promote the health and well-being of Alaska's children by providing families with better access to healthcare resources, reducing the risk of abuse and neglect. SB 240 aligns state law with federal guidance, allowing schools to be reimbursed for services provided to all Medicaid-eligible students, not just those with an IEP. This expansion supports parent directed services within the school setting, early intervention, prevention, and increased healthcare access, which are vital for Alaska's children and families.

[4:27:08 PM](#)

CHAIR WILSON closed public testimony on SB 240.

[4:27:31 PM](#)

MS. RICCI thanked the committee for hearing SB 240.

[4:27:59 PM](#)

CHAIR WILSON [held SB 240 in committee.]

[4:28:34 PM](#)

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 4:28 p.m.