

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

February 6, 2025

3:17 p.m.

**MEMBERS PRESENT**

Representative Genevieve Mina, Chair  
Representative Andrew Gray  
Representative Zack Fields  
Representative Donna Mears  
Representative Mike Prax  
Representative Rebecca Schwanke

**MEMBERS ABSENT**

Representative Justin Ruffridge

**OTHER LEGISLATORS PRESENT**

Representative Kelly Merrick

**COMMITTEE CALENDAR**

HOUSE BILL NO. 73

"An Act relating to complex care residential homes; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 68

"An Act relating to the sale of alcohol; and relating to the posting of warning signs for alcoholic beverages."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 73

SHORT TITLE: COMPLEX CARE RESIDENTIAL HOMES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/27/25	(H)	READ THE FIRST TIME - REFERRALS
01/27/25	(H)	HSS, FIN
02/06/25	(H)	HSS AT 3:15 PM DAVIS 106

BILL: HB 68

SHORT TITLE: ALCOHOL: SALE, WARNING SIGNS  
SPONSOR(s): LABOR & COMMERCE

01/24/25	(H)	READ THE FIRST TIME - REFERRALS
01/24/25	(H)	L&C, HSS
01/24/25	(H)	L&C WAIVED PUBLIC HEARING NOTICE, RULE 23(A)
01/27/25	(H)	L&C AT 3:15 PM BARNES 124
01/27/25	(H)	Heard & Held
01/27/25	(H)	MINUTE(L&C)
01/29/25	(H)	L&C AT 3:15 PM BARNES 124
01/29/25	(H)	Moved HB 68 Out of Committee
01/29/25	(H)	MINUTE(L&C)
01/31/25	(H)	L&C RPT 5DP 2AM
01/31/25	(H)	DP: CARRICK, NELSON, BURKE, HALL, FIELDS
01/31/25	(H)	AM: COULOMBE, SADDLER
02/06/25	(H)	HSS AT 3:15 PM DAVIS 106

#### WITNESS REGISTER

HEIDI HEDBERG, Commissioner  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor.

EMILY RICCI, Deputy Commissioner  
Office of the Commissioner  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor.

CLINTON LASLEY  
Deputy Commissioner, Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor.

ROBERT LAWRENCE, MD, Chief Medical Officer  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor.

EVAN ANDERSON, Staff

Representative Zack Fields  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis for HB 68 on behalf of Representative Fields, prime sponsor.

SARAH OATES-HARLOW, President/CEO  
Alaska Cabaret, Hotel, Restaurant, and Retailers Association  
(CHARR)

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 68.

DAVID MCCARTHY  
Founder/CEO  
Northern Hospitality Group  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 68.

CODIE COSTELLO  
President/COO  
Performing Arts Center (PCA);  
General Manager  
Broadway Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 68.

#### **ACTION NARRATIVE**

[3:17:43 PM](#)

**CHAIR GENEVIEVE MINA** called the House Health and Social Services Standing Committee meeting to order at 2:53 p.m. Representatives Schwanke, Prax, Fields, Gray, and Mina were present at the call to order. Representatives Mears arrived as the meeting was in progress. Also present was Representative Kelly Merrick.

#### **HB 73-COMPLEX CARE RESIDENTIAL HOMES**

[3:18:27 PM](#)

CHAIR MINA announced that the first order of business would be HOUSE BILL NO. 73, "An Act relating to complex care residential homes; and providing for an effective date."

[3:19:07 PM](#)

HEIDI HEDBERG, Commissioner, Department of Health (DOH), co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor. She thanked the committee for hearing HB 73. She said the bill is the result of collaborative work between the Department of Family and Community Services (DFCS) and DOH "to address gaps in the Alaska system of care for individuals with complex behavioral health and co-occurring needs." She explained that Alaska currently lacks a place where individuals can get the care they need while remaining "in home-like community settings." The new license proposed under HB 73 would fill the gap in options. She introduced Deputy Commissioners Ricci and Lasley.

[3:20:19 PM](#)

EMILY RICCI, Deputy Commissioner, Office of the Commissioner, Department of Health, co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor. She said one key effort of the department is to strengthen the behavioral health system, a key aspect of which is to address complex care needs both at an individual and system level. She said the proposed legislation represents the outcome of that work within the department and with DFCS.

[3:21:20 PM](#)

CLINTON LASLEY, Deputy Commissioner, Department of Family and Community Services (DFCS), co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor. He talked about the recent split of the former Department of Health and Social Services into the two departments represented today and getting people the care they need in the most effective way. He said a case response team was created to look at individual cases, as well as a Complex Care Committee (CCC), which looked at finding appropriate care settings.

MR. LASLEY began a PowerPoint presentation [hard copy included in the committee file], on slides 3 and 4, "What Is Complex Care?," which read as follows [original punctuation provided]:

- ♣ Definition: Co-occurring behavioral, medical, or disability-related needs requiring a multi-disciplinary team and multiple programs.
- ♣ Vision: A coordinated system that delivers compassionate, timely, and person-centered care for the most vulnerable and complex Alaskans.

Behavioral health conditions  
Public safety encounters  
Disruptive behaviors  
1:1+ staffing required  
Co-occurring medical conditions  
Extensive inpatient hospital visits  
Carceral system involvement  
Out of state treatment  
Frequent emergency department visits  
Harm to self or others  
Psychiatric hospitalization

MR. LASLEY talked about group home settings that can provide individuals and focused groups the care they need. He said this is why the bill is important; the complex care residential license type would allow Alaskans to live their best life in the least restrictive environment.

[3:26:15 PM](#)

MS. RICCI picked up the presentation on slide 5, "What Does HB 73 Do?," which read as follows:

HB 73 creates the necessary statutory framework to allow the Department of Health to license and regulate a new setting:

Complex Care Residential Homes (CCRHs)

MS. RICCI covered the factors of how CCRHs would fill a gap in the care continuum, as shown on slide 6, which depicts a CCRH as being in the middle of a continuum from that which requires lower acuity care: foster homes, private residences, assisted living homes, and home and community based waiver services; and that which requires higher acuity care: residential psychiatric treatment centers, inpatient psychiatric hospitals, skilled nursing facilities, and general acute hospitals. She explained that the gap exists for people that do not meet the criteria of having an intellectual and developmental disability diagnosis, which is critical to them accessing most of the home and community-based waiver services; further, their needs are not critical enough to be appropriate to care for them in an in-patient setting.

MS. RICCI brought focus to slide 7, which showed four steps in establishing a new residential setting, with HB 73 being the second step. The four steps are: identify needs and define

scope; create new license type; determine services to be provided; and establish reimbursement mechanisms.

[3:30:08 PM](#)

ROBERT LAWRENCE, MD, Chief Medical Officer, Department of Health, co-presented HB 73 on behalf of the bill sponsor, House Rules by request of the governor. He showed a list on slide 8 of those that would benefit from a homelike setting of CCRHs and mentioned youth ages 8-12, with mental illness with multiple behavioral health diagnoses; adults with mental health disorders and other issues; and seniors with dementia, for example.

DR. LAWRENCE brought attention to slide 9, "Key Features of a CCRH," which read as follows [original punctuation provided]:

CCRHs will offer a new residential care setting in Alaska.

Fewer than 15 residents

24/7 care from a multi-disciplinary team

More supportive than assisted living homes and less restrictive than a psychiatric hospital

Specialized monitoring, intervention, and/or treatment to meet the needs of residents

DR. LAWRENCE turned to slide 10, "Benefits of a CCRH," which read as follows [original punctuation provided]:

Improves care for Alaskans with complex needs

Adds a license type for home-like settings that offer care in the most clinically appropriate environment

Allows for service specialization and for specific requirements to be set forth in regulations

Promotes community safety by offering a new service setting for individuals with complex behavioral health needs

[3:34:32 PM](#)

MS. RICCI offered a sectional analysis of HB 73, as shown on slides 11-13, which read as follows [original punctuation provided]:

Section 1. Amends AS 47.32.010(b) to add "complex care residential homes" to the list of entities regulated by the Department of Health.

Section 2. Amends AS 47.32.900(2) to update the definition of "assisted living home" to exclude complex care residential homes.

Section 3. Adds AS 47.32.900(11) to modify the definition of "hospital" to clarify that it does not include complex care residential homes.

Section 4. Adds AS 47.32.900(22) to introduce a new definition for "complex care residential home." It is defined as a residential setting that provides 24-hour multi-disciplinary care on a continuing basis for up to 15 individuals with mental, behavioral, medical, or disability-related needs requiring specialized care, services and monitoring.

Section 5. Amends the uncodified law by adding a new section that requires the Department of Health to submit for approval by the United States Department of Health and Human Services amendments to the state Medicaid plan or apply for waivers necessary to implement the provisions of Sections 1-4.

Section 6. Amends the uncodified law by adding a new section specifying that sections 1-4 of the bill will only take effect if the United States Department of Health and Human Services approves the required Medicaid waivers or amendments by July 1, 2031. The commissioner of health is required to notify the revisor of statutes within 30 days once the necessary approvals are received.

Section 7. Provides that sections 1-4 take effect the day after the United States Department of Health and Human Services approves amendments to the state plan or waivers submitted under Section 5.

[3:36:35 PM](#)

MS. RICCI, in response to Representative Prax, explained that the vision is for a homelike setting rather than an institutional one, while allowing for services typically provided in an institution. Size could change via regulation based on need. She explained that the cap of 15 individuals has to do with aligning with federal requirements.

[3:40:39 PM](#)

CHAIR MINA announced that HB 73 was held over.

**HB 68-ALCOHOL: SALE, WARNING SIGNS**

[3:40:57 PM](#)

CHAIR MINA announced that the final order of business would be HOUSE BILL NO. 68, "An Act relating to the sale of alcohol; and relating to the posting of warning signs for alcoholic beverages."

[3:41:20 PM](#)

REPRESENTATIVE FIELDS, as prime sponsor, presented HB 68. Briefly touching on points from the sponsor statement [included in the committee file], he noted that HB 68 mirrors legislation that was vetoed last year by the governor for having passed "two minutes after the midnight hour" [of the last day of session]. He said this legislation is broadly supported. It would allow individuals under the age of 21 to serve alcohol, which has been requested by restaurants and many in the hospitality industry. The bill would maintain the warning signs that alcohol can cause cancer. Further, it would address a license type for the Alyeska Resort and cut red tape for the Performing Arts Center in Anchorage, which would loosen restrictions on serving alcohol. He noted that currently the companion bill, sponsored by Senator Merrick, is in its third reading on the Senate floor.

[3:43:44 PM](#)

EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, on behalf of Representative Fields, prime sponsor, gave the sectional analysis for HB 68 [included in the committee file], which read as follows [original punctuation provided]:

Section 1. Amends AS 04.09.210(c) - Restaurant or eating place license

Allows the board to issue or renew a license if there is supervision on the premises to ensure that those under 21 will not obtain alcoholic beverages except if they are employed per new AS 04.09.049(d).

Section 2. Amends AS 04.09.210(d) - Restaurant or eating place license

Authorizes the license holder to employ those aged 16 to 21 years but requires adequate supervision to employees who are 16 or 17 years of age, so they do not obtain alcoholic beverages.

Section 3. Amends AS 04.09.250(c) - Theater license  
Expands the time period in which a theater license holder may sell or serve alcoholic beverages in designated areas. Removes intermission language.

Section 4. Amends AS 04.09.360(c) - Seasonal restaurant or eating place tourism license  
Allows the board to issue or renew a license if there is supervision on the premises to ensure that those under 21 will not obtain alcoholic beverages except if they are employed per new AS 04.09.049(d).

Section 5. Amends AS 04.09.360(f) - Seasonal restaurant or eating place tourism license  
Authorizes the license holder to employ those aged 16 to 21 years but requires adequate supervision to employees who are 16 or 17 years of age, so they do not obtain alcoholic beverages.

Section 6. Amends AS 04.09.450(d) - Restaurant endorsement

Allows the board to issue an endorsement if there is supervision on the premises to ensure that those under 21 will not obtain alcoholic beverages except if they are employed per new AS 04.09.049(d).

Prepared by the Office of Representative Fields 2

Section 7. Amends AS 04.09.450(e) - Restaurant endorsement

Authorizes the license holder to employ those aged 16 to 21 years but requires adequate supervision to employees who are 16 or 17 years of age, so they do not obtain alcoholic beverages.

Section 8. Amends AS 04.16.049(d) - Access of persons under the age of 21 to licensed

premises: Allows those who are aged 18, 19, or 20 employed by a licensee to serve, sell, deliver, and dispense alcoholic beverages. Adds "and, other than for the business that offers adult entertainment" to ensure that adult entertainment establishments are excluded.

Section 9. Amends AS 04.16.049(h) - Access of persons under the age of 21 to licensed

premises: Allows those under the age of 21 to be present on the licensed premises of a theater license holder if the person is at least 16 years of age; if they are under 16, they must be accompanied by a person who is at least 21 years of age, and a parent or legal guardian of the underaged person consents.

Section 10. Amends AS 04.16.052(a) - Furnishing of alcoholic beverages to persons under

the age of 21 by licensees: Allows licensees or an agent or employee of the license to allow another person to sell, barter, or give an alcoholic beverage to a person under the age of 21 years only under the provisions in AS 04.16.049(d).

Section 11. Amends 04.21.065(b) - Posting of warning signs

Requires that vendors of alcohol replace their sign that reads: "WARNING: Drinking alcoholic beverages such as beer, wine, wine coolers, and distilled spirits or smoking cigarettes during pregnancy can cause birth defects." with a new sign that reads: "WARNING: Alcohol use during pregnancy can cause birth defects. Alcohol use can cause cancer, including breast and colon cancers."

Section 12. Amends 04.21.080 - Definitions

Adds paragraph (31) to read "business that offers adult entertainment" has the meaning given in AS 23.10.350(f).

Section 13. Repeals AS 04.09.250(d) - Theater license

Repeals the provision that prohibits the sale, service, and consumption of alcoholic beverages in the audience viewing area of a theater.

[3:47:21 PM](#)

SARAH OATES-HARLOW, President/CEO, Alaska Cabaret, Hotel, Restaurant, and Retailers Association (CHARR), testifying in support of HB 68, gave a brief background regarding Alaska CHARR

and the hospitality industry in Alaska, including ongoing challenges, such as increasing workforce shortages. She noted that Alaska is one of only three states, along with Utah and Nevada, that require a person to be 21 years of age or older to serve alcohol. The industry is experiencing an outmigration of young workers. She related her choice to remain in the Pacific Northwest in the hospitality industry rather than returning home to Alaska because she could make significantly more as a server out of state, earning six figures Outside. She said HB 68 would help hundreds of Alaska-owned establishments statewide, and she requested that the committee support the bill with an immediate effective date.

3:50:28 PM

DAVID MCCARTHY, Founder/CEO, Northern Hospitality Group, noted the establishments under the umbrella of the group and suggested that HB 68 could be a solution to Alaska's labor shortages. More importantly, he suggested, concerns about [allowing younger staff to serve alcohol] are already addressed through existing systems and policies. He assured the committee that no one under 21 is allowed to consume alcohol on premise. If the bill were to pass, those 18 to 21 would be educated on the issue. He posited that hospitality is "a noble career path" and the service of others is important "to build a healthy and sustainable community." He offered further details to that effect. He noted that there are few industries outside of hospitality that allow for such flexibility and wage potential, and he reported that one in three start jobs are in the industry. He concluded by stating his strong support for HB 68.

3:55:00 PM

CODIE COSTELLO, President/COO, Performing Arts Center (PAC);, General Manager, Broadway Alaska, testified in support of HB 68. She gave an overview of the offerings of the organizations with which she is affiliated and the important economic impact of them. She noted that under the current alcohol license, patrons may drink alcohol only within the upper lobbies and within a limited timeframe. The proposed bill would provide an updated framework for the rules of the license, which would increase service flexibility. She offered further details. She said that beyond economic impact, HB 68 would increase operating revenue that can be funneled back into the theatre, keep the theatre license in line with national standards, and increases the quality of patrons' experiences. Further, she said, "it is a win for local businesses by expanding workforce and for the

art industry and the lively downtown experience we all help to curate ...."

[3:58:16 PM](#)

MR. ANDERSON, in response to a question from Representative Prax regarding Section 9 of the bill and an individual under 16, offered his understanding that there are two different things at play: the responsibility of staff over the age of 21 for supervising the individual under 16 years of age; and a requirement that the underage individual already have the permission of a parent or guardian on file. He added that he thinks that could be, but wouldn't have to be, the same person.

[4:00:50 PM](#)

REPRESENTATIVE GRAY expressed gratitude to the sponsor for including "my portion of the bill" [from the previous legislature] in HB 68. He then opined that any information that can be given regarding the harms of alcohol is a good thing.

[4:02:31 PM](#)

CHAIR MINA announced that HB 68 was held over.

[4:02:53 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at [4:03] p.m.