

HIB

341

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 18, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/8/94

The FINANCE Committee considered:

HB 341

HOUSE BILL NO. 341

PHYSICIAN ASSISTANTS' SERVICES

"An Act relating to physician assistants; and providing for an effective date."

RECOMMENDATIONS:

be replaced with 154B 341 (HES) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note ⁽²⁾ HES, 1 DCCD

zero fiscal note(s) 1 DCCD, 1 DOI

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>E P Maclean</u> Maclean	<input checked="" type="checkbox"/>				
<u>Ronald Larson</u> Larson	<input checked="" type="checkbox"/>				
<u>Terry Martin</u> Martin	<input checked="" type="checkbox"/>	<u>Mark Penney</u> Penney		<input checked="" type="checkbox"/>	
<u>Bruce Grussendorf</u> Grussendorf	<input checked="" type="checkbox"/>	<u>San Powell</u> Powell		<input checked="" type="checkbox"/>	
<u>Don Heftman</u> Heftman	<input checked="" type="checkbox"/>				
<u>Jay Brown</u> Brown	<input checked="" type="checkbox"/>				

Ronald Larson
 () CHAIRMAN'S SIGNATURE
 Larson Maclean

F I S C A L N O T E

REQUEST:

Revision Date: Dept: Health and Social Services
 Title: An Act Providing coverage under
 medicaid Services of Physicians' Ass. BRU: Medicaid
 Sponsor: Sitton, James Components: Claims Processing
 Requestor: House Finance Committee No: 243

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

ESTIMATE OF ANY CURRENT YEAR (94) COST \$ _____

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Rep. Ron Larson, Co-Chair *RL* 465-3878
 Prepared By: Rep. Eileen MacLean, Co-Chair Phone: 465-4833
 Division: House Finance Committee Date: 4/8/94
 Approved By: _____ Date: _____
 Agency: _____ Date: _____

FISCAL NOTE

REQUEST:

Revision Date: Dept: Health and Social Services
 Title: An Act Providing coverage under
 medicaid Services of Physicians' Ass. BRU: Medicaid
 Sponsor: Sitton, James Components: Medicaid Non-facility
 Requestor: House Finance Committee No: 229

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

ESTIMATE OF ANY CURRENT YEAR (FY 94) COST \$

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Rep. Ron Larson, Co-Chair *RL* Phone: 465-3878
 Rep. Eileen MacLean, Co-Chair *EM* Phone: 465-4833
 Division: House Finance Committee Date: 4/8/94
 Approved By: _____ Date: _____
 Agency: _____ Date: _____

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSHB 341(HES)

Revision Date: 4/7/94
Title: An Act relating to physician assistants;....

Department: Commerce and Economic Dev.
BRU: Occupational Licensing
Component: Operations

Sponsor: Rep. Sitton, James, Nicholia
Requestor: House Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 94) cost: \$ None

POSITIONS		FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME		0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME		0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY		0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)
The provisions of CSHB341(HES) amends several statutes to include physician assistant services, however, the amendments do not affect the licensing statutes for physician assistants and therefore, funding is not required.

Prepared by: Jennifer Strickler, Administrative Officer
Division: Occupational Licensing
Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Phone: 465-2144
Date: 4/7/94

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FISCAL NOTE

No. 3
 Bill Version: CSHB 341 (HES)
 (H) Publish Date: 3/18/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: _____
 Title: Physician Assistants' Services
 Sponsor: Sitton
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Insurance
 Component: Operations
 COMPONENT SERIAL NO. 354

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer
 Division: Insurance

Phone: 465-2597
 Date: 1/19/94

Approved by Commissioner: Paul Felt
 Agency: Commerce and Economic Development

Date: 1/19/94

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COMMITTEE COPY

FISCAL NOTE

No. 4

Bill Version: CSHB 341 (HES)

(H) Publish Date: 3/18/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO :

Revision Date: _____
 Title: Physician assistants, services
 Sponsor: Representative Sitton
 Requestor: Representative Sitton

Department Affected: Labor
 BRU: Workers' Compensation
 Component: _____
Workers' Compensation
 COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Paul Arnoldt, Director *Paul Arnoldt* Phone: 465-2790
 Division: Workers' Compensation Date: 1/25/94

Approved by Commissioner: Charles W. Manly *Charles W. Manly*
 Agency: Department of Labor Date: 1/25/94

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Back-up

AMENDMENT

①

Failed

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TC: CSHB 341(HES)

Page 2, line 28, through page 3, line 2:

Delete

- "(1) midwife services;
- (2) clinical social workers' services;
- (3) psychologists' services;
- (4) chiropractic services;
- (5) physician assistant services;
- (6) advanced nurse practitioner services;"

Insert

- "(1) physician assistant services;
- (2) midwife services;
- (3) [(2)] clinical social workers' services;
- (4) [(3)] psychologists' services;
- (5) [(4)] chiropractic services;
- (6) [(5)] advanced nurse practitioner services;"

FISCAL NOTE

No. 2

Bill Version: CSHB 341(HES)

(H) Publish Date: 3/18/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

Revision Date: _____
Title: An Act Providing coverage under
Medicaid for Services of Physicians' Assistants
Sponsor: SITTON, JAMES
Requestor: _____

Dept. Affected Health and Social Services
BRU: Medicaid
Component: Claims Processing
COMPONENT SERIAL NO. 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	\$0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	\$0.0
CONTRACTUAL	99.0	247.6	278.8	314.0	353.6	\$398.2
SUPPLIES	0.0	0.0	0.0	0.0	0.0	\$0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	\$0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	\$0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	\$0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	\$0.0
TOTAL OPERATING	\$99.0	\$247.6	\$278.8	\$314.0	\$353.6	\$398.2

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	49.5	123.8	139.4	157.0	176.8	199.1
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	49.5	123.8	139.4	157.0	176.8	199.1
1003 GF Match	49.5	123.8	139.4	157.0	176.8	199.1
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	99.0	247.6	278.8	314.0	353.6	398.2

Estimate of current year (FY94) impact: 0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS (attach a separate page in necessary)

Contractual costs include claims processing at \$6.23 per claim with a one-time, first year cost of \$10.0 for system changes to add to the new provider type. Federal participation is available at 50% of costs. Growth and inflation combined are assumed to be 12.6% per year.

Prepared by: Dave W. Williams DW
Division: Medical Assistance

Phone: 465-3355
Date: 2/10/94

Approved by: Margaret R. Lowe
Commissioner: Margaret R. Lowe, M.Ed., Ed.S.

Date: 2-14-94

Agency: Department of Health and Social Services

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ASSUMPTIONS PERTAINING TO FISCAL ANALYSIS OF SB231 AND HB341

There are 194 licensed PAs in Ak; 168 are said to be in active status.

25% will enroll if the bill passes, which is 42 PAs of the active status.

35% of their practice will be Medicaid

The average charge will be \$70 per visit; reflective of 70% of the charges by PAs presently billing through physicians.

There will be 10 visits per day, 3.5 of those billed to Medicaid.

PAs will work 5 days per week, 48 weeks per year.

Assume regulations effective July 1, 1995

Growth and inflation combined are assumed to be 12.6%

Claims

17.0 PAs enrolled first year
 42.0 PAs enrolled 2nd year
 \$70 average expenditure claimed per visit
 3.5 Medicaid visits per day
 5.0 days worked per week
 48.0 weeks worked per year
 0.001 factor to change figures to thousands
 \$999.6 total claims expenditure 1st year; 17 PAs
 12.0 factor to get to monthly
 12.0 factor to get to paid part of fiscal year
 \$999.6 claims expenditures for paid part of first fiscal year
 \$2,469.6 claims expenditures for second year w/o growth and inflation

Contractual

\$6.23 processing cost per claim
 14280 total number of claims by PAs 1st year
 35280 total number of claims by PAs 2nd year
 0.001 factor to change figures to thousands
 \$89.0 cost for claims processing 1st year
 \$219.8 cost for claims 2nd and following years
 \$10.0 cost to modify MMIS for PA enrollment and claims processing
 \$99.0 total contractual for 1st year (MMIS plus claims processing)

Inflation and growth

1.126 factor for yearly increases

Federal participation

0.50 factor for Federal Financial Participation

0.0 factor for cells with \$0.0

Component	Combined Fiscal Note Totals					
	FY95	FY96	FY97	FY98	FY99	FY00
Med non-facility	229 999.6	2780.8	3131.2	3525.8	3970.0	4470.4
Claims process	243 99.0	247.6	278.8	314.0	353.6	398.2
Total	1098.6	3028.4	3410.0	3839.8	4323.6	4868.6

FISCAL NOTE

No. 1
 Bill Version: CSHB 341 (HES)
 (H) Publish Date: 3/18/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

BILL

Revision Date: _____
 Title: An Act Providing coverage under
Medicaid for Services of Physicians' Assistants
 Sponsor: SITTON, JAMES
 Requestor: _____

Dept. Affected Health and Social Services
 BRU: Medicaid
 Component: Medicaid Non-facility
 COMPONENT SERIAL NO. 229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	459.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	499.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
1003 GF Match	499.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4

Estimate of current year (FY94) impact: 0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS (attach a separate page in necessary)

The bill adds physician's assistants as an enrolled provider of services. It is estimated that 25% of the 168 licensed and active physician's assistants will enroll as Medicaid providers, beginning with a 10% enrollment in the first year. Enrollment would begin in July of 1995. Charges by a physician assistant are assumed to be 70% of the amount that has been charged through a physician's office for services performed by a physician's assistant. Physician assistants are counted as working 5 days per week, 48 weeks per year and having an average of 3.5 Medicaid visits per day. Growth and inflation combined are assumed to be 12.6% per year.

Prepared by: Dave W. Williams
 Division: Medical Assistance
 Approved by: Margaret R. Lowe
 Commissioner: Margaret R. Lowe M.Ed., Ed.S.
 Agency: Department of Health and Social Services

Phone: 465-3355
 Date: 2/10/94
 Date: 2-14-94

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COMMITTEE COPY

ASSUMPTIONS PERTAINING TO FISCAL ANALYSIS OF SB231 AND HB341

There are 194 licensed PAs in Ak; 168 are said to be in active status.

25% will enroll if the bill passes, which is 42 PAs of the active status.

35% of their practice will be Medicaid

The average charge will be \$70 per visit; reflective of 70% of the charges by PAs presently billing through physicians.

There will be 10 visits per day, 3.5 of those billed to Medicaid.

PAs will work 5 days per week, 48 weeks per year.

Assume regulations effective July 1, 1995

Growth and inflation combined are assumed to be 12.6%

Claims

17.0 PAs enrolled first year

42.0 PAs enrolled 2nd year

\$70 average expenditure claimed per visit

3.5 Medicaid visits per day

5.0 days worked per week

48.0 weeks worked per year

0.001 factor to change figures to thousands

\$999.6 total claims expenditure 1st year, 17 PAs

12.0 factor to get to monthly

12.0 factor to get to paid part of fiscal year

\$999.6 claims expenditures for paid part of first fiscal year

\$2,469.6 claims expenditures for second year w/o growth and inflation

Contractual

\$6.23 processing cost per claim

14280 total number of claims by PAs 1st year

35280 total number of claims by PAs 2nd year

0.001 factor to change figures to thousands

\$89.0 cost for claims processing 1st year

\$219.8 cost for claims 2nd and following years

\$10.0 cost to modify MMIS for PA enrollment and claims processing

\$99.0 total contractual for 1st year (MMIS plus claims processing)

Inflation and growth

1.126 factor for yearly increases

Federal participation

0.50 factor for Federal Financial Participation

0.0 factor for cells with \$0.0

Combined Fiscal Note Totals

Component	FY95	FY96	FY97	FY98	FY99	FY00
Med non-facility	229 999.6	2780.8	3131.2	3525.8	3970.0	4470.4
Claims process	243 99.0	247.6	278.8	314.0	353.6	398.2
Total-	1098.6	3028.4	3410.0	3839.8	4323.6	4868.6

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: _____ Dept. Affected: Health & Social Services
 Title: _____ BRU: Medicaid
 Component: Medicaid Non-facility
 Sponsor: Rep. Joe Sitton
 Requestor: _____ COMPONENT SERIAL NO. 229

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0*	500.	563.	633.9	713.8	803.8
MISCELLANEOUS						
TOTAL OPERATING	0*	500.	563.	633.9	713.8	803.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0*	250.	281.5	316.9	356.9	401.9
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		250.	281.5	316.9	356.9	401.9
1003 GF Match		250.	281.5	316.9	356.9	401.9
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL		500.	563.	633.9	713.8	803.8

Estimate of any current year (FY94) cost: \$ 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached.

* Proposed FY 95 operating budget does not include funding for top ten on Optional Medicaid services list.

Prepared by: _____ Phone: _____
 Division: _____ Date: _____
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: _____ Dept. Affected: Health & Social Services
 Title: _____ BRU: Medicaid
 Component: Claims Processing
 Sponsor: Rep. Joe Sitton
 Requestor: _____ COMPONENT SERIAL NO. 243

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0*	72.3	81.4	91.6	103.2	116.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0*	72.3	81.4	91.6	103.2	116.2
CAPITAL EXPENDITURES						

CHANGE IN REVENUES ()	0*	36.15	40.7	45.8	51.	58.1
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts		36.15	40.7	45.8	51.6	58.1
1003 GF Match		36.15	40.7	45.8	51.6	58.1
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTA						
Other						
TOTAL		72.3	81.4	91.6	103.2	116.2

Estimate of any current year (FY94) cost: \$ 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached

* Proposed FY95 operating budget does not include funding for top ten on Optional Medicaid Services list.

Prepared by: _____ Phone: _____
 Division: _____ Date: _____
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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Assumptions for Substitute Fiscal Note for HB 341 for DHSS
HIGH CASE SCENARIO

There are 206 licensed PA's in AK; 168 are said to be in active status.
 There are 28 mid-level practitioners in rural health clinics, of these 11 are PA's, 10 are ANP's, and 7 positions are currently vacant.
 Assume 20 PA's will enroll and bill Medicaid.
 Assume each PA will handle an average of 500 claims per year.
 Assume each claim will average \$50.
 The Department assumes growth and inflation combined are 12.6%.

The Department assumes that the cost to process each claim is: \$6.23.
 The Department assumes that the cost to modify MMIS for PA enrollment and claims processing will be \$10,000.

20 PA's X 500 claims per year = 10,000 total claims
 10,000 X \$50 per claim = \$500,000 total cost of claims

10,000 claims X \$6.23 per claim = \$62,300 total processing cost per claim
 \$62,300 processing costs + \$10,000 for change in MMIS for PA's = \$72,300 total administrative costs.

Federal Participation:

The federal government pays for 50% of costs for Medicaid program.

<u>Component</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Medical Costs	0*	500.	563.	633.938	713.81
Processing Costs	0*	72.3	81.41	91.668	103.218
Total Costs (Including 50% Federal Match)	0*	572.3	644.410	725.606	817.028

*Proposed FY95 operating budget contains no funding for top 10 services on Optional Medicaid list.

Discussion:

We feel that this set of assumptions lead to an acceptable but substantially higher than actual prediction of costs. The number of PA's that will actually enroll is probably closer to 10 than to 20. Furthermore, the PA's that enroll will be in rural areas and therefore their client volume (# of claims per provider) will be substantially less than 500 (derived from DHSS figures for ANP's in FY94 to date and FY93). The certified Rural Health Clinics average 215 claims per provider. Additionally, the figure of \$50 cost per claim is substantially higher than the actual for ANP's of \$37.21. Finally, this fiscal note fails to account for any cost shifting of patients that currently receive Medicaid services from currently billing providers.

MEDICAID COST COMPARISON

<u>Provider Group</u>	<u># of Providers</u>	<u>Claims per Provider</u>	<u>Total Claims</u>
Advanced Nurse Practitioners (ANP's) DHSS Figures for FY94 to January doubled	23	484	11,132
Physician Assistants (PA's) DHSS Fiscal Note	42	840	35,280
Physician Assistants (PA's) Substitute Fiscal Note High Case Scenario	20	500	10,000

<u>Provider Group</u>	<u>Average Costs per Claim</u>	<u>Total Claims</u>	<u>Total Claim Costs</u>
ANP's (DHSS figures for FY94 to January doubled)	\$37.21	11,132	\$420,946
PA's (DHSS Fiscal Note)	\$70.	35,280	\$2,469,600
PA's (Substitute Fiscal Note- High Case Scenario)	\$50.	10,000	\$500,000

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: _____ Dept. Affected: Health & Social Services
 Title: _____ BRU: Medicaid
 Component: Claims Processing
 Sponsor: Rep. Joe Sitton
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(Thousands of Dollars)

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FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

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* Proposed FY95 operating budget does not include funding for top ten on Optional Medicaid Services list.

Prepared by: _____
 Division: _____
 Approved by Commissioner: _____
 Agency: _____

Phone: _____
 Date: _____
 Date: _____

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*Proposed FY95 operating budget contains no funding for top 10 services on Optional Medicaid list.

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We feel that this set of assumptions lead to an acceptable but substantially higher than actual prediction of costs. The number of PA's that will actually enroll is probably closer to 10 than to 20. Furthermore, the PA's that enroll will be in rural areas and therefore their client volume (# of claims per provider) will be substantially less than 500 (derived from DHSS figures for ANP's in FY94 to date and FY93). The certified Rural Health Clinics average 215 claims per provider. Additionally, the figure of \$50 cost per claim is substantially higher than the actual for ANP's of \$37.21. Finally, this fiscal note fails to account for any cost shifting of patients that currently receive Medicaid services from currently billing providers.

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PA's (Substitute Fiscal Note- High Case Scenario)	\$50.	10,000	\$500,000

Alaska State Legislature

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State Capitol
Juneau, AK 99801-1182
907-465-2327
907-465-4713

Representative Joe Sitton

SPONSOR STATEMENT FOR HOUSE BILL 341, RELATING TO PHYSICIAN ASSISTANTS

House Bill 341 (HB 341) would amend several of Alaska's current statutes relating to health care providers in order to give Alaskans greater access to quality health care and place physician assistants on equal footing to those providers with similar levels of training.

Currently, physician assistants practicing outside a physician's office or a designated "Rural Health Clinic" do not qualify as Medicaid providers. This becomes a critical issue in rural Alaska because some communities may have physician assistants as their sole health care provider. In such a community, Medicaid eligible patients must often travel hundreds of miles to receive Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients, and unfairly reduces job opportunities for physician assistants. HB 341 remedies this situation by amending the statutes to allow physician assistants to receive payment directly.

In addition, HB 341 amends the statutes governing workers' compensation and private insurance companies to account for physician assistants' emergence as health care providers and insure that they do not have trouble receiving payment from these entities. The bill also adds physician assistants to the statute that prohibits private insurance companies from refusing to pay one health care provider if another qualified practitioner could offer the same procedure or level of care.

I urge you to support HB 341. It will update Alaska's statutes to account for changes in health care professions and provide Alaskans with better access to health care facilities.

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907-465-4713

Representative Joe Sitton

Sectional Analysis of CS HB 341 Relating to Physician Assistants

SECTION 1: AS 21.36.090(d) requires insurance companies to reimburse health care providers for services covered under an insurance plan as long as the health care provider is qualified by licensure to perform the service. This keeps insurance companies from limiting their reimbursement to physicians if the covered service can also be legally performed by other providers. Adding physician assistants to this list prohibits insurance companies from refusing to reimburse for their services.

SECTION 2: Amends AS 23.30.265(24) (Workers' Compensation) to add physician assistants to the definition of a physician and ensure that physician assistants can receive payment for services that they are qualified to provide.

SECTION 3: AS 7.07.030(b) details the optional medical services that are reimbursable under the state's Medicaid program. HB 341 adds physician assistants to this list.

SECTION 4: Adds physician assistants to prioritized list of optional medical services. Should the department find that the cost of Medicaid for all eligible persons exceeds the amount allocated in that year's state operating budget, AS 47.07.035 contains the prioritized list of what optional service will be paid in what order.

SECTION 5: Adds a definition of physician assistant services to AS 47.07.900 (Medicaid).


SECTION 6: Immediate effective date.

HB 341: "An Act relating to physician assistants; and providing for an effective date."

The department is in favor of section 1 of the bill, but has no position on the remaining sections of the bill.

Section 1 of the bill represents a simple modification to AS 21.36.090(d). This section of law prohibits discrimination against various medical practitioners who are performing services within the scope of their license that are covered under an insurance policy. Physician assistants would be added with this change. The change would allow physician assistants to bill and receive third-party reimbursements for the services they render. The department believes that this type of prohibition is the means to some savings in our health care system by assuring that less expensive providers of medical services can be reimbursed under an insurance policy.

The department views the issue as one of equity. If the state has established a license with a scope of practice, it is not consistent to allow discrimination against that licensee.



Paul Fuhs, Commissioner



Date

Alaska State Legislature

While in Fairbanks
119 N. Cushman St.
Suite 203
Fairbanks, AK 99701
907-456-8161



While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-2327
907-465-4713

Representative Joe Sitton

Memorandum

TO: Representatives Ron Larson and Eileen MacLean, Co-Chairs,
House Finance Committee

FROM: Representative Joe Sitton *JWS*

SUBJECT: Comment on the DHSS Fiscal Note for HB 341

DATE: April 5, 1994

HB 341 would add Physician Assistants' Services to the list of Optional Medicaid Services, prevent discrimination by insurer's against physician assistants, and allow physician assistants (PA's) to be reimbursed for services performed under Workers' Compensation claims.

Briefly, HB 341 seeks to allow PA's practicing outside a physician's office or a "Certified Rural Health Clinic" to qualify as Medicaid providers. This becomes a critical issue in rural Alaska because many communities have physician assistants as their sole health care provider. In such a community, Medicaid eligible patients must travel hundreds of miles to receive Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients, and unfairly reduces job opportunities for physician assistants.

HB 341 received a "Zero" fiscal note from the Department of Commerce, which regulates the insurance industry to ensure non-discrimination, and a "Zero" fiscal note from the Department of Labor for Worker's Compensation reimbursement.

The bill sponsor and the Alaska Academy of Physician Assistants consider the Department of Health & Social Services' fiscal note to be extremely high and feel that it dramatically overstates the costs.

DHSS estimates that 17 PA's will enroll and submit 14,280 new Medicaid claims for a total cost of \$1,098,600 in the first year the bill takes effect and that

42 PA's will submit 35,280 new claims costing \$3,028,400 the second year. The assumptions made for the number of Physician Assistants enrolling and the costs of new claims made to the system appear to ignore available information:

1.) 42 PA's independently billing Medicaid is unrealistic. There are 21 rural health clinics in Health Practitioner Shortage Areas representing 27 mid-level provider positions that are currently filled by 10 ANP's and 11 PA's with 7 vacancies. This is substantially less than the estimate of 42 PA's seeking to enroll. In addition, of these 21 rural clinics, 10 are "Certified Rural Health Clinics" and the PA's working there can already bill Medicaid as a mandatory service.

2.) HB 341 provides no economic incentive to bill Medicaid independently in an urban setting. PA's practicing in a physician's office bill Medicaid under their physician's name and are reimbursed at the Physician's rate of 100%. If PA's are allowed to bill independently, they will almost assuredly receive a lower rate of reimbursement similar to the 80% rate received by Advanced Nurse Practitioners (ANP's), who have a similar level of training.

3.) The state's experience with ANP's suggests much lower costs. ANP's are on the Optional Medicaid List and have been receiving reimbursement from DHSS. According to the Department's figures, an average of 36 to 38 nurse practitioners (compare to the Department's assumption of 42 PA's the second year) have billed Medicaid over the past fiscal year to date totaling \$210,473. Generously doubling this figure for the rest of the year, we arrive at a total of \$420,946 for patients and $1,019 \times \$6.23 \times 2 = \$12,697$ for processing for a total annual cost estimate of \$ 433, 643. That is approximately one seventh of, or \$2,594,747 less than, the Department's forecast for the PA's second year of \$2,780,800 with an additional \$280,000 for administrative costs.

4.) The DHSS fiscal note ignores inevitable cost-shifting. The whole point of this bill is to increase access to health care, but 14,280 new claims the first year and 35,280 new claims the next will not be billed to Medicaid simply because PA's can bill Medicaid independently. Logic suggests that these PA's will not treat an entirely new caseload of Medicaid eligible patients. Additionally, PA services are often less expensive than those of physicians and should offset some of the costs of newly enrolled Medicaid recipients.

Certified Rural Health Clinics in Health Practitioner Shortage Areas

<u>Location</u>	<u>Clinic Administered By:</u>	<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-Level Vacancy</u>
Chignik Bay	Bristol Bay Area Health Corp.		1		
Galena	City of Galena	1	1		1
Hoonah	SEARHC		1		
Unalaska	Iliuliuk Medical Clinic (Private Non-Profit)	2	2.25	.75	
McGrath	Tanana Chiefs Conf.		1		
Pelican	City of Pelican				1
Talkeetna	Sunshine Com. Health Service		1		
Whittier	City of Whittier	1			
Yakutat	Yak-tat Kwaan, Inc.		1.5		
Fort Yukon	Yukon Flats		1		
<u>Totals:</u>		<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-level Vacancy</u>
10		4	9.75	.75	2

Non-Certified Rural Clinics in Health Practitioner Shortage Areas

<u>Location</u>	<u>Administered By:</u>	<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-Level Vacancy</u>
Craig	Craig Health Corp.			?	
Skagway	Lynn Canal Med. Corp.		1		1
Haines	Lynn Canal Med. Corp.			2	
King Cove	City of King Cove	1			
Sand Point	City of Sand Point	1			2
Akutan	East. Aleut Tribes, Inc.	1			
Cold Bay	City of Cold Bay	1			
Bethel	Bethel Family Clinic			1.75	1
Togiak	Bristol Bay Area Health Corp.	1			
St. George	St. George Trad. Council				1
Nenana	Valley Family Health Serv. (Private Non-Profit)	1			
<u>Totals:</u>		<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-Level Vacancy</u>
11		6	1	4.75	5

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Representative Joe Sitton

Letters of Support

- 1.) Alaskan Academy of Physician Assistants
- 2.) Alaska State Medical Association
- 3.) Health Care Coalition of Alaska
- 4.) Alaska Nurses Association
- 5.) Alaska Public Health Association
- 6.) Tanana Valley Clinic



alaska academy of physician assistants

January 18, 1993

Rep Joe Sitton
Room 609, Court
State Capitol
Juneau, AK 99801-1182

RE: HOUSE BILL NO. 341

Dear Representative Sitton,

I am writing in behalf of the Alaska Academy of Physician Assistants. I would like to extend my gratitude for the work that you have done to promote the health and well being of all Alaskans by sponsoring HOUSE BILL NO. 341.

This "Bill" is very important to all Physician Assistants in the State of Alaska. It will open many doors that have been previously closed and remove some of the barriers to PA's in this state. HOUSE BILL NO. 341 covers some areas that have been of concern to PA's such as not being included in the list of practitioners who can sign "Handicapped" parking permits, not being on the list of providers for Workers Compensation. But of course, there is the big issue of not being listed as a Medicaid provider. This issue is very important in areas where PA's work at sites that are different than that of their collaborative physician or for persons who do locum tenens work.

I again would like to express my gratitude and look forward to working with you on this important bill.

Sincerely,

A handwritten signature in black ink, appearing to be "Barry L. Campbell", followed by a long horizontal line extending to the right.

Barry L. Campbell, PA-C
President



ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

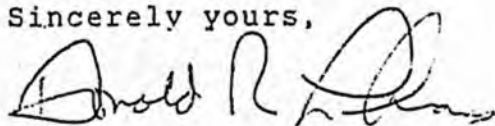
January 28, 1994

Rep. Joe Sitton
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Representative Sitton:

I am writing in support of your House Bill 341 which permits Medicaid reimbursement for physician assistant (PA services). Currently physician assistants practicing outside a physician's office or designated rural health clinics do not qualify as Medicaid providers. This is a critical issue in rural communities where the PA is the only health care provider. Medicaid eligible patients in these communities may have to travel long distances to obtain Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients. Your bill would also amend the statute so that PA's would be permitted to perform Workman's Compensation evaluations and allow private insurance companies to reimburse for physician's assistant's services. This bill will also enable a physician assistant to issue handicap parking permits. I believe this bill will benefit health care for all Alaskans. If I can be of any assistance to you on this bill, do not hesitate to contact me.

Sincerely yours,



Donald R. Lehmann, M.D.
Chairman, Legislative Affairs Committee
President, Alaska State Medical Association.

CC: Byron Mallot, John Riley, PA-C



HEALTH CARE COALITION OF ALASKA

January 27, 1994

Mr. John Riley,
President
Alaska Academy of Physician Assistants
Anchorage Neighborhood Health Center
1217 East 10th Avenue
Anchorage, Alaska 99501

Dear Mr. Riley:

The Health Care Coalition (HCC) of Alaska is pleased to support HB341 and SB231, which allows Physician Assistants to bill for their services to the Medicaid program. The current situation works a particular hardship upon rural communities, where solo PAs are working. Even in those clinics that are federally designated as Rural Clinics Medicaid will only reimburse on a flat fee basis, with the result that the clinics are often not able to recover actual costs on cases which may consume inordinate amounts of the practitioner's time. Without question, the current system works a hardship on Medicaid eligible patients who may have to travel long distances in order to use that resource for their care.

The HCC also strongly supports SB 235, providing for the forgiveness of student loans for several categories of health care professionals (including PAs). This program is much needed as a means for meeting the severe shortage of providers in Alaska. It covers physicians, osteopaths, physical therapists, occupational therapists, registered nurses and physician assistants.

Finally, the HCC is in strong support of current efforts to preserve the MEDEX Northwest PA Training Program at Sitka, and the Alaska Center for Rural Health, at the University of Alaska Fairbanks. The Legislature will be requested to increase the University budget to continue both those programs.

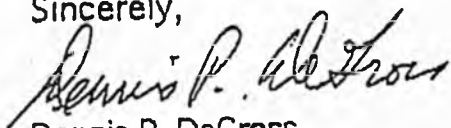
ALASKA ACADEMY OF PHYSICIAN ASSISTANTS • ALASKA PHARMACEUTICAL ASSOCIATION • ALASKA PUBLIC HEALTH ASSOCIATION
ALASKA STATE MEDICAL ASSOCIATION • HEALTH ASSOCIATION OF ALASKA • ALASKA NATIVE HEALTH BOARD • ALASKA NURSES ASSOCIATION • ALASKA DENTAL SOCIETY

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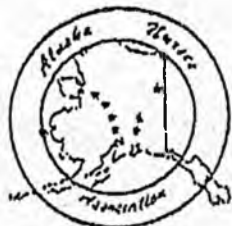
Thank you for this opportunity to comment on these health measures.

Sincerely,



Dennis P. DeGross
President and Co-Chair

CC: HCC members



ALASKA NURSES ASSOCIATION

237 E. 3rd Avenue #3 Anchorage, AK 99501 2523
(907) 274-0827 FAX (907) 272-0292

February 1, 1994

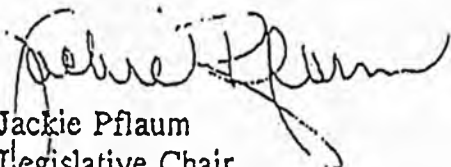
Representative Jeannette James
House of Representatives
State Capitol Room 501C
Juneau, Alaska 99801-1182

Dear Representative James:

This letter is written in support of HB 341, sponsored by yourself, and SB 231, sponsored by Senator Kertulla which permits Medicaid reimbursement for physician assistant (PA) services. Currently, physician assistants practicing outside a physician's office or a designated Rural Health Clinic do not qualify as Medicaid providers. This is a critical issue in rural communities where the midlevel practitioners are the only health care providers. Medicaid-eligible patients in these communities may have to travel long distances to obtain Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients.

HB 341 and SB 231 also amend the statutes so that PA's are permitted to perform Workman's Compensation evaluations and requires private insurance companies to reimburse for PA services. The bills also enable physician assistants to issue handicapped parking permits.

Sincerely,


Jackie Pflaum
Legislative Chair

Alaska Public Health Association

*Robert L. Cole, President
P.O. Box 4 - 1825
Anchorage, Alaska 99505*

February 3, 1994

*Mr. John Riley, President
Alaska Academy of Physician Assistants
Anchorage Neighborhood Health Center
1217 East 10th Avenue
Anchorage, AK 99501*

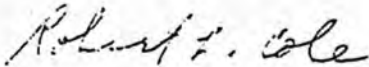
Dear Mr. Riley:

The Alaska Public Health Association strongly supports two pieces of legislation now before the Alaska Legislature. These are HB341 and SB231, which allow Physician Assistants to bill for their services to the Medicaid program.

Currently, rural communities employing solo PAs are greatly disadvantaged. Even those communities with federally designated Rural Clinics Medicaid will only reimburse on a flat fee basis, with the unfortunate result that the clinics are often not able to recover actual costs on cases which may consume inordinate amounts of the practitioner's time. The current system is especially tough on Medicaid-eligible patients who may have to travel long distances in order to use that resource for their care.

The Alaska Public Health Association welcomes this opportunity to comment on this legislation.

Sincerely,



*Robert Cole
President*

Tanana Valley Clinic

Family Medical Care
Since 1959

March 09, 1994

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Richard C. Hess, M.D.
Ralph A. Wells, M.D.
Nigel G. Wappes, M.D.
Phyllis L. Baras, PA-C
Jan Swanson, CHP

SURGERY

Ariane D. Kirschner, M.D.
Jon Lieberman, M.D.

INTERNAL MEDICINE

Michael J. Heide, M.D.
Jonathan R. Stern, M.D.

PEDIATRICS

Marvin E. Bergeson, M.D.
Richard C. Reem, M.D.
Nancy J. Schultz, M.D.
Marianne B. Woodward, M.D.
J. Timothy Fooks, M.D.

FAMILY PRACTICE

Hunter Judson, M.D.
Jan M.W. Talgovin, M.D.
Charles Steiner, M.D.
Conna Lovston, M.D.
Michael B. Fiedler, M.D.
Stephen Grandtun, M.D.
Dennis Rogers, PA-C
Patricia Green, CHP

PATIENT EDUCATION

Gina McCaughey, RN

ADMINISTRATION

Ron Davis, Administrator
Brenda J. Farmer, Controller/Asst. Admin.

Representative Joe Sitton
Room 609, Court - State Capitol
Juneau, Alaska 99801-1182

Dear Representative Sitton:

I am writing to you to ask for your support of HB #341, sponsored by Representative Joe Sitton and Jeannette James. There is a similar Senate Bill, #221, which is sponsored by Senator Jay Kerttula.

These bills are important to prevent any insurance company from denying payment for services provided by a Physician Assistant. Currently, there are several companies that will not pay for medical services provided by a physician assistant. Nurse Practitioners, and Chiropractors already have obtained legislation to prevent insurance companies from denying payment.

The other important part of these bills is establishment of medicaid reimbursement. At this time, medicaid patients, in some remote areas are denied care due to the fact that medicaid will not authorize PA's medicaid numbers to bill for services. In turn, these patients either don't receive care or are flown to town at an exorbitant cost to medicaid for care. What this does is effectively limit availability of health care to medicaid patients in rural settings, and actually greatly inflates the amount of money paid by medicaid for patient services because of the medivac or transportation into town.

These bills were developed after identification of some of the barriers to health care through discussion between the

HB 341/SB 231
Page 2

Interior Legislators, or their aides, and Physician Assistants from Fairbanks, Alaska. There have been letters of support from many organizations which include the Health Care Coalition, Alaska Nurses Association, and the Alaska State Medical Association to name a few. The Alaska Academy of Physician Assistants is actively working on these and other issues and will streamline the ability to care for all Alaskans, and assure that all Alaskans have equal access to care in the future.

I appreciate your time and attention to this matter and encourage your support in House Bill #341.

Sincerely,



Dennis M. Rogers, PA-C
Family Practice Department

rjo



Alaska Center for Rural Health

Telephone (907) 474-6020

P.O. Box 81710 • Fairbanks, Alaska 99708-1710

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HB 341

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Anchorage Neighborhood Health Center
1217 East 10th Avenue
Anchorage, AK 99501

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Dear Mr. Riley:

Anna Frank
Fairbanks, AK

The Alaska Center for Rural Health wishes to express its strong support for HB341 and SB231. These companion bills will permit Physician Assistants to bill for their services to the Medicaid program.

Mark Gorman, MPH
Sitka, AK

Bertha Jennings
Kotzebue, AK

In many of our rural communities, solo PAs are working far from the support of physicians and other elements of Alaska's health system. Current policy prohibits those PAs from billing Medicaid for their services, thus working an unfortunate as well as unfair hardship for rural communities.

Thomas Nighswander, MD
Anchorage, AK

Karen Perdue
Fairbanks, AK

Granted, clinics designated by the federal government as Rural Clinics are allowed to bill for Medicaid reimbursement, but only on a flat fee basis. This means that clinics are often not able to obtain compensation for the amount of time that a PA might actually spend on a patient. The current system works a hardship on Medicaid eligible patients who may have to travel long distances in order to use the resource for their care.

Jackie Pflaum, RN
Anchorage, AK

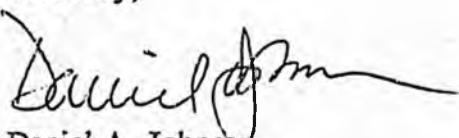
Tim Pollard, MD
Seward, AK

Joseph Ryan, ACSW
Anchorage, AK

Sincerely,

Judith Snow-Rosander, RN
McGrath, AK

Flora Sweetsir
Galena, AK


Daniel A. Johnson
Center Director

Margaret Wood, PhD
Dillingham, AK

Oric Williams
Bethel, AK

May 1, 1994

The Honorable Cynthia Toohey
House of Representatives
State of Alaska
Rm 104 Capitol Bldg
Juneau, AK 99801-1182

MAR 2 1994

RE: HOUSE BILL # 341 ESTABLISHMENT OF MEDICAID REIMBURSEMENT FOR
PHYSICIAN ASSISTANTS

Dear Representative Toohey:

I enjoyed the opportunity to speak with you yesterday regarding House Bill #341
concurring Physician Assistants Reimbursement by Medicaid.

You were most disturbed by the fiscal note attached to this bill of One Million Dollars. So
was I, when I learned this! This fiscal note is inaccurate!! If passed, there are about 40
Physician Assistants that this bill would affect. I think there are currently about 38 Nurse
Practitioners in the State who are billing for Medicaid. This would be about the same
number of Physician Assistants that this would affect. It makes me wonder if Physician
Assistants upset someone in the Medicaid office to provide you with this inaccurate cost!!
This is not correct or accurate information. We are only asking for the current rate of
reimbursement that is being provided to Nurse Practitioners, not the physician rate of
reimbursement.

To answer another one of your questions, Physician Assistants are licensed under the
Alaska State Medical Board, Nurse Practitioners under the State Nursing Board.

Also for your information, this bill which was supported by Representative Joe Sitton and
Representative Jeanette James, began at the grass roots level by concerned Fairbanks
Physician Assistants who turned to our legislators for help. You spoke of support of a bill
being worthy if it is represented by majority versus minority. I understand from our
conversation in your political environment this means a great deal to a bill on whether or
not gets recognized worthy of a hearing regardless of its content. This is a concept that I am
sure Physician Assistants do not understand. I urge you to at least consider a hearing on
this bill so it can begin to educate people about Physician Assistants and the role they
perform in health care delivery.

Since Nurse Practitioners are already being issued Medicaid numbers I hope you agree that
Physician Assistants who provide the same type of services should also be granted
Medicaid numbers. As I told you, I am a registered Nurse who went to a combined
Physician Assistant / Nurse Practitioner Program and I am living proof we are of equal
status and we do the same type of services in the delivery of health care.

We have the support of the Alaska Nurses Association, and the Alaska State Medical
Association and the Health Care Coalition just to name a few. Nurse Practitioners and
Physician Assistants are paid the same salary in Alaska. Most clinics and hospitals will hire
either one of us although the lack of issuing Medicaid numbers to Physician Assistants
(PA) is one example of a barrier to PA employment.

END

Representative Cynthia Toohey
March 1, 1994
Page Two

I also spoke with Con Bunde, your Co-Ch. He was more optimistic in telling me that a hearing would be scheduled, and if I didn't hear from him in the next two weeks to contact him. I do know that we are running short of time with the journey this bill must take. If I can provide any more information or help in any other way do not hesitate to call me. Thank you once again for your time in this matter.

Sincerely,



Wendy Hladick PA-C
Vice President of the Alaska Academy of Physician Assistants
Box 74
Galena, AK 99741
(907) 656-1891

PHYSICIAN ASSISTANTS

Physician assistants (PAs) practice medicine with supervision by licensed physicians, providing patients with services ranging from primary medicine to very specialized surgical care. A physician assistant's scope of practice is determined by state law, the supervising physician's delegation of responsibilities, the PA's education and experience, and the specialty and setting in which he works.

Physician Assistant Education

PAs are educated in accredited programs located at schools of medicine or allied health, universities and teaching hospitals. Prerequisites for admission generally include two years of relevant college coursework, plus patient care experience. PA education is usually 102 weeks (as compared with 152 weeks of medical school).

The first phase of the program consists of intensive classroom and laboratory study, providing students with an indepth understanding of the medical sciences. Subjects include anatomy, pharmacology, physiology, clinical laboratory medicine and microbiology, pathophysiology, physical diagnosis, medical ethics and behavioral sciences. The second phase consists of clinical rotations with physician preceptors in a variety of settings, such as hospitals, long term care facilities, and physicians' offices. Most programs require clinical rotations in internal medicine, family medicine, surgery, pediatrics, obstetrics/gynecology, psychiatry, emergency medicine and geriatric medicine.

PA programs are accredited by the American Medical Association's Committee on Allied Health Education and Accreditation (CAHEA).

National Certification

The National Commission on Certification of Physician Assistants is an independent organization established to assure the competency of physician assistants. In conjunction with the National Board of Medical Examiners, it administers a national certifying examination to graduates of accredited PA programs. Only those individuals who pass the exam may use the title "Physician Assistant-Certified" or "PA-C." In order to remain certified, PAs must complete 100 hours of continuing medical education every two years and take a recertification examination every six years. In large measure, this private voluntary certification process has been adopted as a state licensing requirement.

Practice Settings

In the 25 years since the first PAs began practicing, the profession has shown remarkable growth. In 1991 there were over 21,000 clinically practicing PAs in the United States, more than double the number just 10 years ago. They are located in almost all health care settings and in every medical and surgical specialty. Fifteen percent of all PAs practice in rural areas where they may be the only full-time providers of care (state laws stipulate the conditions for remote supervision by a physician). Twenty-one percent of the PA profession work in urban and inner city areas.

The majority of PAs are in primary care; one quarter practice in surgical specialties. Over three quarters of PAs practice in outpatient settings, with 24 percent located in inpatient settings. According to the US Department of Health and Human Services' 1990 report to the President and Congress, "Physician assistants are more evenly distributed than any other primary care providers and can greatly improve access to health care in many areas."

In 1991 PAs had 147 million patient contacts and wrote 112 million prescriptions. Eighty percent of all PAs work in states that allow prescriptive practice. (The percentage of PAs in rural areas is higher in states with prescriptive privileges.) PAs have proven adaptable to the changes in medicine over the last quarter century and are filling roles that could not have been anticipated when the profession began. For example, many hospitals, faced with a shortage of medical residents or restrictions on resident work hours, have discovered the value of physician assistants.

Growth of the PA Profession

Demand for PA services continues to grow. Factors that have contributed to this growth include Medicare coverage for the services provided by PAs (reimbursement is made to the PA's employer) and increased recognition of the quality of care that PAs provide. The US Department of Labor predicts a 23 percent increase in the number of PA positions over the next decade. Nationally, the demand for PAs exceeds the supply of graduates by 7.5 to 1.

Physician Assistant Organizations

The American Academy of Physician Assistants is the national professional society for PAs. It has chapters in all 50 states, the District of Columbia, Guam, the military services, the US Public Health Service and the Veterans Administration. Over two-thirds of all PAs are members of AAPA. Major activities of the organization include government relations, research and data collection, publications, and continuing medical education.

The Association of Physician Assistant Programs shares its national headquarters with the AAPA. Whereas the Academy's members are individual physician assistants and PA students, the members of APAP are the more than 50 accredited physician assistant educational programs. The Association serves as a national information center on PA education. Both organizations are currently located at 950 North Washington Street, Alexandria, Virginia 22314. (703-836-2272)

The National Commission on Certification of Physician Assistants, which administers the certifying examinations described above, is located at 2845 Henderson Mill Road NE, Atlanta, Georgia 30341. (404-493-9100)