

SB

231

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/10/94

FURTHER: Finance

Date of 5-Day Notice: 3/24/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/31/94

HES Committee considered: SENATE BILL NO. 231

"An Act providing coverage under Medicaid for the services of physician assistants; and reordering the priorities for Medicaid services."

and recommends:

replace with _____ CS SB 231 (HES)

same title
 new title
 technical title change (HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
HSS	2/14/94		999.6
HSS	2/14/94		99.0

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS.

OTHER RECOMMENDATIONS:

[Signature]

Loren A. Luman No rec
Judith E. Salo No Rec
Mike Miller No Rec
[Signature]

[Signature] No Recommendation
(Chair: Signature and Recommendation)

SPONSOR STATEMENT S.B. 231

MEDICAID COVERAGE PHYSICIAN ASSTS. SERVICES

SENATOR JAY KERTTULA

THIS BILL WOULD ADD THE SERVICES OF PHYSICIAN ASSISTANTS TO THE LIST OF MEDICAID REIMBURSABLE SERVICES. PHYSICIAN ASSISTANTS ARE NOW ABLE TO WORK AT A REMOTE SITE UNDER THE SUPERVISION OF A DOCTOR. ALTHOUGH THE DOCTOR MUST PROVIDE PATIENT REVIEW OF EACH CASE, THE PHYSICIAN ASSISTANT ACTUALLY SEES THE PATIENTS. HOWEVER, THE PHYSICIAN ASSISTANT CANNOT USE THE DOCTOR'S MEDICAID BILLING NUMBER AND CANNOT PRESENTLY GET A BILLING NUMBER OF THEIR OWN.

THIS BILL WOULD CURE THE PROBLEM AND ALLOW THE PHYSICIAN ASSISTANT TO HAVE AN INDIVIDUAL BILLING NUMBER FOR SERVICES PROVIDED TO MEDICAID PATIENTS.

PROVIDING THIS CONVENIENCE TO THE PHYSICIAN ASSISTANTS WOULD IN NO WAY CHANGE THE REQUIREMENTS THAT A LICENSED PHYSICIAN SUPERVISE THE ACTIVITIES OF THE PHYSICIAN ASSISTANT.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 21, 1994

SUBJECT: Sectional Summary of SB 231, a bill providing coverage under Medicaid for the services of physician assistants. (8-LS1349\A)

TO: Senator Jalmar Kerttula

FROM: Terri Lauterbach *TW*
Legislative Counsel

You have requested a sectional summary of the above described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds physician assistant services to the list of optional Medicaid services that DHSS can offer.

Section 2. Places physician assistant services in the priority listing that applies if Medicaid is underfunded.

Section 3. Defines "physician assistant services."

TML:mi
94-012.mai

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB231

Revision Date: 2/10/94
Title: An Act Providing coverage under Medicaid for Services of Physicians' Assistants
Sponsor: KERTULLA, ELLIS, LITTLE
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	499.8	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

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

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14280 total number of claims by PAs 1st year

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Component	FY95	FY96	FY97	FY98	FY99	FY00
Med non-facility	229 999.6	278 99.8	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

03/25/94 07:39:46
 MONTH: JANUARY, 1994

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
 PROVIDER PARTICIPATION ANALYSIS

REPORT NO. MR-0-12-T
 PAGE NO. 57

* PROVIDER TYPE: OGB NURSE PRACTITIONER

	THIS MONTH	SAME MONTH LAST YEAR	LAST SIX MO. AVG.	TREND	---FISCAL YEAR TO DATE---	
					THIS YEAR	LAST YEAR
NUMBER OF PROVIDERS ENROLLED	38	0	36	.112+	40	0
NUMBER OF PROVIDERS PARTICIPATING	20	0	18	.111+	23	0
PERCENT OF PROVIDERS PARTICIPATING	52.63%	0.00%	49.77%	.021+	57.50%	0.00%
TOTAL RECIPIENTS SERVED	519	0	453	.103+	2,136	0
AVERAGE RECIPIENTS PER PARTICIPATING PROVIDER	25.95	0.00	24.50	.024+	92.87	0.00
ELIGIBLES PER PARTICIPATING PROVIDER	2,633.00	0.00	3,356.54	.063-	3,225.00	0.00
* TOTAL PAYMENTS	\$33,731	\$0	\$29,510	.097+	*\$210,473	\$0
TOTAL NUMBER OF CLAIMS PAID	1,019	0	792	.094+	5,566	0
CROSSOVER COST	\$92	\$0	\$35	.188+	\$247	\$0
GROSS ADJUSTMENTS	\$0	\$0	\$222	.498-	\$275	\$0
AVERAGE CLAIMS PER PARTICIPATING PROVIDER	50.95	0.00	44.84	.010+	242.00	0.00
AVERAGE PAYMENT PER PARTICIPATING PROVIDER	\$1,686.56	\$0.00	\$1,670.38	.021+	\$9,151.07	\$0.00
AVERAGE PAYMENT PER PARTICIPATING RECIPIENT	\$64.99	\$0.00	\$68.18	.037+	\$98.54	\$0.00
THIRD PARTY PAYMENT AMOUNT (EXCL. COVERS)	\$662	\$0	\$787	.172+	\$4,988	\$0
PERCENT OF CLAIMS WITH THIRD PARTY PAYMENTS	1.75%	0.00%	1.53%	.149+	1.42%	0.00%
TOTAL UNITS OF SERVICE RENDERED	1042.0	0.0	803.3	.073+	5657.0	0.0
AVERAGE UNITS OF SERVICE RENDERED PER PART PROV	52.10	0.00	45.47	.008+	245.96	0.00
AVERAGE UNITS OF SERVICE RENDERED PER PART RECIP	2.01	0.00	1.96	.027+	2.65	0.00
AVERAGE PAYMENT PER UNIT OF SERVICE	\$32.37	\$0.00	\$36.73	.052+	\$37.21	\$0.00

FEB-11-94 FRI 16:12

DHSS Div. Med. Ass't, Anch.

FAX NO. 9075611894

P. 03

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

P.O. BOX 110660
JUNEAU, ALASKA 99811-0660
PHONE: (907) 465-3355
FAX: (907) 465-2204

September 17, 1993

Dr. Harold Johnston, Medical Director
Anchorage Neighborhood Health Center
1217 E. 10th Avenue
Anchorage, Alaska 99501

Dear Dr. Johnston:

Mr. John Riley inquired of us concerning several aspects of our policies concerning Medicaid reimbursement for Physician's Assistants. I will answer each separately:

- (1) In a Federally Qualified Health Center, will Medicaid reimburse for covered services furnished by a P.A.? Yes. While we have no regulations addressing FQHCs in Alaska, we are working on some that will appear for comment shortly. ANHC initiated these by requesting we make reimbursement changes; as they are drafted, these proposals would in no way affect either your scope of services or the qualifications of your professional staff who render particular services.
- (2) Will Medicaid reimburse for services rendered by a PA who is employed in an FQHC, but who occasionally renders FQHC services off-premises, as in local homeless shelters? Yes. Nothing in federal Medicaid FQHC policies calls into question reimbursement for off-premises services performed by licensed professionals within the scope of their licensure.

However, we understand there may be some non-Medicaid federal limitations on what can and cannot be done off premises. One that we have seen in our materials seems to suggest that only established patients of the clinic may be seen off-premises. I'd recommend you explore this question further through your granting authorities.

There may also be a problem in Medicaid reimbursing for eligible services if those services are funded in whole or part by a McKinney Federal Grant. I recommend you update us, detailing exactly what services you performed in the hospital showing, who performs them, and what the funding services are. With a fuller explanation, we can consult with our Federal program authorities about this issue.

Harold Johnston
September 17, 1993
Page 2

- (3) Is the Division considering limiting or ending reimbursement to physicians who bill for services performed by a PA for whom they are preceptor, or at least with whom they practice? No, not at present. Our current regulations only prohibit a P.A. from performing services for an enrolled hospital-based physician and from services as a surgical assistant. There is no specific regulation prohibiting a P.A. from performing services for which an enrolled physician in individual practice bills us.

However, a physician who employs other licensed health care professionals is, in the federal structure of Medicaid, actually a "physician's clinic". This is not a category our state regulations currently address (except for Mental Health Physician Clinics), and they probably should be amended to specify the criteria for clinics that are part of Federal Medicaid requirements.

I have attached the federal definition of clinic services, in which you can see that the primary criteria that apply to any physician's clinic are that all services must be provided on the clinic premises, the supervising physician must practice at that location, must actually supervise other practitioners, and must see each patient at least once. These requirements are not generally met by a PA who performs services at a location separate from the enrolled physician, which is why we recently had to deny an enrollment application from the individual PA that Mr. Riley inquired about.

Some PAs, but not all, who are practicing at a remove from a preceptor may meet "Rural Health Clinic" criteria and may be able to enroll as that type of provider if they meet Medicare certification criteria.

If you have any further questions, please don't hesitate to contact us.

Sincerely,



Kimberly B. Busch
Director

KBB:GGL:ncb

H:\POLICY\OLANDES\JOHNSTON.LTR

ALASKA PHYSICIAN ASSISTANT PROFILE

	CITY	TYPE		FEMALE		MALE		UNKNOWN		TOTAL	
		URBAN	RURAL	URBAN	RURAL	URBAN	RURAL	URBAN	RURAL	URBAN	RURAL
1.	Anchorage*	U		17		14		2		33	
2.	Barrow		R				2				2
3.	Bethel		R		5		2				7
4.	Bid Lake		R		1						1
5.	Chignik		R				1				1
6.	Chugiak*	J				2				2	
7.	Clear		R				1				1
8.	Dillingham		R		1						1
9.	Dutch Harbor		R				3				3
10.	Eagle River*	U				7		2		9	
11.	Fairbanks*	U		6		15				21	
12.	Ft. Wainwright*	U		1		1				2	
13.	Ft. Yukon		R				1				1
14.	Gaiena		R		1						1
15.	Girdwood*	U				1		1		2	
16.	Glennallen		R				1				1
17.	Healy		R				1				1
18.	Homer		R		1						1
19.	Juneau*	U				3				3	
20.	Kasilof		R				1				1
21.	Kenai		R				5				5
22.	Kodiak		R				2				2
23.	McGrath		R				1				1
24.	Naknek		R				1				1
25.	Nome		R		2		1				3
26.	North Pole		R		1		4				5
27.	Palmer		R				5				5
28.	Pelican		R				1				1
29.	Salcha		R				1				1
30.	Seward		R		1		2				3
31.	Skagway		R				1				1
32.	Sitka		R		3		2				5
33.	Soldotna		R		2						2
34.	Talkeetna		R				1				1
35.	Tanana		R				1				1
36.	Wasilla		R				8		1		9
37.	Whittier		R		1						1
38.	Yakutat		R		1		1				2
		TYPE		FEMALE		MALE		UNKNOWN		TOTAL	
TOTALS - 38 Communities		7	31	24	20	43	50	5	1	72	71

= 143

*: Urban communities are defined as Anchorage, Fairbanks, and Juneau and their adjoining metropolitan areas.

Chart Compiled by DHSS/DPH Cooperative Agreement Project 10/29/93

Source: State of Alaska, State Medical Board, Directory of Licensed Physicians, Osteopaths, Podiatrists, Physician Assistants and Paramedics with License Expiration date of 12/31/94; Printed April 22, 1993.



alaska academy of physician assistants

MEDICAID REIMBURSEMENT FOR PHYSICIAN ASSISTANT SERVICES

Since 1971 Physician Assistants (PA's) have been licensed to practice medicine in Alaska with supervision by a physician. The methods of supervision are established in individual "collaborative agreements" which are required for each physician/physician assistant team.

Medicaid reimbursement has historically occurred through two mechanisms. Services performed by PA's who work as solo practitioners in designated "Rural Health Clinics" are directly reimbursed at a set fee per patient seen. Services performed by PA's working in physician clinics have been reimbursed by Medicaid as "incident to" services i.e. the services are billed under the physician's name as if the physician had provided the service.

The Problem

Two problems arose in 1993 with reimbursement of PA services. In the first instance a PA who had been hired as a solo practitioner at a rural clinic site was informed she could not be reimbursed for Medicaid services because her clinic was not formally designated a "Rural Health Clinic". In the second instance, several PA's who work in physician clinics were told by Medicaid personnel in Anchorage that Medicaid did not cover any PA services billed under the physician's name and it was fraud to do so. A regulation from the Alaska Administrative Code (7 AAC 43.110b) which prohibits reimbursement to hospital employed PA's for surgical assisting services was cited as supporting this interpretation.

After discussion with Division of Medical Assistance administrators in Juneau, a letter of opinion was provided by the head of the Division which stated that there was no intention on the part of the Division to discontinue reimbursement for "incident to" services performed by PA's at the present time. It also confirmed that PA's who are rural solo practitioners must be in a designated "Rural Health Clinic" to be reimbursed.

Existing Regulations

Medicaid regulations (7 AAC 43.035) list as eligible providers: " a person currently licensed by the State of Alaska to practice medicine...". "Practice of Medicine" is defined under AS 08.64380(7B) as meaning : " to use or display a title in connection with a persons name including "doctor of medicine", "physician", "M.D." or "doctor of osteopathic medicine", or "D.O." or a specialist designation including " surgeon" or "dentist" or a similar title, or any title which tends to show that the person is willing or qualified to diagnose or treat the sick or injured."

Nurse practitioners, who provide an equivalent level of medical service as PA's but who are not required to have physician supervision, were added as Medicaid providers under legislation passed in 1992. There are, however no regulations which address Medicaid reimbursement for primary care services provided by physician assistants.

Desired Outcome

The Alaska Academy of Physician Assistants would like to have legislation passed which includes PA's as approved Medicaid providers in all settings, including nursing homes. With no specific regulation pertaining to our services we will repeatedly be subject to differing interpretations by Division of Medical Assistance personnel. We want full reimbursement for our services, and would reject any attempt to reimburse PA's at a discounted percentage of physician charges. We provide an equal service to that provided by the physician within our scope of practice. The status quo would be preferable to receiving a discounted reimbursement rate as this would discourage physicians from utilizing PA services for Medicaid patients.

Financial Impact

We believe that the financial impact to the Division of Medical Assistance budget will be minimal since the majority of PA services are already being reimbursed as "incident to" services to the collaborating physician. Any additional reimbursement made to solo practice PA's would serve to increase access to the public in those areas, which are typically underserved medically.

John Riley PA-C
President, Alaska Academy of Physician Assistants
11/8/93



alaska academy of physician assistants

November 21, 1993

Jay Livey
Deputy Commissioner
DHSS, State of Alaska
P.O. Box 110601
Juneau, Alaska 99811-0601

Dear Mr. Livey:

This letter is to follow up our discussion at the October Health Care Reform meeting about physician assistant (PA) concerns regarding our Alaska regulations. We feel that several State regulations create barriers to our practice.

Our first concern regards Medicaid reimbursement for our services. Medicaid reimbursement for PA services has historically occurred through two mechanisms. Services performed by PAs who work as solo practioners in designated "Rural Health Clinics" are reimbursed to the clinics at a capitated rate. Services performed by PAs working in physician clinics have been reimbursed by Medicaid as "incident to" services, i.e. the services are billed under the physician's name as if the physician had provided the service. However there is no regulation defining PA reimbursement for "incident to" services.

Two problems arose in 1993 with reimbursement of PA services. In the first instance a PA who had been hired as a solo practioner at a rural clinic site was informed she could not be reimbursed for Medicaid services because her clinic was not formally designated a "Rural Health Clinic". In the second instance, several PA's who work in physician clinics were told by Medicaid personnel in Anchorage that Medicaid did not cover any PA services billed under the physician's name and it was fraud to do so. A regulation from the Alaska Administrative Code (7AAC 43.110b) which prohibits reimbursement to hospital employed PA's for surgical assisting services was cited as supporting this interpretation.

After discussion with Division of Medical Assistance administrators in Juneau, a letter of opinion was provided by the head of the Division which stated that there was no intention on the part of the Division to discontinue reimbursement for "incident to" services performed by PA's at the present time. It also confirmed that PA's who are rural solo practioners must be in a designated "Rural Health Clinic" to be reimbursed.

Legislation was passed in 1992 which added as Medicaid providers nurse practioners who practice outside of physician clinics. PAs who provide care in solo practices

should also be recognized by the Division of Medical Assistance as legitimate providers of Medicaid services. There are several rural communities which are not formally designated Rural Health Clinics where PAs are the only providers of care. Medicaid eligible patients in these communities, however, must travel hundreds of miles to receive Medicaid services. In addition we would like to have a statement in the regulations clarifying that services provided by PAs in physician clinics are covered by Medicaid. Otherwise the allowability of coverage for our services are subject to reinterpretation. We don't feel that these changes represent any significant impact on Medicaid budgetary outlays as most PA services to Medicaid patients are already being reimbursed as "incident to" service to PA collaborating physicians.

This Medicaid issue is an urgent one for the Alaska Academy of Physician Assistants. We have contacted legislators and lobbyists regarding a legislative solution, but were advised by a lobbyist that an internal solution such as an executive amendment would be preferable.

Our second area of concern regards our licensing regulations. Our remote site regulations require 160 hours of practice at the site of the physician preceptor before a PA may work in a remote setting. The intent was to make sure the physician and PA "understand" each other, but in reality it is a cumbersome and financially burdensome formality. The physician can make an adequate appraisal of PA abilities from an interview with the PA, recommendations from previous supervising physicians and the PAs past work experience. Once the PA has begun work at a remote site, the physician can tell much more about the PA's practice abilities by telephone contact and chart review than 160 hours in a non-remote setting.

Another problematic regulation requires that when there is a change in collaborating physician, even though the PA with the same collaborative agreement remains in the same location, seeing the same patients, the PA is still required to apply for and purchase a temporary license and later another permanent license to practice. We would like to see the temporary license requirement in this situation eliminated.

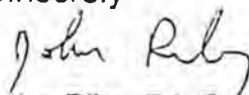
We are currently required to use our physicians DEA number on all prescriptions. This past year the DEA began issuing DEA numbers to all PAs and nurse practitioners. We would like our regulations changed so that we can register our own DEA numbers with the Board of Pharmacy and use them on our prescriptions for controlled substances. We feel this would permit better tracking of PA prescriptive practice than exists now and brings State regulations up to date with national practice.

There are approximately 400 licensed non-physician medical providers in Alaska (excluding health aides) and approximately 1100 licensed physicians. Non-physician providers therefore comprise almost 1/3 of the medical providers of the State. We make a significant impact on improving access to quality cost effective care in Alaska.

President Clinton's health care reform proposals stress increasing and improving utilization of non-physician providers and calls for removing barriers to our practices.

I look forward to discussing these and other PA regulatory matters with you at our meeting which Mary Durbrow scheduled with you for Wednesday December 1 at 9AM at the Health Summit Conference in Anchorage.

Sincerely

A handwritten signature in cursive script that reads "John Riley".

John Riley PA-C
President, AKAPA
1217 E. 10TH Ave.
Anchorage, AK 99501
TEL: 257-4603



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.

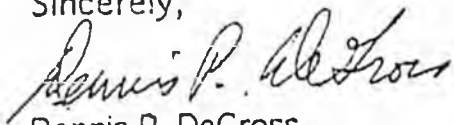
ALASKA ACADEMY OF PHYSICIANS ASSISTANTS • ALASKA PHARMACEUTICAL ASSOCIATION • ALASKA PUBLIC HEALTH ASSOCIATION
ALASKA STATE MEDICAL ASSOCIATION • HEALTH ASSOCIATION OF ALASKA • ALASKA NATIVE HEALTH BOARD • ALASKA NURSES ASSOCIATION • ALASKA DENTAL SOCIETY

working together . . . caring together

4107 Laurel Street Anchorage, AK 99508 (907) 562-2662 Fax 551-2063

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

Sincerely,

A handwritten signature in cursive script that reads "Dennis P. DeGross". The signature is written in dark ink and is positioned above the printed name.

Dennis P. DeGross
President and Co-Chair

CC: HCC members

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.

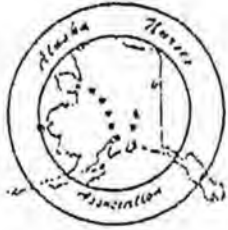
Currently, rural communities employing solo PAs are greatly disadvantaged. Even those communities with federally designated Rural Clinics Medicaid will only reimburse on a flat fee basis, with the unfortunate result that the clinics are often not able to recover actual costs on cases which may consume 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*



ALASKA NURSES ASSOCIATION

237 E. 3rd Avenue #3 Anchorage, AK 99501 2533
(907) 274-0827 FAX (907) 272-0292

February 1, 1994

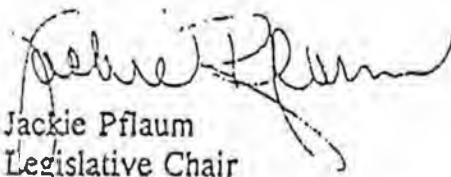
Representative Jeannette James
House of Representatives
State Capitol Room 501C
Juneau, Alaska 99801-1182

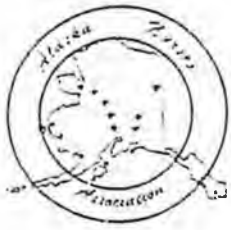
Dear Representative James:

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 NURSES ASSOCIATION

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

February 1, 1994

Dear

This letter is written in support of HB 341, sponsored by Representative James, 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

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)

WALTER J. HICKEL, GOVERNOR

PLEASE REPLY TO:

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 259-5100
FAX: (907) 276-3697

KEY BANK BUILDING
100 CUSHMAN ST., SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 451-2811
FAX: (907) 451-2846

P.O. BOX 110300 - STATE CAPITOL
JUNEAU, ALASKA 99811-3300
PHONE: (907) 465-3600
FAX: (907) 463-5255

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

August 4, 1993

Senator Suzanne Little
34824 Kalifonsky Beach Road
Soldotna, Alaska 99669-9728

Dear Senator Little:

The purpose of this letter is to confirm my telephone conversations with you and your staff member Leslie Ridle. In our initial telephone conversation, you indicated that you were concerned about the Medicaid policy regarding whether physician's assistants were allowed to bill for their services. You stated that you had been contacted by the Physician's Assistants Association regarding what was an apparent change in the policy. Members of the association were upset due to the fact that they had recently been informed that Medicaid would not pay for services performed by a physician's assistant. As I indicated to you on the phone, although I knew that physicians' assistants could not enroll as providers, I thought that under proper circumstances their services could be billed for by an enrolled provider. Therefore, I promised to look into the issue and let you know once I had contacted the Division of Medical Assistance to clarify the policy.

At a recent meeting, I did speak to the Division of Medical Assistance in Anchorage and was told that their policy is in fact to not pay for services rendered by physicians' assistants. Due to my prior understanding to the contrary, I have drafted a memo to Kimberly Busch, the Director of the Division of Medical Assistance, requesting clarification of the policy in writing. When I receive the clarification, I will be happy to forward the response to you.

Senator Suzanne Little

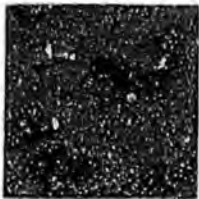
August 4, 1993

I am sorry that it is taking so long to get this information back to you. However, as I indicated to you in our first telephone conversation, I work in the Medicaid Provider Fraud Unit. My area of work and expertise is criminal law not interpretation or formation of Medicaid policy. However, once a written policy statement is received, I would be happy to discuss with you options for addressing the policy or direct you to another assistant attorney general who is more appropriate to any further request. If you have any questions, please give me a call at 269-5132.

Sincerely,

CHARLES E. COLE
ATTORNEY GENERALSusan A. Parkes
Assistant Attorney General

SAP:sj



LASKA STATE MEDICAL ASSOCIATION

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

*cc. + K you
File Back up*

January 28, 1994

FEB 3 1994

Senator Jalmar Kerttula
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Kerttula:

I am writing in support of your Senate Bill 231 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

JOHN WINKLMANN, P.A.-C

KENDRICK D. BLAIS, D.O.

HEALY CLINIC

P.O. Box 62
Healy, Alaska 99743
(907) 683-2211

March 29, 1994

Attention Senate Hess Committee Members

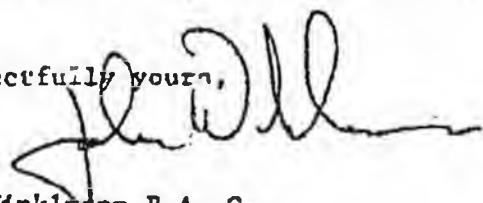
To Whom It May Concern:

Considering the interests of Medicaid recipients who reside throughout rural Alaska, especially the young and elderly who are additionally constrained by their inability to voluntarily travel to a metropolitan area, when in need of medical care. This is to state my support for Senate Bill 231 for the following reasons.

1. It will improve the availability of medical care to Medicaid recipients who live in rural areas of the state.
2. It will correct a current and glaring inequity in that P.A.'s would be reimbursed for providing medical services at an equal rate as that of Nurse Practitioners, who provide a similar level of medical care.
3. It would prohibit an insurance company from denying coverage to rural Alaskans whose primary medical care is provided by a Physical Assistant.

Thank you for your attention to this matter. I would be glad to expand on any of the above or about the general issue. You may contact me at the above address.

Respectfully yours,



John Winkmann P.A.-C.

Home phone: 683-2305