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337/345

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CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Health Care Commission and the Alaska health care**
2 **information office; relating to health care planning and information; relating to the**
3 **certificate of need program for certain health care facilities; and providing for an**
4 **effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new
7 section to read:

8 **LEGISLATIVE FINDINGS AND INTENT.** (a) The Alaska Legislature finds that

9 (1) the Constitution of the State of Alaska requires the legislature to promote
10 and protect the public health;

11 (2) health policy issues present some of the greatest challenges faced by the
12 state;

13 (3) the health status of Alaskans is directly tied to the long-term success of
14 the state's economy and well being; and

1 (4) the increasing cost of health care is threatening employer-sponsored
2 health care and making companies less competitive in the global economy.

3 (b) The legislature intends to mandate under this Act an evaluation of the state's
4 health care needs, propose reforms, and improve health care in Alaska by establishing the
5 Alaska Health Care Commission to include public and private stakeholders for the purpose
6 of developing a comprehensive policy that better meets the current and long-range health
7 care needs in the state.

8 * Sec. 2. AS 18.05.010(b) is amended to read:

9 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
10 18.15.395, the department may

11 (1) flexibly use the broad range of powers set out in this title assigned
12 to the department to protect and promote the public health;

13 (2) provide public health information programs or messages to the
14 public that promote healthy behaviors or lifestyles or educate individuals about
15 health issues;

16 (3) promote efforts among public and private sector partners to
17 develop and finance programs or initiatives that identify and ameliorate health
18 problems;

19 (4) establish, finance, provide, or endorse performance management
20 standards for the public health system;

21 (5) develop, adopt, and implement a statewide health plan, public
22 health plans, and formal policies through regulations adopted under AS 44.62 or
23 collaborative recommendations that guide or support individual and community
24 public health efforts;

25 (6) establish formal or informal relationships with public or private
26 sector partners within the public health system;

27 (7) identify, assess, prevent, and ameliorate conditions of public
28 health importance through surveillance; epidemiological tracking, program
29 evaluation, and monitoring; testing and screening programs; treatment;
30 administrative inspections; or other techniques;

31 (8) promote the availability and accessibility of quality health care

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services through health care facilities or providers;

(9) promote availability of and access to preventive and primary health care when not otherwise available through the private sector, including acute and episodic care, prenatal and postpartum care, child health, family planning, school health, chronic disease prevention, child and adult immunization, testing and screening services, dental health, nutrition, and health education and promotion services;

(10) systematically and regularly review the public health system and recommend modifications in its structure or other features to improve public health outcomes; and

(11) collaborate with public and private sector partners, including municipalities, Alaska Native organizations, health care providers, and health insurers, within the public health system to achieve the mission of public health.

* Sec. 3. AS 18.07.031(e) is amended to read:

(e) In (a) of this section, "expenditure" means the payment or promise of payment for medical [INCLUDES THE PURCHASE OF PROPERTY OCCUPIED BY OR THE EQUIPMENT REQUIRED FOR THE HEALTH CARE FACILITY AND THE NET PRESENT VALUE OF A LEASE FOR SPACE OCCUPIED BY OR THE] equipment required for the health care facility; "expenditure" does not include costs associated with routine maintenance and replacement of equipment at an existing health care facility.

* Sec. 4. AS 18.07.111(8) is repealed and reenacted to read:

(8) "health care facility"

(A) means

(i) a private, municipal, or state hospital, psychiatric hospital, independent diagnostic testing facility, tuberculosis hospital, kidney dialysis center (including freestanding hemodialysis units), intermediate care facility, or ambulatory surgical facility if the hospital, facility, or center is located in a municipality or borough in which a hospital is designated by the department as a critical access hospital or that has a population of 60,000 or fewer persons,

1 excluding recipients of public health care who are members of the
2 military or Indian Health Services;

3 (ii) a nursing home;

4 (iii) a residential psychiatric treatment center;

5 (B) does not include

6 (i) the Alaska Pioneers' Home and the Alaska
7 Veterans' Home administered by the Department of Health and Social
8 Services under AS 47.55;

9 (ii) the offices of private physicians or dentists,
10 whether in individual or group practice; and

11 (iii) military and tribal health entities funded or
12 operated by the federal government;

13 * Sec. 5. AS 18.07.111 is amended by adding new paragraphs to read:

14 (11) "ambulatory surgical facility" has the meaning given to
15 "ambulatory surgical center" in AS 47.32.900;

16 (12) "critical access hospital" means a facility that is a hospital
17 licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B)
18 and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

19 (13) "independent diagnostic testing facility" means a distinct fixed
20 or mobile entity that

21 (A) operates for the primary purpose of conducting medical
22 diagnostic tests on patients;

23 (B) does not assume ongoing responsibility for patient care;

24 and

25 (C) provides its services for use by outside medical personnel;

26 (14) "intermediate care facility" means a nursing facility that is not a
27 skilled nursing facility;

28 (15) "kidney dialysis center" means a treatment center, including a
29 freestanding hemodialysis unit, that is devoted to the treatment of kidney disease;

30 (16) "nursing home" means a nursing facility, as defined in 42 U.S.C.
31 1396r(a);

1 (17) "office of private physicians" means an office or clinic that is 50
2 percent owned by physicians licensed or authorized under AS 08.64, and provides
3 medical services to patients on an ongoing basis;

4 (18) "psychiatric hospital" means a hospital or part of a hospital that
5 is primarily for the diagnosis and treatment of mental, emotional, or behavioral
6 disorders.

7 * Sec. 6. AS 18 is amended by adding a new chapter to read:

8 **Chapter 09. Statewide Health Care Information.**

9 **Article 1. Alaska Health Care Information Office.**

10 **Sec. 18.09.100. Office.** The Alaska health care information office is
11 established in the department. The purpose of the office is to improve access by
12 residents of the state to consistently updated

13 (1) information about health care facilities to aid consumers of health
14 care services of health care facilities in the state; and

15 (2) information to encourage personal responsibility in prevention
16 and healthy living.

17 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
18 establish and maintain an information database on the Internet of information about
19 all health care facilities in the state to provide objective, unbiased, and factually
20 based information on health care facilities in the state. The department may require
21 those health care facilities to provide information in a standard form or format to the
22 department for placement in the database. Before information is placed in the
23 database, the commission shall review the information for accuracy.

24 (b) The database developed under (a) of this section must include the
25 following:

26 (1) a list of preferred drugs approved by the department for
27 reimbursement by the department;

28 (2) a complete list, organized by region and address, of

29 (A) health facilities located in the state;

30 (B) licensed pharmacists and pharmacies located in the state;

31 (C) emergency and urgent care facilities located in the state;

- 1 (D) health insurance companies offering coverage in the state;
- 2 (E) health care providers licensed or authorized in the state,
- 3 including the provider license number, type, and expiration date along with
- 4 disciplinary actions, if any;
- 5 (F) long-term, in-home, and hospice care providers located in
- 6 the state;
- 7 (G) public assistance offices of the department;
- 8 (3) a list, updated monthly, of not more than 1500 of the most
- 9 commonly prescribed medications in the state and the source and price of the
- 10 medications;
- 11 (4) a list, updated monthly, of not more than 250 of the most
- 12 commonly conducted medical procedures in the state, organized by the cash and
- 13 negotiated price of the procedure at available providers and insurers; the list must
- 14 include medical procedures covered by workers' compensation under AS 23.30;
- 15 (5) available hospital ratings, including the rates of hospital acquired
- 16 infections and mortality occurring at each hospital located in the state;
- 17 (6) consumer education information on topics that include body mass
- 18 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug
- 19 addictions, that includes the location of available sites that provide care and
- 20 treatment related to those issues;
- 21 (7) a list of procedures approved by state agencies for emergency
- 22 response and treatment;
- 23 (8) disease management support information;
- 24 (9) insurance information that includes
- 25 (A) a navigator to determine insurance eligibility using a
- 26 matrix of available insurers;
- 27 (B) links to Internet websites for purchasing insurance
- 28 policies;
- 29 (C) an explanation of mandatory and optional insurance
- 30 coverage; and
- 31 (D) the usual and customary fee structure and the method of

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determining the fee structure;

(10) a list of primary care clinics that cater to uninsured and self-pay patients; and

(11) information on the quality of health care facilities, including any actions taken by state or federal agencies related to

(A) licensure and accreditation of a health care facility; or

(B) a licensed professional practicing in a health care facility.

(c) The department shall develop and consistently update an Internet website to provide residents of the state timely and accurate information regarding prevention and healthy living.

Sec. 18.09.120. Mandatory reporting. (a) A health care facility shall provide to the department the following information related to the facility's health care services for placement in the database developed under AS 18.09.110:

(1) information on costs to the consumer for health care services; in this paragraph, "costs to the consumer" means the actual price paid by the consumer for health care services;

(2) types of insurance and payment accepted by the health care facility for health care services;

(3) each location where the health care facility operates, and the hours of operation;

(4) the types and scope of health care services offered at the health care facility;

(5) the Internet address of any Internet website of the health care facility the purpose of which is to provide factual information to aid the consumer;

(6) any other readily accessible information that the department determines would help the consumer make informed decisions about the health care facility's services.

(b) The department shall develop a standard form or format for reporting the information required in (a) of this section. The department shall adopt regulations specifying the timing and frequency of the reporting of the information required by (a) of this section.

1 (c) The department shall notify the health care facility of a failure to report
2 under (a) of this section and give the health care facility an opportunity to contest or
3 cure the failure. If the health care facility does not promptly cure the failure, the
4 department shall post the notice of failure on the database developed under
5 AS 18.09.110.

6 **Sec. 18.09.130. Coordination of departments.** The Department of
7 Administration, the Department of Commerce, Community, and Economic
8 Development, the Department of Labor and Workforce Development, and the
9 Department of Law shall

10 (1) provide to the department information for placement in the
11 database developed under AS 18.09.110 regarding an adverse action taken against a
12 health care facility in the state or against a licensed professional practicing in a
13 health care facility in the state; and

14 (2) cooperate with the department in the performance of its duties
15 under AS 18.09.100 - 18.09.130.

16 **Article 2. General Provisions.**

17 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
18 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

19 **Sec. 18.09.990. Definitions.** In this chapter,

20 (1) "department" means the Department of Health and Social
21 Services;

22 (2) "health care facility" means

23 (A) a facility licensed under AS 47.32 that provides health
24 care services;

25 (B) an independent diagnostic testing facility providing
26 services in the state;

27 (C) an agency providing a home and community based waiver
28 service that is certified under regulations adopted by the department;

29 (D) an agency providing personal care services that is
30 certified under regulations adopted by the department.

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 ALASKA HEALTH CARE COMMISSION ESTABLISHED. (a) The Alaska Health
3 Care Commission is established in the Department of Health and Social Services. The
4 purposes of the commission are

5 (1) to consider the entire spectrum of health care related issues in the state
6 and formulate targeted and specific policy recommendations to be presented to the
7 legislature and the executive branch;

8 (2) to provide recommendations for and foster the development of a
9 statewide plan to address the quality, accessibility, and affordability of health care for all
10 citizens of the state; and

11 (3) to provide an annual report to the legislature that includes a
12 comprehensive list of policy options considered by the commission.

13 (b) The commission consists of 16 members who are residents of and are qualified
14 voters in the state, appointed as follows:

15 (1) the state officer assigned the duties of medical director for the
16 Department of the Health and Social Services, who shall serve as chair;

17 (2) a representative of the Alaska Mental Health Trust Authority, appointed
18 by the authority;

19 (3) a representative of the University of Alaska's health education and
20 training programs, appointed by the university;

21 (4) seven public members, including

22 (A) one member representing the Alaska Native Tribal Health
23 Consortium, appointed by the consortium;

24 (B) one member representing the Alaska Primary Care Association,
25 appointed by the association;

26 (C) one member representing the Alaska State Hospital and Nursing
27 Home Association, appointed by the association;

28 (D) one member representing the health insurance industry,
29 appointed by the governor;

30 (E) one member representing the Alaska Nurses Association,
31 appointed by the association;

1 (F) two health care consumers or advocates appointed by the
2 governor, one of whom must also be a small business owner in the state;

3 (5) six members of the legislature, appointed as follows: the president of the
4 senate and the speaker of the house of representatives shall each appoint two members of the
5 majority organizational caucus and one member of the minority organizational caucus from
6 their respective bodies; if there is no minority organizational caucus in a house, the presiding
7 officer of that house shall appoint three members from the majority organizational caucus of
8 that house; at least one legislator from each house must be a member of the standing
9 committee that considers matters related to health and social services.

10 (c) Terms of office are as follows: (1) members of the commission serve for
11 staggered terms of three years; (2) if a vacancy occurs in a member's seat on the
12 commission, the entity that made the original appointment shall appoint a replacement for
13 the unexpired portion of that member's term. The governor may remove a public member of
14 the commission from office only for cause.

15 (d) The commission shall employ an executive director, who may not be a member
16 of the commission. The executive director shall serve at the pleasure of the commission. The
17 commission shall establish the duties of the executive director. The executive director is in
18 the partially exempt service under AS 39.25 (State Personnel Act).

19 (e) The Department of Health and Social Services may assign employees of the
20 department to serve as staff to the commission. The commission shall prescribe the duties of
21 staff of the commission.

22 (f) The commission, on approval of a majority of its membership and consistent
23 with state law, shall adopt and amend bylaws governing proceedings and other activities,
24 including provisions concerning a quorum to transact business and other aspects of
25 procedure; frequency and location of meetings; and establishment, functions, and
26 membership of committees.

27 (g) The commission shall serve as the state health planning and coordinating body.
28 Consistent with state and federal law, the commission shall provide recommendations for
29 and foster the development of a statewide health plan containing the following:

- 30 (1) a comprehensive statewide health care policy;
31 (2) a strategy for

1 (A) encouraging personal responsibility in prevention and healthy
2 living for all residents of the state;

3 (B) reducing health care costs for all residents of the state to below
4 the national average;

5 (C) ensuring access in communities to safe water and wastewater
6 systems;

7 (D) developing a sustainable health care workforce in the state;

8 (E) ensuring access to quality health care being accessible for all
9 residents of the state; and

10 (F) increasing the number of residents of the state who are covered
11 by insurance for health care services.

12 (h) The commission shall review and make recommendations about health care
13 information for placement on the Department of Health and Social Services' database
14 developed under AS 18.09.110. The department shall post and make available information
15 related to the commission, including the commission's annual reports.

16 (i) A member of the commission shall submit an annual report to the legislature and
17 the governor by February 1 of each year and shall present the key findings of the report in
18 person to the appropriate legislative committees, to the extent permitted by those
19 committees. The report must summarize significant work, findings, and recommendations of
20 the commission. The first report of the commission must include a five-year strategic plan
21 with prioritized, targeted, and defined objectives as well as an evaluation of the strengths,
22 weaknesses, and relative performance of health care services and conditions in Alaska.
23 Subsequent reports must include revisions, if any, to the strategic plan, along with a report
24 on the progress of the commission in meeting the objectives of the plan.

25 (j) A public member appointed to the commission under (b)(4) of this section is not
26 entitled to a salary, but is entitled to per diem, reimbursement for travel, and other expenses
27 authorized by law for boards and commissions under AS 39.20.180.

28 (k) The Department of Administration, the Department of Commerce, Community,
29 and Economic Development, the Department of Labor and Workforce Development, and the
30 Department of Law shall cooperate with the commission in the performance of its duties.

31 (l) The Alaska Health Care Commission shall terminate on June 30, 2014.

1 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,**
4 **AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM.** The
5 commissioner of health and social services through the Department of Law shall
6 immediately take steps to seek dismissal of pending administrative appeals and court actions
7 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
8 by secs. 3 - 5 of this Act, or implementation of AS 18.07.

9 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **TRANSITION: REGULATIONS.** The Department of Health and Social Services
12 may proceed to adopt regulations necessary to implement the changes made by this Act. The
13 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
14 effective date of the statutory changes.

15 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section
16 to read:

17 **CERTIFICATE OF NEED STUDY.** The Department of Health and Social Services
18 shall contract with an entity that has no financial interest in health care services to conduct a
19 comprehensive study of the effects of the certificate of need program in the state. The
20 department shall provide a copy of the study to the legislature.

21 * **Sec. 11.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).

22 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2008.

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12 state;

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14 state's economy and well being; and

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2 care and making companies less competitive in the global economy.

3 (b) The legislature intends to mandate under this Act an evaluation of the state's
4 health care needs, propose reforms, and improve health care in Alaska by establishing the
5 Alaska Health Care Commission to include public and private stakeholders for the purpose of
6 developing a comprehensive policy that better meets the current and long-range health care
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12 to the department to protect and promote the public health;

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14 public that promote healthy behaviors or lifestyles or educate individuals about health
15 issues;

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17 develop and finance programs or initiatives that identify and ameliorate health
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26 sector partners within the public health system;

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28 importance through surveillance; epidemiological tracking, program evaluation, and
29 monitoring; testing and screening programs; treatment; administrative inspections; or
30 other techniques;

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5 health, chronic disease prevention, child and adult immunization, testing and screening
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28 coverage; and

29 (D) the usual and customary fee structure and the method of
30 determining the fee structure;

31 (10) a list of primary care clinics that cater to uninsured and self-pay

1 patients; and

2 (11) information on the quality of health care facilities, including any
3 actions taken by state or federal agencies related to

4 (A) licensure and accreditation of a health care facility; or

5 (B) a licensed professional practicing in a health care facility.

6 (c) The department shall develop and consistently update an Internet website
7 to provide residents of the state timely and accurate information regarding prevention
8 and healthy living.

9 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall provide
10 to the department the following information related to the facility's health care services
11 for placement in the database developed under AS 18.09.110:

12 (1) information on costs to the consumer for health care services; in
13 this paragraph, "costs to the consumer" means the actual price paid by the consumer
14 for health care services;

15 (2) types of insurance and payment accepted by the health care facility
16 for health care services;

17 (3) each location where the health care facility operates, and the hours
18 of operation;

19 (4) the types and scope of health care services offered at the health
20 care facility;

21 (5) the Internet address of any Internet website of the health care
22 facility the purpose of which is to provide factual information to aid the consumer;

23 (6) any other readily accessible information that the department
24 determines would help the consumer make informed decisions about the health care
25 facility's services.

26 (b) The department shall develop a standard form or format for reporting the
27 information required in (a) of this section. The department shall adopt regulations
28 specifying the timing and frequency of the reporting of the information required by (a)
29 of this section.

30 (c) The department shall notify the health care facility of a failure to report
31 under (a) of this section and give the health care facility an opportunity to contest or

1 cure the failure. If the health care facility does not promptly cure the failure, the
2 department shall post the notice of failure on the database developed under
3 AS 18.09.110.

4 **Sec. 18.09.130. Coordination of departments.** The Department of
5 Administration, the Department of Commerce, Community, and Economic
6 Development, the Department of Labor and Workforce Development, and the
7 Department of Law shall

8 (1) provide to the department information for placement in the
9 database developed under AS 18.09.110 regarding an adverse action taken against a
10 health care facility in the state or against a licensed professional practicing in a health
11 care facility in the state; and

12 (2) cooperate with the department in the performance of its duties
13 under AS 18.09.100 - 18.09.130.

14 **Article 2. Gen ral Provisions.**

15 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
16 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

17 **Sec. 18.09.990. Definitions.** In this chapter,

18 (1) "department" means the Department of Health and Social Services;

19 (2) "health care facility" means

20 (A) a facility licensed under AS 47.32 that provides health care
21 services;

22 (B) an independent diagnostic testing facility providing
23 services in the state;

24 (C) an agency providing a home and community based waiver
25 service that is certified under regulations adopted by the department;

26 (D) an agency providing personal care services that is certified
27 under regulations adopted by the department.

28 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 ALASKA HEALTH CARE COMMISSION ESTABLISHED. (a) The Alaska Health
31 Care Commission is established in the Department of Health and Social Services. The

1 purposes of the commission are

2 (1) to consider the entire spectrum of health care related issues in the state and
3 formulate targeted and specific policy recommendations to be presented to the legislature and
4 the executive branch;

5 (2) to provide recommendations for and foster the development of a statewide
6 plan to address the quality, accessibility, and affordability of health care for all citizens of the
7 state; and

8 (3) to provide an annual report to the legislature that includes a comprehensive
9 list of policy options considered by the commission.

10 (b) The commission consists of 16 members who are residents of and are qualified
11 voters in the state, appointed as follows:

12 (1) the state officer assigned the duties of medical director for the Department
13 of the Health and Social Services, who shall serve as chair;

14 (2) a representative of the Alaska Mental Health Trust Authority, appointed by
15 the authority;

16 (3) a representative of the University of Alaska's health education and training
17 programs, appointed by the university;

18 (4) seven public members, including

19 (A) one member representing the Alaska Native Tribal Health
20 Consortium, appointed by the consortium;

21 (B) one member representing the Alaska Primary Care Association,
22 appointed by the association;

23 (C) one member representing the Alaska State Hospital and Nursing
24 Home Association, appointed by the association;

25 (D) one member representing the health insurance industry, appointed
26 by the governor;

27 (E) one member representing the Alaska Nurses Association,
28 appointed by the association;

29 (F) two health care consumers or advocates appointed by the governor,
30 one of whom must also be a small business owner in the state;

31 (5) six members of the legislature, appointed as follows: the president of the

1 senate and the speaker of the house of representatives shall each appoint two members of the
 2 majority organizational caucus and one member of the minority organizational caucus from
 3 their respective bodies; if there is no minority organizational caucus in a house, the presiding
 4 officer of that house shall appoint three members from the majority organizational caucus of
 5 that house; at least one legislator from each house must be a member of the standing
 6 committee that considers matters related to health and social services.

7 (c) Terms of office are as follows: (1) members of the commission serve for staggered
 8 terms of three years; (2) if a vacancy occurs in a member's seat on the commission, the entity
 9 that made the original appointment shall appoint a replacement for the unexpired portion of
 10 that member's term. The governor may remove a public member of the commission from
 11 office only for cause.

12 (d) The commission shall employ an executive director, who may not be a member of
 13 the commission. The executive director shall serve at the pleasure of the commission. The
 14 commission shall establish the duties of the executive director. The executive director is in the
 15 partially exempt service under AS 39.25 (State Personnel Act).

16 (e) The Department of Health and Social Services may assign employees of the
 17 department to serve as staff to the commission. The commission shall prescribe the duties of
 18 staff of the commission.

19 (f) The commission, on approval of a majority of its membership and consistent with
 20 state law, shall adopt and amend bylaws governing proceedings and other activities, including
 21 provisions concerning a quorum to transact business and other aspects of procedure;
 22 frequency and location of meetings; and establishment, functions, and membership of
 23 committees.

24 (g) The commission shall serve as the state health planning and coordinating body.
 25 Consistent with state and federal law, the commission shall provide recommendations for and
 26 foster the development of a statewide health plan containing the following:

27 (1) a comprehensive statewide health care policy;

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29 (A) encouraging personal responsibility in prevention and healthy
 30 living for all residents of the state;

31 (B) reducing health care costs for all residents of the state to below the

1 national average;

2 (C) ensuring access in communities to safe water and wastewater
3 systems;

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6 residents of the state; and

7 (F) increasing the number of residents of the state who are covered by
8 insurance for health care services.

9 (h) The commission shall review and make recommendations about health care
10 information for placement on the Department of Health and Social Services' database
11 developed under AS 18.09.110. The department shall post and make available information
12 related to the commission, including the commission's annual reports.

13 (i) A member of the commission shall submit an annual report to the legislature and
14 the governor by February 1 of each year and shall present the key findings of the report in
15 person to the legislature. The report must summarize significant work, findings, and
16 recommendations of the commission. The first report of the commission must include a five-
17 year strategic plan with prioritized, targeted, and defined objectives as well as an evaluation
18 of the strengths, weaknesses, and relative performance of health care services and conditions
19 in Alaska. Subsequent reports must include revisions, if any, to the strategic plan, along with a
20 report on the progress of the commission in meeting the objectives of the plan.

21 (j) A public member appointed to the commission under (b)(4) of this section is not
22 entitled to a salary, but is entitled to per diem, reimbursement for travel, and other expenses
23 authorized by law for boards and commissions under AS 39.20.180.

24 (k) The Department of Administration, the Department of Commerce, Community,
25 and Economic Development, the Department of Labor and Workforce Development, and the
26 Department of Law shall cooperate with the commission in the performance of its duties.

27 (l) The Alaska Health Care Commission shall terminate on June 30, 2014.

28 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS, AND
31 COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The commissioner of

1 health and social services through the Department of Law shall immediately take steps to seek
2 dismissal of pending administrative appeals and court actions concerning the issuance of
3 certificates of need, as appropriate, under AS 18.07, as amended by secs. 3 - 5 of this Act, or
4 implementation of AS 18.07.

5 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITION: REGULATIONS. The Department of Health and Social Services may
8 proceed to adopt regulations necessary to implement the changes made by this Act. The
9 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
10 effective date of the statutory changes.

11 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 CERTIFICATE OF NEED STUDY. The Department of Health and Social Services
14 shall contract with an entity that has no financial interest in health care services to conduct a
15 comprehensive study of the effects of the certificate of need program in the state. The
16 department shall provide a copy of the study to the legislature.

17 * Sec. 11. Section 9 of this Act takes effect immediately under AS 01.10.070(c).

18 * Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2008.

25-GH2050L
Mischel
3/3/08

CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Health Care Commission and the Alaska health care**
2 **information office; relating to health care planning and information; relating to the**
3 **certificate of need program for certain health care facilities; relating to physician**
4 **referrals to physician-owned health care facilities; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
7 section to read:

8 **LEGISLATIVE FINDINGS AND INTENT.** (a) The Alaska Legislature finds that

9 (1) the Constitution of the State of Alaska requires the legislature to promote
10 and protect the public health;

11 (2) health policy issues present some of the greatest challenges faced by the
12 state;

13 (2) the health status of Alaskans is directly tied to the long-term success of
14 the state's economy and well being; and

1 (4) the increasing cost of health care is threatening employer-sponsored
2 health care and making companies less competitive in the global economy.

3 (b) The legislature intends to mandate under this Act an evaluation of the state's
4 health care needs, propose reforms, and improve health care in Alaska by establishing the
5 Alaska Health Care Commission to include public and private stakeholders for the purpose
6 of developing a comprehensive policy that better meets the current and long-range health
7 care needs in the state.

8 * Sec. 2. AS 08.64 is amended by adding a new section to article 3 to read:

9 **Sec. 08.64.364. Physician referrals.** (a) A physician may not refer or
10 encourage a patient who is being evaluated or treated by the physician to have
11 services performed at a health care facility that is owned by the physician. A
12 physician may, however, provide the name of a facility that is owned by the
13 physician to a patient on a list with other health care facilities operating in the
14 community.

15 (b) Notwithstanding other penalties provided by law, the department may
16 seek an administrative fine not to exceed \$5,000 for each incident in which a
17 physician refers or encourages a patient in violation of (a) of this section.

18 * Sec. 3. AS 18.05.010(b) is amended to read:

19 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
20 18.15.395, the department may

21 (1) flexibly use the broad range of powers set out in this title assigned
22 to the department to protect and promote the public health;

23 (2) provide public health information programs or messages to the
24 public that promote healthy behaviors or lifestyles or educate individuals about
25 health issues;

26 (3) promote efforts among public and private sector partners to
27 develop and finance programs or initiatives that identify and ameliorate health
28 problems;

29 (4) establish, finance, provide, or endorse performance management
30 standards for the public health system;

31 (5) develop, adopt, and implement a statewide health plan, public

1 health plans, and formal policies through regulations adopted under AS 44.62 or
2 collaborative recommendations that guide or support individual and community
3 public health efforts;

4 (6) establish formal or informal relationships with public or private
5 sector partners within the public health system;

6 (7) identify, assess, prevent, and ameliorate conditions of public
7 health importance through surveillance; epidemiological tracking, program
8 evaluation, and monitoring; testing and screening programs; treatment;
9 administrative inspections; or other techniques;

10 (8) promote the availability and accessibility of quality health care
11 services through health care facilities or providers;

12 (9) promote availability of and access to preventive and primary
13 health care when not otherwise available through the private sector, including acute
14 and episodic care, prenatal and postpartum care, child health, family planning, school
15 health, chronic disease prevention, child and adult immunization, testing and
16 screening services, dental health, nutrition, and health education and promotion
17 services;

18 (10) systematically and regularly review the public health system and
19 recommend modifications in its structure or other features to improve public health
20 outcomes; and

21 (11) collaborate with public and private sector partners, including
22 municipalities, Alaska Native organizations, health care providers, and health
23 insurers, within the public health system to achieve the mission of public health.

24 * Sec. 4. AS 18.07.031(e) is amended to read:

25 (e) In (a) of this section, "expenditure" **means the payment or promise of**
26 **payment for medical** [INCLUDES THE PURCHASE OF PROPERTY OCCUPIED
27 BY OR THE EQUIPMENT REQUIRED FOR THE HEALTH CARE FACILITY
28 AND THE NET PRESENT VALUE OF A LEASE FOR SPACE OCCUPIED BY
29 OR THE] equipment required for the health care facility; "expenditure" does not
30 include costs associated with routine maintenance and replacement of equipment at
31 an existing health care facility.

1 * Sec. 5. AS 18.07.111(8) is repealed and reenacted to read:

2 (8) "health care facility"

3 (A) means

4 (i) a private, municipal, state, or federal hospital,
5 psychiatric hospital, independent diagnostic testing facility,
6 tuberculosis hospital, kidney dialysis center (including freestanding
7 hemodialysis units), intermediate care facility, or ambulatory surgical
8 facility if the hospital, facility, or center is located in a municipality or
9 borough in which a hospital is designated by the department as a
10 critical access hospital or that has a population of 110,000 or less;

11 (ii) a nursing home;

12 (iii) a residential psychiatric treatment center;

13 (B) does not include

14 (i) the Alaska Pioneers' Home and the Alaska
15 Veterans' Home administered by the Department of Health and Social
16 Services under AS 47.55;

17 (ii) the offices of private physicians or dentists,
18 whether in individual or group practice; in this sub-subparagraph,
19 "office of private physicians" means an office or clinic that is 75
20 percent owned by physicians licensed under AS 08.64, and provides
21 medical services to patients on an ongoing basis; and

22 (iii) tribal health entities funded or operated by the
23 federal government;

24 * Sec. 6. AS 18.07.111 is amended by adding new paragraphs to read:

25 (11) "ambulatory surgical facility" has the meaning given to
26 "ambulatory surgical center" in AS 47.32.900;

27 (12) "critical access hospital" means a facility that is a hospital
28 licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B)
29 and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

30 (13) "independent diagnostic testing facility" means a distinct fixed
31 or mobile entity that

1 (A) operates for the primary purpose of conducting medical
2 diagnostic tests on patients;

3 (B) does not assume ongoing responsibility for patient care;
4 and

5 (C) provides its services for use by outside medical personnel;

6 (14) "intermediate care facility" means a nursing facility that is not a
7 skilled nursing facility;

8 (15) "kidney dialysis center" means a treatment center, including a
9 freestanding hemodialysis unit, that is devoted to the treatment of kidney disease;

10 (16) "nursing home" means a nursing facility, as defined in 42 U.S.C.
11 1396r(e);

12 (17) "psychiatric hospital" means a hospital or part of a hospital that
13 is primarily for the diagnosis and treatment of mental, emotional, or behavioral
14 disorders.

15 * Sec. 7. AS 18 is amended by adding a new chapter to read:

16 **Chapter 09. Statewide Health Care Information.**

17 **Article 1. Alaska Health Care Information Office.**

18 **Sec. 18.09.100. Office.** The Alaska health care information office is
19 established in the department. The purpose of the office is to improve access by
20 residents of the state to consistently updated

21 (1) information about health care facilities to aid consumers of health
22 care services of health care facilities in the state; and

23 (2) information to encourage personal responsibility in prevention
24 and healthy living.

25 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
26 establish and maintain an information database on the Internet of information about
27 all health care facilities in the state to provide objective, unbiased, and factually
28 based information on health care facilities in the state. The department may require
29 those health care facilities to provide information in a standard form or format to the
30 department for placement in the database. Before information is placed in the
31 database, the commission shall review the information for accuracy.

1 (b) The database developed under (a) of this section must include the
2 following:

3 (1) a list of preferred drugs approved by the department for
4 reimbursement by the department;

5 (2) a complete list, organized by region and address, of

6 (A) health facilities located in the state;

7 (B) licensed pharmacists and pharmacies located in the state;

8 (C) emergency and urgent care facilities located in the state;

9 (D) health insurance companies offering coverage in the state;

10 (E) health care providers licensed in the state, including the
11 provider license number, type, and expiration date along with disciplinary
12 actions, if any;

13 (F) long-term, in-home, and hospice care providers located in
14 the state;

15 (G) public assistance offices of the department;

16 (3) a list, updated monthly, of not more than 1500 of the most
17 commonly prescribed medications in the state and the source and price of the
18 medications;

19 (4) a list, updated monthly, of not more than 250 of the most
20 commonly conducted medical procedures in the state, organized by the cash and
21 negotiated price of the procedure at available providers and insurers; the list must
22 include medical procedures covered by workers' compensation under AS 23.30;

23 (5) available hospital ratings, including the rates of hospital acquired
24 infections and mortality occurring at each hospital located in the state;

25 (6) consumer education information on topics that include body mass
26 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug
27 addictions, that includes the location of available sites that provide care and
28 treatment related to those issues;

29 (7) a list of procedures approved by state agencies for emergency
30 response and treatment;

31 (8) disease management support information;

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- (9) insurance information that includes
 - (A) a navigator to determine insurance eligibility using a matrix of available insurers;
 - (B) links to Internet websites for purchasing insurance policies; and
 - (C) an explanation of mandatory and optional insurance coverage;
- (10) a list of primary care clinics that cater to uninsured and self-pay patients; and
- (11) information on the quality of health care facilities, including any actions taken by state or federal agencies related to
 - (A) licensure and accreditation of a health care facility; or
 - (B) a licensed professional practicing in a health care facility.

(c) The department shall develop and consistently update an Internet website to provide residents of the state timely and accurate information regarding prevention and healthy living.

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1 deter mines would help the consumer make informed decisions about the health care
2 facility's services.

3 (b) The department shall develop a standard form or format for reporting the
4 information required in (a) of this section. The department shall adopt regulations
5 specifying the timing and frequency of the reporting of the information required by
6 (a) of this section.

7 (c) The department shall notify the health care facility of a failure to report
8 under (a) of this section and give the health care facility an opportunity to contest or
9 cure the failure. If the health care facility does not promptly cure the failure, the
10 department shall post the notice of failure on the database developed under
11 AS 18.09.110.

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15 Department of Law shall

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17 database developed under AS 18.09.110 regarding an adverse action taken against a
18 health care facility in the state or against a licensed professional practicing in a
19 health care facility in the state; and

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12 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
13 effective date of the statutory changes.

14 * Sec. 11. Section 10 of this Act takes effect immediately under AS 01.10.070(c).

15 * Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2008.

CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Health Care Commission and the Alaska health care**
2 **information office; relating to health care planning and information; relating to the**
3 **certificate of need program for certain health care facilities; relating to physician**
4 **referrals to physician-owned health care facilities; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
7 section to read:

8 **LEGISLATIVE FINDINGS AND INTENT.** (a) The Alaska Legislature finds that

9 (1) the Constitution of the State of Alaska requires the legislature to promote
10 and protect the public health;

11 (2) health policy issues present some of the greatest challenges faced by the
12 state;

13 (3) the health status of Alaskans is directly tied to the long-term success of
14 the state's economy and well being; and

1 (4) the increasing cost of health care is threatening employer-sponsored
2 health care and making companies less competitive in the global economy.

3 (b) The legislature intends to mandate under this Act an evaluation of the state's
4 health care needs, propose reforms, and improve health care in Alaska by establishing the
5 Alaska Health Care Commission to include public and private stakeholders for the purpose
6 of developing a comprehensive policy that better meets the current and long-range health
7 care needs in the state.

8 * Sec. 2. AS 08.64 is amended by adding a new section to article 3 to read:

9 Sec. 08.64.364. **Physician referrals.** (a) A physician may not refer or
10 encourage a patient who is being evaluated or treated by the physician to have
11 services performed at a health care facility that is owned by the physician. A
12 physician may, however, provide the name of a facility that is owned by the
13 physician to a patient on a list with other health care facilities operating in the
14 community.

15 (b) Notwithstanding other penalties provided by law, the department may
16 seek an administrative fine not to exceed \$5,000 for each incident in which a
17 physician refers or encourages a patient in violation of (a) of this section.

18 * Sec. 3. AS 18.05.010(b) is amended to read:

19 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
20 18.15.395, the department may

21 (1) flexibly use the broad range of powers set out in this title assigned
22 to the department to protect and promote the public health;

23 (2) provide public health information programs or messages to the
24 public that promote healthy behaviors or lifestyles or educate individuals about
25 health issues;

26 (3) promote efforts among public and private sector partners to
27 develop and finance programs or initiatives that identify and ameliorate health
28 problems;

29 (4) establish, finance, provide, or endorse performance management
30 standards for the public health system;

31 (5) develop, adopt, and implement a statewide health plan, public

1 health plans, and formal policies through regulations adopted under AS 44.62 or
2 collaborative recommendations that guide or support individual and community
3 public health efforts;

4 (6) establish formal or informal relationships with public or private
5 sector partners within the public health system;

6 (7) identify, assess, prevent, and ameliorate conditions of public
7 health importance through surveillance; epidemiological tracking, program
8 evaluation, and monitoring; testing and screening programs; treatment;
9 administrative inspections; or other techniques;

10 (8) promote the availability and accessibility of quality health care
11 services through health care facilities or providers;

12 (9) promote availability of and access to preventive and primary
13 health care when not otherwise available through the private sector, including acute
14 and episodic care, prenatal and postpartum care, child health, family planning, school
15 health, chronic disease prevention, child and adult immunization, testing and
16 screening services, dental health, nutrition, and health education and promotion
17 services;

18 (10) systematically and regularly review the public health system and
19 recommend modifications in its structure or other features to improve public health
20 outcomes; and

21 (11) collaborate with public and private sector partners, including
22 municipalities, Alaska Native organizations, health care providers, and health
23 insurers, within the public health system to achieve the mission of public health.

24 * Sec. 4. AS 18.07.031(e) is amended to read:

25 (e) In (a) of this section, "expenditure" **means the payment or promise of**
26 **payment for medical** [INCLUDES THE PURCHASE OF PROPERTY OCCUPIED
27 BY OR THE EQUIPMENT REQUIRED FOR THE HEALTH CARE FACILITY
28 AND THE NET PRESENT VALUE OF A LEASE FOR SPACE OCCUPIED BY
29 OR THE] equipment required for the health care facility; "expenditure" does not
30 include costs associated with routine maintenance and replacement of equipment at
31 an existing health care facility.

1 * Sec. 5. AS 18.07.111(8) is repealed and reenacted to read:

2 (8) "health care facility"

3 (A) means

4 (i) a private, municipal, state, or federal hospital,
5 psychiatric hospital, independent diagnostic testing facility,
6 tuberculosis hospital, kidney dialysis center (including freestanding
7 hemodialysis units), intermediate care facility, or ambulatory surgical
8 facility if the hospital, facility, or center is located in a municipality or
9 borough in which a hospital is designated by the department as a
10 critical access hospital or that has a population of 110,000 or less;

11 (ii) a nursing home;

12 (iii) a residential psychiatric treatment center;

13 (B) does not include

14 (i) the Alaska Pioneers' Home and the Alaska
15 Veterans' Home administered by the Department of Health and Social
16 Services under AS 47.55;

17 (ii) the offices of private physicians or dentists,
18 whether in individual or group practice; in this sub-subparagraph,
19 "office of private physicians" means an office or clinic that is 75
20 percent owned by physicians licensed under AS 08.64, and provides
21 medical services to patients on an ongoing basis; and

22 (iii) tribal health entities funded or operated by the
23 federal government;

24 * Sec. 6. AS 18.07.111 is amended by adding new paragraphs to read:

25 (11) "ambulatory surgical facility" has the meaning given to
26 "ambulatory surgical center" in AS 47.32.900;

27 (12) "critical access hospital" means a facility that is a hospital
28 licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B)
29 and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

30 (13) "independent diagnostic testing facility" means a distinct fixed
31 or mobile entity that

1 (A) operates for the primary purpose of conducting medical
2 diagnostic tests on patients;

3 (B) does not assume ongoing responsibility for patient care;
4 and

5 (C) provides its services for use by outside medical personnel;

6 (14) "intermediate care facility" means a nursing facility that is not a
7 skilled nursing facility;

8 (15) "kidney dialysis center" means a treatment center, including a
9 freestanding hemodialysis unit, that is devoted to the treatment of kidney disease;

10 (16) "nursing home" means a nursing facility, as defined in 42 U.S.C.
11 1396r(a);

12 (17) "psychiatric hospital" means a hospital or part of a hospital that
13 is primarily for the diagnosis and treatment of mental, emotional, or behavioral
14 disorders."

15 * Sec. 7. AS 18 is amended by adding a new chapter to read:

16 **Chapter 09. Statewide Health Care Information.**

17 **Article 1. Alaska Health Care Information Office.**

18 **Sec. 18.09.100. Office.** The Alaska health care information office is
19 established in the department. The purpose of the office is to improve access by
20 residents of the state to consistently updated

21 (1) information about health care facilities to aid consumers of health
22 care services of health care facilities in the state; and

23 (2) information to encourage personal responsibility in prevention
24 and healthy living.

25 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
26 establish and maintain an information database on the Internet of information about
27 all health care facilities in the state to provide objective, unbiased, and factually
28 based information on health care facilities in the state. The department may require
29 those health care facilities to provide information in a standard form or format to the
30 department for placement in the database. Before information is placed in the
31 database, the commission shall review the information for accuracy.

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(b) The database developed under (a) of this section must include the following:

(1) a list of preferred drugs approved by the department for reimbursement by the department;

(2) a complete list, organized by region and address, of

(A) health facilities located in the state;

(B) licensed pharmacists and pharmacies located in the state;

(C) emergency and urgent care facilities located in the state;

(D) health insurance companies offering coverage in the state;

(E) health care providers licensed in the state, including the provider license number, type, and expiration date along with disciplinary actions, if any;

(F) long-term, in-home, and hospice care providers located in the state;

(G) public assistance offices of the department;

(3) a list, updated monthly, of not more than ¹⁵⁰⁰~~25~~ of the most commonly prescribed medications in the state and the source and price of the medications;

(4) a list, updated monthly, of not more than ²⁵⁰~~25~~ of the most commonly conducted medical procedures in the state, organized by the cash and negotiated price of the procedure at available providers and insurers; ~~updated annually~~; the list must include medical procedures covered by workers' compensation under AS 23.30;

(5) available hospital ratings, including the rates of hospital acquired infections and mortality occurring at each hospital located in the state;

(6) consumer education information on topics that include body mass index, diet and nutrition, exercise, smoking cessation, and alcohol and drug addictions, that includes the location of available sites that provide care and treatment related to those issues;

(7) a list of procedures approved by state agencies for emergency response and treatment;

- 1 (8) disease management support information;
- 2 (9) insurance information that includes
- 3 (A) a navigator to determine insurance eligibility using a
- 4 matrix of available insurers;
- 5 (B) links to Internet websites for purchasing insurance
- 6 policies; and
- 7 (C) an explanation of mandatory and optional insurance
- 8 coverage;
- 9 (10) a list of primary care clinics that cater to uninsured and self-pay
- 10 patients; and
- 11 (11) information on the quality of health care facilities, including any
- 12 actions taken by state or federal agencies related to
- 13 (A) licensure and accreditation of a health care facility; or
- 14 (B) a licensed professional practicing in a health care facility.
- 15 (c) The department shall develop and consistently update an Internet website
- 16 to provide residents of the state timely and accurate information regarding prevention
- 17 and healthy living.
- 18 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
- 19 provide to the department the following information related to the facility's health
- 20 care services for placement in the database developed under AS 18.09.110:
- 21 (1) information on costs to the consumer for health care services; in
- 22 this paragraph, "costs to the consumer" means the actual price paid by the consumer
- 23 for health care services;
- 24 (2) types of insurance and payment accepted by the health care
- 25 facility for health care services;
- 26 (3) each location where the health care facility operates, and the
- 27 hours of operation;
- 28 (4) the types and scope of health care services offered at the health
- 29 care facility;
- 30 (5) the Internet address of any Internet website of the health care
- 31 facility the purpose of which is to provide factual information to aid the consumer;

1 (6) any other readily accessible information that the department
2 determines would help the consumer make informed decisions about the health care
3 facility's services.

4 (b) The department shall develop a standard form or format for reporting the
5 information required in (a) of this section. The department shall adopt regulations
6 specifying the timing and frequency of the reporting of the information required by
7 (a) of this section.

8 (c) The department shall notify the health care facility of a failure to report
9 under (a) of this section and give the health care facility an opportunity to contest or
10 cure the failure. If the health care facility does not promptly cure the failure, the
11 department shall post the notice of failure on the database developed under
12 AS 18.09.110.

13 **Sec. 18.09.130. Coordination of departments.** The Department of
14 Administration, the Department of Commerce, Community, and Economic
15 Development, the Department of Labor and Workforce Development, and the
16 Department of Law shall

17 (1) provide to the department information for placement in the
18 database developed under AS 18.09.110 regarding an adverse action taken against a
19 health care facility in the state or against a licensed professional practicing in a
20 health care facility in the state; and

21 (2) cooperate with the department in the performance of its duties
22 under AS 18.09.100 - 18.09.130.

23 **Article 2. General Provisions.**

24 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
25 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

26 **Sec. 18.09.990. Definitions.** In this chapter,

27 (1) "department" means the Department of Health and Social
28 Services;

29 (2) "health care facility" means

30 (A) a facility licensed under AS 47.32;

31 (B) an independent diagnostic testing facility providing

1 services in the state;

2 (C) an agency providing a home and community based waiver
3 service that is certified under regulations adopted by the department;

4 (D) an agency providing personal care services that is
5 certified under regulations adopted by the department.

6 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 ALASKA HEALTH CARE COMMISSION ESTABLISHED. (a) The Alaska Health
9 Care Commission is established in the Department of Health and Social Services. The
10 purposes of the commission are

11 (1) to consider the entire spectrum of health care related issues in the state
12 and formulate targeted and specific policy recommendations to be presented to the
13 legislature and the executive branch; and

14 (2) to provide recommendations for and foster the development of a
15 statewide plan to address the quality, accessibility, and affordability of health care for all
16 citizens of the state.

17 (b) The commission consists of 16 members appointed as follows:

18 (1) the state officer assigned the duties of medical director for the
19 Department of the Health and Social Services, who shall serve as chair;

20 (2) a representative of the Alaska Mental Health Trust Authority, appointed
21 by the authority;

22 (3) a representative of the University of Alaska's health education and
23 training programs, appointed by the university;

24 (4) seven public members, including

25 (A) one member representing the Alaska Native Tribal Health
26 Consortium, appointed by the consortium;

27 (B) one member representing the Alaska Primary Care Association,
28 appointed by the association;

29 (C) one member representing the Alaska State Hospital and Nursing
30 Home Association, appointed by the association;

31 (D) one member representing the health insurance industry,

1 appointed by the governor;

2 (E) one member representing the Alaska Nurses Association,
3 appointed by the association;

4 (F) two health care consumers or advocates appointed by the
5 governor, one of whom must also be a small business owner in the state;

6 (5) six members of the legislature, appointed as follows: the president of the
7 senate and the speaker of the house of representatives shall each appoint two members of the
8 majority organizational caucus and one member of the minority organizational caucus from
9 their respective bodies; if there is no minority organizational caucus in a house, the presiding
10 officer of that house shall appoint three members from the majority organizational caucus of
11 that house.

12 (c) Terms of office are as follows: (1) ~~public~~ members of the commission serve for
13 staggered terms of three years; (2) if a vacancy occurs in a member's seat on the
14 commission, the entity that made the original appointment shall appoint a replacement for
15 the unexpired portion of that member's term. The governor may remove a public member of
16 the commission from office only for cause.

17 (d) The commission shall employ an executive director, who may not be a member
18 of the commission. The executive director shall serve at the pleasure of the commission. The
19 commission shall establish the duties of the executive director. The executive director is in
20 the partially exempt service under AS 39.25 (State Personnel Act).

21 (e) The Department of Health and Social Services may assign employees of the
22 department to serve as staff to the commission. The commission shall prescribe the duties of
23 staff of the commission.

24 (f) The commission, on approval of a majority of its membership and consistent
25 with state law, shall adopt and amend bylaws governing proceedings and other activities,
26 including provisions concerning a quorum to transact business and other aspects of
27 procedure; frequency and location of meetings; and establishment, functions, and
28 membership of committees.

29 (g) The commission shall serve as the state health planning and coordinating body.
30 Consistent with state and federal law, the commission shall provide recommendations for
31 and foster the development of a statewide health plan containing the following:

- 1 (1) a comprehensive statewide health care policy;
- 2 (2) a strategy for
- 3 (A) encouraging personal responsibility in prevention and healthy
- 4 living for all residents of the state;
- 5 (B) reducing health care costs for all residents of the state to below
- 6 the national average;
- 7 (C) ensuring access in communities to safe water and wastewater
- 8 systems;
- 9 (D) developing a sustainable health care workforce in the state;
- 10 (E) ensuring access to quality health care being accessible for all
- 11 residents of the state; and
- 12 (F) increasing the number of residents of the state who are covered
- 13 by insurance for health care services.

14 (h) The commission shall review and make recommendations about health care

15 information for placement on the Department of Health and Social Services' database

16 developed under AS 18.09.110. The department shall post and make available information

17 related to the commission, including the commission's annual reports.

18 (i) The commission shall present an annual report to the legislature and the governor

19 by February 1 of each year. The report must summarize significant work, findings, and

20 recommendations of the commission. The first report of the commission must include a five-

21 year strategic plan with prioritized, targeted, and defined objectives as well as an evaluation

22 of the strengths, weaknesses, and relative performance of health care services and conditions

23 in Alaska. Subsequent reports must include revisions, if any, to the strategic plan, along with

24 a report on the progress of the commission in meeting the objectives of the plan.

25 (j) A public member appointed to the commission under (b)(4) of this section is not

26 entitled to a salary, but is entitled to per diem, reimbursement for travel, and other expenses

27 authorized by law for boards and commissions under AS 39.20.180.

28 (k) The Department of Administration, the Department of Commerce, Community,

29 and Economic Development, the Department of Labor and Workforce Development, and the

30 Department of Law shall cooperate with the commission in the performance of its duties.

31 (l) The Alaska Health Care Commission shall terminate on June 30, 2014.

1 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,
4 AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The
5 commissioner of health and social services through the Department of Law shall
6 immediately take steps to seek dismissal of pending administrative appeals and court actions
7 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
8 by secs. 4 - 6 of this Act, or implementation of AS 18.07.

9 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 TRANSITION: REGULATIONS. The Department of Health and Social Services
12 may proceed to adopt regulations necessary to implement the changes made by this Act. The
13 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
14 effective date of the statutory changes.

15 * **Sec. 11.** Section 10 of this Act takes effect immediately under AS 01.10.070(c).

16 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2008.

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CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care
2 information office; relating to health care planning and information; relating to the
3 certificate of need program for certain health care facilities; and providing for an
4 effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
7 section to read:

8 **LEGISLATIVE FINDINGS AND INTENT.** (a) The Alaska Legislature finds that

9 (1) the Constitution of the State of Alaska requires the legislature to promote
10 and protect the public health;

11 (2) health policy issues present some of the greatest challenges faced by the
12 state;

13 (3) the health status of Alaskans is directly tied to the long-term success of
14 the state's economy and well being; and

1 (4) the increasing cost of health care is threatening employer-sponsored
2 health care and making companies less competitive in the global economy.

3 (b) The legislature intends to mandate under this Act an evaluation of the state's
4 health care needs, propose reforms, and improve health care in Alaska by establishing the
5 Alaska Health Care Commission to include ^{all} public and private stakeholders for the
6 purpose of developing a comprehensive policy that better meets the current and long-range
7 health care needs in the state.

8 * Sec. 2. AS 18.05.010(b) is amended to read:

9 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
10 18.15.395, the department may

11 (1) flexibly use the broad range of powers set out in this title assigned
12 to the department to protect and promote the public health;

13 (2) provide public health information programs or messages to the
14 public that promote healthy behaviors or lifestyles or educate individuals about
15 health issues;

16 (3) promote efforts among public and private sector partners to
17 develop and finance programs or initiatives that identify and ameliorate health
18 problems;

19 (4) establish, finance, provide, or endorse performance management
20 standards for the public health system;

21 (5) develop, adopt, and implement

22 (A) a statewide health plan under AS 18.09 based on
23 recommendations of the Alaska Health Care Commission established in
24 AS 18.09.010; and

25 (B) public health plans and formal policies through
26 regulations adopted under AS 44.62 or collaborative recommendations that
27 guide or support individual and community public health efforts;

28 (6) establish formal or informal relationships with public or private
29 sector partners within the public health system;

30 (7) identify, assess, prevent, and ameliorate conditions of public
31 health importance through surveillance; epidemiological tracking, program

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evaluation, and monitoring; testing and screening programs; treatment; administrative inspections; or other techniques;

(8) promote the availability and accessibility of quality health care services through health care facilities or providers;

(9) promote availability of and access to preventive and primary health care when not otherwise available through the private sector, including acute and episodic care, prenatal and postpartum care, child health, family planning, school health, chronic disease prevention, child and adult immunization, testing and screening services, dental health, nutrition, and health education and promotion services;

(10) systematically and regularly review the public health system and recommend modifications in its structure or other features to improve public health outcomes; and

(11) collaborate with public and private sector partners, including municipalities, Alaska Native organizations, health care providers, and health insurers, within the public health system to achieve the mission of public health.

* Sec. 3. AS 18.07.031(a) is amended to read:

(a) Except as provided in (c), (d), and (f) [(c) AND (d)] of this section, a person may not make an expenditure of \$1,000,000 or more for any of the following unless authorized under the terms of a certificate of need issued by the department:

- (1) construction of a health care facility;
- (2) alteration of the bed capacity of a health care facility; or
- (3) addition of a category of health services provided by a health care facility.

* Sec. 4. AS 18.07.031(e) is amended to read:

(e) In (a) of this section, "expenditure" means the payment or promise of payment for medical [INCLUDES THE PURCHASE OF PROPERTY OCCUPIED BY OR THE EQUIPMENT REQUIRED FOR THE HEALTH CARE FACILITY AND THE NET PRESENT VALUE OF A LEASE FOR SPACE OCCUPIED BY OR THE] equipment required for the health care facility; "expenditure" does not include costs associated with routine maintenance and replacement of equipment at

*Section 3
Amendment*

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an existing health care facility.

* Sec. 5. AS 18.07.031 is amended by adding new subsections to read:

(f) Notwithstanding the limitations in (a) of this section, a person may make an expenditure of \$1,000,000 or more without authorization under the terms of a certificate of need issued by the department if the expenditure is for a health care facility that is owned by a physician who does not refer or encourage a patient who is being evaluated or treated by the physician to have services performed at the facility. A treating physician may, however, provide the name of the facility to a patient on a list with other health care facilities operating in the community.

(g) Notwithstanding other penalties provided by law, the department may seek an administrative fine not to exceed \$5,000 for each incident in which a physician refers or encourages a patient in violation of (f) of this section.

* Sec. 6. AS 18.07.111(8) is repealed and reenacted to read:

(8) "health care facility"

(A) means

(i) a private, municipal, state, or federal hospital, psychiatric hospital, independent diagnostic testing facility, tuberculosis hospital, kidney disease treatment center (including freestanding hemodialysis units), intermediate care facility, and ambulatory surgical facility that is located in a municipality or borough in which a hospital is designated by the department as a critical access hospital or that has a population of 110,000 or less;

(ii) a nursing home;

(iii) a residential psychiatric treatment center;

(B) does not include

(i) the Alaska Pioneers' Home and the Alaska Veterans' Home administered by the Department of Health and Social Services under AS 47.55;

(ii) the offices of private physicians or dentists, whether in individual or group practice; in this sub-subparagraph, "office of private physicians" means an office or clinic that is 75

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percent owned by physicians licensed under AS 08.64, and provides medical services to patients on an ongoing basis; and
(iii) tribal health entities funded or operated by the federal government;

* Sec. 7. AS 18.07.111 is amended by adding new paragraphs to read:

(11) "ambulatory surgical facility" has the meaning given to "ambulatory surgical center" in AS 47.32.900;

(12) "critical access hospital" means a facility that is a hospital licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B) and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

(13) "independent diagnostic testing facility" means a distinct entity

that

(A) operates for the primary purpose of conducting medical diagnostic tests on patients;

(B) does not assume ongoing responsibility for patient care;

and

(C) provides its services for use by outside medical personnel;

(14) "nursing home" means a nursing facility, as defined in 42 U.S.C.

1396r(a).

* Sec. 8. AS 18 is amended by adding a new chapter to read:

Chapter 09. Statewide Health Care Planning and Information.

Article 1. Alaska Health Care Commission; State Health Plan.

Sec. 18.09.010. Alaska Health Care Commission. The Alaska Health Care Commission is established in the Department of Health and Social Services. The purposes of the commission are

(1) to consider the entire spectrum of health care related issues in the state and formulate targeted and specific policy recommendations to be presented to the legislature and the executive branch;

(2) to provide recommendations for and foster the development of a statewide plan to address the quantity, accessibility, and affordability of health care for all citizens of the state; and

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(3) to review health care information for placement on the department's Internet database established under AS 18.09.110.

Sec. 18.09.020. Composition; chair. The commission consists of 16 members as appointed as follows:

(1) the state officer assigned the duties of medical director for the department, who shall serve as chair;

(2) a representative of the Alaska Mental Health Trust Authority, appointed by the authority;

(3) a representative of the University of Alaska's health education and training programs, appointed by the university;

(4) seven public members appointed by the governor, including
(A) one member representing an Alaska Native tribal health consortium;

(B) one member representing a primary care association;

(C) one member representing an association of hospitals and nursing homes in the state;

(D) one member representing the health insurance industry;

(E) one member representing a nurses' association in the state;

(F) two health care consumers or advocates, one of whom must also be a small business owner in the state;

(5) six members of the legislature, appointed as follows: the president of the senate and the speaker of the house of representatives shall each appoint two members of the majority organizational caucus and one member of the minority organizational caucus from their respective bodies; if there is no minority organizational caucus in a house, the presiding officer of that house shall appoint three members from the majority organizational caucus of that house.

Sec. 18.09.030. Term of office. (a) Public members of the commission appointed under AS 18.09.020(4) serve for staggered terms of three years.

(b) If a vacancy occurs in a public member's seat on the commission, the governor shall make an appointment for the unexpired portion of that member's term.

(c) The governor may remove a public member of the commission from

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1 office only for cause.

2 **Sec. 18.09.040. Executive director.** The commission shall employ an
3 executive director, who may not be a member of the commission. The executive
4 director shall serve at the pleasure of the commission. The commission shall
5 establish the duties of the executive director. The executive director is in the partially
6 exempt service under AS 39.25 (State Personnel Act).

7 **Sec. 18.09.050. Staff.** The department may assign employees of the
8 department to serve as staff to the commission. The commission shall prescribe the
9 duties of staff of the commission.

10 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its
11 membership and consistent with state law, shall adopt and amend bylaws governing
12 proceedings and other activities, including provisions concerning a quorum to
13 transact business and other aspects of procedure; frequency and location of meetings;
14 and establishment, functions, and membership of committees.

15 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as
16 the state health planning and coordinating body. Consistent with state and federal
17 law, the commission shall provide recommendations for and foster the development
18 of a statewide health plan containing the following:

19 (1) a comprehensive statewide health care policy;

20 (2) a strategy for

21 (A) encouraging personal responsibility in prevention and
22 healthy living for all residents of the state;

23 (B) reducing health care costs for all residents of the state to
24 below the national average;

25 (C) ensuring access in communities to safe water and
26 wastewater systems;

27 (D) developing a sustainable health care workforce in the
28 state;

29 (E) ensuring access to quality health care being accessible for
30 all residents of the state; and

31 (F) increasing the number of residents of the state who are

1 covered by insurance for health care services.

2 (b) The commission shall review health care information for placement on
3 the department's database developed under AS 18.09.110.

4 (c) The commission shall ^{present}~~submit~~ an annual report to the legislature and the
5 governor by February 1 of each year. The report must summarize significant work,
6 findings, and recommendations of the commission. The first report of the
7 commission must include a five-year strategic plan with prioritized, targeted, and
8 defined objectives as well as an evaluation of the strengths, weaknesses, and relative
9 performance of health care services and conditions in Alaska. Subsequent reports
10 must include revisions, if any, to the strategic plan, along with a report on the
11 progress of the commission in meeting the objectives of the plan.

12 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member
13 appointed to the commission under AS 18.09.020(4) is not entitled to a salary, but is
14 entitled to per diem, reimbursement for travel, and other expenses authorized by law
15 for boards and commissions under AS 39.20.180.

16 **Article 2. Alaska Health Care Information Office.**

17 **Sec. 18.09.100. Office.** The Alaska health care information office is
18 established in the department. The purpose of the office is to improve access by
19 residents of the state to consistently updated

20 (1) information about health care facilities to aid consumers of health
21 care services of health care facilities in the state; and

22 (2) information to encourage personal responsibility in prevention
23 and healthy living.

24 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
25 establish and maintain an information database on the Internet of information about
26 all health care facilities in the state to provide objective, unbiased, and factually
27 based information on health care facilities in the state. The department may require
28 those health care facilities to provide information in a standard form or format to the
29 department for placement in the database. Before information is placed in the
30 database, the commission shall review the information for accuracy.

31 (b) The database developed under (a) of this section must include the

1 following:

2 (1) the availability and location of state licensed health care providers
3 and facilities, organized by region;

4 (2) the facility cost and provider cost of medical procedures in the
5 state, organized by the cash price and negotiated price of each procedure charged by
6 available providers and paid by insurers, updated annually; the cost must include the
7 cost to workers' compensation under AS 23.30;

8 (3) the prescription medication cost in the state, organized by the
9 cash price and negotiated price of each medication;

10 (4) available hospital ratings, including the rates of hospital acquired
11 infections and mortality occurring at each hospital located in the state.

12 (c) The department shall develop and consistently update an Internet website
13 to provide residents of the state timely and accurate information regarding prevention
14 and healthy living.

15 (d) The department shall post and make available information related to the
16 commission, including the commission's annual reports under AS 18.09.070(c).

17 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
18 provide to the department the following information related to the facility's health
19 care services for placement in the database developed under AS 18.09.110:

20 (1) information on costs to the consumer for health care services;

21 (2) types of insurance and payment accepted by the health care
22 facility for health care services;

23 (3) each location where the health care facility operates, and the
24 hours of operation;

25 (4) the types and scope of health care services offered at the health
26 care facility;

27 (5) the Internet address of any Internet website of the health care
28 facility the purpose of which is to provide factual information to aid the consumer;

29 (6) any other readily accessible information that the department
30 determines would help the consumer make informed decisions about the health care
31 facility's services.

1 (b) The department shall develop a standard form or format for reporting the
2 information required in (a) of this section. The department shall adopt regulations
3 specifying the timing and frequency of the reporting of the information required by
4 (a) of this section.

5 (c) The department shall notify the health care facility of a failure to report
6 under (a) of this section and give the health care facility an opportunity to contest or
7 cure the failure. If the health care facility does not promptly cure the failure, the
8 department shall post the notice of failure on the database developed under
9 AS 18.09.110.

10 **Sec. 18.09.130. Coordination of departments.** The Department of
11 Administration, the Department of Commerce, Community, and Economic
12 Development, the Department of Labor and Workforce Development, and the
13 Department of Law shall

14 (1) provide to the commission information for placement in the
15 database developed under AS 18.09.110 regarding an adverse action taken against a
16 health care facility in the state or against a licensed professional practicing in a
17 health care facility in the state; and

18 (2) cooperate with the commission in the performance of its duties.

19 **Article 3. General Provisions.**

20 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
21 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

22 **Sec. 18.09.990. Definitions.** In this chapter,

23 (1) "commission" means the Alaska Health Care Commission
24 established in AS 18.09.010;

25 (2) "costs to the consumer" means the actual price paid by the
26 consumer for health care services;

27 (3) "department" means the Department of Health and Social
28 Services;

29 (4) "health care facility" means

30 (A) a facility licensed under AS 47.32;

31 (B) an independent diagnostic testing facility providing

1 services in the state;

2 (C) an agency providing a home and community based waiver
3 service that is certified under regulations adopted by the department;

4 (D) an agency providing personal care services that is
5 certified under regulations adopted by the department.

6 * Sec. 9. AS 39.25.120(c)(7) is amended to read:

7 (7) the principal executive officer of the following boards, councils,
8 or commissions:

9 (A) Alaska Public Broadcasting Commission;

10 (B) Professional Teaching Practices Commission;

11 (C) Parole Board;

12 (D) Board of Nursing;

13 (E) Real Estate Commission;

14 (F) Alaska Royalty Oil and Gas Development Advisory

15 Board;

16 (G) Alaska State Council on the Arts;

17 (H) Alaska Police Standards Council;

18 (I) Alaska Commission on Aging;

19 (J) Alaska Mental Health Board;

20 (K) State Medical Board;

21 (L) Governor's Council on Disabilities and Special Education;

22 (M) Advisory Board on Alcoholism and Drug Abuse;

23 (N) Statewide Suicide Prevention Council;

24 (O) the State Board of Registration for Architect, Engineers,

25 and Land Surveyors;

26 **(P) Alaska Health Care Commission;**

27 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section
28 to read:

29 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,
30 AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The
31 commissioner of health and social services through the Department of Law shall

1 immediately take steps to seek dismissal of pending administrative appeals and court actions
2 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
3 by secs. 3 - 7 of this Act, or implementation of AS 18.07.

4 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section
5 .o read:

6 **TRANSITION: REGULATIONS.** The Department of Health and Social Services
7 may proceed to adopt regulations necessary to implement the changes made by this Act. The
8 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
9 effective date of the statutory changes.

10 * **Sec. 12.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

11 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2008.

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1/30/08

CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care
2 information office; relating to health care planning and information; relating to the
3 certificate of need program for certain health care facilities; and providing for an
4 effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 18.05.010(b) is amended to read:

7 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
8 18.15.395, the department may

9 (1) flexibly use the broad range of powers set out in this title assigned
10 to the department to protect and promote the public health;

11 (2) provide public health information programs or messages to the
12 public that promote healthy behaviors or lifestyles or educate individuals about
13 health issues;

14 (3) promote efforts among public and private sector partners to

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Bring up Standards of Practice Best Practices

develop and finance programs or initiatives that identify and ameliorate health problems;

(4) establish, finance provide, or endorse performance management standards for the public health system;

(5) develop, adopt, and implement

(A) a statewide health plan under AS 18.09 based on recommendations of the Alaska Health Care Commission established in AS 18.09.010; and

(B) public health plans and formal policies through regulations adopted under AS 44.62 or collaborative recommendations that guide or support individual and community public health efforts;

(6) establish formal or informal relationships with public or private sector partners within the public health system;

(7) identify, assess, prevent, and ameliorate conditions of public health importance through surveillance; epidemiological tracking, program evaluation, and monitoring; testing and screening programs; treatment; administrative inspections; or other techniques;

(8) promote the availability and accessibility of quality health care services through health care facilities or providers;

(9) promote availability of and access to preventive and primary health care when not otherwise available through the private sector, including acute and episodic care, prenatal and postpartum care, child health, family planning, school health, chronic disease prevention, child and adult immunization, testing and screening services, dental health, nutrition, and health education and promotion services;

(10) systematically and regularly review the public health system and recommend modifications in its structure or other features to improve public health outcomes; and

(11) collaborate with public and private sector partners, including municipalities, Alaska Native organizations, health care providers, and health insurers, within the public health system to achieve the mission of public health.

amendment
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amendment
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* Sec. 2. AS 18.07.111(8) is repealed and reenacted to read:

(8) "health care facility" means a residential psychiatric treatment center and a private, municipal, state, or federal hospital that has been designated by the department as a critical access hospital.

Also need a broader definition of health care facility

* Sec. 3. AS 18.07.111 is amended by adding new paragraphs to read:

(11) "critical access hospital" means a facility that is a hospital licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B) and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

(12) "nursing home" means a nursing facility, as defined in 42 U.S.C. 1396r(a).

* Sec. 4. AS 18 is amended by adding a new chapter to read:

Chapter 09. Statewide Health Care Planning and Information.

Article 1. Alaska Health Care Commission; State Health Plan.

Sec. 18.09.010. Alaska Health Care Commission. The Alaska Health Care Commission is established in the Department of Health and Social Services. The purposes of the commission are

(1) to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility, and availability of health care for all citizens of the state; and

(2) to review and approve facility health care information for placement on the department's Internet database established under AS 18.09.110.

Sec. 18.09.020. Composition; chair. (a) The commission consists of 12 members as follows:

(1) the state officer assigned the duties of medical director for the department;

(2) one member representing the Department of Administration, appointed by the commissioner of administration;

(3) one member representing the Department of Commerce, Community, and Economic Development, appointed by the commissioner of commerce, community, and economic development;

(4) one member representing the Department of Labor and

Section 3 specifies six members made up

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Workforce Development, appointed by the commissioner of labor and workforce development;

(5) six public members, appointed by the governor; one of the members appointed under this paragraph must be a small business owner in the state;

(6) one member from the house of representatives, appointed by the speaker of the house;

(7) one member from the senate, appointed by the president of the senate.

(b) The department's representative appointed under (a)(1) of this section shall serve as chair of the commission.

Sec. 18.09.030. Term of office. (a) Public members of the commission appointed under AS 18.09.020(a)(5) serve for staggered terms of three years.

(b) If a vacancy occurs in a public member's seat on the commission, the governor shall make an appointment for the unexpired portion of that member's term.

(c) The governor may remove a public member of the commission from office only for cause.

Sec. 18.09.040. Executive director. The commission shall employ an executive director, who may not be a member of the commission. The executive director shall serve at the pleasure of the commission. The commission shall establish the duties of the executive director. The executive director is in the partially exempt service under AS 39.25 (State Personnel Act).

Sec. 18.09.050. Staff. The department may assign employees of the department to serve as staff to the commission. The commission shall prescribe the duties of staff of the commission.

Look @ this

Sec. 18.09.060. Bylaws. The commission, on approval of a majority of its membership and consistent with state law, shall adopt and amend bylaws governing proceedings and other activities, including provisions concerning a quorum to transact business and other aspects of procedure; frequency and location of meetings; and establishment, functions, and membership of committees.

Sec. 18.09.070. Duties of the commission. (a) The commission shall serve as the state health planning and coordinating body. Consistent with state and federal

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law, the commission shall provide recommendations for and foster the development of a statewide health plan containing the following:

(1) a comprehensive statewide health care policy;

(2) a strategy for

(A) encouraging personal responsibility in prevention and healthy living for all residents of the state;

(B) reducing health care costs for all residents of the state to below the national average;

(C) ensuring access in communities to safe water and wastewater systems;

(D) developing a sustainable health care workforce in the state;

(E) ensuring access to quality health care being accessible for all residents of the state; and

(F) increasing the number of residents of the state who are covered by insurance for health care services.

(b) The commission shall review and approve health care information for placement on the department's database developed under AS 18.09.110.

(c) The commission shall submit to the governor and the legislature by January 15 of each year an annual report regarding the commission's recommendations and activities.

Sec. 18.09.080. Compensation, per diem, and expenses. A public member appointed to the commission under AS 18.09.020(a)(5) is not entitled to a salary, but is entitled to per diem, reimbursement for travel, and other expenses authorized by law for boards and commissions under AS 39.20.180.

Article 2. Alaska Health Care Information Office.

Sec. 18.09.100. Office. The Alaska health care information office is established in the department. The purpose of the office is to improve access by residents of the state to consistently updated

(1) information about health care facilities to aid consumers of health care services of health care facilities in the state; and

*Best Practices
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1 (2) information to encourage personal responsibility in prevention
2 and healthy living.

3 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
4 establish and maintain an information database on the Internet of information about
5 all health care facilities in the state to provide objective, unbiased, and factually
6 based information on health care facilities in the state. The department may require
7 those health care facilities to provide information in a standard form or format to the
8 department for placement in the database. Before information is placed in the
9 database, the commission shall review the information for accuracy.

10 (b) The database developed under (a) of this section must include the
11 following:

12 (1) the availability and location of state licensed health care providers
13 and facilities, organized by region;

14 (2) the facility cost and provider cost of medical procedures in the
15 state, organized by the cash price and negotiated price of each procedure charged by
16 available providers and paid by insurers, updated annually; the cost must include the
17 cost to workers' compensation under AS 23.30;

18 (3) the prescription medication cost in the state, organized by the
19 cash price and negotiated price of each medication;

20 (4) available hospital ratings, including the rates of hospital acquired
21 infections and mortality occurring at each hospital located in the state.

22 (c) The department shall develop and consistently update an Internet website
23 to provide residents of the state timely and accurate information regarding prevention
24 and healthy living.

25 (d) The department shall post and make available information related to the
26 commission, including the commission's annual reports under AS 18.09.070(c).

27 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
28 provide to the department the following information related to the facility's health
29 care services for placement in the database developed under AS 18.09.110:

30 (1) information on costs to the consumer for health care services;

31 (2) types of insurance and payment accepted by the health care

*new ver. from
governor:
see page 3
of gov's amendment*

*need to
discuss need
to board #2*

1 facility for health care services;

2 (3) each location where the health care facility operates, and the
3 hours of operation;

4 (4) the types and scope of health care services offered at the health
5 care facility;

6 (5) the Internet address of any Internet website of the health care
7 facility the purpose of which is to provide factual information to aid the consumer;

8 (6) any other readily accessible information that the department
9 determines would help the consumer make informed decisions about the health care
10 facility's services.

11 (b) The department shall develop a standard form or format for reporting the
12 information required in (a) of this section. The department shall adopt regulations
13 specifying the timing and frequency of the reporting of the information required by
14 (a) of this section.

15 (c) The department shall notify the health care facility of a failure to report
16 under (a) of this section and give the health care facility an opportunity to contest or
17 cure the failure. If the health care facility does not promptly cure the failure, the
18 department shall post the notice of failure on the database developed under
19 AS 18.09.110.

20 **Sec. 18.09.130. Coordination of departments.** The Department of
21 Administration, the Department of Commerce, Community, and Economic
22 Development, the Department of Labor and Workforce Development, and the
23 Department of Law shall

24 (1) provide to the commission information for placement in the
25 database developed under AS 18.09.110 regarding an adverse action taken against a
26 health care facility in the state or against a licensed professional practicing in a
27 health care facility in the state; and

28 (2) cooperate with the commission in the performance of its duties.

29 **Article 3. General Provisions.**

30 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
31 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

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Sec. 18.09.990. Definitions. In this chapter,

- (1) "commission" means the Alaska Health Care Commission established in AS 18.09.010;
- (2) "costs to the consumer" means the actual price paid by the consumer for health care services;
- (3) "department" means the Department of Health and Social Services;
- (4) "health care facility" means
 - (A) a facility licensed under AS 47.32;
 - (B) an independent diagnostic testing facility providing services in the state;
 - (C) an agency providing a home and community based waiver service that is certified under regulations adopted by the department;
 - (D) an agency providing personal care services that is certified under regulations adopted by the department.

* Sec. 5. AS 39.25.120(c)(7) is amended to read:

- (7) the principal executive officer of the following boards, councils, or commissions:
 - (A) Alaska Public Broadcasting Commission;
 - (B) Professional Teaching Practices Commission;
 - (C) Parole Board;
 - (D) Board of Nursing;
 - (E) Real Estate Commission;
 - (F) Alaska Royalty Oil and Gas Development Advisory Board;
 - (G) Alaska State Council on the Arts;
 - (H) Alaska Police Standards Council;
 - (I) Alaska Commission on Aging;
 - (J) Alaska Mental Health Board;
 - (K) State Medical Board;
 - (L) Governor's Council on Disabilities and Special Education;

Jovis amendment rewrites this. their definition is different from page 3 of this bill

- 1 (M) Advisory Board on Alcoholism and Drug Abuse;
2 (N) Statewide Suicide Prevention Council;
3 (O) the State Board of Registration for Architect, Engineers,
4 and Land Surveyors;

5 **(P) Alaska Health Care Commission;**

6 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,
9 AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The
10 commissioner of health and social services through the Department of Law shall
11 immediately take steps to seek dismissal of pending administrative appeals and court actions
12 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
13 by secs. 1 and 2 of this Act or implementation of AS 18.07.

14 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 TRANSITION: REGULATIONS. The Department of Health and Social Services
17 may proceed to adopt regulations necessary to implement the changes made by this Act. The
18 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
19 effective date of the statutory changes.

20 * Sec. 8. Section 7 of this Act takes effect immediately under AS 01.10.070(c).

21 * Sec. 9. Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2008.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3088

February 22, 2008

Honorable Peggy Wilson, Chair
House Health, Education, and
Social Services Committee
Alaska State Capitol, Room 403
Juneau, AK 99801-1182

RE: House Bill 337 and House Bill 345

Dear Representative Wilson:

The Department of Health and Social Services respectfully requests the following amendments to HB337, version E (amendments attached):

- Sec 3 (page 3, line 6) need to change to: "communities with" Critical Access Hospitals
- Page 6, Sec. 18.09.110 paragraph (2) (Page 6, lines 14-17): modify information collected from health care providers
- Sec. 18.09.990 (page 8): need to add a definition of pharmacies and other providers.

Also, this amendment defines the various health care facilities, and it exempts Tribal Health entities owned or operated by the federal government, Indian Tribe or tribal organization from any Certificate of Need requirements.

In addition, we maintain our preference that the Certificate of Need for Communities with Critical Access Hospitals, Nursing Homes, and Residential Psychiatric Facilities are repealed in two years, although version E does not include a repeal.

We have several concerns regarding House Bill 345:

Although HB 345 resolves some but NOT all of the pending litigation. To eliminate all pending litigation, the following would need to be changed in HB345:

- HB 345 should include Ambulatory Surgery Centers to be exempt for CON in communities larger than populations of 60,000
- HB345 needs to define Physician offices in statute

In addition the following needs to be addressed in this legislation:

- This bill does not clarify if the threshold in AS 18.07.031 will increase every year as it currently does; we assume so, but it is not clear.
- HB345 does not clarify how do we deal with mobile facilities or relocated facilities.

Sincerely,



Sherry Hill
Assistant Commissioner for Public Affairs

Department of Health and Social Services

February 22, 2008

Page 2

Cc: Karleen Jackson, Commissioner
Dr. Jay Butler, DHSS Chief Medical Officer
Mike Tibbles, Chief of Staff, Governor's Office
Anna Kim, Special Assistant, Governor's Office
Russell Kelly, Director, Governor's Legislative Office

AMENDMENT

OFFERED IN THE HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES COMMITTEE
TO: CSHB 337(HES)(25-GH2050E)

BY _____

1 Page 2, following line 31:

2 Insert a new bill section to read:

3 **** Sec. 2.** AS 18.07.031(a) is amended to read:

4 (a) Except as provided in (c) and (d) of this section, a person may not make an
5 expenditure of \$1,000,000 or more for any of the following unless authorized under the
6 terms of a certificate of need issued by the department:

7 (1) except as provided in (4) and (5) of this subsection, construction of
8 a health care facility in a community with a critical access hospital;

9 (2) except as provided in (4) and (5) of this subsection, alteration of the
10 bed capacity of a health care facility in a community with a critical access hospital;
11 [OR]

12 (3) except as provided in (4) and (5) of this subsection, addition of a
13 category of health services provided by a health care facility in a community with a
14 critical access hospital;

15 (4) construction of, alteration of the bed capacity of, or addition of a
16 category of health services provided by a nursing home; or

17 (5) construction of, alteration of the bed capacity of, or addition of a
18 category of health services provided by a residential psychiatric treatment center."

19

20 Renumber the following bill sections accordingly.

21

1 Page 3, lines 2 - 4:

2 Delete all material and insert:

3 "(8) "health care facility"

4 (A) means, if located or providing services in this state,

5 (i) an acute care hospital;

6 (ii) an ambulatory surgical center;

7 (iii) a critical access hospital;

8 (iv) an independent diagnostic testing facility;

9 (v) an intermediate care facility;

10 (vi) a kidney dialysis center;

11 (vii) a nursing facility;

12 (viii) a psychiatric hospital;

13 (ix) a residential psychiatric treatment center;

14 (B) includes a facility owned or operated by a private person, the
15 state, or a local government of the state;

16 (C) excludes a facility that is

17 (i) exempt from state licensure or certification under
18 applicable law and owned or operated by the United States, an Indian
19 tribe, or a tribal organization;

20 (ii) an office of private physicians or dentists whether in
21 individual or group practice;"

22
23 Page 3, lines 6 - 10:

24 Delete all material and insert:

25 "(11) "acute care hospital" has the meaning given to "hospital" in
26 AS 47.32.900;

27 (12) "ambulatory surgical center" has the meaning given in AS 47.32.900;

28 (13) "critical access hospital" means a facility that is a hospital licensed in
29 the state that satisfies the criteria set out in 42 U.S.C. 1395i - 4(c)(2)(B) and meets the
30 conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

31 (14) "independent diagnostic testing facility"

1 (A) means a fixed-location or mobile outpatient facility that is
2 designed and equipped solely to perform diagnostic testing using major diagnostic
3 testing equipment for an independent diagnostic purpose; in this subparagraph,
4 "independent diagnostic purpose" means to perform a diagnostic test for a patient
5 who has been referred by a physician or medical professional who

6 (i) is not associated with the facility;

7 (ii) is treating the patient's specific medical problem; and

8 (iii) uses the diagnostic test result in the treatment of the
9 patient's specific medical problem;

10 (B) does not include a practice 100 percent owned by one or more
11 radiologists or physicians whose primary practice is diagnostic imaging and
12 occasionally evaluation;

13 (15) "intermediate care facility" means a nursing facility that is not a
14 skilled nursing facility;

15 (16) "kidney dialysis center" means a treatment center, including a free-
16 standing hemodialysis unit, that is devoted to the treatment of kidney disease;

17 (17) "nursing home" means a nursing facility as defined in 42 U.S.C
18 1396r(a);

19 (18) "office of private physicians or dentists" means an office that

20 (A) is 100 percent owned by physicians licensed under AS 08.64
21 or dentists licensed under AS 08.36; and

22 (B) provides medical services to patients on an ongoing basis;

23 (19) "psychiatric hospital" means a hospital or part of a hospital that is
24 primarily for the diagnosis and treatment of mental, emotional, or behavioral disorders."
25

26 Page 6, lines 10 - 21:

27 Delete all material and insert:

28 "(b) The database developed under (a) of this section must include the following:

29 (1) a list of preferred drugs approved by the department for
30 reimbursement by the department;

31 (2) a complete list, organized by region and address, of

- 1 (A) health care facilities located in the state;
- 2 (B) licensed pharmacists and pharmacies located in the state;
- 3 (C) emergency and urgent care facilities located in the state;
- 4 (D) health insurance companies offering coverage in the state;
- 5 (E) health care providers licensed in the state, including the
- 6 provider license number, type, and expiration date along with disciplinary actions,
- 7 if any;
- 8 (F) long-term, in-home, and hospice care providers located in the
- 9 state; and
- 10 (G) public assistance offices of the department;
- 11 (3) a list, updated monthly, of not more than 25 most commonly
- 12 prescribed medications in the state and the source and price of the medications;
- 13 (4) a list, updated monthly, of not more than 25 most commonly
- 14 conducted medical procedures in the state, organized by the cash and negotiated price of
- 15 the procedure at available providers and insurers; the list must include medical
- 16 procedures covered by workers' compensation under AS 23.30;
- 17 (5) available hospital ratings, including the rates of hospital-acquired
- 18 infections and mortality occurring at each hospital located in the state;
- 19 (6) consumer education information on topics that include body mass
- 20 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug addictions,
- 21 that includes the location of available sites that provide care and treatment related to
- 22 those issues;
- 23 (7) a list of procedures approved by state agencies for emergency
- 24 response and treatment;
- 25 (8) disease management support information;
- 26 (9) insurance information that includes
- 27 (A) a navigator to determine insurance eligibility using a matrix of
- 28 available insurers;
- 29 (B) links to Internet websites for purchasing insurance policies;
- 30 and
- 31 (C) an explanation of mandatory and optional insurance coverage;

1 (10) a list of primary care clinics that cater to uninsured and self-pay
2 patients;

3 (11) information on the quality of health care facilities, including any
4 actions taken by state or federal agencies related to

5 (A) licensure and accreditation of a health care facility; or

6 (B) a licensed professional practicing in a health care facility."
7

8 Page 8, lines 8 - 15:

9 Delete all material and insert:

10 "(4) "health care facility"

11 (A) has the meaning given in AS 18.07.111; and

12 (B) also includes

13 (i) an assisted living home;

14 (ii) a free-standing birth center;

15 (iii) a home health agency;

16 (iv) a hospice or agency providing hospice services or
17 operating hospice programs;

18 (v) an intermediate care facility for the mentally retarded;

19 (vi) a pharmacy;

20 (vii) a provider of a home and community-based waiver
21 service that is certified under regulations adopted by the department;

22 (viii) a provider of personal care services that is certified
23 under regulations adopted by the department;

24 (ix) a rural health clinic; and

25 (x) an urgent care facility."
26

27 Page 9, line 13:

28 Delete "secs. 1 and 2"

29 Insert "secs. 2 - 4"
30

31 Page 9, line 20:

1 Delete "Section 7"

2 Insert "Section 8"

3

4 Page 9, line 21:

5 Delete "sec. 8"

6 Insert "sec. 9"

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CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care
 2 information office; relating to health care planning and information; relating to the
 3 certificate of need program for certain health care facilities; and providing for an
 4 effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 18.05.010(b) is amended to read:

7 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
 8 18.15.395, the department may

9 (1) flexibly use the broad range of powers set out in this title assigned
 10 to the department to protect and promote the public health;

11 (2) provide public health information programs or messages to the
 12 public that promote healthy behaviors or lifestyles or educate individuals about
 13 health issues;

14 (3) promote efforts among public and private sector partners to

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1 develop and finance programs or initiatives that identify and ameliorate health
2 problems;

3 (4) establish, finance, provide, or endorse performance management
4 standards for the public health system;

5 (5) develop, adopt, and implement

6 (A) a statewide health plan under AS 18.09 based on
7 recommendations of the Alaska Health Care Commission established in
8 AS 18.09.010; and

9 (B) public health plans and formal policies through
10 regulations adopted under AS 44.62 or collaborative recommendations that
11 guide or support individual and community public health efforts;

12 (6) establish formal or informal relationships with public or private
13 sector partners within the public health system;

14 (7) identify, assess, prevent, and ameliorate conditions of public
15 health importance through surveillance; epidemiological tracking, program
16 evaluation, and monitoring; testing and screening programs; treatment;
17 administrative inspections; or other techniques;

18 (8) promote the availability and accessibility of quality health care
19 services through health care facilities or providers;

20 (9) promote availability of and access to preventive and primary
21 health care when not otherwise available through the private sector, including acute
22 and episodic care, prenatal and postpartum care, child health, family planning, school
23 health, chronic disease prevention, child and adult immunization, testing and
24 screening services, dental health, nutrition, and health education and promotion
25 services;

26 (10) systematically and regularly review the public health system and
27 recommend modifications in its structure or other features to improve public health
28 outcomes; and

29 (11) collaborate with public and private sector partners, including
30 municipalities, Alaska Native organizations, health care providers, and health
31 insurers, within the public health system to achieve the mission of public health.

1 * Sec. 2. AS 18.07.111(8) is repealed and reenacted to read:

2 (8) "health care facility" means a private, municipal, state, or federal
3 hospital that has been designated by the department as a critical access hospital.

4 * Sec. 3. AS 18.07.111 is amended by adding new paragraphs to read:

5 (11) "critical access hospital" means a facility that is a hospital
6 licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B)
7 and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

8 (12) "nursing home" means a nursing facility, as defined in 42 U.S.C.
9 1396r(a). (U) RPTG P

10 * Sec. 4. AS 18 is amended by adding a new chapter to read:

11 **Chapter 09. Statewide Health Care Planning and Information.**

12 **Article 1. Alaska Health Care Commission; State Health Plan.**

13 **Sec. 18.09.010. Alaska Health Care Commission.** The Alaska Health Care
14 Commission is established in the Department of Health and Social Services. The
15 purposes of the commission are

16 (1) to provide recommendations for and foster the development of a
17 statewide plan to address the quality, accessibility, and availability of health care for
18 all citizens of the state; and

19 (2) to review and approve facility health care information for
20 placement on the department's Internet database established under AS 18.09.110.

21 **Sec. 18.09.020. Composition; chair.** (a) The commission consists of 12
22 members as follows:

23 (1) the state officer assigned the duties of medical director for the
24 department;

25 (2) one member representing the Department of Administration,
26 appointed by the commissioner of administration;

27 (3) one member representing the Department of Commerce,
28 Community, and Economic Development, appointed by the commissioner of
29 commerce, community, and economic development;

30 (4) one member representing the Department of Labor and
31 Workforce Development, appointed by the commissioner of labor and workforce

1 development;

2 (5) ⁶ five public members, appointed by the governor; one of the
3 members appointed under this paragraph must be a small business owner in the state;

4 (6) one member from the house of representatives, appointed by the
5 speaker of the house;

6 (7) one member from the senate, appointed by the president of the
7 senate;

8 ~~(8) one nonvoting member representing the Office of the Governor.~~

9 (b) The department's representative appointed under (a)(1) of this section
10 shall serve as chair of the commission.

11 **Sec. 18.09.030. Term of office.** (a) Public members of the commission
12 appointed under AS 18.09.020(a)(5) serve for staggered terms of three years.

13 (b) If a vacancy occurs in a public member's seat on the commission, the
14 governor shall make an appointment for the unexpired portion of that member's term.

15 (c) The governor may remove a public member of the commission from
16 office only for cause.

17 **Sec. 18.09.040. Executive director.** The commission shall employ an
18 executive director, who may not be a member of the commission. The executive
19 director shall serve at the pleasure of the commission. The commission shall
20 establish the duties of the executive director. The executive director is in the partially
21 exempt service under AS 39.25 (State Personnel Act).

22 **Sec. 18.09.050. Staff.** The department may assign employees of the
23 department to serve as staff to the commission. The commission shall prescribe the
24 duties of staff of the commission.

25 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its
26 membership and consistent with state law, shall adopt and amend bylaws governing
27 proceedings and other activities, including provisions concerning a quorum to
28 transact business and other aspects of procedure; frequency and location of meetings;
29 and establishment, functions, and membership of committees.

30 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as
31 the state health planning and coordinating body. Consistent with state and federal

1 law, the commission shall provide recommendations for and foster the development
2 of a statewide health plan containing the following:

3 (1) a comprehensive statewide health care policy;

4 (2) a strategy for

5 (A) encouraging personal responsibility in prevention and
6 healthy living for all residents of the state;

7 (B) reducing health care costs for all residents of the state to
8 below the national average;

9 (C) ensuring access in communities to safe water and
10 wastewater systems;

11 (D) developing a sustainable health care workforce in the
12 state;

13 (E) ensuring access to quality health care being accessible for
14 all residents of the state; and

15 (F) increasing the number of residents of the state who are
16 covered by insurance for health care services.

17 (b) The commission shall review and approve health care information for
18 placement on the department's database developed under AS 18.09.110.

19 (c) The commission shall submit to the governor and the legislature by
20 January 15 of each year an annual report regarding the commission's
21 recommendations and activities.

22 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member
23 appointed to the commission under AS 18.09.020(a)(5) is not entitled to a salary, but
24 is entitled to per diem, reimbursement for travel, and other expenses authorized by
25 law for boards and commissions under AS 39.20.180.

26 **Article 2. Alaska Health Care Information Office.**

27 **Sec. 18.09.100. Office.** The Alaska health care information office is
28 established in the department. The purpose of the office is to improve access by
29 residents of the state to consistently updated

30 (1) information about health care facilities to aid consumers of health
31 care services of health care facilities in the state; and

(2) information to encourage personal responsibility in prevention and healthy living.

Sec. 18.09.110. Dissemination of information. (a) The department shall establish and maintain an information database on the Internet of information about all health care facilities in the state to provide objective, unbiased, and factually based information on health care facilities in the state. The department may require those health care facilities to provide information in a standard form or format to the department for placement in the database. Before information is placed in the database, the commission shall review the information for accuracy.

(b) The database developed under (a) of this section must include the following:

(1) the availability and location of state licensed health care providers and facilities, organized by region;

(2) the facility cost and provider cost of medical procedures in the state, organized by the cash price and negotiated price of ~~each procedure~~ ^{the most common} charged by available providers and paid by insurers. updated annually; the cost must include the cost to workers' compensation under AS 23.30; ^{monthly of any cost Δ's}

(3) the prescription medication cost in the state, organized by the cash price and negotiated price of each medication;

(4) available hospital ratings, including the rates of hospital acquired infections and mortality occurring at each hospital located in the state.

(c) The department shall develop and consistently update an Internet website to provide residents of the state timely and accurate information regarding prevention and healthy living.

(d) The department shall post and make available information related to the commission, including the commission's annual reports under AS 18.09.070(c).

Sec. 18.09.120. Mandatory reporting. (a) A health care facility shall provide to the department the following information related to the facility's health care services for placement in the database developed under AS 18.09.110:

(1) information on costs to the consumer for health care services;

(2) types of insurance and payment accepted by the health care

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* P. Shilling

1 facility for health care services;

2 (3) each location where the health care facility operates, and the
3 hours of operation;

4 (4) the types and scope of health care services offered at the health
5 care facility;

6 (5) the Internet address of any Internet website of the health care
7 facility the purpose of which is to provide factual information to aid the consumer;

8 (6) any other readily accessible information that the department
9 determines would help the consumer make informed decisions about the health care
10 facility's services.

11 (b) The department shall develop a standard form or format for reporting the
12 information required in (a) of this section. The department shall adopt regulations
13 specifying the timing and frequency of the reporting of the information required by
14 (a) of this section.

15 (c) The department shall notify the health care facility of a failure to report
16 under (a) of this section and give the health care facility an opportunity to contest or
17 cure the failure. If the health care facility does not promptly cure the failure, the
18 department shall post the notice of failure on the database developed under
19 AS 18.09.110.

20 **Sec. 18.09.130. Coordination of departments.** The Department of
21 Administration, the Department of Commerce, Community, and Economic
22 Development, the Department of Labor and Workforce Development, and the
23 Department of Law shall

24 (1) provide to the commission information for placement in the
25 database developed under AS 18.09.110 regarding an adverse action taken against a
26 health care facility in the state or against a licensed professional practicing in a
27 health care facility in the state; and

28 (2) cooperate with the commission in the performance of its duties.

29 **Article 3. General Provisions.**

30 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
31 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

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Sec. 18.09.990. Definitions. In this chapter,

- (1) "commission" means the Alaska Health Care Commission established in AS 18.09.010;
- (2) "costs to the consumer" means the actual price paid by the consumer for health care services;
- (3) "department" means the Department of Health and Social Services;
- (4) "health care facility" means
 - (A) a facility licensed under AS 47.32;
 - (B) an independent diagnostic testing facility providing services in the state;
 - (C) a ^{agency} ~~provider~~ of a home and community based waiver service that is certified under regulations adopted by the department;
 - (D) a ^{agency provider} ~~provider~~ of personal care services that is certified under regulations adopted by the department.

* Sec. 5. AS 39.25.120(c)(7) is amended to read:

- (7) The principal executive officer of the following boards, councils, or commissions:
 - (A) Alaska Public Broadcasting Commission;
 - (B) Professional Teaching Practices Commission;
 - (C) Parole Board;
 - (D) Board of Nursing;
 - (E) Real Estate Commission;
 - (F) Alaska Royalty Oil and Gas Development Advisory Board;
 - (G) Alaska State Council on the Arts;
 - (H) Alaska Police Standards Council;
 - (I) Alaska Commission on Aging;
 - (J) Alaska Mental Health Board;
 - (K) State Medical Board;
 - (L) Governor's Council on Disabilities and Special Education;

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- 1 (M) Advisory Board on Alcoholism and Drug Abuse;
2 (N) Statewide Suicide Prevention Council;
3 (O) the State Board of Registration for Architect, Engineers,
4 and Land Surveyors;

5 **(P) Alaska Health Care Commission;**

6 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,
9 AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The
10 commissioner of health and social services through the Department of Law shall
11 immediately take steps to seek dismissal of pending administrative appeals and court actions
12 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
13 by secs. 1 and 2 of this Act or implementation of AS 18.07.

14 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 TRANSITION: REGULATIONS. The Department of Health and Social Services
17 may proceed to adopt regulations necessary to implement the changes made by this Act. The
18 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
19 effective date of the statutory changes.

20 * Sec. 8. Section 7 of this Act takes effect immediately under AS 01.10.070(c).

21 * Sec. 9. Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2008.

HOUSE BILL NO. 337

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/22/08

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care
2 information office; relating to health care planning and information; repealing the
3 certificate of need program for certain health care facilities and relating to the repeal;
4 annulling certain regulations required for implementation of the certificate of need
5 program for certain health care facilities; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * Section 1. AS 18.05.010(b) is amended to read:

8 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
9 18.15.395, the department may

10 (1) flexibly use the broad range of powers set out in this title assigned
11 to the department to protect and promote the public health;

12 (2) provide public health information programs or messages to the
13 public that promote healthy behaviors or lifestyles or educate individuals about

1 health issues;

2 (3) promote efforts among public and private sector partners to
3 develop and finance programs or initiatives that identify and ameliorate health
4 problems;

5 (4) establish, finance, provide, or endorse performance management
6 standards for the public health system;

7 (5) develop, adopt, and implement

8 (A) a statewide health plan under AS 18.09 based on
9 recommendations of the Alaska Health Care Commission established in
10 AS 18.09.010; and

11 (B) public health plans and formal policies through
12 regulations adopted under AS 44.62 or collaborative recommendations that
13 guide or support individual and community public health efforts;

14 (6) establish formal or informal relationships with public or private
15 sector partners within the public health system;

16 (7) identify, assess, prevent, and ameliorate conditions of public
17 health importance through surveillance; epidemiological tracking, program
18 evaluation, and monitoring; testing and screening programs; treatment;
19 administrative inspections; or other techniques;

20 (8) promote the availability and accessibility of quality health care
21 services through health care facilities or providers;

22 (9) promote availability of and access to preventive and primary
23 health care when not otherwise available through the private sector, including acute
24 and episodic care, prenatal and postpartum care, child health, family planning, school
25 health, chronic disease prevention, child and adult immunization, testing and
26 screening services, dental health, nutrition, and health education and promotion
27 services;

28 (10) systematically and regularly review the public health system and
29 recommend modifications in its structure or other features to improve public health
30 outcomes; and

31 (11) collaborate with public and private sector partners, including

1 municipalities, Alaska Native organizations, health care providers, and health
 2 insurers, within the public health system to achieve the mission of public health.

3 * **Sec. 2.** AS 18 is amended by adding a new chapter to read:

4 **Chapter 09. Statewide Health Care Planning and Information.**

5 **Article .. Alaska Health Care Commission; State Health Plan.**

6 **Sec. 18.09.010. Alaska Health Care Commission.** The Alaska Health Care
 7 Commission is established within the Department of Health and Social Services. The
 8 purpose of the commission is

9 (1) to provide recommendations for and foster the development of a
 10 statewide plan to address the quality, accessibility, and availability of health care for
 11 all citizens of the state; and

12 (2) to review and approve facility health care information for
 13 placement on the department's Internet database established under AS 18.09.110.

14 **Sec. 18.09.020. Composition; chair.** (a) The commission consists of 10
 15 members as follows:

16 (1) the state officer assigned the duties of medical director for the
 17 department;

18 (2) one member representing the Department of Administration,
 19 appointed by the commissioner of administration;

20 (3) one member representing the Department of Commerce,
 21 Community, and Economic Development, appointed by the commissioner of
 22 commerce, community, and economic development;

23 (4) one member representing the Department of Labor and
 24 Workforce Development, appointed by the commissioner of labor and workforce
 25 development;

26 (5) three public members, appointed by the governor; one of the
 27 members appointed under this paragraph must be a small business owner in the state;

28 (6) one ex officio nonvoting member from the house of
 29 representatives, appointed by the speaker of the house, and one ex officio nonvoting
 30 member from the senate, appointed by the president of the senate;

31 (7) an ex officio nonvoting member representing the office of the

1 governor.

2 (b) The department's representative appointed under (a)(1) of this section
3 shall serve as chair of the commission.

4 **Sec. 18.09.030. Term of office.** (a) Public members of the commission
5 appointed under AS 18.09.020(a)(5) serve or staggered terms of three years.

6 (b) If a vacancy occurs in a public member's seat on the commission, the
7 governor shall make an appointment for the unexpired portion of that member's term.

8 (c) The governor may remove a public member of the commission from
9 office only for cause.

10 **Sec. 18.09.040. Executive director.** The commission shall employ an
11 executive director, who may not be a member of the commission. The executive
12 director shall serve at the pleasure of the commission. The commission shall
13 establish the duties of the executive director. The executive director is in the partially
14 exempt service under AS 39.25 (State Personnel Act).

15 **Sec. 18.09.050. Staff.** The department may assign employees of the
16 department to serve as staff of the commission. The commission shall prescribe the
17 duties of the commission staff.

18 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its
19 membership and consistent with state law, shall adopt and amend bylaws governing
20 its proceedings, and other activities, including provisions concerning a quorum to
21 transact commission business and other aspects of procedure, frequency and location
22 of meetings, and establishment, functions, and membership of committees.

23 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as
24 the state health planning and coordinating body. Consistent with state and federal
25 law, the commission shall provide recommendations for and foster the development
26 of a statewide health plan containing the following:

27 (1) a comprehensive statewide health care policy;

28 (2) a strategy for encouraging

29 (A) personal responsibility in prevention and healthy living
30 for all residents of the state;

31 (B) reductions in health care costs for all residents of the state

1 to below the national average;

2 (C) access in communities to safe water and wastewater
3 systems;

4 (D) the development of a sustainable health care workforce in
5 the state;

6 (E) quality health care being accessible for all residents of the
7 state; and

8 (F) increasing the number of residents of the state who are
9 covered by insurance for health care services.

10 (b) The commission shall review and approve health care information for
11 placement on the department's database developed under AS 18.09.110.

12 (c) The commission shall submit to the governor and the legislature by
13 January 15 of each year an annual report regarding the commission's
14 recommendations and activities.

15 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member
16 appointed to the commission under AS 18.09.020(a)(5) is not entitled to a salary, but
17 is entitled to per diem, reimbursement for travel, and other expenses authorized by
18 law for boards and commissions under AS 39.20.180.

19 **Article 2. Alaska Health Care Information Office.**

20 **Sec. 18.09.100. Office.** The Alaska health care information office is
21 established in the department. The purpose of the office is to improve access by
22 residents of the state to consistently updated

23 (1) facility information to aid consumers of health care services from
24 health care facilities in the state; and

25 (2) information to encourage personal responsibility in prevention
26 and healthy living.

27 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
28 establish and maintain an information database on the Internet for all health care
29 facilities in the state in order to provide objective, unbiased, and factually based
30 information on health care facilities in the state. The department may require those
31 health care facilities to provide information in a standard form or format to the

1 department for placement on the database. Before information is placed on the
2 database, the commission shall review the information for accuracy.

3 (b) The database developed under (a) of this section must include the
4 following:

5 (1) a geographically indexed list of all health care facilities in the
6 state by region;

7 (2) information on costs to the consumer for health care services
8 provided by health care facilities;

9 (3) information on the quality of health care facilities, including any
10 actions taken by state or federal agencies related to

11 (A) licensure and accreditation of a health care facility; or

12 (B) a licensed professional practicing in a health care facility;

13 (4) the types and scope of health care services provided by each
14 health care facility;

15 (5) types of insurance and payment accepted by each health care
16 facility for health care services.

17 (c) The department shall develop and consistently update an Internet website
18 to provide residents of the state timely and accurate information regarding prevention
19 and healthy living.

20 (d) The department shall post and make available information related to the
21 commission, including the commission's annual reports under AS 18.09.070(c).

22 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
23 provide to the department the following information related to the facility's health
24 care services for placement on the database developed under AS 18.09.110:

25 (1) information on costs to the consumer for health care services;

26 (2) types of insurance and payment accepted by the health care
27 facility for health care services;

28 (3) each location where the health care facility operates, and hours of
29 operation;

30 (4) the types and scope of health care services offered at the health
31 care facility;

1 (5) the Internet address of any website of the health care facility to
2 provide factual information to aid the consumer;

3 (6) any other readily accessible information that the department
4 determines would be helpful to the consumer to make informed decisions about the
5 health care facility's services.

6 (b) The department shall develop a standard form or format for reporting the
7 information required in (a) of this section. The department shall adopt regulations
8 specifying the timing and frequency of the reporting of the information required by
9 (a) of this section.

10 (c) The department shall notify the health care facility of any failure to report
11 under (a) of this section and give the health care facility an opportunity to contest or
12 cure any failures. If the health care facility does not promptly cure any failure, the
13 department shall post the notice of failure on the database developed under
14 AS 18.09.110.

15 **Sec. 18.09.130. Coordination of departments.** The Department of
16 Administration, the Department of Commerce, Community, and Economic
17 Development, the Department of Labor and Workforce Development, and the
18 Department of Law shall

19 (1) provide information to the commission regarding an adverse
20 action taken against a health care facility in the state, or against a licensed
21 professional practicing in a health care facility in the state, for placement on the
22 database developed under AS 18.09.110; and

23 (2) cooperate with the commission in the performance of its duties.

24 **Article 3. General Provisions.**

25 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
26 AS 44.62 to carry out the purposes of this chapter.

27 **Sec. 18.09.990. Definitions.** In this chapter

28 (1) "commission" means the Alaska Health Care Commission
29 established in AS 18.09.010;

30 (2) "cost to consumers" means actual prices paid by consumers for
31 health care services;

1 (3) "department" means the Department of Health and Social
2 Services;

3 (4) "health care facility" means

4 (A) a facility licensed under AS 47.32;

5 (B) an independent diagnostic testing facility providing
6 services in the state.

7 * Sec. 3. AS 18.26.220 is amended to read:

8 **Sec. 18.26.220. Facility compliance with health and safety laws and**
9 **licensing requirements.** A medical facility constructed, acquired, improved,
10 financed, or otherwise under the provisions of this chapter and all actions of the
11 authority are subject to [AS 18.07,] AS 47.32[,] and any other present or future state
12 licensing requirements for the facilities or services provided under this chapter. [A
13 MEDICAL FACILITY ISSUED A CERTIFICATE OF NEED UNDER SEC. 4, CH.
14 275, SLA 1976, BY VIRTUE OF BEING IN EXISTENCE OR UNDER
15 CONSTRUCTION BEFORE JULY 1, 1976, MUST FULLY MEET THE
16 REQUIREMENTS OF AS 18.07 IN ORDER TO BE ELIGIBLE FOR FUNDING
17 UNDER THIS CHAPTER.]

18 * Sec. 4. AS 21.86.030(c) is amended to read:

19 (c) Nothing in this section relieves a health maintenance organization that
20 wishes to exercise the power described in (a)(1) of this section from the requirements
21 of

22 (1) [AS 18.07, regarding obtaining a certificate of need;

23 (2)] AS 47.32. regarding regulation of hospitals; and

24 (2) [(3)] other statutes applicable to hospitals or other health care
25 facilities.

26 * Sec. 5. AS 39.25.120(c)(7) is amended to read:

27 (7) the principal executive officer of the following boards, councils,
28 or commissions:

29 (A) Alaska Public Broadcasting Commission;

30 (B) Professional Teaching Practices Commission;

31 (C) Parole Board;

- 1 (D) Board of Nursing;
 2 (E) Real Estate Commission;
 3 (F) Alaska Royalty Oil and Gas Development Advisory
 4 Board;
 5 (G) Alaska State Council on the Arts;
 6 (H) Alaska Police Standards Council;
 7 (I) Alaska Commission on Aging;
 8 (J) Alaska Mental Health Board;
 9 (K) State Medical Board;
 10 (L) Governor's Council on Disabilities and Special Education;
 11 (M) Advisory Board on Alcoholism and Drug Abuse;
 12 (N) Statewide Suicide Prevention Council;
 13 (O) the State Board of Registration for Architect, Engineers,
 14 and Land Surveyors;

15 **(P) Alaska Health Care Commission;**

16 * ~~Sec. 6.~~ AS ~~18.07.021,~~ 18.07.031, 18.07.035, 18.07.041, 18.07.043, 18.07.045,
 17 18.07.051, ~~18.07.061,~~ 18.07.071, 18.07.081, 18.07.091, 18.07.101, 18.07.111; and
 18 AS ~~47.80.140(b)~~ are repealed.

19 * ~~Sec. 7.~~ The uncodified law of the State of Alaska is amended by adding a new section to
 20 read:

21 ANNULMENT, AMENDMENT, AND REPEAL OF REGULATIONS. (a) The
 22 following regulations are annulled:

23 (1) 7 AAC 07.010, 7 AAC 07.012, 7 AAC 07.015, 7 AAC 07.025, 7 AAC
 24 07.031, 7 AAC 07.032, 7 AAC 07.033, 7 AAC 07.035, 7 AAC 07.040, 7 AAC 07.042,
 25 7 AAC 07.050, 7 AAC 07.052, 7 AAC 07.060, 7 AAC 07.067, 7 AAC 07.070, 7 AAC
 26 07.072, 7 AAC 07.079, 7 AAC 07.080, 7 AAC 07.092, 7 AAC 07.095, 7 AAC 07.105,
 27 7 AAC 07.107, and 7 AAC 07.900;

28 (2) 7 AAC 09.030(b)(3) and 7 AAC 09.170(5);

29 (3) 7 AAC 43.689(g)(4)(B);

30 (4) 15 AAC 118.020(c)(3) and (d)(1).

31 (b) The commissioner of health and social services shall immediately proceed under

1 AS 44.62 to amend or repeal the following regulations in accordance with the provisions of
2 this Act:

3 (1) 7 AAC 09.020;

4 (2) 7 AAC 43.679, 7 AAC 43.685, 7 AAC 43.686, and 7 AAC 43.709.

5 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,**
8 **AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM.** (a) The
9 commissioner of health and social services through the Department of Law shall
10 immediately take steps to seek dismissal of pending administrative appeals and court actions
11 concerning the issuance of certificates of need under AS 18.07 or implementation of
12 AS 18.07.

13 (b) The Department of Health and Social Services shall immediately close all
14 pending application files under AS 18.07. The Department of Health and Social Services
15 shall send written notification to the applicant of the action taken under this subsection.

16 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 **TRANSITION: REGULATIONS.** The Department of Health and Social Services
19 may proceed to adopt regulations necessary to implement the changes made by this Act. The
20 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before
21 July 1, 2008.

22 * **Sec. 10.** Sections 3, 4, 6 - 8, and 9 of this Act take effect immediately under
23 AS 01.10.070(c).

24 * **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect July 1, 2008.

CS for HB 337

Page 3, line 14,
Replace "10" with "12"

Page 3, Line 26 replace "three" with "five"

Page 3, Line 28 delete "ex officio nonvoting"

Page 3, Line 29 delete "ex officio nonvoting"

We have heard concern that making the legislative members on this commission voting members may not be legal. Please advise.

Page 6, Line 3: replace "must" with "shall"

Page 6, Line 5-16: Replace with,

- (1) Availability of state licensed health care providers and facilities organized by region.
- (2) Healthcare costs including but not limited to provider cost for procedures, facility cost for procedures, and prescribed medication costs each organized region and then by:
 - a. Cash
 - b. Negotiated price paid by private insurance for the insurance company that provided the highest total payment to the facility for the previous year
 - c. Negotiated price paid by worker's Compensation Insurance.
- (3) Quality of care reported by health care facilities and providers organized by region. We would like to see it in statute that the facilities and providers are not allowed to hide behind confidentiality and "trade secrets" to withhold valuable quality information.

Rep. Wilson believes there are already health care regions defined in statute. Is this correct if so can we reference this?

Page 8, line 6:
Delete "."
Insert ";

Page 8, following line 6:

(C) a provider of a home and community based waiver service that is certified under regulations of the department;

* (D) a provider of personal care services is an agency that contracts with the state that is certified under regulations of the department.

Page 8 line 23

Delete "AS 47.32."

Insert "AS 47.32,"

Page 9 line 28:

Delete "7 AAC 09.030.(b)(3)"

Insert "7 AAC 09.030(3)"

Page 10, following the uncodified law of the State of Alaska is amended by adding a new section to read:

CONTINUATION OF CERTIFICATE OF NEED REQUIREMENTS FOR CERTAIN HEALTH CARE FACILITIES. (a) Notwithstanding sec. 6 of this Act, the provisions of former AS 18.07.021, 18.07.031, 18.07.035, 18.10.41, 18.07.43, 18.07.045, 18.07.051, 18.07.061, 18.07.071, 18.07.081, 18.07.091, 18.07.101, 18.07.111; and as 47.80.140(b) continue in effect as they read on June 30, 2008 for certain facilities as defined in (d) of this section.

(b) Notwithstanding sec. 7(a) of this Act, the provisions of the following regulations continue in effect as they read on June 30, 2008 for certain health care facilities define in (d) of this section:

- (1) 7 ACC 07.010, 7 ACC 07.012, 7 ACC 07.015, 7 ACC 07.025, 7 ACC 07.031, 7 ACC 07.032, 7 ACC 07.033, 7 ACC 07.040, 7 ACC 07.042, 7 ACC 07.050, 7 ACC 07.052, 7 ACC 07.060, 7 ACC 07.67, 7 ACC 07.070, 7 ACC 07.072, 7 ACC 07.079 7 ACC 07.080, 7 ACC 07.092, 7 ACC 07.095, 7 ACC 07.105, 7 ACC 07.107, and 7 ACC 07.900;
- (2) 7 ACC 09.030(3) AND 7 ACC 09.170(5);
- (3) 7 ACC 43.689(g)(4)(B);
- (4) 15 ACC 118.020(c)(3) and (d)(1).

(c) Notwithstanding sec. 8 of this Act, the commissioner of health and social services may not immediately take the actions required by sec. 8 of this Act for the certain health care facilities.

(d) In this section,

(1) "certain health care facilities" means

- (A) critical access hospitals;
- (B) nursing homes;
- (C) residential psychiatric treatment centers;

(2) "critical access hospital" means a facility that is a hospital licensed in this state that satisfies the criteria set out at 42 U.S.C. 1395i-4(c)(2)(B) and meets the conditions of participation set out in 42 C.F.R. 485.601-485.647;

(3) "nursing home" means a nursing facility as defined in 42. U.S.C. 1396r(a);

(4) "residential psychiatric treatment center" means a secure or semi-secure psychiatric facility or inpatient program in a psychiatric facility that is licensed by the Department of Health and Social Services and that provides therapeutically appropriate and medically necessary diagnostic, evaluation, and treatment services

(A) 24 hours a day for children with severe emotional or behavioral disorders;

(B) under the direction of a physician; and

(C) under a professionally developed and supervised individual plan of care that is designed to achieve the recipient's discharge from inpatient status at the earliest reasonable time, and that is intensively and collaboratively delivered by an interdisciplinary team involving medical, mental health, educational, and social service components."

Renumber the bill sections accordingly.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: HB 337
 (H) Publish Date: 1/22/08
 Dept. Affected: Health & Social Services
 RDU: Commissioner's Office
 Component: AK Health Care Information Office

ID(File name) 0050-DHSS-AHCIO-1-18-08
 Title: HEALTH CARE TRANSPARENCY ACT
 Sponsor: RULES COMMITTEE
 Requester: _____

Component No. 2899

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	494.9		494.9	494.9	494.9	494.9	494.9	494.9
Travel	18.0		18.0	18.0	18.0	18.0	18.0	18.0
Contractual	250.0		235.0	235.0	235.0	235.0	235.0	235.0
Supplies	22.2		10.0	10.0	10.0	10.0	10.0	10.0
Equipment	15.0		10.0	10.0	10.0	10.0	10.0	10.0
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	800.1	0.0	767.9	767.9	767.9	767.9	767.9	767.9

CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF	800.1	767.9	767.9	767.9	767.9	767.9
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	800.1	0.0	767.9	767.9	767.9	767.9

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	4	4	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill creates the Alaska Health Care Information Office and a related Internet site to provide consumers consistently updated information about all health care facilities in the state.

71000 Personal Services Two information technology positions are being requested to design, develop, implement, and support the dissemination of information on the internet for all health care facilities in the state to provide objective, unbiased, and factually based information on those facilities. In addition, an interactive website will be created to assist the public in obtaining timely and accurate information about personal responsibility in preventing chronic health conditions and promoting healthy living. Two planner positions will be needed to assist in research and data collection for the Commission.

Prepared by: Jay C. Butler, MD
 Division: Chief Medical Officer
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 269-8045
 Date/Time 01/17/2008
 Date 01/18/2008

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

Funding is needed to support two existing positions—Public Information Officer and Publications Technician. These positions will coordinate internal and external communications for the Alaska Health Care Information Office.

72000 Travel

Travel and per diem for professional staff.

73000 Contractual

Professional services contracts will be needed to facilitate and supplement formative research methods to develop and messages to promote healthy behaviors. Core Service RSAs will be required to provide lease space, telecommunications, mainframe connectivity, postage, etc.

74000 Supplies

In addition to day-to-day office supplies; FY09 includes one-time-only start-up costs such as computers, office furniture, reconfiguring leased space, wiring needs for connectivity, printers, fax, and photocopier.

75000 Equipment

FY09 includes a one-time-only purchase of a server; subsequent fiscal years provide for technology upgrades and maintenance.

A summary of the overall impact of this legislation follows on the next page.

FISCAL NOTE
FN # 4

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 337

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

Fiscal Note Summary by Component
Department of Health & Social Services

Dollars in thousands

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(544.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(544.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state.	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 337
 (H) Publish Date: 1/22/08
 Dept. Affected: Health & Social Services
 RDU: Boards & Commissions
 Component: AK Health Care Commission

ID (File name) 0050-DHSS-AHCC-1-18-08
 Title: HEALTH CARE TRANSPARENCY ACT
 Sponsor: RULES COMMITTEE
 Requester: _____

Component No. 2900

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information						
	Required		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES									
Personal Services	173.1		173.1		173.1	173.1	173.1	173.1	173.1
Travel	200.0		200.0		200.0	200.0	200.0	200.0	200.0
Contractual	250.0		250.0		250.0	250.0	250.0	250.0	250.0
Supplies	72.0		10.0		10.0	10.0	10.0	10.0	10.0
Equipment	15.0		10.0		10.0	10.0	10.0	10.0	10.0
Land & Structures									
Grants & Claims									
Miscellaneous									
TOTAL OPERATING	710.1	0.0	643.1		643.1	643.1	643.1	643.1	643.1
CAPITAL EXPENDITURES									
CHANGE IN REVENUES (0)									

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	710.1		643.1	643.1	643.1	643.1	643.1
1037 GF/Mental Health							
Other (Specify Type-do not abbreviate)							
Other (Specify Type-do not abbreviate)							
TOTAL	710.1	0.0	643.1	643.1	643.1	643.1	643.1

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	2		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill permanently establishes the Alaska Health Care Commission in DHSS to develop a statewide plan addressing the quality, accessibility and availability of health care in Alaska.

71000 Personal Services: Two new positions are needed to support the Commission. Costs are estimated for an Executive Director and administrative support position.

72000 Travel: Travel and per diem for Commission staff; and, travel and per diem for ten Commission members to conduct public meetings around the state.

Prepared by: Jay C. Butler, MD
 Division: Chief Medical Officer
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 269-8045
 Date/Time 01/17/2008
 Date 01/18/2008

COMMITTEE COPY

STATE OF ALASKA
2008 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

73000 Contractual

Professional services contracts will be needed to supplement staff research and core service RSAs will be required to provide lease space, telecommunications, mainframe connectivity, postage, etc.

74000 Supplies

In addition to day-to-day office supplies; FY09 includes one-time-only start-up costs such as computers, office furniture, reconfiguring leased space, wiring needs for connectivity, printers, fax, and photocopier.

75000 Equipment

FY09 includes a one-time-only purchase of a server; subsequent fiscal years provide for technology upgrades and maintenance

A summary of the overall impact of this legislation follows on next page.

FISCAL NOTE
FN # 3

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 337

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

Fiscal Note Summary by Component
Department of Health & Social Services

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 337
 (H) Publish Date: 1/22/08
 Dept. Affected: Health & Social Services
 RDU: Departmental Support Services
 Component: Health Planning & Infrastructure

ID(File name) 0050-DHSS-HPI-1-18-08
 Title: HEALTH CARE TRANSPARENCY ACT

Sponsor: RULES COMMITTEE
 Requester: _____ Component No. 2765

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	(190.1)							
Travel	(21.6)							
Contractual	(90.9)							
Supplies	(2.0)							
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	(304.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	(44.8)						
1003 GF Match	(44.8)						
1004 GF	(89.5)						
1037 GF/Mental Health							
1156 Receipt Support Svcs (RSS)	(125.5)						
Other(Specify Type-do not abbreviate)							
TOTAL	(304.6)	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	-2						
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill eliminates the Certificate of Need program. These sections take effect immediately so FY09 is for a full year. This fiscal note estimates the savings in personal services and other administrative costs from elimination of the Certificate of Need office in Health Planning & Infrastructure. Expenditures are based on FY07 actuals and include legal services for CON hearings & appeals. Two positions would be eliminated. Revenue from CON application fees would be eliminated (all of Receipt Support Services). Revenue estimates for RSS are based on FY08 Management Plan and the remainder is pro-rated at 50% Medicaid reimbursable/50% non-reimbursable. The Medicaid costs are 50% federal/50% GF Match.

A summary analysis of the impacts of this legislation follows on next page.

Prepared by: Dr. Jay Butler, Chief Medical Officer
 Division: Commissioner's Office
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 269-7800
 Date/Time 01/16/2008
 Date 01/18/2008

COMMITTEE COPY

FISCAL NOTE
FN #2

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 337

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

Fiscal Note Summary by Component
Department of Health & Social Services

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated.	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state.	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska.	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 337
 (H) Publish Date: 1/22/08
 Dept. Affected: Health & Social Services
 RDU: Health Care Services
 Component: Medicaid Services

ID(File name) 0050-DHSS-MS-1-18-08
 Title: HEALTH CARE TRANSPARENCY ACT
 Sponsor: RULES COMMITTEE
 Requester: _____

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims			*	*	*	*	*	*
Miscellaneous								
TOTAL OPERATING			*	0.0	*	*	*	*

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES (0)								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	*	*	*	*	*	*
1003 GF Match	*	*	*	*	*	*
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	*	0.0	*	*	*	*

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill eliminates the Certificate of Need program. This fiscal note is indeterminate. Eliminating the CON program would likely increase costs to Medicaid, however the costs are unknown at this time.

This fiscal note is based on projects denied, withdrawn, or reduced as the result of the CON program which is estimated to have saved the Alaska Medicaid program approx. \$3 million per year in payments for avoided capital costs (50% federal/50% GF/M). This represents 1.2% of the total project costs for these facilities.

Prepared by: William Streur, Deputy Commissioner
 Division: Health Care Services
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5830
 Date/Time 01/16/2008
 Date 01/18/2008

FISCAL NOTE
FN #1

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 337

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

Fiscal Note Summary by Component
Department of Health & Social Services

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

SARAH PALIN
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 18, 2008

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill to further the provision of affordable and quality health care services for all Alaskans. This bill is my administration's Alaska Health Care Transparency Act.

Access to affordable, quality health care services is one of the most pressing issues facing Alaska families. Providing these services in Alaska is particularly challenging, given our small population and wide geographic area to be served.

Dynamic health care planning, that involves both the public and private sectors, is essential to providing affordable, quality health care services. This bill would further health care planning by establishing an Alaska Health Care Commission to look at health care services from a statewide perspective. It would encourage non-traditional stakeholders, including businesses and civic organizations, to share their expertise to address the important issues facing the provision of these essential services.

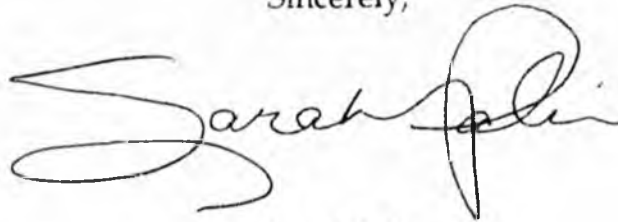
Finally, now is the time to recognize that market mechanisms, not static governmental restrictions, are the best way to ensure that proper business decision-making guides the development of health care services. Therefore, to allow business decision-making to take place more efficiently, this bill would repeal the certificate of need program. The bill would also establish an Alaska health care information office to give consumers factually based information on quality, cost, and other important matters to make better informed decisions about health care facilities in the state.

Alaska families deserve the best health care that Alaska can offer. This bill would play a major role in improving the health care system in Alaska.

The Honorable John Harris
January 18, 2008
Page 2

I urge your prompt and favorable consideration of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Palin". The signature is fluid and stylized, with a large initial "S" and a distinct "P" for "Palin".

Sarah Palin
Governor

Enclosure

Changes in the CS for House Bill 337

HB337 original	DHSS amendment	HES changes	HB 337 CS
<p>Creates Health Care Commission to review health care policy and develop a plan – 10 members</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOL rep • 3 public members (1 small business owner) • House ex-officio, • Senate ex-officio, • Gov. office ex-officio <p>July 1 effective date</p>		<p>Changes composition of the Health Care Commission: 12 members:</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOL rep • 6 public members (1 small business owner) • House representative • Senate representative 	<p>Changes composition of the Health Care Commission: 12 members:</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOL rep • 6 public members (1 small business owner) • House representative • Senate representative <p>July 1 effective date Page 3, line 22 (3s or commission Page 3 line 5 and 7 removing ex-officio of legislative members</p>
<p>Creates Health Info office: health info on web site on health care facilities, costs on health care, licensed facilities, July 1 effective date</p>	<p>Modifies info gathered, but no great impact on intent</p>	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care, • Cost of health care • Quality of health care 	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care, • Cost of health care • Quality of health care <p>Page 6, line 12-26</p>
<p>Repeals Certificate of Need, immediate effective date</p>	<p>Eliminates all CON Except Delays repeal of CON for 2 years for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from ITDF or Amb. Surgery centers; need to address Communities which have such facilities)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from ITDF or Amb. Surgery centers; need to address Communities which have such facilities) (note: No end date, relies on solutions or recommendations from Commission)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from ITDF or Amb. Surgery centers; need to address Communities which have such facilities) Page 3, lines 1-10</p>

Other legislation, CON only:

HB4 (Rep. Lynn)	HB 345	CS for HB337
Eliminates CON except for <ul style="list-style-type: none"> • Health care facilities in boroughs having a population of not more than 25,000 OR in a community with a critical access hospital • Nursing Homes • RPTC 	Retains CON, except makes the following CON changes: Excludes CON for Diagnostic Imaging Equipment located in: <ul style="list-style-type: none"> • A borough of population of 60,000 or more AND • A city that does not have a critical access hospital AND • Has at least 50% ownership by one or more licensed, qualified AK physicians 	Eliminates all CON Except DOES NOT repeal of CON for: <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals (does not protect such hospitals from ITDF or Amb. Surgery centers; need to address Communities which have such facilities) Page 3, lines 1-10

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 345
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Health Care Services
 Component Medicaid Services

ID(File name) HB345-DHSS-MS-2-6-2008
 Title MEDICAL FACILITY CERTIFICATE OF NEED
 Sponsor KELLY
 Requester HOUSE HES

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	*		*	*	*	*	*	
Miscellaneous								
TOTAL OPERATING	*	0.0	*	*	*	*	*	

CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	*	*	*	*	*	*
1003 GF Match	*	*	*	*	*	*
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	*	0.0	*	*	*	*

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill excludes diagnostic imaging equipment from certificate of need requirements in a health care facility that is located in a borough with a population greater than 60,000 (i.e., Anchorage, Mat-Su and Fairbanks) that does not have a critical access hospital, if the health care facility is owned at least 50 percent by physicians who interpret the diagnostic images in the facility.

Limiting the CON program may increase costs to Medicaid, however the costs are unknown at this time. The department has insufficient information necessary to make an accurate cost estimate.

Prepared by: William J. Streur, Deputy Commissioner
 Division: Department of Health & Social Services
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 334-2520
 Date/Time 01/31/2008
 Date 02/06/2008

Alaska State Legislature

Juneau

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Fairbanks

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Fairbanks, AK 99701
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Fax (907) 452-6096

Member

House Finance Committee
Legislative Budget & Audit

Representative Mike Kelly
House District 7

MEMORANDUM

DATE: January 30, 2008
TO: Representative Kelly
FROM: Derek Miller
RE: Sectional Analysis for HB 345 (HES)
(Version No. 25-LS1402\E)

The following sectional analysis of the bill should not be considered an authoritative interpretation of the bill. 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.

Sectional analysis for HB 345 (HES) Version 25-LS1402\E

Section 1. Adds a cross-reference to an additional exemption added by section 3 of the act to the Certificate of Need process.

Section 2. Defines *critical access hospital* for purposes of section 3.

Section 3. Adds an exemption to allow a person to make an expenditure of \$1,000,000 or more for diagnostic imaging equipment without authorization under the terms of the Certificate of Need process if the equipment is used in a facility that is located in **1)** a borough with a population of 60,000 or more, **2)** a city that does not have a critical access hospital and **3)** is at least 50% owned by one or more licensed physicians who are qualified to and actually perform interpretations of the images produced at the facility.

Section 4. Provides applicability standards for health care facilities in existence or proposed after the effective date of the act.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 29, 2008

SUBJECT: Explanation of CSHB 337(HES) (Work Order No. 25-GH2050\C)

TO: Representative Peggy Wilson
Attn: Becky Rooney

FROM: Jean M. Mischel
Legislative Counsel 

Enclosed is the draft CS you requested for HB 337. I wanted to alert you that the change requested to the definition of "health care facility" in the draft CS at page 8 is confusing. Paragraphs (C) and (D) were added to that definition but refer to a "provider" rather than a type of facility. In addition, those paragraphs contain substantive law requiring those providers to be "certified under regulations adopted by the department." Since that requirement appears nowhere else in statute, as a legal matter, those providers do not exist.

In addition, you asked two questions in your request for this CS.

1. Does removing the phrase "ex officio nonvoting" from the appointment of legislative members of the proposed Alaska Health Care Commission make the appointment illegal? Since the commission is established within an executive branch department, having legislative members vote on matters before the commission may violate the separation of powers doctrine. On the other hand, the commission's primary function appears to be advisory under new section 18.09.010(1) so that a decision making role does not appear to interfere with the independent functions of the executive and legislative branches of government. The only other function of the commission appears to be administrative in that the commission "approves" information for posting on the website and again does not appear to affect the separate providers of the legislative or executive branch.

2. Are health care regions already defined in statute? I have found only one reference to a "health care region" and that is in the context of regional public assistance programs under AS 47.27.300. That section does not define "region." On the other hand, local health units are defined as follows:

Sec. 18.10.010. Local health unit and health board. Each community or settlement outside an incorporated city is a health unit. In each health unit there shall be a board of health composed of the president of the school board and two citizens of the unit selected by the school

Representative Peggy Wilson
January 29, 2008
Page 2

board. At least one of the members of the health board must, where practicable, be a licensed physician. In a health unit where there is no school board, the commissioner shall appoint three residents of the unit to the local board of health, at least one member of which must, where practicable, be a licensed physician.

In addition, health districts are described under AS 18.10.040 as:

Sec. 18.10.040. Health districts. Two or more contiguous health units of two or more local boards of health for contiguous incorporated cities may be constituted a health district by the department. Members of the board of health for this type of health district shall be appointed by the department from residents of each health unit or incorporated city represented in the health district in the numbers and for the periods of time determined by the department.

If I may be of further assistance, please advise.

JMM:med
08-056.med

Enclosure

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 485-3030
FAX: (907) 465-3068

Sectional Analysis SB 245/HB 337 Health Care Transparency Act

Section 1. AS 18.05.010(b)

Requires the Department of Health and Social Services to implement a statewide health plan under AS 18.09, which is a new chapter creating the Alaska Health Care Commission.

Sec. 2. AS 18.09

Establishes a 10-member Alaska Health Care Commission within the Department of Health and Social Services. The purpose of the Commission is to develop a statewide plan to address the quality, accessibility and availability of health care for all citizens of the state; and to review and approve facility health care information for placement on the department's Internet database established under AS 18.09.110.

Section 2 also specifies that the plan contain a health care policy and a strategy for encouraging: personal responsibility and reductions in health care costs; access to safe water and wastewater systems; development of a sustainable health care workforce; accessible quality health care; and an increase in the number of residents who are covered by insurance.

Establishes an Alaska Health Care Information Office to provide consistently updated health care facility information to aid consumers of health care services, and information to encourage personal responsibility in prevention and healthy living.

Finally, the section requires health care facilities to provide the department information related to the facility's health care services for placement on the database developed under AS 18.09.110.

Sec. 3. AS 18.26.220 and Sec. 4 AS 21.86.030(c)

Technical, conforming edits to reflect the repeal of the CON program (see Sec. 6).

Sec. 5 AS 39.25.120(c)(7)

Specifies that the principal executive officer of the Alaska Health Care Commission is classified as partially exempt.

Sec. 6

Repeals 18.07, the Certificate of Need Program; and 47.80.140(b), which requires a certificate of need as a prerequisite for licensing a residential facility after July 1, 1978.

Sec. 7.

Annuls regulations governing the Certificate of Need Program.

Revised: 1/24/2008

Sectional Analysis

SB 245/HB 337 Health Care Transparency Act

Page 2

Sec. 8

Directs the commissioner of the Department of Health and Social Services and Department of Law to immediately take steps to seek dismissal of pending administrative appeals and court actions concerning the issuance of certificates of need under AS 18.07. Requires the Department of Health and Social Services to immediately close all pending application files under AS 18.07.

Sec. 9

Allows the Department of Health and Social Services to adopt regulations necessary to implement changes made by this Act.

Sec. 10

Sets an immediate effective date for:

Section 3 and 4, technical amendments to reflect repeal of certificate of need program;

Section 6, repealing 18.07, certificate of need program;

Section 7, annulling regulations governing the certificate of need program;

Section 8, dismissing pending administrative appeals and court actions; and closing all pending application files under the certificate of need program;

Section 9, allowing the department to adopt regulations to implement changes made in the act.

Sec. 11

Sets an effective date of July 1, 2008 for:

Section 1, requiring the department to implement a statewide health plan;

Section 2, establishing the Alaska Health Care Commission and the Alaska Health Care Information Office;

Section 5, specifying the executive officer of the Health Care Commission as partially exempt.

Honorable Peggy Wilson
House Health Education and Social Services Committee
Alaska State Capitol
Juneau, Alaska 99801

January 31, 2008

RE: HB 337 Health Care: Plan/Commission/Facilities

Dear Chair and Members of the House HESS Committee,

The Alaska Health Assurance Advocacy Team (AHAAT), a coalition of organizations and businesses working toward the expansion of affordable health insurance coverage for Alaskans, supports the general intent of two of the issues addressed in HB 337, the establishment of a Alaska Health Commission and the establishment of the Alaska health care information office. AHAAT is not taking a position on the third issue, Certificate of Need (CON), but recommends that CON be considered in separate legislation.

AHAAT will be reviewing the details of the Health Commission section of the bill more closely and may provide further input. At this point, AHAAT is concerned that the make-up the Commission does not adequately represent the stakeholders for the tasks it will be addressing, particularly that of health insurance coverage for Alaskans.

Health care cost transparency is important; AHAAT supports the general goals that the Alaska health care information office would aim to accomplish. On this issue, too, we may provide further input as we consider the details more closely.

Before closing, AHAAT would like to provide you with an alphabetical listing of the participating organizations in our coalition.

AARP - Alaska	Alaska Native Health Board
Alaska Association of Health Underwriters	Alaska Native Tribal Health Consortium
All Alaska Pediatric Partnership	Alaska Primary Care Association
Alaska Behavioral Health Association	Alaska State Chamber of Commerce
Alaska Center for Public Policy	Alaska State Hospital and Nursing Home Association
Alaska Health Care Roundtable	American Cancer Society - Alaska
Alaska Mental Health Trust Authority	American Heart Association - Alaska

Working for better health for all Alaskans,



Shelley Hughes
AHAAT Co-Chair
Alaska Primary Care Association



Kip Knudsen
AHAAT Co-Chair
Alaska State Chamber of Commerce



January 29, 2008

The Honorable Peggy Wilson, Chair
House Health, Education and Social Services Committee
Alaska State Capitol, Room 403
Juneau, AK 99801-1182

RE: HB 324 (House Rules Committee) – Support

Dear Chair Wilson,

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Health, Education and Social Services Committee to support HB 324, authored by the House Rules Committee by request of Governor Palin.

AARP research indicates that nationally, 25 percent of 65 and over owner households and 60 percent of 65 and over renter households are experiencing a "housing cost burden." Together this amounts to more than 6.5 million older households.

We understand that 11% of homeless Alaskans are over the age of 65. This rate of homelessness is alarming and is significant among the aging population. Older homeless people have a higher frequency of health problems and frailty than younger homeless people and are therefore less likely to survive exposure in a severe climate like Alaska.

Research also shows that the average age of a homeless individual in Alaska is 9 years of age. With 5,419 grandparents responsible for raising 8,188 grandchildren in Alaska, it is a great concern of any grandparent that their grandchildren may become homeless. In addition, we do not believe that any Alaskan grandparent would want a child to be homeless.

HB 324 allocates funding for the Alaska Housing Trust Fund and therefore makes money available to reduce the incidence of homelessness in the state. AARP considers HB 324 to be a significant step in reducing the problem with homelessness in Alaska. AARP hopes that with the passage of HB 324 that Alaska will be able to establish an Alaska Housing Trust Fund and join the other 38 states and more than 400 trust funds established by other cities in the nation.

AARP requests an "AYE" vote on HB 324.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Bob Roses
Representative Anna Fairclough
Representative Wes Keller
Representative Paul Seaton
Representative Berta Gardner
Representative Sharon Cissna

SARAH PALIN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

February 22, 2008

Honorable Peggy Wilson, Chair
House Health, Education, and
Social Services Committee
Alaska State Capitol, Room 403
Juneau, AK 99801-1182

RE: House Bill 337 and House Bill 345

Dear Representative Wilson:

The Department of Health and Social Services respectfully requests the following amendments to HB337, version E (amendments attached):

- Sec 3 (page 3, line 6) need to change to: "communities with" Critical Access Hospitals
- Page 6, Sec. 18.09.110 paragraph (2) (Page 6, lines 14-17): modify information collected from health care providers
- Sec. 18.09.990 (page 8): need to add a definition of pharmacies and other providers.

Also, this amendment defines the various health care facilities, and it exempts Tribal Health entities owned or operated by the federal government, Indian Tribe or tribal organization from any Certificate of Need requirements.

In addition, we maintain our preference that the Certificate of Need for Communities with Critical Access Hospitals, Nursing Homes, and Residential Psychiatric Facilities are repealed in two years, although version E does not include a repeal.

We have several concerns regarding House Bill 345:

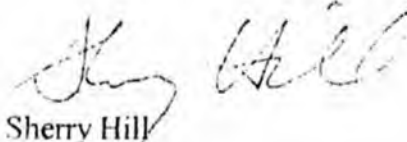
Although HB 345 resolves some but NOT all of the pending litigation. To eliminate all pending litigation, the following would need to be changed in HB345:

- HB 345 should include Ambulatory Surgery Centers to be exempt for CON in communities larger than populations of 60,000
- HB345 needs to define Physician offices in statute

In addition the following needs to be addressed in this legislation:

- This bill does not clarify if the threshold in AS 18.07.031 will increase every year as it currently does; we assume so, but it is not clear.
- HB345 does not clarify how do we deal with mobile facilities or relocated facilities.

Sincerely,



Sherry Hill
Assistant Commissioner for Public Affairs

Department of Health and Social Services

February 22, 2008

Page 2

Cc: Karleen Jackson, Commissioner
Dr. Jay Butler, DHSS Chief Medical Officer
Mike Tibbles, Chief of Staff, Governor's Office
Anna Kim, Special Assistant, Governor's Office
Russell Kelly, Director, Governor's Legislative Office

AMENDMENT

OFFERED IN THE HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES COMMITTEE
TO: CSHB 337(HES)(25-GH2050\^E)

BY _____

1 Page 2, following line 31:

2 Insert a new bill section to read:

3 **"* Sec. 2.** AS 18.07.031(a) is amended to read:

4 (a) Except as provided in (c) and (d) of this section, a person may not make an
5 expenditure of \$1,000,000 or more for any of the following unless authorized under the
6 terms of a certificate of need issued by the department:

7 (1) except as provided in (4) and (5) of this subsection, construction of
8 a health care facility in a community with a critical access hospital;

9 (2) except as provided in (4) and (5) of this subsection, alteration of the
10 bed capacity of a health care facility in a community with a critical access hospital;

11 [OR]

12 (3) except as provided in (4) and (5) of this subsection, addition of a
13 category of health services provided by a health care facility in a community with a
14 critical access hospital;

15 (4) construction of, alteration of the bed capacity of, or addition of a
16 category of health services provided by a nursing home; or

17 (5) construction of, alteration of the bed capacity of, or addition of a
18 category of health services provided by a residential psychiatric treatment center."

19

20 Renumber the following bill sections accordingly.

21

1 Page 3, lines 2 - 4:

2 Delete all material and insert:

3 "(8) "health care facility"

4 (A) means, if located or providing services in this state,

5 (i) an acute care hospital;

6 (ii) an ambulatory surgical center;

7 (iii) a critical access hospital;

8 (iv) an independent diagnostic testing facility;

9 (v) an intermediate care facility;

10 (vi) a kidney dialysis center;

11 (vii) a nursing facility;

12 (viii) a psychiatric hospital;

13 (ix) a residential psychiatric treatment center;

14 (B) includes a facility owned or operated by a private person, the
15 state, or a local government of the state;

16 (C) excludes a facility that is

17 (i) exempt from state licensure or certification under
18 applicable law and owned or operated by the United States, an Indian
19 tribe, or a tribal organization;

20 (ii) an office of private physicians or dentists whether in
21 individual or group practice;"

22
23 Page 3, lines 6 - 10:

24 Delete all material and insert:

25 "(11) "acute care hospital" has the meaning given to "hospital" in
26 AS 47.32.900;

27 (12) "ambulatory surgical center" has the meaning given in AS 47.32.900;

28 (13) "critical access hospital" means a facility that is a hospital licensed in
29 the state that satisfies the criteria set out in 42 U.S.C. 1395i - 4(c)(2)(B) and meets the
30 conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

31 (14) "independent diagnostic testing facility"

1 (A) means a fixed-location or mobile outpatient facility that is
2 designed and equipped solely to perform diagnostic testing using major diagnostic
3 testing equipment for an independent diagnostic purpose; in this subparagraph,
4 "independent diagnostic purpose" means to perform a diagnostic test for a patient
5 who has been referred by a physician or medical professional who

6 (i) is not associated with the facility;

7 (ii) is treating the patient's specific medical problem; and

8 (iii) uses the diagnostic test result in the treatment of the
9 patient's specific medical problem;

10 (B) does not include a practice 100 percent owned by one or more
11 radiologists or physicians whose primary practice is diagnostic imaging and
12 occasionally evaluation;

13 (15) "intermediate care facility" means a nursing facility that is not a
14 skilled nursing facility;

15 (16) "kidney dialysis center" means a treatment center, including a free-
16 standing hemodialysis unit, that is devoted to the treatment of kidney disease;

17 (17) "nursing home" means a nursing facility as defined in 42 U.S.C
18 1396r(a);

19 (18) "office of private physicians or dentists" means an office that

20 (A) is 100 percent owned by physicians licensed under AS 08.64
21 or dentists licensed under AS 08.36; and

22 (B) provides medical services to patients on an ongoing basis;

23 (19) "psychiatric hospital" means a hospital or part of a hospital that is
24 primarily for the diagnosis and treatment of mental, emotional, or behavioral disorders."
25

26 Page 6, lines 10 - 21:

27 Delete all material and insert:

28 "(b) The database developed under (a) of this section must include the following:

29 (1) a list of preferred drugs approved by the department for
30 reimbursement by the department;

31 (2) a complete list, organized by region and address, of

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- (A) health care facilities located in the state;
 - (B) licensed pharmacists and pharmacies located in the state;
 - (C) emergency and urgent care facilities located in the state;
 - (D) health insurance companies offering coverage in the state;
 - (E) health care providers licensed in the state, including the provider license number, type, and expiration date along with disciplinary actions, if any;
 - (F) long-term, in-home, and hospice care providers located in the state; and
 - (G) public assistance offices of the department;
- (3) a list, updated monthly, of not more than 25 most commonly prescribed medications in the state and the source and price of the medications;
 - (4) a list, updated monthly, of not more than 25 most commonly conducted medical procedures in the state, organized by the cash and negotiated price of the procedure at available providers and insurers; the list must include medical procedures covered by workers' compensation under AS 23.30;
 - (5) available hospital ratings, including the rates of hospital-acquired infections and mortality occurring at each hospital located in the state;
 - (6) consumer education information on topics that include body mass index, diet and nutrition, exercise, smoking cessation, and alcohol and drug addictions, that includes the location of available sites that provide care and treatment related to those issues;
 - (7) a list of procedures approved by state agencies for emergency response and treatment;
 - (8) disease management support information;
 - (9) insurance information that includes
 - (A) a navigator to determine insurance eligibility using a matrix of available insurers;
 - (B) links to Internet websites for purchasing insurance policies;and
 - (C) an explanation of mandatory and optional insurance coverage;

1 (10) a list of primary care clinics that cater to uninsured and self-pay
2 patients;

3 (11) information on the quality of health care facilities, including any
4 actions taken by state or federal agencies related to

5 (A) licensure and accreditation of a health care facility; or

6 (B) a licensed professional practicing in a health care facility."
7

8 Page 8, lines 8 - 15:

9 Delete all material and insert:

10 "(4) "health care facility"

11 (A) has the meaning given in AS 18.07.111; and

12 (B) also includes

13 (i) an assisted living home;

14 (ii) a free-standing birth center;

15 (iii) a home health agency;

16 (iv) a hospice or agency providing hospice services or
17 operating hospice programs;

18 (v) an intermediate care facility for the mentally retarded;

19 (vi) a pharmacy;

20 (vii) a provider of a home and community-based waiver
21 service that is certified under regulations adopted by the department;

22 (viii) a provider of personal care services that is certified
23 under regulations adopted by the department;

24 (ix) a rural health clinic; and

25 (x) an urgent care facility."
26

27 Page 9, line 13:

28 Delete "secs. 1 and 2"

29 Insert "secs. 2 - 4"

30

31 Page 9, line 20:

1 Delete "Section 7"

2 Insert "Section 8"

3

4 Page 9, line 21:

5 Delete "sec. 8"

6 Insert "sec. 9"

A M E N D M E N T

**OFFERED IN THE HOUSE
TO: CSHB 337 (HES)**

BY REPRESENTATIVE CISSNA

Sec. 18.09.020 Composition, Chair

(a) The commission consists of fifteen members as follows:

- (1) the state officer assigned the duties of medical director of the department,
- (2) one member representing the Alaska Mental Health Trust,
- (3) one member representing the Alaska Native Tribal Health Consortium (ANTHC),
- (4) one member representing the Primary Health Care Association,
- (5) one member representing the University of Alaska's health education and training programs,
- (6) one member representing the Alaska Hospital and Nursing Home Association,
- (7) one member representing the health insurance industry,
- (8) one member representing the nursing profession,
- (9) a health care consumer or advocate,
- (10) three members of the Senate of the Alaska Legislature appointed by the president of the Senate, two of whom shall be from the majority and one from the minority,
- (11) three members of the House of Representatives of the Alaska Legislature appointed by the Speaker of the House, two of whom shall be from the majority and one from the minority,
- (12) one member appointed under this paragraph must be a small business owner in the state.

(b) The department's representative appointed under (a) (1) of this section shall serve as chair of the commission.

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARDNER

TO: CSHB 337(HES), Draft Version "E"

1 Page 1, lines 2 - 3:

2 Delete "relating to the certificate of need program for certain health care
3 facilities"

4 Insert "authorizing a study of the certificate of need program"

5

6 Page 3, lines 1 - 10:

7 Delete all material.

8

9 Renumber the following bill sections accordingly.

10

11 Page 9, lines 6 - 13:

12 Delete all material and insert:

13 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 CERTIFICATE OF NEED STUDY. The Department of Health and Social Services
16 may contract with an independent entity to conduct a study of the effectiveness of the
17 certificate of need program in the state in fulfilling the purpose of the program. The
18 department shall present a report to the legislature on the study when it is completed."

19

20 Page 9, lines 20 - 21:

21 Delete all material and insert:

22 * Sec. 6. Sections 4 and 5 of this Act take effect immediately under AS 01.10.070(c).

23 * Sec. 7. Except as provided in sec. 6 of this Act, this Act takes effect July 1, 2008."

**STATE OF ALASKA
DEPARTMENT OF HEALTH &
SOCIAL SERVICES
CERTIFICATE OF NEED
NEGOTIATED REGULATIONS
COMMITTEE
REPORT**

12/28/2007

Prepared by:

KMD Services & Consulting

3705 Arctic #2078

Anchorage, Alaska 99503

p. 907 277 3477

www.kmdconsulting.biz

mail@kmdconsulting.biz

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Executive Summary

The Negotiated Rulemaking Committee meetings for the Certificate of Need (CON) held in October and November this year produced several strong recommendations based on high consensus of the group. They included;

- That the CON process as it is currently, is broken
- It should not be eliminated
- Clear definition and specificity on the Physician office exemption (POE)
- What should be in for CON and what should be out
- CON covered entities should be required to serve all comers regardless of their ability to pay
- CON should be in alignment with Medicare guidelines

Several other areas of consensus of the committee included;

- The need for an ad-hoc advisory group to support the state in reviewing equipment thresholds, new procedures and remodels/renovations related to CON
- The state would benefit from having an ad-hoc advisory group for technical expertise in disputed CON situations
- Recommendation that the state collect data that shows whether the CON process actually accomplishes its stated purpose of cost containment and access.
- The State be empowered to a higher level of enforcement and monitoring that providers are staying within their CON
- That for definition purposes Anchorage, Mat-Su, and Fairbanks would be considered large communities and all other areas in Alaska would be considered small communities.

Efficacy of the CON was a major discussion topic. Where the CON is designed to contain costs and improve access, the committee noted a lack of data on whether the CON process actually accomplishes its intended purpose. The committee acknowledged that any movement towards collecting data will be time consuming and that all providers of services should be included in data collection in order to get a more comprehensive picture. Concurrently, the committee also noted the need to protect smaller community hospitals in select areas from being driven out of business and that the CON process accomplishes that end. Failure to do so will leave the CON vulnerable to attack and elimination.

The Physician office exemption (POE) definition was the most discussed and contentious topic at every session. The committee debated throughout the

sessions the definition of what a physician office is and is not for purposes of exemption from the CON. While the committee did reach consensus on specific language for the POE, it was based on the fear of the misuses of the POE process as perceived by many members versus a more positive outcome driven definition.

The negotiated rulemaking committee has the distinct merits of bringing together stakeholders to derive consensus on issues that are of importance to their communities and the state. In this first attempt to reduce the litigious atmosphere surrounding the CON, there were two distinct stakeholders not represented on the committee;

1. Patient / consumer representation was absent from the committee. The absence of patient viewpoint would be valuable in future committees to ensure that the committee stays focused more on what is best for the citizens of Alaska rather than healthcare business interests.
2. State of Alaska Healthcare point of view and plan. Several times the lack of state and or community healthcare plans/ goals, vision was notably absent as needed information for the committee to use in making decisions. If a plan was developed the CON decisions could be made in reference to the community and state plans as a guide.

Finally, as a matter of improving the committee process it is recommended that once a committee member is selected that substitutions not be allowed as it interferes with the group dynamic and the ability of the group to reach consensus.

I. Introduction

KMD Services & Consulting was contracted by the State of Alaska, Department of Health and Human Services (DHSS) to facilitate the Certificate of Need Negotiated Rulemaking Committee. Kevin Dee was lead facilitator. This was the first ever attempt to bring various vested parties together to attempt to reach consensus on the "Certificate of Need" (CON) process, rules and regulations.

The Committee members were selected through a voluntary process by DHSS and five days of meetings to review and make recommendations were held. The committee was asked to look at anything and everything related to the CON process including statutes, regulations and processes. The dates of the meetings were; October 29-30, 2007, November 13-14, 2007 & November 20, 2007. There were between 19 – 21 committee members present at all meetings. Committee members were comprised of Doctors and Hospital administrators and one representative from DHSS . The actual participants of the committee varied from session to session due to substitutions. The committee members and their attendance are listed below.

Certificate of Need Negotiated Regulation Committee Members

Present at meeting = X , Absent = A, Substitute = Sub

Representative	Name	10/29	10/30	11/13	11/14	11/20	Substitution
1	Imaging Ward Ringer, Administrator Diagnostic Health of Anchorage	X	X	X	Sub	X	Aaron Woolrich
2	Imaging Jeff Kinion, CEO Alaska Open Imaging Center Wasilla	X	X	X	X	X	
3	Imaging Robert Bridges, MD, Aurora Diagnostic Imaging, LLC, Fairbanks	X	X	X	X in am only pm = Sub	X	Kim Black sub in afternoon
4	Imaging Chakri Inampudi, MD Alaska Radiology Associates Anchorage	X	X	X*	X	X	*Left prior to meeting end on 11/13
5	Imaging Bradley K. Cruz, M.D. Alaska Imaging Associates, LLC Anchorage	X	X	X	X	Sub	Lester Lewis, MD

I. Introduction

KMD Services & Consulting was contracted by the State of Alaska, Department of Health and Human Services (DHSS) to facilitate the Certificate of Need Negotiated Rulemaking Committee. Kevin Dee was lead facilitator. This was the first ever attempt to bring various vested parties together to attempt to reach consensus on the "Certificate of Need" (CON) process, rules and regulations.

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Certificate of Need Negotiated Regulation Committee Members

Present at meeting = X, Absent = A, Substitute = Sub

Represents	Name	10/29	10/30	11/13	11/14	11/20	Substitution
1 Imaging	Ward Hinger, Administrator Diagnostic Health of Anchorage	X	X	X	Sub	X	Aaron Woolrich
2 Imaging	Jeff Kinion, CEO Alaska Open Imaging Center Wasilla	X	X	X	X	X	
3 Imaging	Robert Bridges, MD Aurora Diagnostic Imaging, LLC, Fairbanks	X	X	X	X in am only pm = Sub	X	Kim Black sub in afternoon
4 Imaging	Chakri Inampudi, MD Alaska Radiology Associates Anchorage	X	X	X*	X	X	*Left prior to meeting end on 11/13
5 Imaging	Bradley K. Cruz, M.D. Alaska Imaging Associates, LLC Anchorage	X	X	X	X	Sub	Lester Lewis, MD

Rep/Entity	10/29	10/30	11/19	11/20	11/21	11/22	11/23	11/24
6 Hospital Shawn Morrow, CEO Bartlett Regional Hospital Juneau	X	X	X	X	X			
7 Hospital James Shih, CEO Northstar Behavioral Health Systems Anchorage	X	X	X	X	X			
8 Hospital Edward Lamb, CEO Alaska Regional Hospital Anchorage	Sub	Sub	A	A	Sub			Jordan Herget = 10/29 & 10/30 Paul Morris = 11/20
9 Hospital E. Al Parish, CEO/VP Providence Health System Anchorage	X in am only pm Sub	X in am only pm Sub	Sub	Sub	Sub			Joel Gilbertson 4/5 of sessions
10 Hospital Mike Powers, CEO/Administrator Fairbanks Mem. al Hosp./Denali Center Fairbanks	X	X	X	X	X			
11 Hospital Norman Stephens, CEO Mat-Su Regional Medical Center Palmer	X	X	Sub	Sub				Michael Zielaskiewicz
12 Hospital Ryan K. Smith, CEO Central Peninsula Hospital Soldotna	X	X	Sub	Sub	X			Jason Paret
13 Physician group Craig Mamikuntan, M.D. Anchorage	X	X	X	X (am only)	Sub			Vicki Crump Boura
14 Physician group Baxter Burton, CEO Alaska Heart Institute, LLC Anchorage	X	X	X	A	X			
15 Physician group Gerald J. Nicholson, Adminstrator Kalmat Oncology Group, LLC Anchorage	A	A	A	X	A			
16 Physician group Jeremy Hayes Advanced Medical Centers of Alaska Anchorage	X	X	X	Sub in am / X pm	X			Cathy Giessel
17 Physician group Bruce Jayne Alaska Surgery Center	X	X	X	X	Sub			William Pethick

	Represents	Name	10/29	10/30	11/13	11/14	11/20	Substitution
6	Hospital	Shawn Morrow, CEO Bartlett Regional Hospital Juneau	X	X	X	X	X	
7	Hospital	James Shill, CEO Northstar Behavioral Health Systems, Anchorage	X	X	X	A	X	
8	Hospital	Edward Lamb, CEO Alaska Regional Hospital Anchorage	Sub	Sub	A	A	Sub	Jordan Herget = 10/29 & 10/30 Paul Morris = 11/20
9	Hospital	E. Al Parrish, CEO/VP Providence Health System Anchorage	X in am only pm = Sub	X in am only pm = Sub	Sub	Sub	Sub	Joel Gilbertson: 4/5 of sessions
10	Hospital	Mike Powers, CEO/Administrator Fairbanks Memorial Hosp./Denali Center Fairbanks	X	X	X	X	X	
11	Hospital	Norman Stephens, CEO Mat-Su Regional Medical Center, Palmer	X	X	Sub	Sub	X	Michael Zielaskiewkz
12	Hospital	Ryan K. Smith, CEO Central Peninsula Hospital Soldotna	X	X	Sub	Sub	X	Jason Paret
13	Physician group	Creed Mamikunian, M.D. Anchorage	X	X	X	X (am only)	Sub	Vicki Crumptoula
14	Physician group	Baxter Burton, CEO Alaska Heart Institute, LLC Anchorage	X	X	X	A	X	
15	Physician group	Gerald L. Nicholson, Administrator Kaimai Oncology Group, LLC Anchorage	A	A	A	X	A	
16	Physician group	Jeremy Hayes Advanced Medical Centers of Alaska Anchorage	X	X	X	Sub in am / X pm	X	Cathy Giessel
17	Physician group	Bruce Jayne Alaska Surgery Center	X	X	X	X	Sub	William Pethick

Item	Association	Name	11/14	11/15	11/16	11/17	11/18	Notes
18	Association (physician)	J. Ross Tanner, ASMA President	Sub	Sub	A	A	Sub	ASMA E.D. James Jordan served as designated substitute
19	Tanana Chiefs	Victor Joseph, Health Director, Tanana Chiefs Conference Health Svcs., Fairbanks						Left prior to meeting end
20	DHSS	Jay Butler, MD, FAAP, FACP Chief Medical Officer, DHSS Anchorage	X	X	X	X	X	
21	Association (hospital and nursing home)	Rod Betif, CEO, Alaska State Hospital & Nursing Home Association			X		X	
22	Physician group	Mark Wade, MD, Fairbanks	NA	NA	X	X	A	Late entry to committee, Resigned after 11/14 meeting

II. Committee Negotiation Processes

A set of ground rules for discussion was implemented throughout the committee meetings:

ESTABLISHED GROUND RULES:

- ↓ Seek first to understand then to be understood
- ↓ Speak directly to your point
- ↓ Respect everyone's choices as right for them
- ↓ Spend 10% of your time identifying concerns & issues, 90% of your time identifying options & solutions
- ↓ Focus on choices and consequences versus right and wrong
- ↓ All Voices count
- ↓ Follow facilitator instructions

The committee used open group discussion to determine topics and points of view on each subject and questions for voting were developed. Voting was conducted using an electronic anonymous (Consensor) polling system to determine the level of consensus of the group on specific topics.

Represents	Name	10/29	10/30	11/13	11/14	11/20	Substitution
18 Association (physician)	J. Ross Tanner, ASMA President	Sub	Sub	A	A	Sub	ASMA E.D. James Jordan served as designated substitute
19 Tanana Chiefs	Victor Joseph, Health Director Tanana Chiefs Conference Health Svcs., Fairbanks	X	X	X	X*	X	*Left prior to meeting end
20 DHSS	Jay Butler, MD, FAAP, FACP Chief Medical Officer, DHSS Anchorage	X	X	X	X	X	
21 Association (hospital and nursing home)	Rod Befit, CEO Alaska State Hospital & Nursing Home Association	X	X	X	A	X	
22 Physician group	Mark Wade, MD. Fairbanks	NA	NA	X	X	A	Late entry to committee, Resigned after 11/14 meeting

II. Committee Negotiation Processes

A set of ground rules for discussion was implemented throughout the committee meetings:

ESTABLISHED GROUND RULES:

- ↓ Seek first to understand then to be understood
- ↓ Speak directly to your point
- ↓ Respect everyone's choices as right for them
- ↓ Spend 10% of your time identifying concerns & issues, 90% of your time identifying options & solutions
- ↓ Focus on choices and consequences versus right and wrong
- ↓ All Voices count
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The committee used open group discussion to determine topics and points of view on each subject and questions for voting were developed. Voting was conducted using an electronic anonymous (Consensor) polling system to determine the level of consensus of the group on specific topics.

A working definition for consensus was developed by the group. 66% or greater was the determinant number to say that consensus was reached and the higher the percentage the greater the level of group consensus. A show of hands established 70% or higher for high consensus

Discussion topics

The Committee generated a set of agenda topics for discussion framed around the purposes of;

- Clarifying the CON definitions and processes
- Reducing litigation
- Assisting in cost containment
- Assisting in access
- leveling the playing field

Primary topics for discussion included;

- ✓ Elimination or modification of CON
- ✓ Thresholds
- ✓ Definitions
- ✓ Timely processes – Application, review, determination , appeal
- ✓ Enforcement of CON
- ✓ Physician Office Exemption
- ✓ Radiology
- ✓ Ambulatory Surgery centers

The specific discussions and subtopics of discussion are listed in the notes (attached) and were initially global (example: Eliminate the CON?) and then became more specific as decisions and consensus were reached on each item (example: percentage of radiology reports interpreted locally to qualify for Physician office exemption (POE)).

The committee moved through the topics and strong consensus and recommendations were reached in many areas. Other votes when diametrically opposed parties were unable to reach a common ground reflect areas of compromise.

Recommendations for future rulemaking negotiations and process

Several committee members noted the absence of patient and community representation. This was most adamantly put forth by Dr. Wade in his comments and committee evaluation. Dr. Wade commented that the committee was highly self interested in the financial impacts of the CON to their worlds and "protecting their own turf" versus interest and investment in what is best for patients for communities. The absence of Patient advocacy or a State of

Alaska, Healthcare plan, meant the only voices heard were from the financially vested physicians and hospitals. Though several hospitals represented were community hospitals, there were few comments about what was best for patient, access or cost containment. Most comments were concerning what was best for those present. Diversity of representation must be present in order to ensure a balanced approach to this volatile topic.

Substitutions for committee members were allowed due to the short notice of the scheduling of the committee meetings and as a method to maintain representation. This had a negative effect on the building of consensus. Consensus building is best served when a group gets to know each other's interests and concerns over time. This allows for trust and common interest to be developed. The allowance of substitutions goes a long way in isolating positions and interests.

The absence of data for the efficacy of the CON was duly noted by committee members and the need for it was also highly recommended. The lack of overall reference points including data diminished the ability of the group to have a more substantive process and eliminate the personal interest factors from the room. The development of cohesive plans by communities and the State of Alaska regarding healthcare services will go a long way in guiding the CON process in ensuring the needs of a community are met. The ongoing collection and analysis of utilization and capacity data would go a long way in reducing disputes and making CON decisions more defensible.

III. Areas of High Consensus

HIGH CONSENSUS REACHED FOR THE FOLLOWING*:

- Eliminate CON fully? 88.89% NO.
- Radiation therapy to be subject to CON? 89.47% YES.
- Imaging services subject to CON? 83.33% YES.

- Should a new committee member be added? 70% YES.
(The member was not added originally due to a communication issue).
- Should ambulatory surgery be included in CON? 85% YES.
- That statutorily defined Health Care Facilities, by definition, do not include physician offices. 100% agreed
- P.O.E. should be discussed separately from Radiology proposal.
84.21%, YES
- Should CON programs require all entities to serve all patients?
78.95%, YES
- Should CON processes and definitions be in alignment with Medicare
80%. YES
- Should ad-hoc advisory groups be formed to assist DHSS in technical or contested decisions, what type? 73.68%, YES
- Recommend the state to seek out resources for clarification of issues in CON – tech advisory 94.74%, YES
- All facilities/equipment above the threshold must request P.O.E. letter of exemption - State issues letter of determination. 71.43%, YES
- The decisions reached are the best we can do, 71.43%, YES

**Please refer to "Consensor results" attachments for raw results*

IV. Areas of General Consensus

General Consensus was defined as either general agreement by show of hands, verbal support of the group to a concrete concept without opposition, or a vote that achieved between 66% and 71% (see attached meeting notes and "Consensor results" for raw voting results).

Different definitions for smaller communities needed for the CON process.

There are no hard deadlines in the CON process. Committee recommends the state establish process timeline deadline lengths, in days.

Committee asked who can file an appeal? *Reference: Current regulations; must prove you are truly adversely affected party in order to file an appeal. If you don't prove you're adversely affected there may be a consequence. Committee decided that the burden is on the appellant.

Who has the authority to enforce? The Commissioner should have the authority.

Committee requests that the state clarify: Appellants should have to prove they're providing "similar" services (make less vague). Recommendation to state: clarify what is "similar"

- Laws should be passed requiring physician's offices – or those practicing medicine have to serve all comers (all patients regardless of whether they have insurance or are able to pay).
- The CON Committee agreed by show of hands that "quality" was off the table for discussion as related to the CON. The Committee agreed that quality assurance is important, but better addressed in other forums.
- All committee members agreed that they wanted to protect smaller communities and let larger communities have competition.