

HB

204

ALASKA STATE LEGISLATURE

Co-Chair:
Joint Armed Services Committee

Vice-Chair:
Legislative Budget and Audit
Judiciary Committee

Member:
Economic Development, Trade & Tourism
Energy



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REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON
Representative_Nancy_Dahlstrom@legis.state.ak.us

Sponsor Statement House Bill 204

An Act increasing the number of students pursuing a medical education who are provided postsecondary educational services and programs; and providing for an effective date

The intent of House Bill 204 is to help ensure that Alaska has an adequate supply of doctors to meet the health care needs of its citizens. It would expand the number of Alaskan students able to receive medical training through the Wyoming, Washington, Alaska, Montana, and Idaho (WWAMI) program each year from 20 to 24. This is the maximum number that the University of Alaska can accommodate within its existing facilities and with its current faculty. Expansion of this program over time to train 30 Alaskan students annually is one of the primary recommendations of the Alaska Physician Supply Task Force.

This task force was established to address the severe shortage of doctors in Alaska. In its 2006 report, the task force found that Alaska has 375 fewer doctors than needed and the 17th lowest physician-to-population ratio in the nation. This shortage is undermining Alaskans' access to health care and increasing costs throughout the state. Seniors are having particular difficulty finding primary care physicians, causing many to forego treatment or face dangerously long wait times. Internal medicine specialists and psychiatrists are in especially short supply as are doctors of all types in rural Alaska.

This shortage is expected to worsen as Alaska's population increases and ages. The task force reported that over the next 20 years, nearly twice as many practicing physicians will be needed – about 1,100 more than the current 1,347 in patient care – to meet demand as the state's senior population triples. To complicate matters, one-third of our existing physicians are expected to retire in the next 10-15 years.

Additionally, Alaska is far behind other states in the production of doctors. Alaska is one of six states without an independent in-state medical school. The state's primary vehicle for training doctors is the regional WWAMI program. In 2007, the legislature expanded the number of Alaska-funded seats in the program from 10 to 20. This bill continues the incremental expansion of the program as it has been shown to be an effective means of recruiting doctors to the state. Fifty percent of Alaskans who enter WWAMI end up practicing in Alaska. The percentage increases to 80% when graduates from other WWAMI states are counted as returned.

As the national supply of physicians shrinks, recruitment of doctors to Alaska will become ever more competitive. Expanding the number of Alaskans trained through WWAMI is one effective step the state can take to ensure that all Alaskans have access to needed health care.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB204
 () Publish Date: _____

Identifier (file name): HB204-EED-ACPE-03-25-09
 Title: An Act increasing the number of students pursuing a medical education who are provided postsecondary...
 Sponsor: Representative Nancy Dahlstrom
 Requester: (H)EDC
 Dept. Affected: Education
 RDU: ACPE
 Component: Program Administration and Operations
 Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual				210.3	425.2	550.3	557.4
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	210.3	425.2	550.3	557.4

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
1002 Federal Receipts						
1003 GF Match						
1004 GF			210.3	425.2	550.3	557.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Interagency Receipts						
TOTAL	0.0	0.0	0.0	210.3	425.2	557.4

Estimate of any current year (FY2009) cost: _____

POSITIONS

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HB204 proposes to facilitate the expansion of the annual class size of Alaskan participants in the Washington, Wyoming, Montana, Idaho, and Alaska regional medical education program at the University of Washington School of Medicine (UWSM). Using cost projections provided by UWSM, this fiscal note reflects additional general fund expenses assuming the annual class size is increased from 20 to 24 participants effective 2011, with the first twenty-four-student cohort entering the program in fall 2010. The first year of the program is conducted at the University of Alaska Anchorage, and, therefore, first year fiscal impacts are not reflected herein. The increased costs in the ACPE budget take affect when the first class of 24 begin their second year of training at UWSM.

Prepared by: Diane Barrans, Executive Director Phone 465-6740
 Division: Alaska Commission on Postsecondary Education Date/Time 3/25/09 11:00 AM
 Approved by: Diane Barrans, Executive Director Date 3/25/2009
Alaska Commission on Postsecondary Education

Alaska's Shortage of Doctors

- Alaska faces a severe shortage of doctors. A 2006 report from the Alaska Physician Supply Task Force estimates that Alaska has 375 fewer doctors than needed.
- Alaska ranks 17th lowest in the nation in terms of its physician-to-population ratio with 2.05 doctors per thousand residents compared to the national average of 2.38 per thousand.
- This shortage is affecting access to care throughout the state and increasing costs. Patients with Medicare are having particular difficulty finding primary care physicians. Many face dangerously long wait times to see a doctor.
- The shortage is likely to worsen over the next 20 years as Alaska's population increases and ages. Experts predict that by 2025, nearly twice as many physicians in practice will be needed – about 1,100 more than the current 1,347 in patient care – to meet expected demand as the state's elderly population triples. To complicate matters, one-third of the physicians in Alaska are expected to retire in the next 10-15 years.
- To correct this deficit and reach an adequate supply of doctors by 2025, Alaska needs to add more than 60 physicians per year. Unfortunately, as the national supply of physicians shrinks, recruitment will become even more competitive.
- Alaska also lags far behind other states in the production of doctors. We are one of six states without an independent in-state medical school.
- We do, however, fund 20 seats at the regional WWAMI medical school. One of the primary recommendations of the Physician Supply Task Force is to incrementally increase the number of Alaska-funded WWAMI seats to 30.
- SB 18 calls for the increasing the number to 24 as that is all UAA can handle in its current facility and with existing faculty.
- 50% of Alaskan students who enter WWAMI end up practicing in Alaska. The percentage increases to 88% when WWAMI graduates from other states are included.
- Building in-state capacity for medical education will help make Alaska more self-sufficient and less susceptible to outside factors that can undermine the health of Alaskans.
- Expanding the WWAMI class is one of many strategies being proposed to address this problem. Others include instating a loan repayment program (such as that proposed in SB 139), increasing support for residency programs in Alaska, and expanding training programs for mid-level practitioners, such as physician's assistants.
- A combination of strategies is likely to achieve the greatest success for Alaska as we compete nationally for doctors and other health care providers.

WWAMI is Alaska's Medical School!



UNIVERSITY of ALASKA
ANCHORAGE

WWAMI is a collaborative medical school among universities in five northwestern states (Washington, Wyoming, Alaska, Montana, and Idaho) and the University of Washington School of Medicine.

The Alaska WWAMI Program began at the University of Alaska Fairbanks (as WAMI) in 1971. The program moved to the University of Alaska Anchorage in 1989. Historically, ten Alaska residents were admitted to the Alaska WWAMI program each year. However, through the combined efforts of the Alaska WWAMI Program, the University of Alaska, and the Alaska legislature, the Alaska WWAMI class size has been doubled.

The Alaska WWAMI Program now admits 20 students per year!

Students apply to the University of Washington School of Medicine; upon admission, Alaska's WWAMI students complete their first year of medical school at the University of Alaska Anchorage. The first year of training includes courses in basic sciences and an introduction to clinical medicine.

Students from all five WWAMI states attend second-year courses at the University of Washington School of Medicine in Seattle. The third and fourth years of the medical school curriculum are comprised of "clerkships"--rotations in the various medical specialty areas. These clerkships may be taken in any of the five WWAMI states. Students who choose the "Alaska Track" can take nearly all of these clerkships in Alaska.

Alaskans can now complete approximately 3 of the 4 years of medical school in Alaska!

Alaska WWAMI Payback Obligation

The education of all Alaska WWAMI medical students is subsidized by the State of Alaska via payments to the University of Washington School of Medicine. The State of Alaska views these subsidies as loans that are repayable once medical education is complete. Loan repayment can be deferred during residency training. Repayment can take two forms. The loan can simply be repaid in regular payments, or it can be forgiven by medical practice in the State of Alaska. For Alaska WWAMI medical students who entered medical school in the fall of 2007 or later, complete loan forgiveness requires three (3) years of medical practice in a rural setting in Alaska or five (5) years in an urban location in the state.

WWAMI Overview and Frequently Asked Questions (FAQs):

WWAMI Overview

WWAMI provides Alaska residents with high quality medical education. WWAMI is a collaboration among universities in five northwestern states (Washington, Wyoming, Alaska, Montana and Idaho) under the overarching administration of the University of Washington School of Medicine (UWSOM). After admission, Alaska students attend the University of Alaska Anchorage for the 1st year of medical school. Students attend the 2nd – 4th years of medical school at UWSOM with 3rd and 4th years including opportunities for training rotations throughout the region.

Each year 20 Alaskans are admitted to Alaska WWAMI. Alaska's WWAMI medical students take their first-year courses at the University of Alaska Anchorage. Students from all WWAMI states take second-year courses in Seattle. The series of clinical clerkships that comprise the third and fourth years of the curriculum may be taken in any of the five WWAMI states. The "Alaska Track" allows students the option to take nearly all of these clerkships in Alaska.

The Alaska Commission on Postsecondary Education (ACPE) is the fiscal agent for the State of Alaska which funds Alaska's WWAMI participation and is the servicer for the WWAMI loan obligation.

WWAMI FAQs

Who should Alaskans contact if they are interested in information about the WWAMI program?

The Director of the WWAMI program at the University of Alaska Anchorage can be contacted at 3211 Providence Drive Engr 331, Anchorage, AK 99508. The e-mail address is aywwami@uaa.alaska.edu and the phone number is (907)786-4789.

How are new participants selected for participation in the WWAMI program?

Each year the Alaska WWAMI and the UWSOM Admissions Committees work together to interview and select 20 Alaskans for the program. The Alaska WWAMI office at UAA certifies an applicant's eligibility for the program based on responses to an Eligibility Questionnaire. Once an Alaska applicant is admitted, ACPE is prompted to send the individual the WWAMI service obligation Master Promissory Note (MPN) and a related cover letter. Individuals who accept the offers of admission must sign the MPN and return it to ACPE by July 30, prior to beginning their program of study.

What is the annual WWAMI repayment obligation based upon?

During the first year of medical school at University of Alaska Anchorage, the principal balance of the loan will be zero. However, by signing the WWAMI Master Promissory Note, each participant has entered into a loan contract and will have a loan repayment obligation for their second, third, and fourth years of medical school at UWSOM. In accordance with state statute governing the WWAMI program, the financial support to be repaid is equal to 50 percent of the amount the State pays to UWSOM, on behalf of the participant, plus interest.

How is Alaska's payment disbursed to UWSOM?

ACPE annually issues a single warrant to UWSOM to cover the entire amount the State pays for Alaska's contractual costs for the program. An annual Notification of Award letter is sent to each participant advising them of the amount of their financial obligation for the related program year.

How does the service obligation discharge a WWAMI participant's financial obligation?

The participant who successfully completes the graduate education program for which the financial support was provided and is employed within Alaska in a qualifying medical residency program or other qualifying professional medical practice and who is otherwise qualified shall have the outstanding principal¹ and accrued interest forgiven and considered a grant in accordance with the following percentages:

- (1) for employment in rural² areas of the state,
 - (a) up to three years of employment, 33 1/3 percent for each year;

¹ No amount due and payable prior to the participant entering deferment or forgiveness-qualifying employment is subject to forgiveness.

² "Rural" is defined in Alaska law as a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

- (2) for employment in areas of the state that do not qualify under the program definition as rural,
 (a) up to five years of employment, 20 percent for each year.

Participants employed as physicians in the state must immediately notify ACPE of the date their qualifying employment began. ACPE will make available to the participant the necessary forms for documenting completion of each annual period of documenting employment until such time as the obligation is fully discharged.

What are the impacts on my forgiveness benefits if I move from a rural to a non-rural community while performing my qualifying service, or vice versa?

Participants who initially practice medicine in a rural community will receive their first forgiveness of 33 and 1/3 percent of the loan after their first year of practice. If the participant should then choose to move to a non-rural community and practice medicine, he or she will then receive forgiveness benefits of 20 percent of the remaining loan amount for each year they practice medicine until the balance of the loan is forgiven. The same is true for a participant who practices medicine in a non-rural community and receives forgiveness of 20 percent of the loan and then moves to a rural community to practice medicine. The subsequent forgiveness will be for 33 and 1/3 percent of the remaining loan balance until the loan balance is forgiven.

Forgiveness Benefit	Forgiveness % for all rural practice	Forgiveness % for 2 years of rural practice	Forgiveness % for 1 year of rural practice	Forgiveness % for all non-rural practice
1	33 1/3%	33 1/3%	33 1/3%	20 %
2	66 2/3%	66 2/3%	53 1/3%	40%
3	100%	86 2/3%	73 1/3%	60%
4		100%	93 1/3%	80%
5			100%	100%

Are participants required to make payments while engaged in employment which satisfies their WWAMI service obligation?

Generally not. It is critical for a participant to immediately advise ACPE of qualifying employment. Once ACPE is in receipt of documentation the participant is in full-time, qualifying employment in Alaska, the repayment requirement will be deferred. The deferment continues until either the entire period of service is completed or the participant ends the full-time employment or leaves the state, whichever occurs first. However, if a participant enters otherwise qualifying employment after the start of repayment and has past due payments, that participant must pay the loan obligation current **before the employment will be considered part of the qualifying period.** Additionally, those payments made prior to entering into qualifying repayment will not be subject to forgiveness.

Who is required to repay a WWAMI loan?

Any participant who fails to fully satisfy the terms of their service obligation is required to repay their outstanding WWAMI financial obligation plus accrued interest. The obligation converts to a regular loan status at the time the participant fails to qualify for a permitted deferment and the active repayment period begins. In the event a participant is in active repayment for a period of time and thereafter enters qualifying employment, any amount of the loan obligation which was not yet due and payable may be deferred and subsequently be subject to forgiveness in the increments noted above.

Will ACPE facilitate payment arrangements for participants in a contractual arrangement with a third-party organization for payment of their WWAMI loan?

ACPE cannot facilitate payment arrangements or otherwise bill a third party but will accept payment on behalf of the borrower from any source.

What repayment deferment provisions are available to WWAMI participants?

In addition to the qualifying employment deferment, WWAMI participants are eligible for deferment:

- ◆ while enrolled in a medical education residency program or fellowship required for their specialty field of practice;
- ◆ while performing a service obligation to the National Health Services Corps, the Indian Health Service, or a Uniformed Services Scholarship Program; or,
- ◆ while totally, temporarily disabled.

What if a WWAMI participant is in a medical education residency program in Alaska?

WWAMI participants in an Alaska medical education residency program can claim that period of service as qualifying under their WWAMI obligation so long as they hold an Alaska medical license or residency permit and have proof of full-time employment for the relevant period.

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 24, 2009

Honorable Kim Elton
Alaska State Senate
Chair, Senate Education committee
Capitol Room 506
Juneau, Alaska

RE: SB 18 – Increase WWAMI Class Size

Dear Senator Elton:

The Alaska State Medical Association (ASMA) represents Alaska physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA supports SB 18 and urges you and the Senate Education Committee to support it as well.

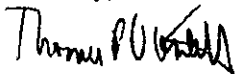
ASMA has long supported increasing the WWAMI class size and worked hard several years ago to double the matriculants from 10 to 20 per year. In fact, ASMA has had a policy to increase the class size to 30 when it is practicable to do so.

It is ASMA's understanding that a sponsor substitute will be offered to only include the first step to increasing the class size to 24 (from 20). ASMA has been told by the bill sponsor's, Senator Wielechowski, staff that the University of Alaska will be more comfortable to increase the class size in steps. ASMA understands and appreciates the many considerations that the University as well as the University of Washington Medical School need to factor in so that a quality medical education is provided. They are the ones best suited to comment on those factors.

ASMA supports the "step" process with first going to a 24 member class size. However, ASMA still supports going to 30 when it is practicable and feasible to do so.

Finally, "growing" our own physicians, we believe, will help in attracting and retaining physicians to practice in Alaska. However, we are still going to have to make a concerted effort to recruit physicians from other parts of the country to meet with Alaska's need for well trained physicians to provide the health care necessary for all Alaskans.

Sincerely,



By: Thomas P. Vasileff, MD, President
For: The Alaska State Medical Association

cc: Senate Education Committee members:

Senator Bettye Davis
Senator Charlie Huggins
Senator Donny Olson, MD
Senator Gary Stevens

cc: Senator Bill Wielechowski



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February 26, 2009

The Honorable Kim Elton, Chair
Senate Education Committee
Alaska State Capitol, Room 506
Juneau, AK 99801-1182

RE: SB 18 (Wielechowski)—Support

Dear Chair Elton:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Education Committee to support SB 18, authored by Senator Bill Wielechowski and co-sponsored by Senators Ellis, Thomas, and Paskvan.

It is no secret that Alaska has a shortage of physicians which is expected to get worse over the next few years. AARP members in many Alaska communities already tell us that they are unable to find a physician who will accept them as Medicare beneficiaries.

The one bright spot in this shortage is the WWAMI program which has traditionally provided ten slots for family practice physicians to spend their residency in Alaska. Senator Meyer's bill last year increased the number to twenty. Upon completion of their medical education, most of these physicians have chosen to stay here and practice in our cities as well as in our remote communities.

You and your Senate Committee colleagues have seen the Alaska Physician Supply Task Force report produced jointly by the University of Alaska and the Department of Health and Social Services. This excellent report should serve us as a roadmap for our future directions in physician training.

The former exodus of Alaska retirees has been reversed over the past few years. Because of our improved health services and provider community, older Alaskans have determined that they can remain here after retirement, close to their friends and families.

If older Alaskans are unable to find a physician willing to see them, we will be back with the situation of retirees leaving the state so they can be assured of access to health professionals.

SB 18 offers us another real meaningful opportunity to begin to meet this need. Adding another four family practice residents to twenty-four won't solve our problem but it is an excellent step to address our long term needs for an expanded physician workforce.

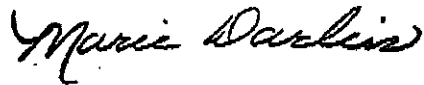
Our AARP members, your constituents, want to stay here after retirement. An affirmative vote on SB 18 will help accomplish that.

AARP requests an "AYE" vote on SB 18.

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, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Bettye Davis
Senator Charlie Huggins
Senator Donald Olson
Senator Gary Stevens
Senator Bill Wielechowski

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 24, 2009

Honorable Nancy Dahlstrom
Alaska State House
Capitol, Room 411
Juneau, Alaska

RE: HB 204 – Increase WWAMI Class Size

Dear Representative Dahlstrom:

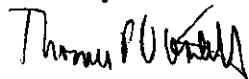
The Alaska State Medical Association (ASMA) represents Alaska physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA supports HB 204 and thanks you for taking the leadership and initiative in introducing it.

ASMA has long supported increasing the WWAMI class size and worked hard several years ago to double the matriculants from 10 to 20 per year. In fact, ASMA has had a policy to increase the class size to 30 when it is practicable to do so.

Finally, “growing” our own physicians, we believe, will help in attracting and retaining physicians to practice in Alaska. However, we are still going to have to make a concerted effort to recruit physicians from other parts of the country to meet with Alaska’s need for well trained physicians to provide the health care necessary for all Alaskans.

Sincerely,



By: Thomas P. Vasileff, MD, President
For: The Alaska State Medical Association

Our view: Attracting doctors**Legislature can raise Alaska's stake in competition for docs***(03/10/09 18:54:04)*

Alaska's shortage of primary care doctors has been described as grim. A study two years ago found we needed 400 more doctors to provide the same level of care as is available elsewhere in the country. One result is that few doctors will accept the low rates paid by Medicare, the government insurance for those 65 and older. It's a horrible situation for Alaska's senior citizens.

Two bills introduced during this legislative session would help relieve the shortage of doctors and other health care workers, and both are worth passing.

Senate Bill 18 would increase the number of state-subsidized medical students in each class of the WWAMI program operated through the University of Washington. Alaska WWAMI students spend their first year of study at UAA.

These students offer an excellent return -- according to the Alaska Physician Supply Task Force study in late 2006, half of Alaska WWAMI students end up practicing in the state, and a few WWAMI students from other states join them.

The state raised the number of Alaska WWAMI students in each class to 20 in 2007.

SB 18 would increase the number by a modest amount, to 24. That's the most UAA can accommodate without incurring expensive overhead costs, said Sen. Bill Wielechowski of Anchorage, the bill's sponsor.

Adding the four students would cost the state little to no money the first year. But by the fourth year, when we would have an additional 16 Alaska students in med school, the state cost is estimated at \$550,000 per year.

A second bill, SB 139, calls for the state to pay financial incentives to already-qualified doctors, nurses or other health workers if they take certain jobs in Alaska.

The bill, with a bipartisan group of sponsors, would carry out a plan developed by a group of health care professionals including representatives of the Alaska Primary Care Association and the Alaska State Hospital and Nursing Home Association.

The state would offer financial incentives to as many as 90 workers, from physicians to nurses, to come work in Alaska. Those who take hard-to-fill jobs, or treat a share of uninsured patients or those on Medicare or Medicaid, would get priority.

Each person would be guaranteed the incentive for three years as long as they kept working here.

The state would either repay part of their student loans or, if the health worker didn't have loans, simply pay them directly. The individual payments would range from \$20,000 per year for nurses, physicians assistants and some others, to \$35,000 for doctors, pharmacists and dentists, to \$47,000 for doctors who accept the hardest-to-fill positions.

The state's cost for three years' worth of incentives would be \$7.5 million.

That sum is large enough to cause concern this year, with a big drop in state revenues anticipated.

But consider this: Forty-four of the 50 states already offer financial incentives to lure health workers. Alaska is not competitive for health care jobs, and people are suffering because of it.

BOTTOM LINE: The Legislature should pass two bills to relieve a critical shortage of health care workers in Alaska.

Research Matters No. 43: How Hard is it for Medicare Patients to Find Family Doctors?
March 25, 2009

For the past few years, Alaskans have been hearing reports about primary-care doctors turning away Medicare patients. Medicare pays primary-care doctors only about two-thirds of what private insurance pays, even after a sizable increase in 2009. But until now, there were no broad figures to show how many primary-care doctors have decided not to see Medicare patients. So ISER surveyed primary-care doctors statewide to find out—and got better than an 85% response rate. A new publication by Rosylnd Frazier and Mark Foster reports the survey findings.

- There's a major problem for Medicare patients looking for new family doctors in Anchorage, a noticeable problem in the Mat-Su Borough and Fairbanks, and little problem in other areas. In Alaska's smaller communities, most doctors still accept new Medicare patients.
- The ISER survey found only five primary-care doctors in private practice willing to take new Medicare patients in Alaska's largest city.
- Another five doctors at the Anchorage Neighborhood Health Center see new Medicare patients. The number of Medicare patients at the center has more than doubled since 2001.
- Most primary-care doctors (even in Anchorage) will still see established Medicare patients—that is, patients they've seen in the past.
- About one in ten primary-care doctors ISER surveyed have "opted out" of the Medicare system. That means they will not accept Medicare payments, but some will still see Medicare patients who agree to pay the entire doctor's bill themselves. Most of those doctors are in Anchorage.
- The 2009 increase in Medicare payments didn't persuade primary-care doctors to open their doors to significant numbers of new Medicare patients. But it's certainly possible that the increase—spearheaded by Alaska's U.S. senators—kept more doctors from turning away Medicare patients.



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March 27, 2009

The Honorable Paul Seaton, Chair
House Education Committee
Alaska State Capitol, Room 102
Juneau, AK 99801-1182

RE: HB 204 (Dahlstrom)--Support

Dear Chair Seaton:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Education Committee to support HB 204, authored by Representative Nancy Dahlstrom and co-sponsored by Representative Beth Kerttula.

It is no secret that Alaska has a shortage of physicians which is expected to get worse over the next few years. AARP members in many Alaska communities already tell us that they are unable to find a physician who will accept them as Medicare beneficiaries.

The one bright spot in this shortage is the WWAMI program which has traditionally provided ten slots for family practice physicians to spend their residency in Alaska. Senator Meyer's bill last year increased the number to twenty. Upon completion of their medical education, most of these physicians have chosen to stay here and practice in our cities as well as in our remote communities.

You and your colleagues have seen the Alaska Physician Supply Task Force report produced jointly by the University of Alaska and the Department of Health and Social Services. This excellent report should serve us as a roadmap for our future directions in physician training.

The former exodus of Alaska retirees has been reversed over the past few years. Because of our improved health services and provider community, older Alaskans have determined that they can remain here after retirement, close to their friends and families.

If older Alaskans are unable to find a physician willing to see them, we will be back with the situation of retirees leaving the state so they can be assured of access to health professionals.

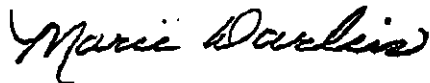
HB 204 offers us another real meaningful opportunity to begin to meet this need. Adding another four family practice residents to bring the total to twenty-four won't solve our problem but it is an excellent step to address our long term needs for an expanded physician workforce.

Our AARP members, your constituents, want to stay here after retirement. An affirmative vote on HB 204 will help accomplish that. AARP requests an "AYE" vote on HB 204.

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, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
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CC: Vice-Chair Cathy Munoz
Representative Bryce Edgmon
Representative Wes Keller
Representative Peggy Wilson
Representative Bob Buch
Representative Berta Gardner
Representative Nancy Dahlstrom

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Mischel
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CS FOR HOUSE BILL NO. 204()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES DAHLSTROM, Kerttula

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the number of students pursuing a medical education who are**
2 **provided postsecondary educational services and programs; providing student loan**
3 **forgiveness for residents who received a medical education degree under an agreement**
4 **with the Alaska Commission on Postsecondary Education and who provide medical**
5 **services in a qualified practice in the state; and providing for an effective date."**

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

7 *** Section 1.** AS 14.42.033 is amended to read:

8 **Sec. 14.42.033. Agreements for medical education.** The commission shall
9 enter into agreements with government or postsecondary education officials of this
10 state or other states to provide postsecondary educational services and programs to
11 Alaska residents pursuing a medical education degree sufficient to accommodate 24
12 [AT LEAST 20] new program participants each year. An agreement with another state
13 must be limited to services and programs that are unavailable in Alaska. The

1 commission shall require a person participating in a medical education program
2 offered under this section to agree to the repayment condition imposed under
3 AS 14.43.510.

4 * Sec. 2. AS 14.43.510(b) is amended to read:

5 (b) If a program participant under (a) of this section has graduated from the
6 medical education program for which the financial support was received and is
7 employed in the state in the field for which the person received the financial support,
8 including employment in the state in a medical residency program, the repayment
9 obligation shall be forgiven and considered a grant in an amount equal to the
10 following percentages plus accrued interest:

11 (1) for employment in rural areas of or for services provided in a
12 qualified practice in the state,

13 (A) one year employment or practice, 33 1/3 percent;

14 (B) two years employment or practice, an additional 33 1/3
15 percent;

16 (C) three years employment or practice, an additional 33 1/3
17 percent;

18 (2) for employment or practice in [AREAS OF] the state that does not
19 qualify under (1) of this subsection [ARE NOT RURAL],

20 (A) one year employment, 20 percent;

21 (B) two years employment, an additional 20 percent;

22 (C) three years employment, an additional 20 percent;

23 (D) four years employment, an additional 20 percent;

24 (E) five years employment, an additional 20 percent.

25 * Sec. 3. AS 14.43.510(e) is amended to read:

26 (e) Except as provided in (j) of this section, for [FOR] purposes of
27 qualifying for forgiveness under this section, a person must be a full-time employee or
28 practitioner for a period of at least six months in order to qualify for a prorated
29 forgiveness benefit. In this subsection, "full-time employee" does not include seasonal
30 or temporary employment.

31 * Sec. 4. AS 14.43.510(i) is amended to read:

(i) In this section,

(1) "qualified practice" means a health care office, clinic, or other facility in which medical services are provided by a physician who received a medical education under an agreement provided under AS 14.42.033 that

(A) can demonstrate that patients who are uninsured or who are covered under Medicare or medical assistance constitute a significant percentage of the total number of patients it serves, and that it openly advertises itself as serving these patients; or

(B) is located in a medically underserved area of the state as determined by the commissioner of health and social services;

(2) "rural" means a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

* Sec. 5. AS 14.43.510 is amended by adding a new subsection to read:

(j) The Department of Health and Social Services may establish in regulation standards for a qualified practice that provides services under (b)(1) of this section. The standards must

(1) define "medically underserved area"; and

(2) specify what constitutes a "significant percentage" of patients for purposes of qualifying a practice for loan forgiveness under (i)(1)(A) of this section.

* Sec. 6. This Act takes effect July 1, 2010.

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

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March 28, 2009

The Honorable Paul Seaton, Co-Chair
The Honorable Cathy Muñoz, Co-Chair
House Education Committee
Alaska State Capitol, Rooms 102 and 409
Juneau, AK 99801-1182

Subject: Support for HB 204

Dear Chair Seaton and Chair Muñoz:

The Alaska Commission on Aging (ACoA) encourages support of HB 204, a bill to expand Alaska's participation in the WWAMI Medical School program to increase the supply of doctors needed to meet the growing health care needs of all Alaskans. WWAMI is a unique five-state collaborative program that presently allows 20 Alaskan medical students to enroll. HB 204 would increase the number of slots from 20 to 24 students on July 1, 2010. This bill is authored by Representative Dahlstrom and co-sponsored by Representative Kerttula.

Alaska, as with the rest of the nation, is experiencing a shortage of health care workers, particularly with doctors and nurses. For many doctors in our state, retirement is just around the corner and replacing those experienced medical providers with newly trained doctors is a priority for all Alaskans, and a critical need for people 65 years and older who have various medical conditions.

The Alaska Physician Supply Task Force Report states that Alaska will need nearly twice as many physicians in the next twenty years as it currently has if the state is to meet the expected demands from a growing population of seniors. Similarly, the demand for registered nurses is increasing during a period when many health care professionals are retiring. The pool of qualified medical providers continues to shrink as the demand for services increases.

Alaska now has the highest rate of growth of persons 65 and older in the nation, according to the 2007 report by the U.S. Administration on Aging. This increased growth rate is due to the fact that more Alaska's seniors and high proportion of Baby Boomers are choosing to remain in state following retirement, close to their families and friends, which is made possible by improved health care and home and community based services. Alaska benefits from seniors contributing approximately \$1.6 billion of revenue to the state each year from their retirement pensions, medical payments, and other income in addition to their volunteering, caregiving, and mentoring provided to younger generations. If older Alaskans are unable to find a physician willing to serve them, they may be forced to leave the state in search of access to health care professionals, resulting in a significant financial and social loss for our state.

The Alaska Commission on Aging supported Senator Meyer's bill in 2007 to increase the number of WWAMI slots from ten to twenty. HB 204 offers another meaningful opportunity to increase the number of slots for medical students and for Alaska to prepare for the health care demands of our growing senior population. The University of Washington, which is ranked first in primary care medical schools nationwide and seventh in


geriatrics, not only allows WWAMI medical students to pay in-state tuition, but the program also provides an incentive for those completing medical school to return to Alaska to practice medicine.

ACoA respectfully requests your support of HB 204 to improve primary health care access for all Alaskans, including Alaska seniors. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position. Thank you for your support of this important legislation.

Sincerely,


Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,


Denise Daniello
ACoA Executive Director

- CC: Representative Buch
- Representative Edgmon
- Representative Keller
- Representative Gardner
- Representative Wilson