

**HB**

**284**

# ALASKA STATE LEGISLATURE



REPRESENTATIVE NANCY DAHLSTROM  
REPRESENTATIVE LES GARA  
REPRESENTATIVE BOB HERRON

## House Bill 284

**"An Act requiring the Department of Health and Social Services to accept federal prescription drug benefits or to provide comparable benefits for residents of the Alaska Pioneers' Home, including residents eligible for discount or free benefits from the United States Department of Veterans Affairs or the Indian Health Service of the United States Department of Health and Human Services."**

In April of this past year, Veterans residing at Pioneer Homes across Alaska were caught in the middle of a bureaucratic dispute. Officials at the Pioneer Homes could not accept prescription drugs from the Veterans Administration because of safety concerns with how those drugs were delivered. The VA refused to change how they sent drugs to the Pioneer Homes. Veterans who were unable to self-administer drugs had to pay the Pioneer Homes' pharmacy out-of-pocket for drugs they needed, prescriptions that they would otherwise receive for free from the VA.

A joint effort between the Department of Health and Social Services, the Department of Military and Veterans Affairs, local public veterans' advocates and legislative involvement appear to have fixed the problem at the policy level with the Dept. of HSS. State administrators found a solution to safely administer prescription drugs from the VA and veterans began to receive their free drugs once again.

House Bill 284 would stop this from happening again. Administrators could only prevent residents from receiving Federal prescription drug benefits if there was a safety concern. If they did prevent residents from receiving those drug benefits, the Pioneer Homes would step in to cover the value of the denied benefit.

This bill would protect not only Veteran residents, but all Pioneer Home residents receiving Federal prescription drug benefits, including benefits from Indian Health Services. The Pioneer Homes have always worked with residents eligible for IHS benefits to receive their prescription drugs. However, if something changes in the future with the distribution of IHS drugs, the Homes could stop accepting them but would need to cover the cost to affected residents.

With the passage of House Bill 284 veterans and other groups who have earned Federal drug benefits will no longer have to worry about not receiving their much needed prescription medications because bureaucrats are unable reach, what should be, a simple agreement.

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## HB 284

### Sectional Analysis

**Section 1:** Amends AS 47.55.010(c), maintenance and operation of Alaska Pioneers' Home and Alaska Veterans' Home, to require the Department of Health and Social Services to accept Federal prescription drug benefits due to Pioneers' Home residents.

**Section 2:** Adds a new subsection to AS 47.55.020, admission to home, to provide the Department of Health and Social Services the option of providing Federal prescription drug benefits due to Pioneer Homes residents or provide comparable prescription drug benefits to pioneers and veterans.

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA  
SENATOR BILL WIELECHOWSKI  
REPRESENTATIVE NANCY DAHLSTROM

October 16, 2009

David Cote, Director  
Alaska Pioneer Homes  
Central Office, P.O. 110690  
Juneau, AK 99811-0690

**Re: Veterans at the Pioneer Homes Who Cannot Receive Their Free VA Prescription Drug Benefit**

Dear Mr. Cote:

We are writing to recommend a solution to the problem facing disabled Veterans at Alaska's Pioneer Homes. As you know from work with our offices, we are concerned that the Pioneer Homes will not administer prescription drugs veterans receive for free from the Veterans Administration. As a result, Veterans entitled to no-cost prescription medicine have to purchase it from the Pioneer Homes pharmacy. So far in correspondence, and work on the matter, we have not found a solution that is acceptable to the Pioneer Homes. However, we are writing because we do believe a solution can be achieved, and will present some recommendations. Our hope is that you will agree to support one or more of them, and we would like to work with you on what you determine is the best solution to this problem.

We've attached the correspondence, and legal memoranda between the Pioneer Homes and Rep. Gara's Office, as it may help you. And we do respect the difficulties the Homes face, including the lack of cooperation from physicians and staff in the VA system that Pioneer Homes staff have experienced (sometimes physicians do not accept concerns from Pioneer Homes Staff about the appropriateness of prescriptions; the VA won't send prescriptions in blister packages).

The basic problem is that the Pioneer Homes like to administer all a patient's medicines in a blister package, rather than from prescription bottles. The Pioneer Homes like to do this for safety reasons, and current law does not let the Pioneer Homes repackage bottled drugs into a blister package. Here are some proposed solutions. We will work with you to implement one, or accept a separate proposal from the Pioneer Homes. But the current status – that veterans who are entitled to free prescription medicine are not allowed to use that benefit – begs a solution.

1. Change in the law. We will write the Board of Pharmacy to change the regulations to allow the Pioneers Homes to repackage medicine into blister packages. If they decide not to allow this, we will write legislation to achieve this.
2. Alternatively, under current law, the Pioneer Homes may re-package medicine if it receives a "manufacturers license". We would ask that the Pioneer Homes look into determining whether achieving this license is feasible.
3. Alternatively, the Pioneer Homes could ask for the staff you have advised us you would need to safely administer prescription medicine in the form it comes in from the Veterans Administration. That is, the Homes have a safety concern about administering medicine from drug canisters. While nursing staff are certainly qualified to administer medicine from a bottle, you have advised us you may need additional staff to make sure this can be done safely, and that you are too short on staff to do this safely with current personnel. If this is the approach you would like to take, let us know.
4. Finally, it just might be less expensive, given the small number of affected patients, to adopt a policy as follows, that would require no change in staff or packaging: To provide free prescription medicines to any Pioneer Home resident who qualifies for free medicines that the Pioneers Home decides it cannot administer. That is, if you do not accept medicines from another institution that are provided to the resident for free, then the Pioneer Homes would have to supply that resident free medicine at cost to the Pioneer Home.
5. We will consider legislation that allows Pioneer Home repackaging, and that allows the Pioneer Homes to choose the most acceptable method for providing free prescription medicine to those who would otherwise qualify for it.

Thank you for working with us. So far we have not been able to find a solution that is acceptable to you. This letter expresses our intention that we continue to work to find one that will work as soon as practicable. We look forward to your response.

Best Regards,



Rep. Les Gara



Sen. Bill Wielechowski



Rep. Nancy Dahlstrom

Cc: Governor Parnell  
Comm. Hogan  
Alaska Board of Pharmacy  
Alaska Veterans Advisory Council

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Anchorage Daily News

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## Veterans in Pioneer Homes will get their medicines from VA FREE OR LOW COST: Issue of distribution safety resolved.

By ROSEMARY SHINOHARA  
rshinohara@adn.com

(11/14/09 02:47:41)

The state announced Friday that it has found a solution that will allow veterans who live in state-run Alaska Pioneer Homes to get the free or low-cost medicines they are entitled to from the VA, but have been denied in recent months.

The state will also refund the money the affected veterans had to pay to fill prescriptions through the Pioneer Homes pharmacy, according to officials from the state Department of Health and Social Services.

The Pioneer Homes quit accepting medicine from the VA last April for veterans who need help from staff to take their pills. The decision affected about a dozen veterans in the Anchorage Pioneers' Home, and perhaps a couple of veterans at the Palmer home.

Pioneer Homes director Dave Cote said the VA medicine wasn't packaged in the right kind of packs to make sure staff could safely distribute it. The Pioneer Homes wanted the medicine to come in blister packs labeled with the patient's name, with foil on one side and plastic on the other and each pill ready to be popped out individually. That way it would be easy to tell if the pill had been administered.

But Cote said after a high-level meeting with Veterans Administration last week, it became clear "they could not be flexible. ... There was not anything they were going to do on their side of things."

Ken Strum, pharmacy chief for the Veterans Administration in Anchorage, said the VA doesn't have equipment needed to package medicine in blister packs as the Pioneer Homes wanted. And, Strum said, it would be against state regulation for the Pioneer Homes pharmacy to repackage in blister packs medicine it receives from the VA pharmacy.

So Cote and the Pioneer Homes nurses instead figured out the safest way to distribute VA medicine from the bottles it comes in, Cote said. Basically, they're going to be more careful.

The Pioneer Homes nursing staff will keep the pills in the original bottles, instead of transferring all of a veteran's pills into a pill box where all meds to be taken at a time would be mixed together. That's to prevent a problem in case certain prescriptions are discontinued, which happens often with older folks, Cote said.

Also, instead of allowing aides to dispense VA pills, nurses will do it, he said.

The dispute between the VA and the Pioneer Homes gained attention this fall after Bea Combs, stepdaughter of Pioneers Homes veteran Melvin Ertwine, went to a legislator's office seeking to get the free or low-cost medicines reinstated.



State Reps. Les Gara of Anchorage and Nancy Dahlstrom of Eagle River and Sen. Bill Wielechowski of Anchorage began sending letters and meeting with state administrators about it.

"I think it's a great solution," Wielechowski said Friday. "It was sort of two large bureaucracies clashing with each other. Somebody had to give."

The state was able to be "a little more nimble," he said. "One reason we were able to do it is it's a small number of people."

Find Rosemary Shinohara online at [adn.com/contact/rshinohara](http://adn.com/contact/rshinohara) or call her at 257-4340.

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# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SSHB 284  
 (H) Publish Date: 3/17/10

Identifier (file name): HB284-DHSS-PH-03-05-10 Dept. Affected: Health & Social Services  
 Title: Pioneers Home RX Drug Benefit RDU: Alaska Pioneer Homes  
 Component: Pioneer Homes  
 Sponsor: Gara  
 Requester: House HSS Component Number: 2671

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES (</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

HB 284 ensures that eligible Pioneer Home residents will continue to have access to federal prescripion drug benefits available from the Veterans Administration or Indian Health Services. There is no fiscal impact to this bill as the Pioneer Homes are already allowing residents to access their federal prescription benefits.

Prepared by: Dave Cote, Director Phone 465-5737  
 Division: Alaska Pioneer Homes Date/Time 1/21/10 12:00 AM  
 Approved by: Alison Elgee, Assistant Commissioner Date 3/5/2010  
DHSS Finance & Management Services