

HB

215

<TARGET><BILL>HB 215</BILL><SUBJECT>HB
215</SUBJECT><COMM>SHSS30</COMM></TARGET>

ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

Representative Paul Seaton
Co-Chair
(907) 465-2689
Rep.Paul.Seaton@akleg.gov

Alaska State Capitol - Rm 505



Representative Neal Foster
Co-Chair
(907) 465-3789
Rep.Neal.Foster@akleg.gov

Alaska State Capitol - Rm 410

Sponsor Statement HB 215 ver O 30th Legislature

HB215 is sponsored by the House Finance Committee

This bill would amend AS 44.29.022(a) to grant the Alaska Department of Health and Social Services the authority to collect fees to support the administration of public health programs. The bill would also add public health fees to the list of **designated general fund program receipts** in AS 37.05.146(c), making clear that the fees collected would be used to support public health operations.

Currently, the division is not able to charge fees for all potential public health services because the list of “public health related duties” for which fees are allowed is limited to maternal and child health, preventive medical services, public health nursing, nutrition, health education, and laboratories.

This bill will give the Division of Public Health the opportunity to collect reasonable fees to support essential public health services consistent with its duties and authority under state law; services that protect Alaskans from preventable illness, injury and death. **Examples of public health services and functions provided by the Department that currently lack fee authority include data extraction and analysis, training, expert consultation, inspections and certifications, enforcement activities, administrative functions, and professional services.**

HB 215 is necessary to allow the Department of Health and Social Services’ Division of Public Health to increase and diversify revenue opportunities, ensuring the means to support public health operations and thereby reducing reliance on general funds. The Division of Public Health budget includes nearly \$7 million in revenue from fees, primarily for clinical laboratory and public health nursing services and certified copies of vital records. The widening gap between public health costs and state general funds jeopardizes our ability to protect and promote the health of Alaskans. It is necessary in public health that those who can pay, should contribute to support these essential services.

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HB 215 DHSS: Public Health Fees 30th Legislature

Explanation of changes from Version J to Version O

Version O is the result of a stakeholder meeting to address concerns raised regarding public input during the regulatory process.

Version O adds a new section requiring the commissioner of health and social services to consult with stakeholders, including at least one public meeting, before a notice of proposed action is made regarding the development of new fees under AS 44.29.020(a) (14) or AS 18.

Explanation of changes from Version D to Version J

Version J incorporates an amendment passed in the House Health and Social Services Committee widening the scope of public health programs the division could create fees for under this bill.

Version D added programs under AS 18.05.010 to the list of programs Public Health could charge fees for. After clarification with the Department of Health & Social Services (DHSS) and the Department of Law it was determined that only listing AS 18.05.010 (as services for which public health could create fees) was limiting for public health. AS 18.05.010 is limited to DHSS duties under AS 18.05, 18.09, and AS 18.15.355 – 18.15.395. However, public health provides additional services under other areas of AS 18. Version J allows public health to create reasonable fees for all programs it administers under AS 18, as well as tobacco control programs under AS 44.29.020(a)14.

Version J also consolidates all services listed under AS 37.05.146(c) provided by DHSS under one subsection.

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HB 215 DHSS: Public Health Fees Version: 30-LS0673\O 30th Legislature

Sectional Analysis

Please note that a sectional analysis of a bill or resolution should not be considered an authoritative interpretation of the measure itself. The legislation is the best statement of its contents.

Section 1

(page 1, line 4)

Adds a new paragraph (90) to the list in AS 37.05.146(c) of designated general fund program receipts and non-general fund program receipts that are accounted for separately, and appropriations from these program receipts are not made from the unrestricted general fund.

Paragraph (90) does 2 things:

- 1) Consolidates all current public health fees listed in AS 37.05.146(c) that are collected by the Department of Health and Social Services into one subsection.

Note: It was determined that the statute could be made clearer by consolidating other DHSS programs and services along with public health under (90). From the current list of 89 program receipts in AS 37.05.146(c) the following would move under (90):

Current AS 37.05.146 (c) #42 becomes (90) (A)	#61 → (90) (D)	#67 → (90) (G)
#59 → (B)	#62,63,65,66 → (E)	#71 → (H)
#60 → (C)	#64 → (F)	#88 → (I)

- 2) Adds language in subsection 90(e), other public health programs and services

Note: The specific public health programs and services for which DHSS may establish fees are specified under AS 44.29.022(a), which is explained in the next section.

Section 2

(page 2, line 14)

Adds **AS 44.29.020(a) (14)** tobacco control programs administered by the Department and public health programs the department administers under **AS18** to the list of services in **AS 44.29.022(a)** for which the Commissioner of the Department of Health & Social Services can establish reasonable fees.

Note: While there are other departments also listed within **AS 18**, language under **AS 44.29.022(a)** states that the commissioner of DHSS may only establish fees for services listed under this statute that are provided by DHSS.

Section 3

(page 2, line 26)

Adds a new sub section to **AS 44.29.022** requiring the commissioner of health and social services to consult with stakeholders, including at least one public meeting, before a notice of proposed action is made regarding the development of new fees under **AS 44.29.020(a) (14)** or **AS 18**.

Section 4

(page 3, line 5)

Repeals statutes that have been consolidated under subsection (90) in section 1 of this bill.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 215(FIN)
Fiscal Note Number:	2
(H) Publish Date:	2/7/2018

Identifier: HB215CS(HSS)-DHSS-PHAS-1-26-18
 Title: DHSS: PUBLIC HEALTH FEES
 Sponsor: FINANCE
 Requester: House HSS

Department: Department of Health and Social Services
 Appropriation: Public Health
 Allocation: Public Health Administrative Services
 OMB Component Number: 292

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019					
Personal Services			400.0	400.0	400.0	400.0	400.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	400.0	400.0	400.0	400.0	400.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)			(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
1005 GF/Prgm (DGF)			600.0	600.0	600.0	600.0	600.0
Total	0.0	0.0	400.0	400.0	400.0	400.0	400.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1005 GF/Prgm (DGF)			600.0	600.0	600.0	600.0	600.0
Total	0.0	0.0	600.0	600.0	600.0	600.0	600.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

Prepared By: Jay C. Butler, MD, Chief Medical Officer/Director
 Division: Public Health
 Approved By: Shawnda O'Brien, Asst. Commissioner
 Agency: Health and Social Services

Phone: (907)269-6680
 Date: 04/13/2017 03:00 PM
 Date: 04/14/17

REPORTED OUT OF
HFC 02/07/2018

Control Code: PJNeO

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB 215 grants the Department of Health and Social Services the authority to collect fees to support the administration of public health programs. The bill would also add public health fees to the list of designated general fund program receipts, making clear that the program receipts collected would be used to support public health operations. The division is currently limited under AS 44.29.022(a), *Fees for department services*, to charge fees only for certain clinical services for maternal and child health, preventive medical services, public health nursing, nutrition, health education, and laboratories.

The House and Senate both included legislative intent language in the FY2016 and FY2017 budgets that the Division of Public Health charge for services.

Examples of public health services and functions provide by the department that currently lack fee authority include data extraction and analysis, training, expert consultation, inspections and certifications, enforcement activities, administrative functions, and professional services. The fees below would be the priority to establish. Additional fees may be added in the future.

* Registration, certification, and inspection of radiological device fees are needed to support a second radiological health physicist for magnetic resonance imaging (MRI), computed tomography (CT), mammography, and ultraviolet devices. Currently only fees for X-ray devices are authorized and only X-ray devices are registered, certified and inspected. No new position are needed; the division will utilize an existing vacant position. (\$100.0 DGF)

* An administration fee for the healthcare practitioner loan repayment program, Supporting Healthcare Access through Loan Repayment Program (SHARP), would cover the cost of operating the program, which is currently supported with unrestricted general funds. Similar loan repayment programs charge an administrative fee. (\$200.0 DGF/-200.0 UGF)

* Allowing a reasonable fee for custom statistical and epidemiological analyses on public health data sets would greatly enhance the usefulness of the datasets. The division is frequently asked for ad hoc analyses; however, our resources are consumed in collecting the data, leaving little capacity for analysis. Other states charge annual or per-hour fees for analytical work. (\$175.0 DGF)

* The division has turned away requests to assist with community health assessments and community action plan development. The division lost the capacity for this service when the position funded with unrestricted general funds was eliminated in recent budget cuts. The ability to charge fees would enable us to once again support local efforts for healthier communities. No new positions are needed; the division will utilize existing positions. (\$125.0 DGF)

The fiscal note reflects our best estimates of the revenue we could collect, which would be applied toward salaries and benefits. In most cases, additional fee revenue may not be sufficient to fully offset costs; however, increasing fees will reduce dependence on other funds. The division would charge additional fees only when it is in the public interest and economical, and, most significantly, does not undermine the division's public health mission. Services would not be denied because of an inability to pay.

Regulations would be adopted for each new fee, after public comment was received and considered. To allow adequate time for that input process, the department estimates that implementation of new fees would begin in FY2020.

SENATE COMMITTEE REPORT

DATE: 2/19/18

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/26/18

Health and Social Services Committee considered CS FOR HOUSE BILL NO. 215(FIN)

HB 215-DHSS: PUBLIC HEALTH FEES

"An Act relating to program receipts; and relating to fees for services provided by the Department of Health and Social Services."

and recommends:

- be replaced with SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DHS	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Begich	✓			
	VanImhof			✓	
	Micciche				✓
	Giessel	✓			
CHAIR:	Wilson			✓	

HB 215 DHSS: Public Health Fees

Alaska Division of Public Health



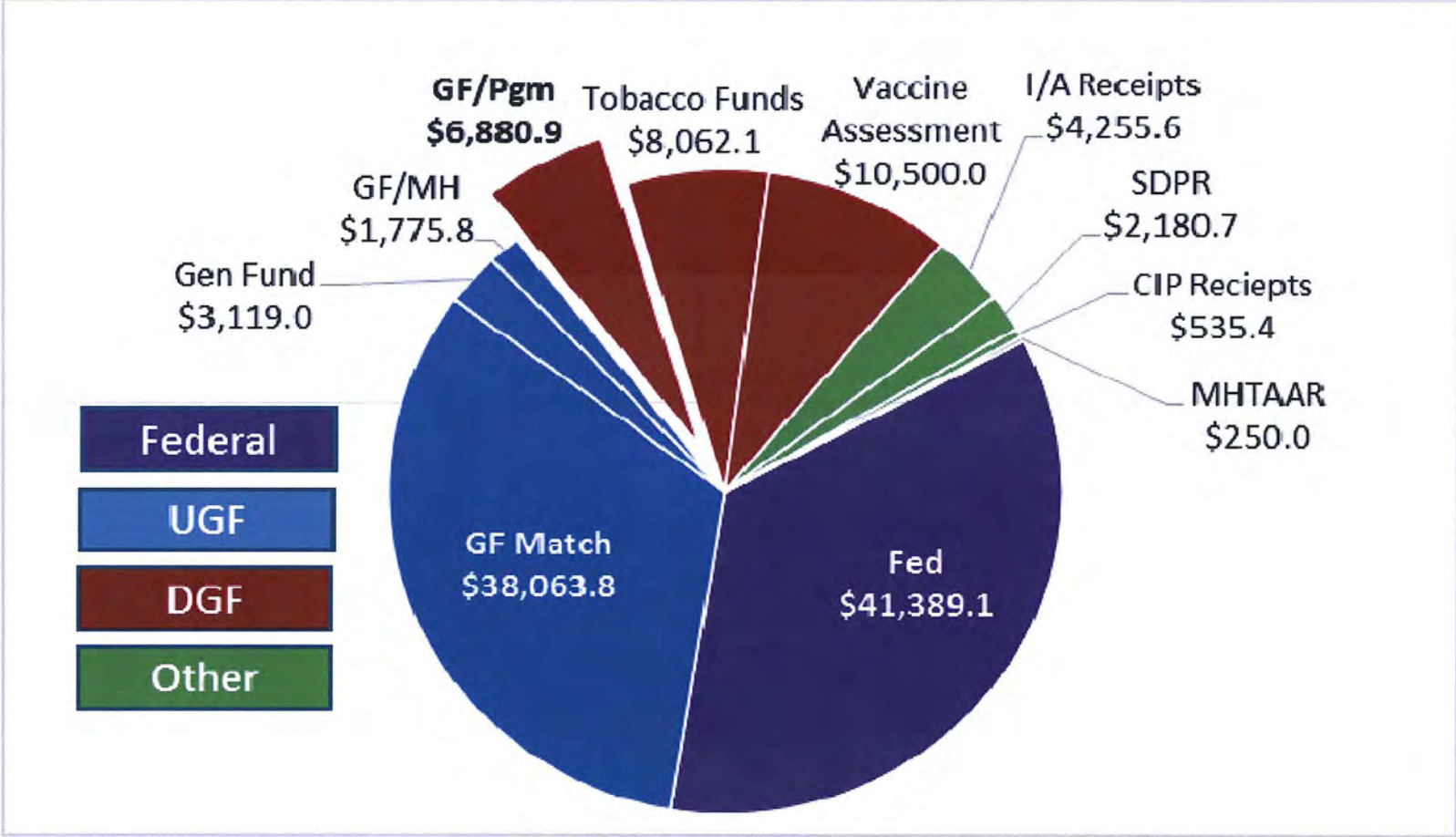
HB215 DHSS: Public Health Fees

- Public Health is able to charge fees for certain clinical services:
 - Maternal and child health services
 - Nutrition services
 - Preventive medical services
 - Health education
 - Public health nursing services
 - Laboratories

AS 44.29.22(a)

HB215 DHSS: Public Health Fees

Division of Public Health Funding Sources
FY2019 Governor's Budget



HB215 DHSS: Public Health Fees

- Public health lacks fee authority for other services and functions:
 - Professional services
 - Data extraction and analysis
 - Training and expert consultation
 - Administrative functions
 - Inspections and certifications
 - Program administration



HB215 DHSS: Public Health Fees

- Fees waived if
 - not in the public interest
 - not economically feasible to collect
 - the public health is best served by the waiver of the fee
- Services not denied because of inability to pay
- Sliding fee schedules
- Fees limited to the actual cost
- Regulations required for each new fee

HB215 DHSS: Public Health Fees

- Fees for public health services will
 - Keep us safe
 - Help communities be healthy
 - Provide access to primary care
 - Inform decision makers where resources are most needed





April 24, 2017

FROM: Mischa Chernick, Strategic Communications and Engagement Manager
3100 Tongass Avenue
Ketchikan, Alaska 99901
michernick@peacehealth.org
907-225-5171

TO: House Health and Social Services

Dear Chair Spohnholtz and committee members,

As you well know, in the past as Alaskans we have been blessed to have ample State funds to support many crucial programs. Much has been given to many without the need to look for ways to collect fees for those services, even when the recipients may have the ability to pay for the services. This is no longer the case.

Since 2013, every three years our hospital has been required by the IRS to complete a Community Health Needs Assessment. This assessment relies on the data collected by the Alaska Department of Health and Social Services. However, in addition to collecting the data, we also need assistance with analyzing what the data is telling us about our community's health needs. Currently, we rely on the services of paid consultants to gather the data from the state and others and then help us analyze the data—as do many non-profit hospitals throughout the state.

I am in support of HB215, which would provide the Division of Public Health the means to charge fees for those services such as consulting with health providers across the state to provide data extraction, analysis and expert consultation. In supporting this bill, funding will be available to ensure the Division of Public Health is able to respond to requests from community hospitals such as ours. It seems to me, that by allowing the Division of Public Health to enhance their revenue-generating opportunities, they can begin to creatively look for ways to partially fund much-needed services across the state instead of relying solely on funding from the State. I believe that by supporting this bill you can help support the efforts of both Public Health as well as local health care providers.

Sincerely,

A handwritten signature in blue ink that reads "Mischa Chernick".

Mischa Chernick
PeaceHealth Ketchikan Medical Center
Strategic Communications and Engagement Manager



ALASKA STATE HOSPITAL &
NURSING HOME ASSOCIATION

January 31, 2018

Representative Paul Seaton
Representative Neal Foster
Co-Chairs, House Finance Committee
State Capitol Room 505
Juneau AK, 99801

Re: HB 215: Public Health Fees

Dear Representatives Seaton and Foster,

We are submitting this letter in support of HB 215 (version O) Public Health Fees.

The Alaska State Hospital and Nursing Home Association (ASHNHA) represents Alaska's hospitals and skilled nursing facilities. Our members provide a variety of critical health care services in their communities, from inpatient acute care and emergency services to primary care and behavioral health.

We recognize the serious budget situation facing Alaska and the need to look to all sides for revenue to support state services. We believe it is appropriate for the Division of Public Health to explore when it is possible to charge fees for services provided.

Last spring, we testified against the legislation and expressed our concern about the broad latitude being given to the Division to impose user fees and recommended that stakeholder engagement be part of the process. During the interim, we worked with the sponsor on language to ensure stakeholders would have an opportunity to provide input prior to the regulatory process. This language is included in the CS for HB 215 – version O.

We appreciate the willingness of the sponsor to incorporate our recommendations in the legislation and offer our support if the proposed Section 3 is included.

We support allowing public health more latitude to charge user fees, when appropriate and reasonable, and believe that stakeholder involvement is important to the process. In our experience, the regulatory and budget processes alone are insufficient to provide appropriate oversight to what fees the division could impose and what compliance programs they could build up with this new revenue source. Once the regulation process is underway there is no opportunity for meaningful dialogue on the impact of what is being proposed. We realize public comment is always an option, but this is too late in the process.



We support requiring a stakeholder process on the reasonableness of fees prior to the regulation process and feel this will strengthen the effort to charge appropriate user fees.

We believe that public health services are a critical part of our health system and will never be sustainable based on user fees alone. We advocate for continued funding for public health functions to protect vulnerable populations and ensure healthy communities. We want to be sure public health services continue even when no user fees are available to support them.

Thanks for working with us to improve this legislation.

Sincerely,

A handwritten signature in black ink that reads "Becky Hultberg". The signature is fluid and cursive, with a prominent flourish at the end.

Becky Hultberg
President/CEO

HB 215 DHSS: Public Health Fees

Division of Public Health Summary of Fees

The division currently is able to charge fees for certain clinical services:

- maternal and child health services
- preventive medical services
- public health nursing services
- nutrition services
- health education
- laboratories

Fees are limited to the actual cost of providing the service and may be waived if it is not in the public interest or is not economically feasible to collect (AS 44.29.022). Regulations (7 AAC 80) establish the rates and direct that fees will be collected. Services may not be denied because of an individual's inability to pay. A sliding fee schedule reduces the amount for those unable to pay. Fees are waived in the public interest such as when the department initiates the contact with the individual for the purposes of communicable disease control.

The division would charge additional fees only when it is in the public interest and economical, and, most significantly, the public health is best served by the waiver of the fee. Services would not be denied because of an individual's inability to pay. In most cases, additional fees may not generate enough revenue to fully offset costs; however, the revenue collected will reduce dependence on other funds. Regulations would be adopted for each new fee, allowing the public the opportunity to provide input.

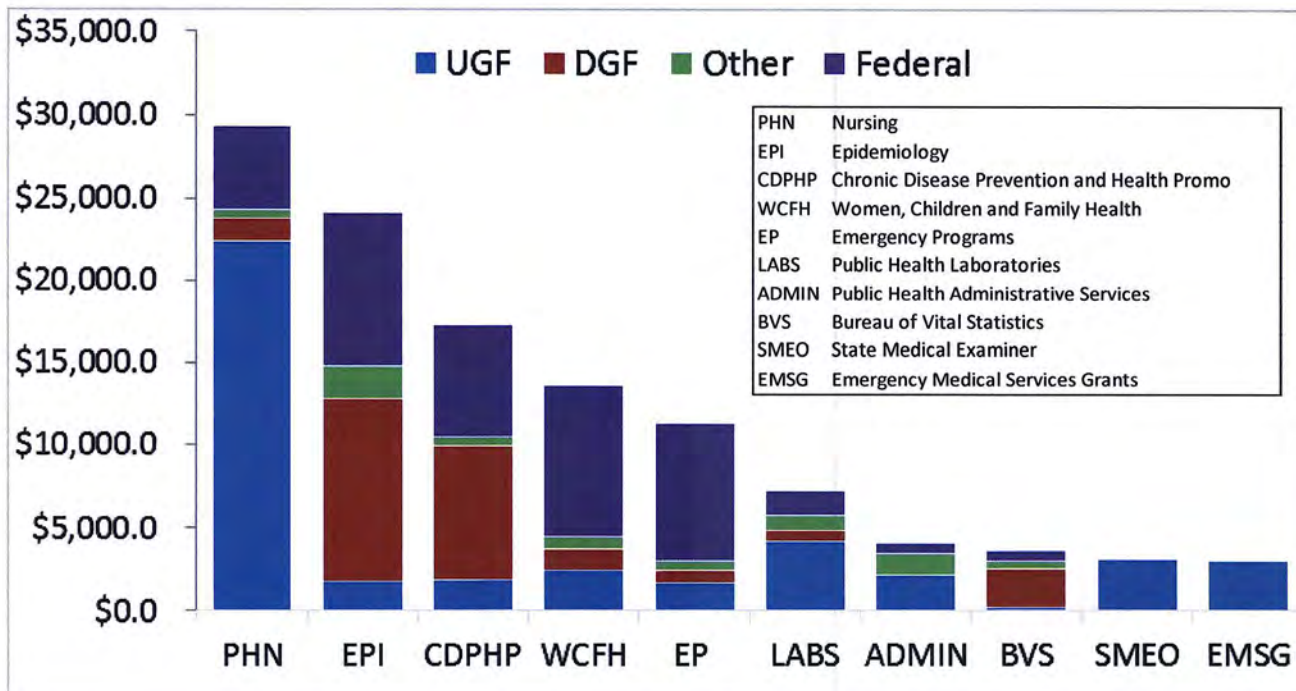
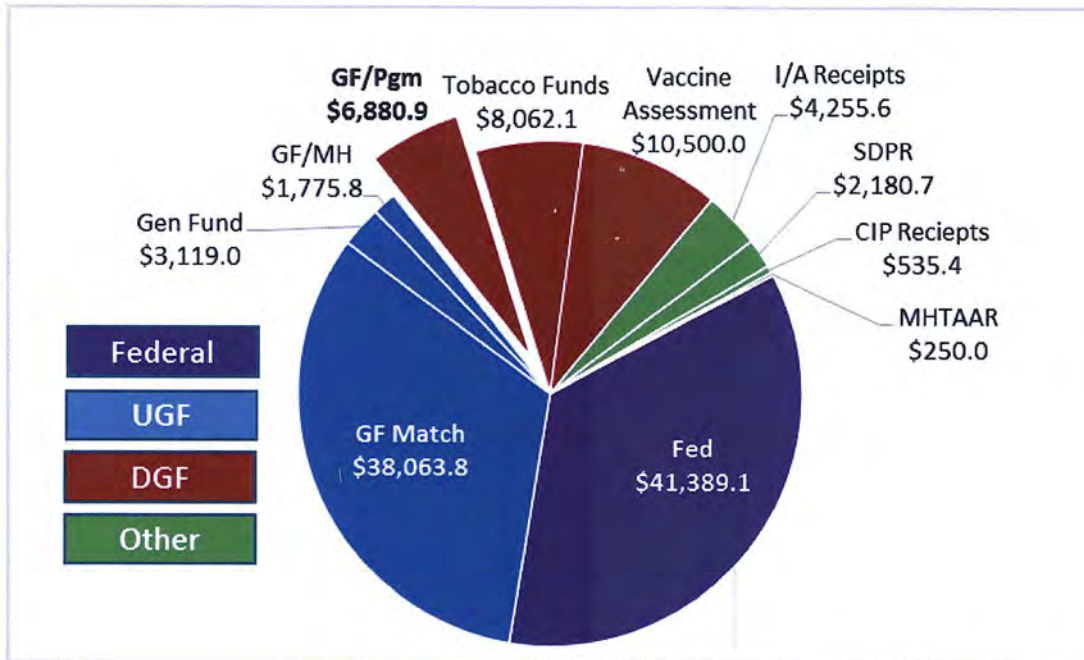
The fees below would be the priority to establish. Additional fees may be added in the future, once the cost/benefit is known.

- Registration, certification, and inspection of radiological device fees are needed to support a second radiological health physicist for these magnetic resonance imaging (MRI), computed tomography (CT), and ultraviolet devices. Currently only fees for X-ray devices are authorized and only X-ray devices are registered, certified and inspected.
- An administration fee for healthcare practitioner loan repayment program, Supporting Healthcare Access through Loan Repayment Program (SHARP), would cover the cost of operating the program. Similar loan repayment programs charge an administrative fee. Currently the program operations are 100% UGF.
- Allowing a reasonable fee for custom statistical and epidemiological analyses on public health data sets would greatly enhance the usefulness of the datasets. The division is frequently asked for ad hoc analyses; however, our resources are consumed in collecting the data, leaving little capacity for analysis. Other states charge annual or per-hour fees for analytical work.
- The division has turned away requests to assist with community health assessments and community action plan development. This assistance ensured that tribal and local partners were united in their efforts to achieve the goals of the 25 health priorities in the statewide health improvement plan, Healthy Alaskans 2020. The division lost the capacity for this service when the UGF funded position was eliminated in recent budget cuts. The ability to charge fees would enable us to once again support local efforts for healthier communities.

HB 215 DHSS: Public Health Fees

Division of Public Health Funding Sources

FY 2019 Governor's Budget





THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

March 12, 2018

Senator David Wilson
Senate Health and Social Services Committee
Alaska State Capitol, Room 115
Juneau, Alaska 99811-1182

Subject: Support for CSHB 215, Public Health Fees

Dear Chair Wilson:

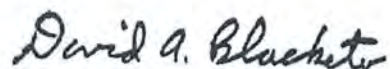
The Alaska Commission on Aging (ACoA) is pleased to offer our support for CSHB 215, a bill authored by the House Finance Committee, to allow the Department of Health and Social Services, Division of Public Health the authority to collect fees according to a list of defined services and to designate those collected receipts for support of public health programs. Over the last few years, there have been significant reductions to the Division of Public Health which has resulted in the loss of forty staff positions and the closure of six public health centers. Public health services are important to seniors. In years past, public health nurses would come monthly to senior centers to perform wellness checks, conduct foot clinics, and provide education on such topics as nutrition education and fall prevention. While these services used to be available statewide, they are now limited to senior centers whose communities receive grants for health promotion services.

The Commission agrees with the House Finance Committee that passage of CSHB 215 will help the Division of Public Health to build capacity and become more self-supporting by charging user fees. We believe that the proposed list of user fees is appropriate which includes professional services, such as special requests for data analysis and consultation, as well as administrative functions for inspections and certifications of radiological devices used for magnetic resonance imaging, mammography, and other imaging devices. Older adults, perhaps more than any other age group, rely on radiologic devices for a variety of health care screening. Seniors want to be assured that these medical imaging devices, like X-ray equipment, are properly inspected, registered, and certified for safe usage by the state.

For consideration, the Commission suggests that the Division of Public Health and the Alaska Pioneer Homes bulk purchase medical supplies such as antibiotics, bandages, syringes, and other supplies that are commonly used by both divisions in the provision of health care. Bulk purchasing of immunizations has been used successfully by the Division of Public Health as a cost savings tool and could be extended for the purchase of medical supplies to promote further cost savings.

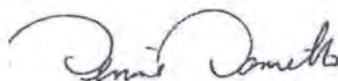
Protecting public health is constitutionally mandated. The Commission strongly supports continued funding at appropriate levels for public health services to protect vulnerable Alaskans and to ensure healthy communities as we recognize that public health services cannot be sustained solely on user fees. Thank you for sponsoring CSHB 215.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator Natasha von Imhof, Vice Chair
Senator Cathy Giessel
Senator Peter Micciche
Senator Tom Begich