

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7772 HOUSE HEALTH EDUCATION & SOCIAL SERVICES



State of Alaska  
Public Health Laboratories Assessment

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May 26, 1993	Facility Analysis
2-12	Fairbanks

<u>Item No.</u>	<u>Description</u>	<u>Problem Type</u>	<u>Solution Possibility</u>
	<u>Efficiency Issues</u>		
14.	Consolidate lab functions in one area, eliminating remote storage facilities.	Operations	B
15.	Add additional office space.	General	B
16.	Reduce unnecessary utility/HVAC costs, excessive isolation/containment.	General	B
17.	Consolidate storage, especially storage in remote locations and in the break room.	General	B

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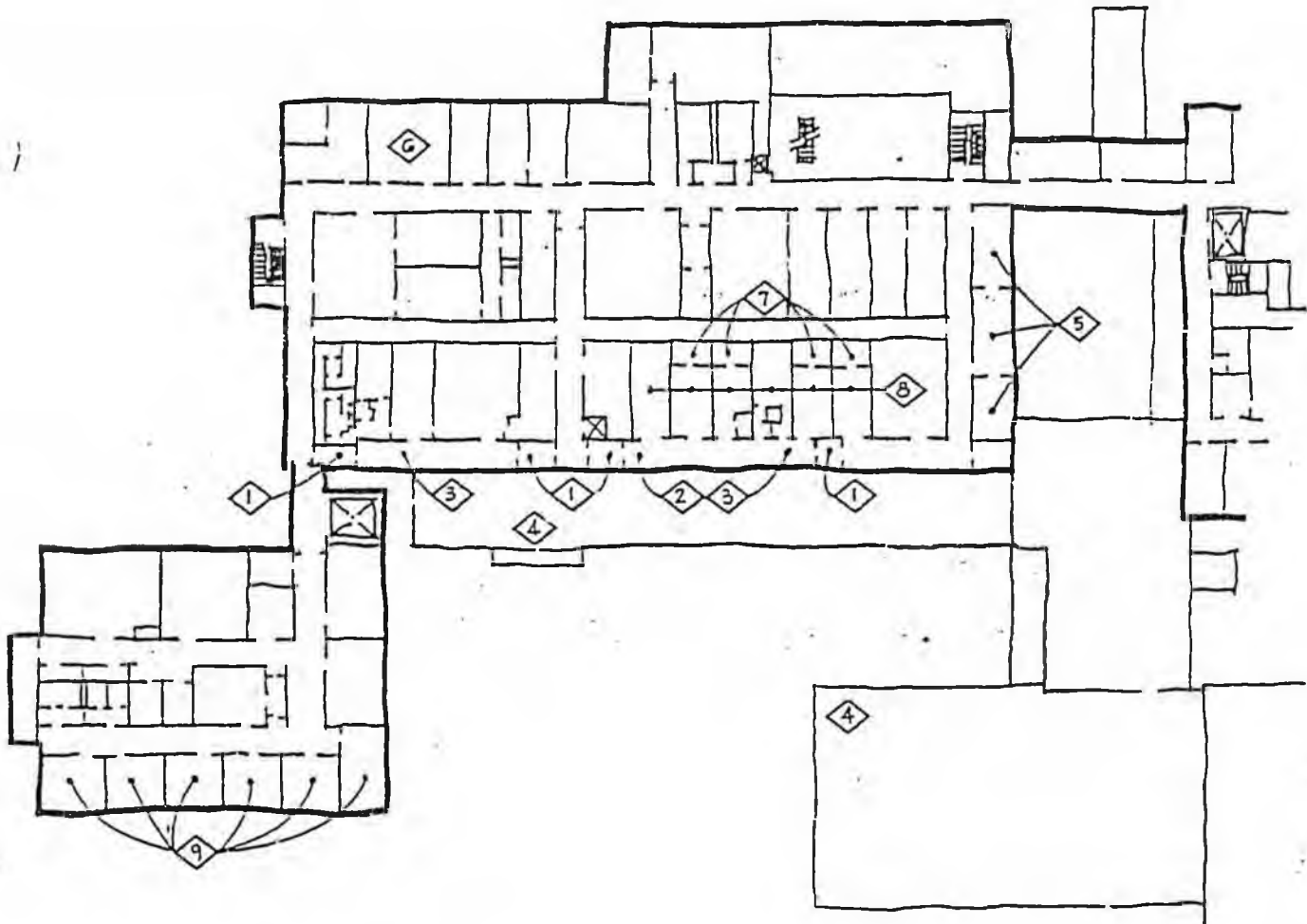
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Facility Analysis

2-13

Fairbanks - Floor Plan



1. Air lock entries compromise exiting and staff movement, and are not necessary.
2. Storage and desks in corridor compromise exiting.
3. Solar heat gain makes corridor extremely hot and raises temperature in adjoining labs.
4. Storage for the lab is in remote locations on another floor.
5. Offices are too small and do not control access to labs or provide clear location for specimen accession.
6. Staff break room also serves as a storage room for refrigerators.
7. Small interior labs are isolated from general labs and have no communication to the outside. They are an inefficient use of space.
8. Narrow labs are inefficient to work in and can be unsafe due to narrow work area resulting in bumping which can result in spills.
9. Animal quarters are remote from general lab areas resulting in staff inefficiencies.



Photo 8 Tight Laboratory Conditions - Person in foreground doing paperwork with person (with mask) in background working with virology specimens.

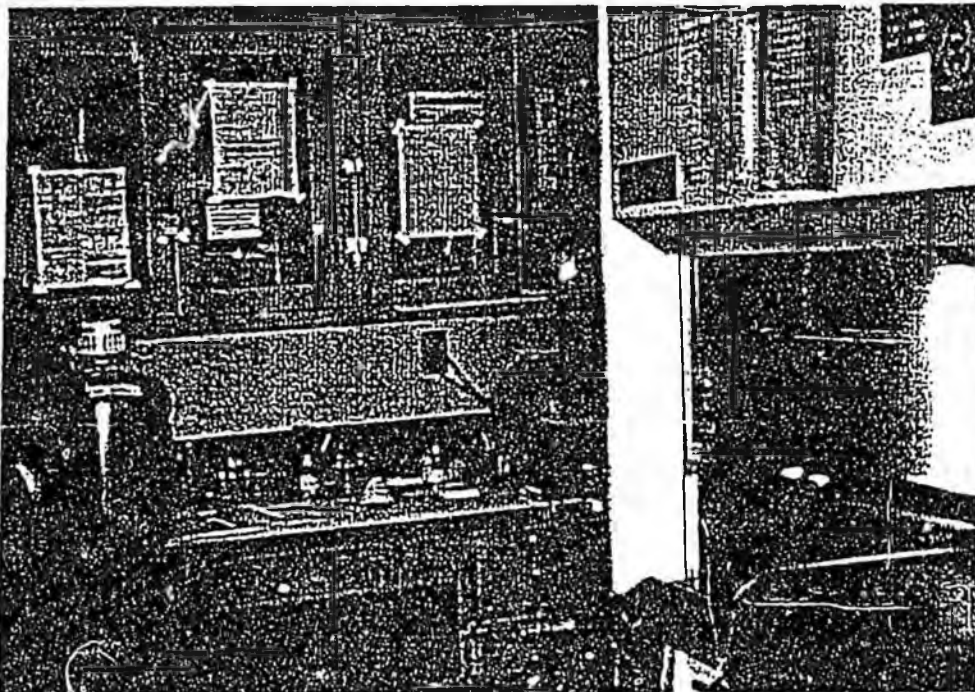


Photo 9 Tight Laboratory condition - Biosafety cabinet work space overlapping with lab bench.

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Fairbanks - Photographs



Photo 10 - Narrow Laboratory - congested traffic patterns, numerous doors.

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2-16	Juneau

<u>Item No.</u>	<u>Description</u>	<u>Problem Type</u>	<u>Solution Possibility</u>
	<u>Safety Issues</u>		
1.	Replace outmoded equipment <ul style="list-style-type: none"> <li>• Autoclave</li> <li>• Class IIB Biosafety Cabinet in TB</li> <li>• Chemical Fume Hood in G.C.</li> <li>• Class IIA Biosafety Cabinet in Media Prep</li> </ul>	General	A
2.	Replace/install independent HVAC system with ducted returns and capacity for proper pressurization/balancing.	Ventilation	B
3.	Close operable windows.	General	A
4.	Provide sinks with foot pedals for hands free operation.	General	A
5.	Provide seismic restraints.	General	A
6.	Provide vent for flammable storage cabinet.	Ventilation	A
7.	Provide vent for Bacteck equipment.	Ventilation	A
8.	Establish/construct work flow patterns and controls (eliminating circulation through labs).	General	A
9.	Provide door closers on all lab doors.	General	A
10.	Remove non-lab personnel/public from building.	General	B
11.	Correct deluge shower controls to meet current standard.	General	A
	<u>Quality Control Issues</u>		
12.	Replace outmoded equipment <ul style="list-style-type: none"> <li>• Autoclave</li> <li>• Class IIB Biosafety Cabinet in TB</li> <li>• Chemical Fume Hood in G.C.</li> <li>• Class IIA Biosafety Cabinet in Media Prep</li> </ul>	General	A



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2-17	Juneau

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<u>Item No.</u>	<u>Description</u>	<u>Problem Type</u>	<u>Solution Possibility</u>
13.	Provide adequate staff training facilities	General	B
14.	Provide more storage.	General	B
15.	Improve lab communications, telephone and/or intercom system.	General	A

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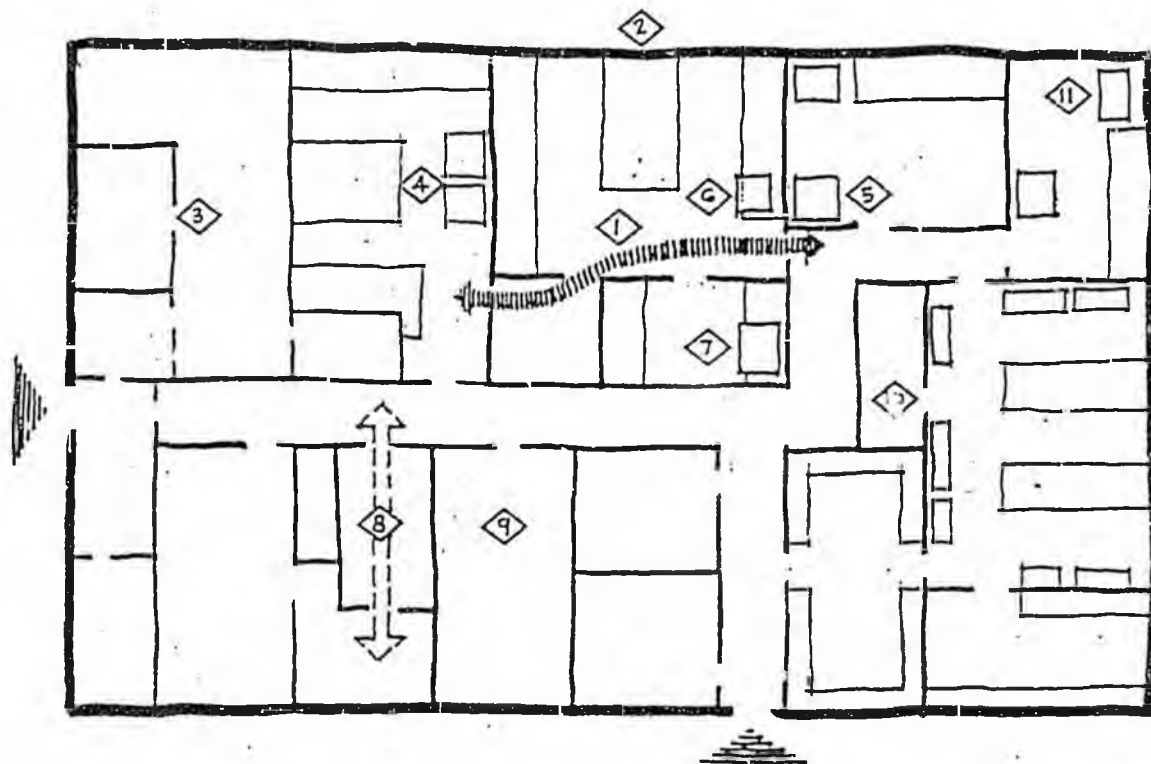
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Facility Analysis

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Juneau - Floor Plan



1. Circulation through Labs.
2. Operable windows in all labs.
3. Non-lab tenant space. Compromised air conditioning conditions.
4. Impassable route when refrigerator doors are open.
5. Sterilizer should be replaced.
6. Bacteck should have dedicated exhaust.
7. Biosafety cabinet is old and inadequate for TB use.
8. Cramped office facility is also a route to the lab.
9. Break room also serves as a conference room and a locker room.
10. Inadequate amount of storage, and located off a lab.
11. Media Prep work in old and inadequate equipment.

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luneau - Photographs

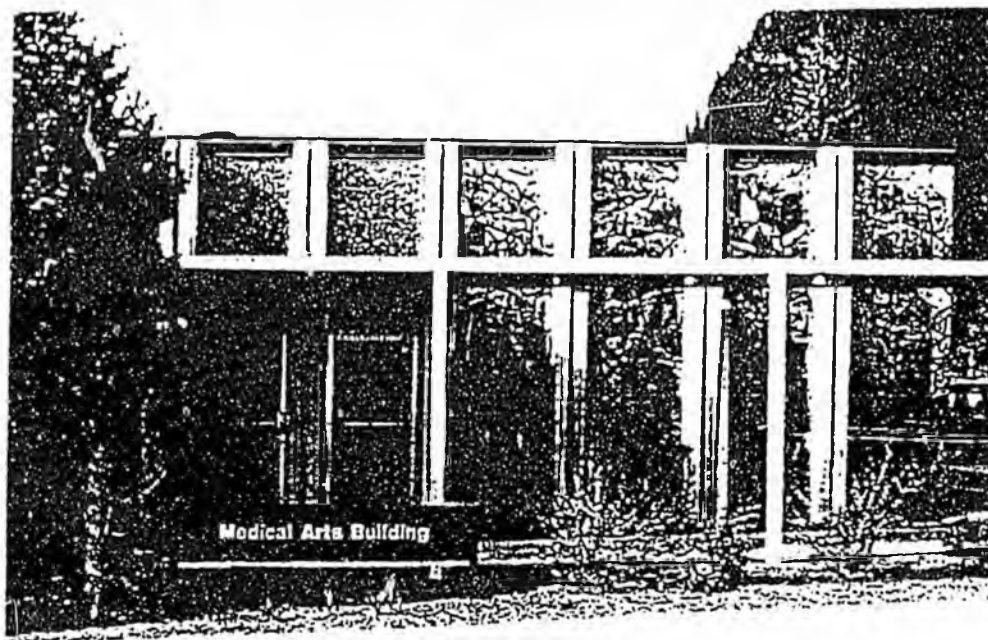


Photo 11 Misleading signage outside lab. Name of lab does appear on door.

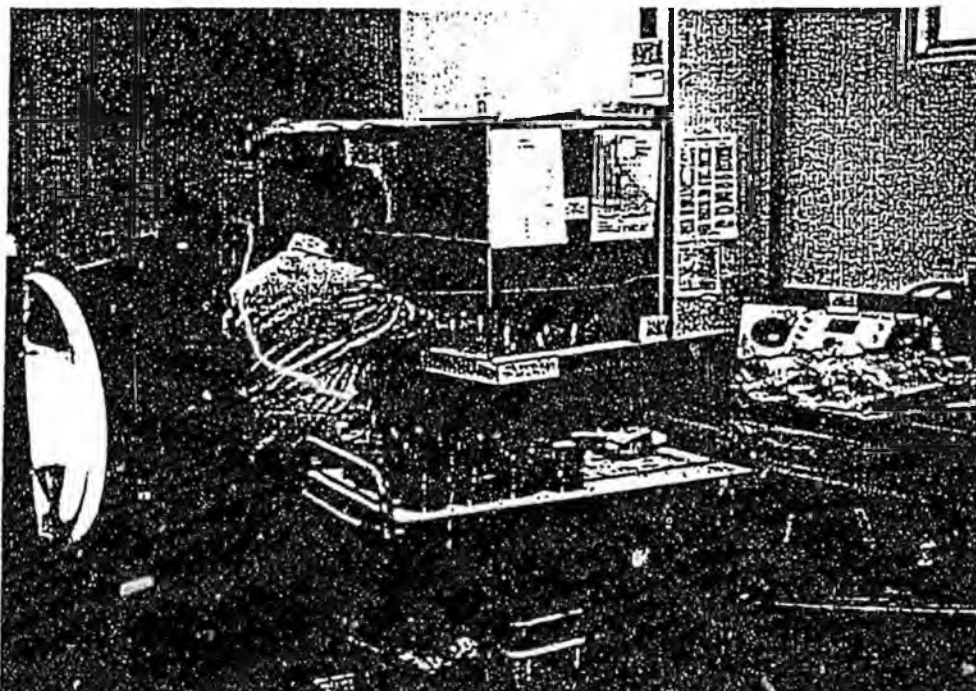


Photo 12 Old and improper equipment in use in Media Prep.

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Item - Photographs

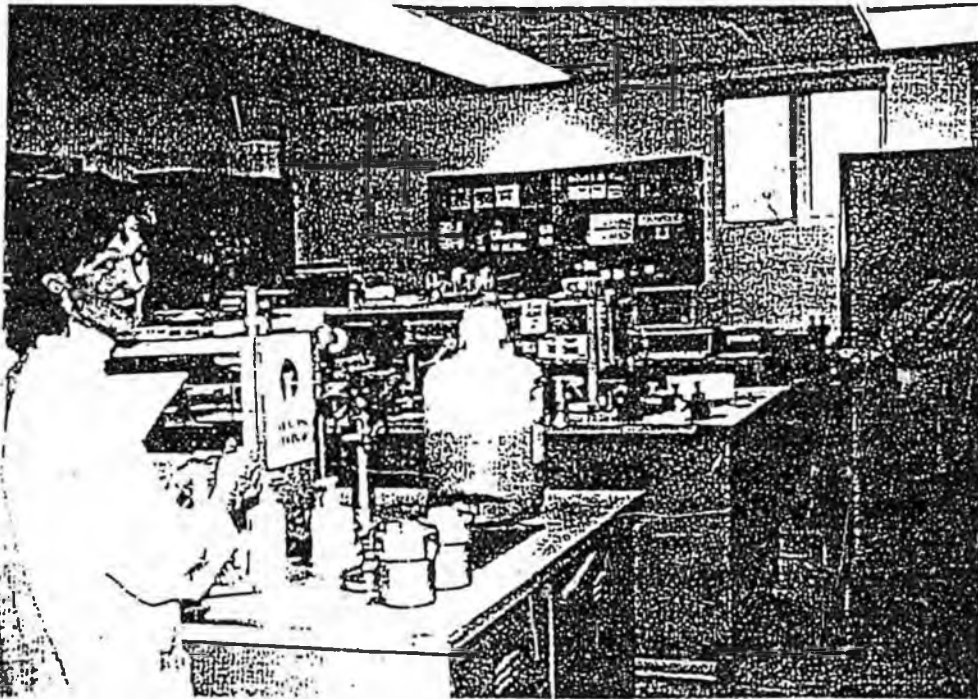


Photo 13 Operable windows in Lab. .  
Refrigerator door blocks circulation.



Photo 14 Old and improper equipment in TB Laboratory.



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3-1	Overview

The immediate conclusion reached by the team, as a result of the site visits and the lab staff interviews, is that all three labs should be replaced. While it is feasible to address some of the facilities problems and some of the operational problems with temporary "bandaid" solutions, the major facilities problems require significant construction which is not practical in the current rented buildings.

In this section, the recommendations for mitigating the critical problems are summarized. The recommendations have been separated into three sections, short term, mid term and long term. Briefly, the short term recommendations involve the temporary changes to facilities and operations to achieve partial mitigation of the safety and efficiency problems noted in Section 2. The mid term recommendation is to implement a thorough strategic planning exercise to determine the best solution for the replacement of the existing laboratories. The long term recommendation is to replace the laboratories in one or more new facilities. The number of replacement facilities, the location and whether or not the Public Health Labs are consolidated with other State laboratories will be issues addressed in the strategic plan.

The time frame for the short term, mid term and long term recommendations are as follows:

- Short Term: Implement immediately to reduce or eliminate safety and quality control problems.
- Mid Term: The strategic plan should be completed within one year.
- Long Term: The replacement facilities should be occupied in five years.



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Conclusion and Recommendation

3-2

Short Term Recommendations

Short Term Recommendations

Safety issues comprised the bulk of the problems identified in the Assessment and listed in Section 2. While the Anchorage lab, long recognized for its shortage of space and 30 year old facility, has critical safety issues relating to the air conditioning/ventilation systems, including the TB lab, it became clear during the assessment that both Juneau and Fairbanks have serious safety problems as well.

Perhaps the most pressing issue which was identified as requiring immediate mitigation is the TB lab in Juneau. The lab in Juneau does not have an air conditioning system that is compliant with current standards for safe laboratory operations. In addition to the safety problems inherent with the air conditioning system, the TB work is being carried out in a biological safety cabinet that is quite old, possibly 20 years, and not of the class recommended for TB work. The recommendation for the Juneau TB lab is to:

- Consolidate all TB work in Anchorage, eliminating the TB lab in Juneau. In order to balance the work load at the two facilities, other testing should be shifted to Juneau from Anchorage. The staff will evaluate the testing which is performed in both facilities and determine the most logical candidate(s) for shifting from Anchorage to Juneau. This will require some alterations in the TB area in Anchorage, which will be described below.

The other short term recommendations are as follows:

Anchorage

- Renovate the TB area, combining the two lab rooms and using the currently unused vestibule as it was originally intended. The renovations should include the changes identified in Item 1-4 and 11 in Section 2.
- Perform the alterations listed in Section 2 which relate to general construction, i.e.: closing gaps in walls between labs and layout changes in some of the labs, and relate to ventilation systems, i.e.: air balancing, added filtration, fume hood fan location. (Items 5-8, 13, 15, 16, 18-21 and 26-28)
- Purchase the recommended equipment and provide the amounts of filtration consistent with current laboratory operations standards, and where feasible, provide the thermostatic and pressurization controls identified in the Safety and Quality Control Lists. (Item 30-32)
- Where feasible, renovate the existing storage and office areas to provide improved inventory controls, supervision of the labs and traffic control. (Item 36, 38 and 39)

Fairbanks

- Negotiate with the University for more space contiguous with the current labs to allow for needed consolidation of storage and lab space and decompression of the overcrowded laboratories. (Item 1, 2, 14, 15 and 17)
- Where feasible, renovate labs to reduce the number of interlocking doors, including the airlock entry vestibules to the lab clusters. (Item 3 and 7)



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3-3

Short Term Recommendations

Fairbanks - Continued

- Purchase recommended equipment. (Item 11)
- Where feasible, renovate or modernize the general construction and ventilation system items, i.e.: intercom system, signage, A/C and ventilation controls, air intake filtration and excessive isolation/containment. (Item 4, 5, 8, 9, 13 and 16)

Juneau

- Where feasible, renovate the lab to improve the general construction i.e.: sealing the operable windows, seismic restraints, redirecting certain traffic patterns, providing door closers, telephone/intercom system. (Item 3, 4, 5, 8, 9, 11 and 15)
- Where feasible and cost effective, replace air conditioning system with a multizone system capable of achieving proper differential pressurization. (Item 2)
- Provide recommended ventilation for the equipment in the labs. (Item 6 and 7)
- Negotiate with the Hospital to have the other users in the lab building relocated, at least until the air conditioning system is replaced, but preferably permanently to provide for needed additional space. (Item 10, 13 and 14)
- Purchase recommended equipment. Note that the listed Biosafety cabinet for the TB lab and the additional ventilation for the Bacteck will not be necessary if the general recommendation to move all TB testing to Anchorage is implemented.

The recommendations do not include the reiteration of the operational problems nor do they include recommendations for addressing problems for which there did not appear to be short term mitigation opportunities.

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3-4	Mid Term Recommendations

The mid term recommendation is to have a strategic plan developed for the Public Health Labs. As noted in the Introduction of this report, the strategic plan should have three major focuses:

1. Establishing the programmatic and location requirements for the replacement and possible centralization of the Public Health Labs;
2. Review and make finite recommendations on the privatization of any of the current lab services; and
3. Review and make finite recommendations on the consolidation of the Public Health Lab with any of the labs operated by other State agencies.

The scope of work for the strategic plan will require, in general terms:

Centralization:

- Review of past, current and projected operating activities for the public health labs, both on a per lab basis, and on a summary basis for all three labs.
- Analysis of possible sites for replacement. Each site will be analyzed for utility availability, site constraints, i.e.: wetlands or other unbuildable land, topography, access to major roads and airports, amount of land, ability of site to support further expansion, whether adjacent land may be available, adjacency to other facilities which have been identified as compatible with the Public Health Labs; adjacency to facilities which may be incompatible; if the identified site is an existing building the analysis should identify floor loading capacities, floor to floor heights, current utilities available, current air conditioning systems, and other criteria necessary to establish a preferred site(s).
- Meeting with the lab directors, supervisors and other key staff from each lab to review current functions and activities to help to establish preferred work flows and functional adjacencies within the lab as a whole and within the lab services.
- Develop a functional and space program based on the projected activity volumes and current or modified operational information. The program should identify preferred relationships, the criteria used to establish various lab areas and a list of all the lab functions with net usable areas and number of spaces defined and summarized identifying total net and projected gross square footages. The programs should be developed for each lab division, Anchorage, Fairbanks and Juneau, for each lab section as well as administrative, educational and support areas. The programs should further identify areas that may be reduced should there be one centralized replacement lab, or two replacement labs, with the base program including the three independent labs. The projected building area for the mechanical support systems, i.e.: boilers, chillers, air handlers, emergency generators, etc., should be identified and area savings from centralization should be listed.

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3-5	Mid Term Recommendations

Centralization - Continued:

- Based on the projected building areas and recommended support systems budget estimates should be prepared for each of the three scenarios; single replacement lab, two replacement labs or three replacement labs. A common site for all budgets is recommended as a baseline for the budget estimates, with multiplier factors assigned to the other sites. (For example: if Anchorage was chosen as the baseline cost X, a replacement facility in Fairbanks would be budgeted as X x Y while a Juneau site would be X x Z, where Y might be 1.1 and Z might be 0.9.)
- A solution recommendation should be prepared which identifies the preferred site(s) and the estimated budget for the replacement facilities.

Privatization:

- In parallel to the review of the operating data and the site analysis, prior to the preparation of the functional space programs, the opportunities for privatization should be evaluated. Existing private labs in Alaska should be surveyed and labs in the lower 48 States should be studied to determine if any of the services currently performed by the Public Health Labs could be privatized to these other labs. The criteria to be used to evaluate the private labs and the services that could be privatized should include: cost of service in State lab versus cost in private lab, turn around time for results in the State lab versus private lab ability of private labs to identify potential health risks and initiate epidemiological work, etc.
- Upon completion of the evaluation of the privatization alternatives, prepare a report that identifies the services if any that can be privatized and the private laboratories which can perform the service.

Consolidation:

- Meetings should be held with the lab directors and departmental administrators responsible for the other State laboratories in Alaska. The purpose of the meetings will be to establish if there are opportunities for consolidation with any of the other State laboratories, whether in the single centralized Public Health Lab scenario or in the two or three replacement facility scenarios. As the result of these discussions will impact on the evaluation of the alternative sites, they should take place in parallel with the review of the operations and the privatization analysis.
- If certain labs are identified for possible consolidation, meet with the lab directors and key staff from the labs to determine preferred sites, availability of adjacent property, excess capacity in current facilities, any need to replace existing facilities, etc. Where appropriate, the existing labs should be the site of the meetings so that the strategic planning team can evaluate each facility.
- A report should be prepared identifying the laboratories which are candidates for possible consolidation. The report should include projections for the probable area and budget impact of the consolidation.



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3-6

Mid Term Recommendations

The conclusion of the strategic plan should include a recommendation for the replacement of the public health laboratories into one or more sites establishing the projected area of the facilities, the budget for the project and the locations. The conclusion should identify whether there should be consolidation with any other State laboratories, whether initially or phased over multiple years. The conclusions about consolidation may indicate recommendations to transfer certain testing services from one State lab to another State lab, i.e.: environmental testing of substances such as asbestos and lead might be consolidated into a new centralized Public Health Lab. The conclusion should further identify if any of the current services provided by the public health laboratories should be shifted to the private sector.

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Conclusion and Recommendation

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3-7

Long Term Recommendations

The long term recommendation is to implement the replacement of the three public health laboratories based on the conclusions of the strategic plan

# Alaska State Legislature

Legislative Research Agency



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Phone: (907) 465-3991  
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January 3, 1993

## MEMORANDUM

TO: Senator Curt Menard

FROM: Linda J. Snow  
Legislative Analyst

RE: **Consolidation of Alaska Public Health Laboratories**  
Research Request 92.047

You asked for information about the costs and benefits of consolidating Alaska's public health laboratories and of contracting public health laboratory services to private labs.

We begin this report by identifying laboratory facilities located in Alaska. We then review the functions and structures of state government-operated public health, environmental health, and forensic science laboratories, including operating cost estimates and summaries of personnel and equipment.<sup>1</sup> Next, we review two previous studies and other documents which address consolidation of Alaska's state-operated labs. We then present information about laboratory consolidation in several other states. Finally, we briefly discuss the pros and cons of laboratory consolidation in Alaska. Although a thorough cost-benefit analysis of a consolidation of state labs is beyond the agency's scope at this time, we feel this report will provide important background information on which a cost-benefit analysis may be based.

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<sup>1</sup>In this section of the report, we examine three Department of Health and Social Services Public Health Service (PHS) labs (Juneau, Anchorage and Fairbanks), two Department of Environmental Conservation (DEC) labs (Douglas and Palmer) and the Department of Public Safety's Crime Detection (forensics) lab (Anchorage).

## **EXISTING LABORATORIES IN ALASKA**

Attachment A contains a summary table of many of Alaska's state-operated laboratories, followed by detailed information about the six major state-operated labs.<sup>2</sup> In this section, we briefly discuss the functions and structure of the three public health labs, two environmental health labs and the crime detection (forensics) lab. We then discuss other laboratories in Alaska, including those operated by agencies of the U.S. government. This inventory may not be complete, however, the major labs are accounted for.

### **Public Health Laboratories**

The Alaska Department of Health and Social Services, Public Health Service (PHS) operates laboratories in Juneau, Anchorage and Fairbanks. Although PHS has laboratories in three locations, they are not branch or regional labs. According to Dr. Katherine Kelley, chief of the Laboratory Section of the PHS, the laboratory in Fairbanks specializes in statewide virology testing, for which there is no duplication in the state. The labs in Juneau and Anchorage perform similar functions, mainly bacteriology testing. Anchorage performs some tests which Juneau does not, and vice versa. Together the labs employ 36 people, and annual operating costs are nearly \$2 million.

The Department of Health and Social Services also houses a small radiology laboratory in Juneau which has two full-time positions and an annual operating budget of about \$85,000. This is not a laboratory facility, but does perform field sampling. The radiological laboratory is not included in the summary in Attachment A.

### **Environmental Health and Quality Laboratories**

The Department of Environmental Conservation (DEC) operates an environmental health laboratory in Palmer and an environmental quality laboratory in Juneau. The labs together employ 17 people and require about \$1,277,300 in operating funds annually. The environmental health lab tests meat, seafood and dairy products, as well as drinking water. The Palmer facility also includes a veterinary function which performs animal health testing. The environmental quality lab in Juneau tests for metals, petroleum products, radiation, and

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<sup>2</sup>Detailed information is included for the Juneau, Anchorage and Fairbanks PHS laboratories, the Palmer and Juneau DEC environmental health and quality laboratories, and the Anchorage forensics laboratory.

other man-made contaminants in the air, water and soil by means of chemical and radiochemical analysis.

### **Scientific Crime Detection Laboratory**

The Alaska Department of Public Safety operates the forensics laboratory in Anchorage. This laboratory performs scientific examination of evidence in criminal investigations. It also provides alcohol and drug testing for the state and has an autopsy support section. The facility is the only forensics lab in the state; it employs 27 people; and it has an annual operating budget of about \$2,097,600.

### **Other State-Operated Laboratories**

The Alaska Department of Labor, Occupational Health and Safety Section is responsible for the analysis of industrial hygiene samples. Currently, no lab in the state can analyze these samples. Thus, the Department of Labor contracts the work out to the Northwest Health Services lab in Richland, Washington. The contract amounts to about \$8,000 per year.

The Alaska Department of Natural Resources (DNR) has several lab facilities in the state. The plant materials lab in Palmer performs applied agricultural experiments, tests commercial seed for germination and purity, and works with potato disease. The lab employs 16 people and has an annual operating budget of about \$556,000. The Fairbanks water quality lab operated by DNR analyzes water for inorganic content. This lab has some functional overlap with DEC laboratories. It employs one person with an annual operating budget of about \$70,000 (not counting lease costs). This lab shares facilities and equipment with the University of Alaska-Fairbanks, which keeps costs low. The DNR contracts out of state (about \$40,000 in FY 91) for geochemical analysis on rock and water samples. The amount of the contract varies from year to year. The amount needed for FY 91 was particularly high due to analysis related to land selections. The DNR also operates a small history and archeology lab in Anchorage. The main function of this laboratory is cleaning, categorizing and storing artifacts. The laboratory staff performs some analysis, and some contract work such as that for Department of Public Safety (forensic reconstruction) and for agencies involved with the Exxon Valdez oil spill. This lab also contracts other labs to do radiocarbon dating work. The lab does not employ any full-time staff, and has an annual operating budget of about \$22,348.

The Alaska Department of Commerce and Economic Development, Weights and Measures Section operates a metrology lab in Anchorage which tests and certifies weights and measures for government and industry in Alaska. The lab also tests radar and tuning forks

Senator Menard

January 3, 1993

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for other state agencies. This lab employs one person, and has an annual operating budget of about \$98,400.

The Alaska Department of Transportation and Public Facilities, Materials Section has three regional materials laboratories in the state (Anchorage, Fairbanks and Juneau). The Anchorage regional lab also provides a statewide function. These labs test highway construction materials and soils. Most of their funding (about 90 percent) comes from the Federal Highway Administration, and passes through the state capital budget. The three labs employ about 15 full-time equivalent staff members, with a composite annual operating budget of about \$925,000.

The Alaska Department of Fish and Game (ADF&G) operates 12 laboratories in the state. Some regional labs share their services across divisions of the department. The Division of Fisheries Rehabilitation, Enhancement and Development (FRED) supports five labs: a tagging lab in Douglas; a limnology lab in Anchorage; a genetics lab in Anchorage; and pathology labs in Anchorage and Juneau. Together these labs employ 19 people, with an annual operating budget of about \$1,211,400. The Division of Commercial Fisheries operates a genetics lab in Anchorage which employs 2 people and operates on about \$120,800 per year. This lab shares facilities and equipment with the FRED Division genetics lab. The Commercial Fisheries Division is developing a new lab to conduct research on the aging of bottomfish and Southeast Alaska salmon through examination of earbones (otoliths). The funding for this lab is part of the mitigation funds from the U.S.-Canada Salmon Treaty. The lab employs 2 people, and has a FY 92 operating budget of \$126,000. It does not yet have any funding for FY 93. The Division of Wildlife Conservation has a small laboratory in Anchorage. No significant work is performed at the lab currently. In the past the lab performed analysis on teeth, blood, fat, stomach contents and reproductive tracts on many types of animals. The lab employs no full-time staff, and the operating budget for FY 91 was about \$17,500. The Sport Fisheries and Commercial Fisheries Divisions share small regional laboratories in Anchorage, Fairbanks and Juneau. Personnel at these labs weigh and measure fish, and sample fish scales and stomach contents. The lab lacks full-time personnel and has no assigned budget.

#### **Other Laboratories in Alaska**

The University of Alaska has many laboratory facilities. Dr. Katherine Kelley of the Alaska Public Health Service has estimated that at least 400 rooms are fitted with laboratory ventilation equipment. Most of the labs perform research, or training and teaching functions. Very few of these labs perform analytical services.

The federal government in Alaska has several laboratory facilities. The Indian Health Service has several clinical labs, which are usually associated with hospitals. The National Oceanic and Atmospheric Association supports laboratories associated with the National Weather Service and the National Marine Fisheries Service. The Centers for Disease Control with the U.S. Department of Health and Human Services has a laboratory in Anchorage. The U.S. Geological Survey and the U.S. Forest Service also have laboratories in the state. The Environmental Protection Agency and the Food and Drug Administration both have regional labs in Seattle that serve Alaska. The military in Alaska may have some research labs, and there are likely small clinical labs on all military installations.

Private laboratories in Alaska include engineering labs (there are many in Anchorage), petroleum labs and private medical labs (mostly hospital-based). There are also several drawing stations for large private laboratories which are based out-of-state.

#### **PREVIOUS STUDIES REGARDING ALASKA STATE LABORATORY CONSOLIDATION**

In this section, we examine several studies and papers which address the issue of consolidating Alaska's state-operated laboratories. Copies of the reports are included in Attachment B. We begin with a review of an August 1985 study by the Centers for Disease Control (CDC) with the U.S. Department of Health and Human Services. We then look at a December 1985 consolidation study by Doctor W. J. Hausler, Jr., contracted by the Alaska Division of Public Health. Next, we discuss a February 1991 briefing document to the new commissioner of the Alaska Department of Health and Social Services from the chief of the PHS Section of Laboratories, and an October 1991 FY 93 budget request for a central laboratory feasibility study and planning design, which attempts to quantify cost savings of consolidating all state-operated PHS labs. Next is a brief review of a September 1991 draft staff report from the Division of Public Health regarding the options for public health laboratory services. We have also included a May 1990 article by the CDC staff about privatization of laboratory services.

#### **Centers for Disease Control Laboratory Consolidation Study**

In 1985, the Alaska PHS asked CDC to assist in the planning of a lab facility in Anchorage which would integrate all state environmental health and chemistry activities into the Anchorage PHS lab. As the study progressed, it was decided that the consolidation should include the functions of the Juneau and Fairbanks PHS labs also. The study team interviewed a wide variety of lab service users in Alaska and asked the users to project their laboratory services uses five years into the future (to 1990). Once this data was collected,

the study team assigned "time factors" to laboratory procedures in order to calculate expected work loads and needs for staff, facilities and equipment. Where it was not practical to assign time factors, public health lab management developed personnel and equipment needs estimates.

The study showed an increase in staffing needs of at least 43 percent by 1990 for a consolidated lab with both public health and environmental health and chemistry functions.<sup>3</sup> The cost of a new building in Anchorage to house all regional labs with the foregoing functions was estimated at \$6,641,250 in 1985 dollars (about \$13 million in 1990 dollars). This study did not compare the costs of consolidation with the costs of maintaining the current system.

#### **Dr. Hausler's Consolidation Study**

In late 1985, PHS contracted with Dr. W. J. Hausler, Jr. to examine the state's public health lab capacity needs. Dr. Hausler performed his study by interviewing managers of selected state- and federally operated labs. The interviewees almost unanimously recommended consolidation of labs without prompting. The respondents stated that there was little interaction, cooperation or communication between laboratories in the state. In this study, five laboratories were considered for consolidation. They were the three regional PHS labs and the two labs managed by DEC. The study stated that no state lab was currently able to supply adequate services for the Department of Labor's occupational health section, and so, this section contracts out of state for laboratory services. Dr. Hausler mentioned that due to budget constraints and staff cutbacks, the matching between equipment and staff was inefficient. This study did not address the monetary costs or benefits of laboratory consolidation.

Dr. Hausler made several recommendations. He advised against establishing an environmental health testing program within the PHS laboratory system. He recommended that the three regional PHS labs and the two DEC labs be consolidated into one, at once or in stages, and the lab be located in Anchorage. The head of this consolidated laboratory should be elevated to the level of department head to be neutral and independent of the various departments which use the lab facility. An interagency council should be appointed to facilitate coordination and cooperation between agencies with labs or using lab facilities. The consolidated lab should be totally integrated, not just separate labs in the same building

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<sup>3</sup>A 43 percent increase in staff positions for the proposed consolidated lab would have resulted in approximately 54 full-time equivalent positions in 1990. In 1991, the separate labs proposed for consolidation actually employed 53 full-time staff members.

with shared administration and overhead. Also, any fiscal savings from the consolidation should stay with the laboratories to ensure adequate staffing (there had been recent staff cuts when this report was written).

### **Public Health Laboratories Section Briefing Document**

In January 1991, the laboratory section of PHS wrote a briefing paper for the new commissioner of the Department of Health and Social Services, Dr. Theodore Mala. The document contains a brief history of the PHS labs. It then mentions the two foregoing consolidation reports and states that there is much support in the state for consolidation, however, there are financial and political barriers. The 1991 cost of a new facility to house the three regional PHS labs and the two DEC labs would be about \$13 million. Health care providers and legislators may perceive a loss of service when a lab is moved from their locality. Laboratory management may perceive a loss of control of their laboratory functions with consolidation.

The briefing paper goes on to say the existing PHS lab facilities are inadequate. Current laboratories are located in leased facilities, and the buildings are in poor repair and present many potential safety hazards. The document mentions new federal standards for state public health labs which Alaska may not be able to meet under current conditions. Although the application of these standards has been delayed, it is imminent.<sup>4</sup>

The briefing paper recommends that the commissioner of the Department of Health and Social Services take the following steps regarding state PHS laboratories. The first step is to define the composition of a possible consolidated laboratory. Second, create a task force of members from the major parties which would be affected by the proposed consolidation. Third, update the 1985 CDC user survey to further forecast user needs into the future. Fourth, develop a public relations project to deal with politicians and health care providers who oppose consolidation. And fifth, get legislative support for a capital project to build a new laboratory facility.

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<sup>4</sup>According to Dr. Katherine Kelley, chief of the Section of Laboratories for PHS, federal regulations stemming from the Clinical Laboratory Improvement Act of 1988 require that each lab which tests human samples must be certified by the federal government. Certification is expected to take place in 1992.

### **Fiscal Year 93 Draft Capital Budget Request**

In late 1991, a budget request was drafted for a FY 93 central laboratory feasibility study and planning design. This draft budget request states that because of technical improvements in preservation, shipping and analysis of laboratory samples, there is no need for three regional PHS laboratories in Alaska. This statement is followed by a brief analysis of cost savings (both operating and capital costs) of a consolidation of the three regional PHS labs. The report states that 4 of 37 current staff positions would be eliminated, and \$485,000 per year in operating costs (about 22 percent of the total annual operating costs of \$2,226,900) would be saved with consolidation. About \$350,000 per year in capital and lease costs would be saved as well. However, this budget request does not analyze the costs of building a new facility and moving the separate labs into it.

### **Staff Report - Options for the Public Health Laboratory Services**

In September of 1991, a discussion draft of a staff report on options for PHS labs was written by Dr. Dean Tirador of PHS. This report addresses the quality and direction of public health laboratory services in Alaska. Much of the report concerns meeting internal policies and goals, as well as CDC's Year 2000 Health Objectives for the Nation. This report expresses support for the consolidation of state public health labs.

The report also discusses contracting public health lab services to private laboratories. The major obstacle to determining the cost of contracting services to the private sector was the reluctance of private labs to quote prices for services unless a contract was under negotiation. Although staff members of the Division of Public Health support the idea of contracting services and believe that nearly all state services could be contracted out, they are concerned that only high volume, automated testing services will be available from the private sector. They also express concern that certain requirements for reporting positive test results will not be enforceable with private laboratories located out of the state. Regulations require that state labs report certain positive test results for epidemiologic surveillance purposes. Out-of-state labs are less likely to report results of a test to the state unless the state pays for the test. Thus, results of tests paid for by private practitioners may go unreported.

### **CONSOLIDATION EXPERIENCE IN OTHER STATES**

In our research we were directed to several states which had successfully consolidated laboratory systems. We also contacted two states which have not consolidated their labs. We interviewed laboratory directors in Florida, Hawaii, Kansas, New Mexico, Rhode Island and Virginia, for their experiences and opinions regarding consolidation of state laboratories.

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Florida and Hawaii have not consolidated state labs. Kansas, New Mexico, Rhode Island and Virginia have consolidated state lab functions by varying degrees. We also spoke with the Executive Director of the Association of State and Territorial Public Health Laboratory Directors (ASTPHLD) about public health laboratory structure in various states. Attachment C contains ASTPHLD's FY 89 *Consolidated Annual Report on State and Territorial Public Health Laboratories*, which contains details about functions and work volume of state and territorial public health labs.

### **Florida**

We spoke to Charles Hartwig, Sc.D., chief of the Office of Laboratory Services in the Florida Department of Health and Rehabilitative Services. He stated that although the Florida state government has considered consolidating laboratory functions, no action has been taken to do so. Dr. Hartwig believes that savings in administration and overhead occur when labs with similar functions are consolidated, but when functions are mixed, the savings are minimal. Dr. Hartwig stated that the same instrument cannot be used to test mud one day, water the next day and blood the next.

The Florida Health Department is considering a consolidation of their branch and central public health labs. Dr. Hartwig believes that 8 of 28 branch lab staff positions will be eliminated by this consolidation. However, the state is facing political opposition to the consolidation as some community leaders and health care providers worry that their communities will face decreased quality of service once the branch labs are gone.

### **Hawaii**

According to Dr. Vernon Miyamoto, interim chief of Hawaii's State Laboratory Division, that state has recently built a new crime lab and a new lab for the medical examiner, and is designing a new lab for the Hawaii Health Department. The state considered some consolidation of lab functions, but decided against it. Legislation passed last year in Hawaii requires the development of a Department of Environmental Protection, and separation of existing environmental health functions from the Department of Health, where they now reside. A state task force is currently deciding how this separation will take place, and it is not yet known if certain functions of the Department of Health lab will be moved, or if that lab will do contract work for the new department. Currently, the Hawaii Department of Agriculture tests foods before harvest (for such things as residual pesticides) and the Department of Health tests foods after harvest, as well as drinking water for purity. The state contracts with private laboratories to perform hazardous waste testing.

Dr. Miyamoto advocates branch laboratories (Hawaii has state labs on each of the four major islands). He reported that the state had performed an experiment to examine closing branch labs by shipping routine samples for testing to Oahu. Many samples were lost in the mail and the return of test results took much longer than usual. Dr. Miyamoto gave the following example of the importance of branch laboratories. During a recent weekend rain storm on the island of Kauai, extensive flooding caused concern about the quality of the drinking water supply. The only microbiologist assigned to the Kauai laboratory was on Oahu for the weekend and no one was available to test the drinking water. The Hawaii Department of Health had to fly a microbiologist from Oahu to Kauai during the storm to test the water.

### Kansas

According to Dr. Roger Carlson, Director of the Kansas Health and Environmental Laboratory, Kansas consolidated health and environmental labs in 1974. Currently the consolidated lab operates with a staff of 74 at a cost of \$2,884,087 annually (not counting administration). They produce 951,291 test results a year at an average cost of \$3.03 per test. Dr. Carlson believes his lab is one of the most efficient and productive in the country. The state is considering further laboratory consolidation. Kansas currently spends about \$6 million per year for the operation of this lab and an agricultural and forensics lab. If the agricultural and forensics labs are combined with the health and environmental lab, Dr. Carlson believes the state could save about \$500,000 per year. Dr. Carlson believes that political battles over control of a consolidated lab are a major concern for any state considering such a consolidation. Attachment D contains information about the structure of the Kansas Health and Environmental Laboratory.

### New Mexico

According to Dr. Loris Hughes, director of New Mexico Scientific Laboratory Division, New Mexico consolidated its environmental health, public health and forensic lab functions in 1975. Within the last five years, the state has also incorporated veterinary diagnostic pathology into their consolidated laboratory program. The state's crime and environmental labs are separate, but both of those facilities perform research as well as diagnostic testing.

Dr. Hughes is pleased with the workings of the New Mexico consolidated lab. He feels that although the management is more complex, the state gets more for its money. The facility requires one lab building instead of three. The labs can share equipment and staff among lab functions, and therefore require less equipment. The consolidated laboratory capability is stronger, and allows activities which separated labs could not support. For example, the lab can perform alcohol and drug surveys on all patients, or on selected samples such as

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pregnant mothers. This would not be possible without a consolidated lab system. According to Dr. Hughes, since consolidation, the professional stature of the New Mexico lab has improved, and he can recruit higher quality personnel. Prior to consolidation, the health lab had 1 doctor. Now the consolidated lab employs 13 or 14 doctors.

Most of New Mexico's lab facilities are centralized in Albuquerque, but the lack of branch labs has not been a concern of the outlying areas. Dr. Hughes stated that "many masters" of the laboratory has presented a problem, and that public relations and cooperation are important aspects of making a consolidated laboratory work.

### **Rhode Island**

According to Dr. Raymond Lundgren, Jr., associate director of the Rhode Island Division of Laboratories, Rhode Island consolidated its public health labs in 1978. The main lab facility was no longer adequate and as they planned for a new facility, they allowed for expansion to house a consolidated lab. The CDC had previously performed a study of the facilities in the state and had recommended consolidation. The consolidation was patterned after the examples in Virginia and New Mexico. Rhode Island's consolidated lab currently performs all environmental testing except asbestos, house toxicology and medical examiner functions, and has absorbed the racing lab, which tests the urine of racing dogs for drugs. These lab functions are not completely integrated, but reside in the same building with common administration, wash rooms, and other areas.

Dr. Lundgren stated that the lab has realized a cost savings and can handle an increased work load without increasing staff. Personnel is a very large expense in the laboratory facility. With consolidation, the lab has the increased ability to cross train personnel, and thus, the staff has little idle time. Dr. Lundgren expressed concern about territory battles for control of laboratory functions which generally accompany consolidation. Attachment E contains some information about the structure of Rhode Island's consolidated lab system.

### **Virginia**

Virginia was the first state to consolidate lab functions, and has become a model for consolidation in other states. In 1972, after some organizational juggling, all lab functions were consolidated except the highway materials testing laboratory. According to Dr. Al Tiedemann, director of the Virginia Division of Consolidated Laboratory Services, the consolidated lab includes labs dealing with environment, health, agriculture, drugs and alcohol, motor fuels and forensics. Forensics is a separate division, but it shares the same laboratory. Attachment F contains information from Virginia including a brief history of the

evolution of the consolidation, consultants reports, key sections of laws governing the labs and the consolidation, and an organizational chart.

In a cover letter to the information included in Attachment F, Dr. Tiedemann lists some advantages of lab consolidation as improved availability of services; specialized equipment available to all functions; opportunities for professional development and advancement of staff; only one administration to deal with for all services; and economies of scale of equipment, staff and facilities.

## PROS AND CONS OF CONSOLIDATION IN ALASKA

This section considers the different types of consolidation as they apply to Alaska state labs. It examines the major obstacles to a change of this type, and the benefits which may accrue from consolidation.

### Types of Consolidation

Consolidation of state-operated laboratories may be done in several ways. All laboratories within a specific state agency may be consolidated (e.g., all Alaska Department of Fish and Game labs). Laboratories which are located in different agencies but which have similar or overlapping functions may be consolidated (e.g., the water quality labs housed in the Departments of Fish and Game, Natural Resources and Environmental Conservation). Laboratories may be consolidated by region (e.g., all state-operated labs located in Anchorage), or all state labs may be consolidated into one, regardless of management, location or function.

When considering any type of consolidation, decisions must be made about whether to fully integrate laboratory functions and equipment, or whether to simply house the labs in the same facility. Although overhead and administrative cost savings may be realized in both cases, a totally integrated lab will realize greater cost savings through more efficient use of personnel and equipment.

Although state-operated laboratories are located in several areas of the state, very few can be considered regional labs in the sense that they service only a specific area of the state. New techniques in preserving, transporting and storing samples have reduced the need to locate labs in several areas of the state. Thus for the major labs, and most smaller labs as well, moving the location of the labs or consolidating labs with similar functions would have very little effect on statewide service availability.

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### **Obstacles to Consolidation**

The major obstacles to laboratory consolidation in Alaska are similar to those of lab consolidation anywhere. If the consolidation crosses interagency boundaries, interagency political considerations will come into play. Questions to be answered may include: who will manage the consolidated laboratory; how will work priorities be established between agencies; how will funding be provided; and how will interagency cooperation and communication be established? Regional consolidation within agencies will likely have similar concerns, but on a smaller scale.

Municipal governments may express concern about laboratory consolidation if it involves the closure of local lab facilities. The local government may perceive either a loss of service or decreased quality of service to the community, as well as an economic hardship resulting from the loss of jobs, tax income, facility lease income, or other income. Area health care providers may protest a perceived loss of service or decreased quality of service to a community. Also, rivalry between communities attempting to attract a consolidated lab facility may be a concern.

Another major obstacle to laboratory consolidation is financing of the consolidated facility. The major state laboratories in Alaska currently reside in leased buildings. Will the state build a facility, or will it continue to lease? The CDC consolidation study discussed previously suggests that a new facility in Anchorage to house the five major laboratories would cost about \$13 million to build. Will the state government and the legislature support a capital project of this magnitude? If the state leases, rather than builds, a facility, there may still be substantial moving costs with consolidation.

A major drawback to regional consolidation of laboratories is a reduced ability to respond to regional emergencies. However, if the emergency involves the testing of drinking water, many private labs around the state are certified for that testing.

### **Benefits of Consolidation**

Cost savings from combined administrative and housekeeping functions, as well as from more efficient use of staff and equipment, is a major benefit of laboratory consolidation. The foregoing Department of Health and Social Services draft FY 93 capital budget request shows that consolidation of the three PHS labs would save about 22 percent of current operating costs. Estimated FY 91 operating costs for the three PHS labs, the two DEC labs and the forensics lab is \$5,298,914. Twenty-two percent savings on that figure would amount to about \$1,165,761.

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Centralized management may also be a benefit of consolidation, especially to laboratory service users. Integration of functions from different agencies will necessarily open communication and cooperation between those agencies. A consolidated lab may have greater stature, and greater training and promotion opportunities, and thus attract higher quality personnel.

It may be most efficient to combine laboratories and locate them near the largest population and transportation center in the state. However, thought should be given to locating state laboratory facilities near nonstate laboratories which may share functions or facilities. For example, the DNR water quality laboratory is located in a University of Alaska facility on the Fairbanks campus, and works closely with the University of Alaska. Some smaller labs within the state may have identical functions in different parts of the state; however, there may be reasons why these regional labs cannot be feasibly consolidated. Each circumstance should be considered individually.

We hope this information is helpful to you. If you need further assistance, please feel free to call this office.

Attachments

LJS:dld:csh

Review of State-Operated Laboratories

DEPARTMENT/ LABORATORY	AUTHORIZING STATUTES/REGS	LOCATION	MAIN FUNCTIONS	CONTRACT*		NO. OF EMPL	EST. FY91 OPERATING BUDGET
				IN	OUT		
HEALTH & SOCIAL SERVICES Public Health Labs	AS 44.29.020; AS 18.05.01; AS 18.05.030 - 040; AS 18.15.120 - 180; 7 AAC 27.005 - 080; 7 AAC 27.350.	Juneau (1)	General and reference bacteriology; gonococcal culture and identification; mycobacteriology; mucology; parasitology; cholera testing; water bacteriology; syphilis serology; rubella serology; vaccine distribution. (Contact: Dr. Katherine Kelley, 586-3586.)	X	X	8	\$471,664
		Anchorage	General and reference bacteriology; gonococcal culture and identification; mycobacteriology; tuberculosis susceptibility and genetic probes; mycology; parasitology; cholera testing; food outbreak bacteriology; syphilis serology; syphilis fluorescent antibody testing (statewide function); rubella serology; limited chlamydia testing via probes; training (statewide function). (Contact: Dr. Katherine Kelley, 586-3586.)	X	X	12	\$652,947
		Fairbanks	Gonococcal culture; viral culture and diagnosis; enteric central nervous system and respiratory; WHO influenza monitoring; viral serology: respiratory, prenatal assessment, enteric, examthem; rabies testing; HIV and other retrovirus testing; hepatitis A, B and other; rabies: lay vaccinator training. (Contact: Dr. Katherine Kelley, 586-3586.)	X	X	16	\$799,403
ENVIRONMENTAL CONSERVATION (DEC) Environmental Health Lab	9 CFR 301-387; 18 AAC 32; FDA-CFR Title 21; 18 AAC 32.005; AS 03.05.020; 18 AAC 34.200; 18 AAC 34; Title 18, Chapter 80; AS 03.05.070; AS 03.05.080; AS 03.45.050.	Palmer	Chemistry: meat inspection, seafood inspection, and animal health. Microbiology: dairy, drinking water, seafood and animal health. (Contact: Richard Barrett, 745-3236.)		X	8	\$390,800

Review of State-Operated Laboratories

DEPARTMENT/ LABORATORY	AUTHORIZING STATUTES/REGS	LOCATION	MAIN FUNCTIONS	CONTRACT*		NO. OF EMPL	EST. FY91 OPERATING BUDGET
				IN	OUT		
DEC Environmental Quality Lab	AS 46.03; EPA Safe Drinking Water Act	Juneau	Perform analytical chemistry upon water, wastewater, air, soil, sludge and other samples. Test for cadmium, chromium, zinc, copper, iron, mercury, benzene, ethylbenzene, xylenes, DDT, PCBs, fuel oil, diesel, PNAs and PHAs. Radiochemical analysis for gross alpha radiation and man-caused contaminants in drinking water. Certifies labs in Alaska to perform drinking water testing; and provides training and assistance to other labs. (Contact: Rolly Grabbe, 364-2155.)	X	X	9	\$886,500
PUBLIC SAFETY Scientific Crime Detection Lab	13 AAC 63.010 - 900	Anchorage	Examination of evidence in criminal investigations. The latent fingerprint section includes photography, composite artistry, and facial reconstruction. The criminalistics section includes firearm/toolmark, trace evidence, serology, fish/wildlife, arson and footwear/tiretrack examinations. Also included with this laboratory are a controlled substance/toxicology section, statewide breath alcohol section, and autopsy support section. (Contact: George Taft, 269-5740.)		X	27	\$2,097,600 (FY 92)
LABOR Occupational Health and Safety	None	Out of State	Analysis of industrial hygiene samples (e.g., asbestos and lead). (Contact: Richard Arab, 465-4855.)		X	Contract	\$8,000
NATURAL RESOURCES (DNR) Plant Materials Center	None	Palmer	Applied agricultural experiments; testing of commercial seed for germination and purity; potato disease lab. (Contact: Stoney Wright, 745-4469.)	X	X	16	\$556,000
DNR Water Quality Lab	AS 41.08 AS 46.15	Fairbanks	Analyze water for inorganic content. Collect data on the quantity and quality of Alaska's water for scientific documentation. DEC contracts with this lab often. They share a facility and equipment with the University of Alaska at Fairbanks. (Contact: Bill Long, 696-0070.)	X	X	1	\$70,000**

Review of State-Operated Laboratories

DEPARTMENT/ LABORATORY	AUTHORIZING STATUTES/REGS	LOCATION	MAIN FUNCTIONS	CONTRACT*		NO. OF EMPL	EST. FY91 OPERATING BUDGET
				IN	OUT		
DNR Geochemical Analysis	None	Out of State	Geochemical analysis on rock and water samples. (Amount of contract varies from year to year. This year is high because of land selections.) (Contact: Paula Verosta, 474-7147.)		X	Contract	\$40,000
DNR History & Archeology Lab	AS 41.35	Anchorage	Cleaning, cataloging and storing artifacts and other archaeological finds. Prepare slides of residual materials (fibers, etc.). Do some forensic reconstruction for the Department of Public Safety, and some Exxon Valdez oil spill work was done here. Contract radiocarbon dating, etc., to other labs for a average of about \$2,000 per year. (Contact: Bob Shaw, 762-2169.)	X	X	0	\$22,348
COMMERCE & ECONOMIC DEVELOPMENT Weights and Measures - Metrology Lab	AS 45.75.010 - 120	Anchorage	Test and certify weights and measures for Alaska government and industry from 1 milligram to 1,000 lbs. Tests radar and tuning forks for the Alaska State Troopers. (Contact: Jennifer Breslin, 345-7750.)	X		1	\$98,400
TRANSPORTATION & PUBLIC FACILITIES Materials Lab	Mandated by Federal Highways Administration	Anchorage, Fairbanks & Juneau	Testing of highway construction materials and soils. These labs operate mostly on federal funds which are passed through the state capital budget. The Anchorage regional lab also serves a statewide function. (Contact: Ken Lowmy, 338-2121.)	X	X	15	\$925,000
FISH & GAME (ADF&G) Fisheries Rehabilitation, Enhancement & Development (FRED) Coded-wire Tag Lab	AS 16.05.050	Douglas	Extract coded-wire tags from samples of fish taken to determine the origin of the fish (usually hatchery fish, but sometimes wild stock). (Contact: Jeff Koenings, 465-4160.)			5	\$320,900

Review of State-Operated Laboratories

DEPARTMENT/ LABORATORY	AUTHORIZING STATUTES/REGS	LOCATION	MAIN FUNCTIONS	CONTRACT*		NO. OF EMPL	EST. FY91 OPERATING BUDGET
				IN	OUT		
ADF&G - FRED Limnology Lab	AS 16.05.050	Anchorage	Tests waters of lakes and watersheds for inorganic contents and planktons to determine if the habitat will support fish. Do contract work for the U.S. Geological Survey and Forest Service. (Contact: Jeff Koenings, 465-4160.)	X		3	\$231,200
ADF&G - FRED Genetics Labs	AS 16.05.251; 5 AAC 41.020; 5 AAC 41.050; 5 AAC 41.070 - 080; AS 16.40.110 - 150.	Anchorage	Performs electrophoretic starch gel analysis to determine the genetic makeup of fish stocks. Determines the origin of fish via "genetic fingerprints." This lab shares facilities and equipment with the Commercial Fisheries Genetics Lab. (Contact: Jeff Koenings, 465-4160.)			1	\$118,000
ADF&G - FRED Pathology Lab	AS 16.05.251; 5 AAC 41.020; 5 AAC 41.050; 5 AAC 41.070 - 080; AS 16.40.110 - 150.	Anchorage & Juneau	Analyze fish blood and tissue samples, and water samples for fish disease (usually for hatchery fish, but also for wild stock). Test for INH Virus, Enteric Red Mouth Disease, Bacterial Kidney Disease, Enteric Crab Disease and others. (Contact: Jeff Koenings, 465-4160.)			7	\$541,300
ADF&G - Commercial Fisheries Genetics Lab	None	Anchorage	Collects and analyzes genetic stock identification data on chinook and chum salmon; king, tanner and snow crabs; and marine fishes under state management jurisdiction. Processes fish and shellfish samples using state-of-the-art isozyme and DNA analysis. This lab shares facilities and equipment with the FRED genetics lab. (Contact: Gordon Kruse, 465-4210.)	X		2	\$120,800
ADF&G - Commercial Fisheries Aging Lab	U.S./Canada Treaty	Douglas	Conduct research on the aging of fish through examination of fish earbones (otoliths). Processing earbones of Southeast Alaska salmon to determine origin (hatcheries). (Contact: Pete Hagan, 465-4250.)			2	\$126,000 (FY 92)

Review of State-Operated Laboratories

DEPARTMENT/ LABORATORY	AUTHORIZING STATUTES/REGS	LOCATION	MAIN FUNCTIONS	CONTRACT*		NO. OF EMPL	EST. FY91 OPERATING BUDGET
				IN	OUT		
ADF&G - Wildlife Conservation	None	Anchorage	This lab is currently used very little. In the past it has been used for tooth processing to determine the age of bears and other animals. Metabolic work, fat determination, and blood and stomach analysis on other animals including marine mammals has been done in the past. Reproductive tract analysis is performed on caribou and moose. (Contact: Enid Goodwin, 267-2253.)		X	0	\$17,500
ADF&G - Sport Fish/Com Fish Shared Labs		Anchorage, Fairbanks & Juneau	Small regional one-room labs are used to weigh and measure fish, take fish scales and sometimes measure stomach contents. These labs are small, sporadically used, and shared between divisions. They have no full-time staff. (Contact: Rocky Holmes, 465-4180.)			0	N/A

\*Marks in these columns indicate whether the laboratory facility brings work into the lab under contract, or sends work out to other labs on contract.

\*\*Does not include facility lease.

Note: The staffing and funding figures are only estimates. Staffing is in full-time equivalents. This is not necessarily a comprehensive list of state-operated laboratories.

Prepared by the Legislative Research Agency, January 1992 (92.047).

August 27, 1993



James Mushovic, D.M.D.

Family Dentistry

To: Cynthia Toohey  
Re: Rate Increase X-Ray

Dear Cynthia:

It has come to my attention that there are proposed fee increases for x-ray tube heads. You should not consider approval of this regulatory change.

I have to protest vigorously to this plan. On site inspections is out of line. It is unnecessary and costly. The plan does not safeguard the welfare of the general public anymore than obvious alternatives. If the State of Alaska insists on creating (or continuing with) a position for an itinerant specialist to do work that can be taken care of by less costly private technicians—there is something seriously wrong with the powers of deductive reasoning of our hired state employees and our elected officials. To conceive of and consider approval of such a plan is absurd.

One obvious alternative is to completely move the radiological inspectors office out of Juneau. Make the job considerably less itinerant in nature (and considerably more responsive to the needs of the public). Then automate the entire process as much as possible and lower fees.

We do not need to inflate health care costs. We do not need the burden of funding unnecessary salaried positions. We do not need to handi-cap the next generation with the resultant payment for another expensive retirement plan.

What we need is cost containment from responsible government that will act only with just cause. Consider the consequences of this plan; and vote against the proposal.

Sincerely Yours

  
James Mushovic, D.M.D.

THOMAS G. HIPSHER, D.D.S.

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Thursday, August 26, 1993

Cynthia Toohey, CoChairman  
House Health and Social Services Committee  
Division of Public Health  
PO Box 110612  
Juneau, Alaska 99811-0612

Re: X-ray tube head fee increase

Dear Ms. Toohey:

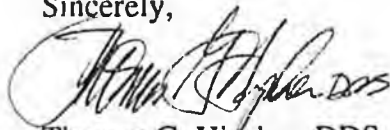
I was notified of an impending fee increase for our x-ray tube heads from the current annual rate of \$20 per tube to \$50 per tube, a 250% increase. We were also informed that the increase is primarily to allow the inspector to travel from Juneau to dental offices throughout the state to that he/she can check the safety of x-ray installations.

As far as I am aware, the incidence of x-ray over exposure in the State of Alaska is so insignificant as to be non-existent. If there is a documented history of over exposure, then those concerns need to be addressed. However, if there is no history of over exposure, particularly in the dental environment, then there is no basis for an inspector to travel to individual offices to check the safety of our installations. As long as each office is using approved equipment that was installed by a professional x-ray equipment installer, the monitoring of tube head exposure can easily be accomplished in the same manner as previous programs allowed.

Each doctor and dentist in the State of Alaska is a professional and, with rare exception, each complies with the current laws concerning the use of x-ray equipment in their offices. If the state feels it necessary to conduct intermittent inspections of x-ray equipment, such inspections could easily be completed in the course of routine maintenance of our dental equipment by trained dental supply company technicians and certificates issued verifying compliance with current regulations.

I would appreciate this letter being read as my personal testimony with regards to this matter and hope the committee has the insight and fortitude not to impose this fee increase on the already expensive health care market.

Sincerely,



Thomas G. Hipsher, DDS

cc: Alaska State Dental Society

ERIC G. PAULSON, DDS  
Oral & Maxillofacial Surgery

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August 26, 1993

Cynthia Toohey, Co Chairman  
House Health and Social Services Committee  
Division of Public Health  
P.O. Box 110612  
Juneau, AK 99811-0612

Re: proposed x-ray head fee increase

Dear Ms. Toohey:

I am writing to ask you to not support the proposal to increase the x-ray head fee from \$20.00 to \$50.00. This becomes excessive with multiple x-ray heads in the office.

Thank you for your consideration.

Sincerely,



Eric G. Paulson, DDS

# THOMAS G. HIPsher, D.D.S.

Thursday, August 26, 1993

Cynthia Toohey, CoChairman  
House Health and Social Services Committee  
Division of Public Health  
PO Box 110612  
Juneau, Alaska 99811-0612

Re: X-ray tube head fee increase

Dear Ms. Toohey:

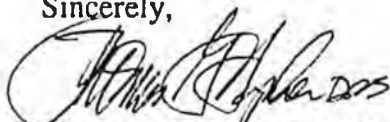
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Sincerely,



Thomas G. Hipsher, DDS

cc: Alaska State Dental Society

Remind P. to call Dr. Hansen

Give envelope to Dr. Hansen

Take notes



Cynthia Toohey, Co Chairman  
House Health and Social Services Committee  
Div. of Pub. Health  
350 Main St.; Rm. 517  
P. O. Box 110612  
Juneau, AK 99811-0612

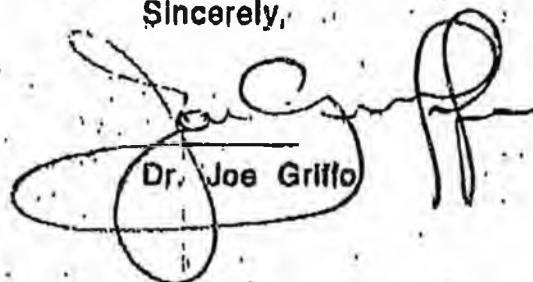
29 August 1993

Dear Ms. Toohey:

I recently was informed of a tentative 250% increase in the registration fee for x-ray heads. This is an unfair "tax" upon the dental community. It is said that the money is needed for an inspector to travel to my office from Juneau. It is more cost effective to measure radiation output with dosimeter cards which can be sent in for processing. If a unit is defective, the office can be notified and the local equipment repair personnel can take care of the problem. Another solution is to simply allow the dental supply company repair personnel to both monitor and correct any x-ray units.

We are in an era when cost containment in the health care field is on everyone's mind. This 250% increase in dentistry's "radiation tax" will have to be passed on to the consumer, along with all the other increases in the cost of doing business. There seems to be a trend in contemporary government in America where elected officials feel that everything that is owned by American citizens is fair game for them to take. It is just a matter of making a law that will make it legal. Next we will probably hear that the State of Alaska wants to make the x-ray tax "retroactive" to the birth date of Mdm. Curie.

Sincerely,



Dr. Joe Griffo

Joe Griffo, D.M.D.

Glenn A. Bilodeau, DDS  
8301 Briarwood, SU 201  
Anchorage, AK 99518

August 31, 1993

Cynthia Toohy, Co-Chairman  
House Health and Social Services Committee  
Division of Public Health  
350 Main Street, Rm 517  
P.O. Box 110612  
Juneau, AK 99811-0612

Ms. Cynthia Toohy,

The proposed x-ray head fee increase is ludicrous.

An increase of 250% that would pay for an individual to travel from Juneau to South Central, Western & Northern Alaska (where most dental offices are located) is preposterous. Dental supply technicians can do measurements and adjustments on radiological equipment and have their results mailed to Juneau.

I refuse to pay the government to "taxi" an individual to my office when a local businessman can perform the same function on equipment that he likely installed and maintains. I can't even imagine the problem of having the government technician disturb my staff and patients due to his extremely limited availability. My dental supply technician is always at my disposal.

Again, a proposition of such inane proportions should be voted down with vigor by any rational, thinking individual.

Respectfully,



Glenn A. Bilodeau, DDS

Cynthia Toohey, Co Chairman  
House Health and Social Services Comm.  
Division of Public Health  
350 Main Street, Room 517  
P.O. Box 110612  
Juneau, AK 99811-0612

31 August, 1993

I have read with incredulity the state's proposed tax increase on X-ray tube heads within dental offices. Ostensibly, the proposed 250% increase would offset travel expenditures for the inspector who would travel to and from dental offices throughout Alaska evaluating the equipment. I have serious questions about the need to designate a state employee to conduct inspections that could more easily and less expensively be performed locally and within the private sector.

By my accounting there are some 330 practicing dentists in the state who will be impacted by this proposed legislation. If each of these practitioners has only 2 or 3 X-ray heads in their offices, the increase in revenues generated by this proposal amounts to \$10,000 or more annually. Assuming the 'contribution' of physicians, veterinarians, and chiropractors, the number goes up significantly. Where do you imagine the money to pay for this increase will derive? Surely you recognize that it will be passed on to the consumer?

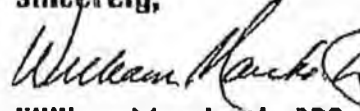
The vast majority of private medical practitioners are found in and around the State's major metropolitan centers; Anchorage, Fairbanks, and Juneau. Why not designate an on site inspector for these areas and eliminate the need to travel?

The inspecting process is a simple one and does not require a high degree of expertise. Why not delegate this duty to the more efficient and cost effective private sector much as IMS inspections are done on automobiles?

Frankly, I question the wisdom of even having this tier in an already abominous bureaucracy? I know of no offices where inspections of X-ray equipment have ever been conducted. My suggestion would be that you be content with the \$20 you presently receive for doing nothing.

Increases of the type you are proposing only serve to enrage the practitioners who are tired of interminable governmental micromanagement. Further, such increases aggravate the consumer who ultimately must foot the bill.

Sincerely,



William Marchant, DDS  
3401 Denali St. #102  
Anchorage, Alaska  
99503



CRAIG S. KAUFFMAN, D.D.S.  
STEVEN T. SWAGER, D.M.D.

425 G Street, Suite 730  
Anchorage, Alaska 99501  
Office (907) 277-6724

August 26, 1993

Cynthia Toohey, Co Chairman  
House Health and Social Services Committee  
Division of Public Health  
350 Main Street, Room 517  
PO Box 110612  
Juneau, AK 99811-0612

RE: X-RAY HEAD FEE INCREASE

Dear Ms. Toohey:

This increase is way out of line with the growing sentiment in our nation to contain health care costs. A small increase may be in line, but a 250% increase is outrageous on the part of the State of Alaska.

Sincerely,

Steven T. Swager, DMD

RICHARD S. PAULI, D.D.S.  
3500 LATOUCHE, SUITE 210  
ANCHORAGE, ALASKA 99508-4295  
(907) 563-3046

3/15

Cynthia T. ...  
House Health & Social Services Committee

Dear Cynthia

Please oppose the 250<sup>th</sup> ...  
in X-ray head registration fee.

Thank you

Richard Pauli



—DR. ROBERT R. H. SUTHERLIN, INC.  
Orthodontics Exclusively

August 26, 1993

Ms. Cynthia Toohey, Co Chairman  
House Health and Social Services Committee

Dear Ms. Toohey:

I will be unable to appear at the August 31st committee work session, but I would offer my protest to the proposed x-ray head fee increase for the same reasons as Dentistry does as stated below.

How does dentistry feel? Against the proposal for the following reasons:

1. The increases are primarily for the inspector to travel from Juneau to dental offices throughout the state. This is CRAZY when most of the dental offices are in the South Central, Western, and Northern part of the state.
- 2 From \$20 to \$50 is a 250% increase. This is NOT cost containment on the part of the State of Alaska - especially when cost containment is one of the most publicized parts of health care reform
3. Conceivably, the radiation tests that are performed by the Radiological Physicist could be done on a pre-prepared card, and MAILED to the Juneau Radiological Health Office. If a problem is detected, the adjustment can easily be made by a dental supply company technician.
4. Dental supply company service technicians CAN DO the regulated routine tests. Proof of compliance can be verified to the State of Alaska much like proof of continuing education taken is verified to the State Division of Occupational Licensing.

Sincerely,





DR. ROBERT R. H. SUTHERLIN, INC.  
Orthodontics Exclusively

August 26, 1993

Mr. Con Bunde, Co Chairman  
House Health and Social Services Committee

Dear Mr. Bunde:

I will be unable to appear at the August 31st committee work session, but I would offer my protest to the proposed x-ray head fee increase for the same reasons as Dentistry does as stated below.

How does dentistry feel? Against the proposal for the following reasons:

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3. Conceivably, the radiation tests that are performed by the Radiological Physicist could be done on a pre-prepared card, and MAILED to the Juneau Radiological Health Office. If a problem is detected, the adjustment can easily be made by a dental supply company technician.
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Sincerely,



DR. SCOTT HEBERTSON, D.D.S.  
FAMILY DENTISTRY

SOUTH ANCHORAGE DENTAL CLINIC  
9170 JEWEL LAKE ROAD, SUITE 201  
ANCHORAGE, ALASKA 99502  
PHONE 248-7275

Dear Cynthia,

8/26/93

I am completely against

the 250% increase in fee for  
X-ray tubes.

I concur with the position  
that local suppliers can provide  
the information. Please allow the  
private sector to efficiently take  
care of the problem. Do not  
allow the increase in taxes provide  
a more expensive and wasteful solution.

Please feel free to call  
me.

I thank you,

Scott Hebertson

Richard J. Burger, M.D.  
2009 Cowles St.  
Fairbanks, AK 99701  
907-452-6610

31 Aug 1993

State of Alaska  
Health, Education and Social Services Committee  
Juneau, AK 99801

Att: Marveen Coggins

To Whom It May Concern:

I am writing to express some concerns about the proposed fees for state laboratory services.

I am a physician specializing in infectious diseases in the Fairbanks area and in the past 14 years of practice, I have regularly utilized the state laboratory services.

My major concern with the proposed fees is that this will discourage community surveillance for community epidemics of various infectious disease. For example, we physicians currently obtain virus cultures very frequently on ill patients. In doing so, we often identify viral epidemics earlier than we would do otherwise. This frequently allows us to reassure patients and to avoid using empiric antibiotics because we can be confident of the viral cause of the symptoms.

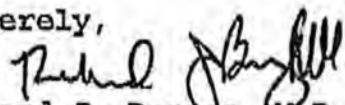
In the hospital setting, the identification of unusual bacteria helps us identify clusters of infections that we use in our infection control program.

I believe the State of Alaska has a responsibility to its citizens to provide community surveillance of unusual infections and epidemic outbreaks. Charging a fee will greatly impair this community service.

It would be my opinion that if the State is to begin charging fees then it would be wiser and more cost effective to simply discontinue the state lab services altogether. If we are going to have to pay for those services, we can simply send them to referral labs that already exist more easily than sending them to the state. Without the incentive of free community surveillance, I would predict that physician use of the state labs will gradually decline to the point that it will not be cost effective to operate the labs.

I would be happy to discuss my opinions in more detail with anyone who is interested. If you have any questions, please do not hesitate to contact me.

Sincerely,

  
Richard J. Burger, M.D.

31 August 1993

GOOD MORNING REP. TOOHEY

I TESTIFY AT THE REQUEST OF THE PRESIDENT AND THE EXECUTIVE SECRETARY OF THE ALASKA DENTAL SOCIETY. I ALSO HAVE RECEIVED INSTRUCTIONS AND INFORMATION FROM DRS. BILL GUY OF KODIAK AND RALPH FERRARI OF ANCHORAGE AND THE AMERICAN DENTAL ASSOCIATION.

WE ARE SPEAKING IN OPPOSITION TO ANY INCREASE IN FEES RELATED TO GOVERNMENT TESTING OF DENTAL X-RAY UNITS.

I AM NOT A RECOGNIZED RADIATION SPECIALIST BUT I HAVE A QUARTER OF A CENTURY OF EXPERIENCE USING DENTAL X-RAY EQUIPMENT AND I HAVE TAUGHT THE SUBJECT AT THE COLLEGE OF THE REDWOODS IN EUREKA CALIFORNIA. THE OBJECTIVE OF THAT COURSE WAS TO ENABLE THE STUDENTS TO PASS THE STATE OF CALIFORNIA EXAMINATION FOR DENTAL X-RAY TECHNICIANS.

WHEN THE MATTER OF STATE TESTING OF DENTAL X-RAY UNITS WAS FIRST PROPOSED THERE WAS LITTLE OPPOSITION BY ALASKAN DENTISTS. THE POSSIBILITY OF PROVIDING A BETTER SERVICE TO DENTAL PATIENTS SEEMED TO MOST OF THE DENTISTS OF ALASKA TO BE SUFFICIENT CAUSE TO COOPERATE. THE COST OF \$20 PER X-RAY HEAD WAS THOUGHT TO BE REASONABLE. I PERSONALLY WAS OPPOSED. BASED ON MY EXPERIENCE I REASONED THAT THE AMOUNT OF PATIENT EXPOSURE TO DENTAL X-RAYS IS DIRECTLY NOTED ON THE PROPERLY PROCESSED EXPOSED FILM. THE PATIENTS ARE SHIELDED. THE TUBES ARE COLLIMATED AND THE FILM IS ULTRAFAST. THE OPERATORS ARE TRAINED TO ISOLATE THEMSELVES FROM THE AREA OF EXPOSURE AND RADIATION MONITORING BADGES ARE ADVISED. THE INSPECTION PROGRAM CAME ABOUT BECAUSE THE FEDERAL GOVERNMENT SOUGHT PROTECTION FOR PATIENTS AND OPERATORS WITH REGARD TO STRAY RADIATION AND RADIATION LEAKAGE FROM ALL RADIATION DEVICES. TO THOSE WHO SUPPORTED THE ORIGINAL PROPOSAL I WOULD SAY THAT IT NOW APPEARS THE CAMEL'S HEAD WAS LET INTO THE TENT WITH NO GOOD RESULT. I KNOW THAT THE INSPECTION PROCEDURES HAVE FOUND CAUSE FOR MAKING ADJUSTMENTS TO DENTAL X-RAY UNITS. I DO NOT KNOW THAT THOSE ADJUSTMENTS HAVE BEEN NECESSARY FOR THE SAFETY OF DENTAL PATIENTS OR DENTAL WORKERS. IN MY OFFICE THERE WERE TWO X-RAY HEADS WITH ONE CONTROL UNIT. THE EMISSION FROM THE TWO HEADS WAS NOT IDENTICAL AND IT WAS NECESSARY TO CHANGE THE SETTING ON THE TIMER WHEN CHANGING THE OPERATION FROM HEAD ONE TO HEAD TWO. THE INSPECTION REPORT CITED THAT AS A MALFUNCTION AND THE INSPECTOR ADDED FILTRATION TO EQUALIZE THE OUTPUT SO THE TIMING COULD BE THE SAME FOR BOTH HEADS. IT WAS CONVENIENT BUT UNNECESSARY. DRS. FERRARI AND MYNIN RECENTLY HAD SIMILAR EXPERIENCES WITH DISRUPTION OF OFFICE ROUTINE AS AN ADDED CAUSE OF COMPLAINT.

THE BOTTOM LINE IS THAT THE DISCREPANCIES NOTED BY THE STATE INSPECTOR AS RESULT OF INSPECTIONS TO DATE SHOULD BE CLOSELY CONSIDERED BY AN INDEPENDENT AUTHORITY ON THE MATTER OF DENTAL X-RAYS. COMPLAINTS RELATED TO HUMAN SAFETY ARE SIGNIFICANT AND JUSTIFY INSPECTION. IF THAT IS FOUND TO BE THE CASE THEN A PERIODIC SCHEDULED EVALUATION OF ALL DENTAL X-RAY UNITS IN THE STATE SHOULD BE INSTITUTED AND IT SHOULD BE DESIGNED TO BE LESS MAN-POWER INTENSIVE.

THE EXPERIENCE OF THE DENTISTS WHO HAVE SPOKEN TO ME ON THIS MATTER IS THAT RADIATION LEAKAGE HAS NOT BEEN FOUND AND THAT FAULTS CITED HAVE BEEN OF NO CLINICAL SIGNIFICANCE. IT SEEMS THAT DENTAL X-RAY UNITS HAVE BEEN LUMPED IN WITH MEDICAL UNITS WITHOUT REGARD TO THE DIFFERENCES BETWEEN THE TWO. IF THAT IS THE CASE THEN IN THE INTEREST OF CONTROLLING HEALTH CARE COSTS IT WOULD BE WISE TO REFUSE THE PROPOSED INCREASE IN FEES TO THE DENTAL PATIENT, TO NOT EXPAND THE TESTING PROGRAM AND TO RE-EVALUATE THE PROGRAM WITH THE POSSIBILITY OF MODIFYING OR DISCONTINUING IT.

AGAIN, OUR REQUEST IS THAT THERE BE NO FEE INCREASE, THAT THE EXISTING PROGRAM BE SCIENTIFICALLY JUSTIFIED AND THAT FUTURE TESTING, IF ANY, BE DONE ON A SCHEDULED, LESS MAN-POWER INTENSIVE ~~VE~~ BASIS.

THANK YOU.

*George M. Hinder D.D.S.*

SEP 20 1993

MICHAEL F. FULLER, D.D.S.  
EAGLE CENTER FAMILY DENTISTRY  
10928 EAGLE RIVER ROAD, SUITE 240  
EAGLE RIVER, ALASKA 99577  
(907) 694-8234  
24 August 1993

Cynthia Toohy  
Co-Chair House Health and Social  
Services Committee  
Division of Public Health  
350 Main Street, Room 517  
P.O. Box 110612  
Juneau, Alaska 99811-0612

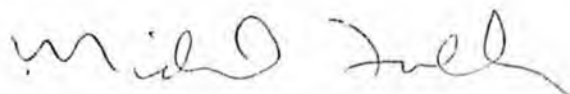
Ms. Toohy:

I am writing to protest the proposed increase in the fee for registration of my radiologic equipment. Please realize that this registration is mostly just that: a registration. Any proposed regulated inspection of equipment should only be done via the postal system using calibrated test films. Only major discrepancies need attention, and then only by a dental equipment technician. All other requirements can be met via the mail.

Please note this proposed increase (from \$20 to \$50) is a 250% jump. This is just the kind of cost escalation that contributes greatly to higher health expenses.

Please consider this and other comments heavily when your legislative committee meets to finalize your position on this matter. This increase in health care expense will not improve availability nor quality of care.

Yours for better health,



Michael F. Fuller, D D S

MFF:PAC

DR. SCOTT HEBERTSON, D.D.S.  
FAMILY DENTISTRY

SOUTH ANCHORAGE DENTAL CLINIC  
9170 JEWEL LAKE ROAD, SUITE 201  
ANCHORAGE, ALASKA 99502  
PHONE 248-7275

Dear Cynthia,

8/26/93

I am completely against  
the 250% increase in fees for  
X-ray tubes.  
I concur with the position  
that local suppliers can provide  
the information, please allow the  
private sector to efficiently take  
care of the problem. Do not  
allow the increase in fees provide  
a more expensive and wasteful solution.  
Please feel free to call  
me.

I thank you,

Scott Hebertson

Telephone: (907) 561-0816

State Lic. #03186GR

DEA #AG 1127530

A. J. GRUBBA, D.D.S.

4200 S. Lake Otis Parkway

Anchorage, Alaska 99508

Name \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Rx

Dear Sir,

In my office the fee at \$50 /  
tube would cost \$3000. for the  
next 10 yrs - This money would be

better spent purchasing a new machine,

A. J. Grubba

D.D.S.

Label

Refill · 0 · 1 · 2 · 3 · 4 · PRN

8-30-93

Dear Cynthia

Hello from Kodiak

Please do not allow the  
X-Ray head fee increase  
to go up more than a  
50% increase (30-)

It would be nice  
if the Radiation tests could  
be completed by mail

Thank you,  
Dennis



DENNIS L. SMEDLEY, D.D.S.  
411 REZANOF DR., E. 1-A  
KODIAK, AK 99815

8-25-93

Ms Cynthia Toohy, Co-Chairman  
House Health & Social Services Committee

Dear Ms Toohy:

I am writing to express my opposition to an increase  
in the xray lead fee charged by the state to health care  
providers to \$50 each.

If there was a problem needing money related to  
xray dangers to the public I would favor the proposal.

As it is, however, it is another instance of government  
thinking up solutions for problems that don't exist or  
are far better unattended or solved another way, for example:

Move the xray inspectors to Anchorage as to  
reduce travel costs. "Travel for what?" I'd say!

I've had no problem with xray control or maintenance  
in 10 years of practice nor has any dentist I know.

I get absolutely no service now for the "test" I pay  
now for the xray leads. There's no service, no problem

(that our profession will handle anyway) so why do we  
need another Tenuous State employee traveling to  
provide no service to our businesses or the public??

Save the state a lot of money by eliminating the  
whole xray "tax" program. It is unnecessary. Dr Lee Culbertson

Rep. Toohay

FRANK P. PAULS, DR.P.H.  
3431 COTTONWOOD STREET,  
ANCHORAGE AK 99508

AUGUST 13, 1993

Theodore A. Mala, M.D., M.P.H.  
Commissioner  
Department of Health and Social Services  
P.O. Box 110601  
Juneau, AK 99811-0601

Re: Proposed Fee Schedule  
Division of Public Health  
Section of Laboratories

Dear Commissioner Mala:

The Proposed Fee Schedule for Public Health Laboratory Services has just come to my attention and before a final decision is made, I wish to submit to you my comments. These are founded on my long experience in public health, since 1938, in Alaska and other parts of the world and in community services.

The fee for laboratory services question has been a perennial topic in recent years, especially when budgetary restrictions are being considered. The fee topic came up many times while I was Chief of the Section of Laboratories and Acting Director for the Division of Public Health. It is a tempting topic to pursue and has led many budget directors to consider the question, especially if the primary concern is dollar savings at any cost. Fortunately the topic was dropped when it was shown that the mission of the department to protect the public health would be jeopardized and a fee schedule would not be cost effective.

The major mission of public health is prevention, early intervention and control of communicable diseases. Early detection of communicable diseases is essential if adequate intervention and control measures are to be taken and epidemics prevented. The Section of Laboratories, through its regional laboratories, has provided the special public health microbiology services for the early detection and confirmation of communicable diseases to the medical community as well as local, state and federal agencies in Alaska. For many years, the territorial and later the state laboratories were the only ones providing this service. There was no charge. The doctor received a report that assisted in the treatment of the patient. The major beneficiary was the state as the laboratory reports served as early warnings of communicable disease cases and immediate contact investigations and control measures could be undertaken. The data from the laboratory reports provided other sections

(Epidemiology, Tb Control, MCH and Public Health Nursing) of the Division of Public Health with demographic information on populations at risk. This is still true today.

In the earlier discussions of fee schedule plans we had to point out that if fees were charged, that there would be a drop in the specimen load as physicians would either not submit specimens or seek the lowest cost laboratory service provider. In such instances the state would lose the early warning services and demographic information provided by the state laboratory and early control and intervention measures would be difficult. Therefore, after many more examples of the value of early intervention and the demographic data in the control of communicable diseases, the topic of laboratory fees was dropped.

In reviewing the proposed fee schedule it appears that the fees will increase the health care costs for patients even if paid for by Medicare, Medicaid, health insurance plans or private parties. This is especially true in cases where the routine is to submit two or more specimens such as in tuberculosis, enteric infections and others. The fees for a routine series of 3 sputum specimens for Tb would be \$213.75 plus additional fees for drug susceptibility tests. In the early diagnosis of enteric infections a series of three specimens are submitted and the fee charge would be \$140.25. With the emphasis at both the the federal and state level on the containment of escalating health care costs and decrying rising fee schedules, is it proper for the state to propose a fee schedule that will be a new addition to health care costs for the patient? Even if the cost is paid by a carrier, it is an added cost for health care and becomes part of the rising costs. Is this the direction that the state wishes to go in health care reform and cost containment?

The cost effectiveness of fees for laboratory service must be carefully examined as not all laboratories are the same and areas of service differ. The state public health laboratories provide special public health microbiology services to the physicians and the community. The medical/clinical laboratories and commercial laboratories provide a broad range of clinical laboratory services that are directly related to individual patient care. Some of these laboratories are capable of providing infectious disease microbiology services. If state fees exceed those charged by other laboratories there will be a shift away from the state laboratories and a reduction in the anticipated revenue. The other aspect is the cost of the collection of the fees. There will be the need for a billing and collection unit and related costs will again decrease any anticipated gains in revenue. Finally there is no hope for 100% or even 75% collection of billed costs. Thus the anticipated revenue would not be realized, added costs would

Page 3

Proposed Fee Schedule Comments (cont'd):

be incurred and there would be the loss of vital information needed for the prevention and control of communicable diseases.

The above arguments and observations have been stated many times in the past and are valid now. I hope that you will give serious consideration to my statements and will allow the Section of Laboratories to provide the needed services to the people and communities of Alaska without fees for service. Shouldn't Alaska and the Department of Health and Social Service be leaders in health care reform and reduction in health care costs instead of being responsible for increasing health care costs?

If you wish, I will be glad to be of any service to the department in exploring alternatives.

Sincerely

*Frank P. Pauls*

Frank P. Pauls, Dr. P.H.

cc: K. Kelley, Dir. P.H.  
R. Tanaka. SCRL  
D. Ritter - NRL  
Rep. C. Toohy. Anch. ✓

FILE COPY

# SOUTH PENINSULA HOSPITAL

AUG 27 1993

4300 BARTLETT • HOMER, ALASKA 99603 • (907) 235-8101

August 10, 1993

Dr. Peter Nakamura, Director  
Division of Public Health  
Dept. of Health & Social Services  
P.O. Box 110610  
Juneau, Alaska 99811-0610

Re: Proposed Radiological Licensing  
Fees

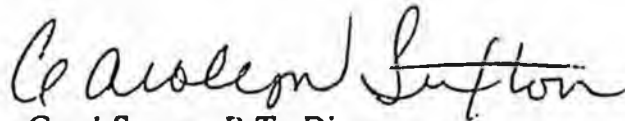
Dear Dr. Nakamura:

I am aware that the costs involved with the inspection of radiological machinery in the State of Alaska are on the rise. I also understand the necessity and appropriateness of inspections, but in this day of rising medical costs it seems detrimental to the patrons of a hospital, medical clinic or physician's office to have regulations enacted which are so costly to enforce.

The new fee schedule for dental and radiography tubes at \$80 each every three years seems quite reasonable. The mammography fee of \$1500 per year is out of line and could very well make the cost of the exam go beyond what many families can afford to pay for a mammographic exam. The problem is multiplied in small rural hospitals, where the volume cannot make up for the added cost. With the steady rise of breast cancer in the nation, I would think the State and Federal government would not mandate legislation that could very well deter a woman from attaining the radiographic testing that may save her life.

I hope my stated views, which are also the hospital administrator's, will prove useful to you and the department. If you need more information, please feel free to contact me.

Sincerely,



Carol Sexton, R.T., Director  
Radiology Department

CS:db

cc: Ron Pavellas, Administrator, South Peninsula Hospital  
Harlan Knudson, Exec. Director, ASHNHA

AUG 27 1993

# SOUTH PENINSULA HOSPITAL

4300 BARTLETT • HOMER, ALASKA 99603 • (907) 235-8101

August 25, 1993

Representative Gail Phillips  
126 W. Pioneer Avenue, Suite 3  
Homer, Alaska 99603

Dear Ms. Phillips:

Our mammography technologist, Judy Hanson, spoke with you recently about the proposed licensing fee schedule for mammography x-ray tubes. I am enclosing a copy of the proposed fees, a memo sent out by Harlan Knudson of the Alaska State Hospital Association, and the letter I wrote to Dr. Nakamura from the Department of Health and Social Services, stating my views on the proposed fees.

I have discussed the proposed fees with Ron Pavellas, South Peninsula Hospital Administrator. We hope you will look into this matter and assist us in our efforts to keep mammography tube licensing fees within reasonable limits.

I am sending a copy of this letter and the letter I sent to Dr. Nakamura to Representative Cynthia Toohey and Representative Con Bunde, Co-Chairs of the Alaska State Legislative Committee on Health, Education and Social Services.

Please feel free to contact me with any questions you may have.

Sincerely,



Carolyn Sexton, Manager  
Radiology Department

CS:js

cc: Representative Cynthia Toohey (w/enclosure)  
Representative Con Bunde (w/enclosure)  
Ron Pavellas, Administrator, South Peninsula Hospital



DR. ROBERT R. H. SUTHERLIN, INC.  
Orthodontics Exclusively

August 26, 1993

Ms. Cynthia Toohey, Co Chairman  
House Health and Social Services Committee

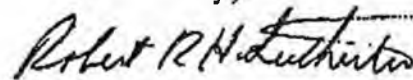
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4. Dental supply company service technicians CAN DO the regulated routine tests. Proof of compliance can be verified to the State of Alaska much like proof of continuing education taken is verified to the State Division of Occupational Licensing.

Sincerely,



4141 B Street, Suite 401  
Anchorage, AK 99503

(907) 562-6262

American Association of  
Orthodontists



From: #456-1307  
To: #1,258,8171

08-26-93 11:14 am  
001 of 001

# ExpressFax™

<b>Date:</b>	08-26-93
<b>From:</b>	Michael J. Stoltz D.M.D. Fax 456-1307 • Voice
<b>To:</b>	Fax 1,258,8171
<b>Re:</b>	

Attn: Cynthia Toohey, Co Chaiman  
House Health and Social Servvices Committee

Dear Ms. Toohey: This note is to inform you that I am against the proposed x-ray head fee increase.

I don't believe that an inspector from Juneau, AK should have to travel to interior, south central, western, and the northern part of the state.

I do not believe that a 250% increase in the current fee is cost containment. The state of Alaska should practice fee containment if the medical/dental community is expected to do so.

Radiation tests can be done on a pre-prepared card and mailed to the Juneau office for review. If there is then a problem, a dental supply comp. representative could adjust the equipment.

Very truly yours,  
Michael J. Stoltz, DMD

Michael J. Stoltz D.M.D.

**Kenneth J. Mears, D.D.S., M.S.D.**

THE MEDICAL PARK  
2211 E. NO. LIGHTS BLVD., SUITE 203  
ANCHORAGE, ALASKA 99504

TEL.: 277-0502

SEP 13 1993

Chairman Cynthia Toohey  
P.O. Box 110612  
Juneau, Ak 99811-0612

Dear Representative Toohey,

I am also opposed to the ridiculous Clinton-type X-ray head 250% increase. We now take panoramic X-rays for \$35.00 while some offices charge up to \$80.00. If Juneau puts it to us on this I'll need to bring my fees in line with everyone else at our patients expense.

As the oil flow ebbs something has to be done to cut government spending! We still have a huge Dept. of Revenues waited since the late 70's for more income taxes. Maybe everything needs to gear down. Soon we'll even have sovereign tribes that won't pay state oil taxes but will demand benefits.

At any rate, this tax will hurt the working public and should not fly.

Sincerely



Dr. Ken Mears, DDS, MSD



**Turnagain Dental Office**  
**Guy M. Ingrim, D.M.D.**

1842 W. Northern Lights Blvd.  
Anchorage, Alaska 99517  
Telephone: 272-6122

September 3, 1993

SEP 13 1993

Cynthia Toohey  
Division of Public Health  
350 Main Street, Room 517  
P O Box 110612  
Juneau, Ak 99811-0612

Dear Ms. Toohey:

I am writing to you to appeal to your sense of fiscal responsibility in a time of spiraling health care costs. A two hundred fifty percent increase in the x-ray head inspection fee would eventually be passed on to the public. Dental offices have, in the last few years, been subjected to many O.S.H.A. regulations that have already driven up the cost of quality care per patient visit. Raising the fee when other viable options could be enacted is not the most cost effective use of government funds. These options include; pre-prepared cards analyzed by the radiation Physicist in Juneau after exposure in the Dentist office; dental supply company Technicians doing the test; relocating the office from Juneau to Anchorage where a majority of the offices could be reached by road.

The Dental community has, as a profession, kept the cost of treatment consistant with the inflation rate over the last two decades unlike the medical field. Please research these alternatives and help keep the cost of Dentistry reasonable.

Thank you for your consideration.

Sincerely,

Dr. Guy M. Ingrim, D.M.D.

GMI/dp

Nile P. Erslund, D.D.S.  
Family Dentistry  
2525 Gambell Street, Suite 304  
Anchorage, Alaska 99503  
907/276-1621

SEP 13 1993

August 27, 1993

Cynthia Toohey, Co Chairman  
House Health and Social Services Committee  
Division of Public Health  
350 Main Street, Room 517  
P. O. Box 110612  
Juneau, AK 99811-0612

Dear Ms. Toohey,

I am writing in reference to the proposed increase in x-ray head fees.

I wholeheartedly agree with the Alaska Dental Society's opinion of this increase.

The negative feeling towards the tax stems from the lack of value received from the Radiological Health Office.

Most services can be obtained locally with good results at less cost.

Sincerely,



Nile P. Erslund, D.D.S.

NPE/pa

Sec. 44.27.043. Terms of office. The term of office of each member is three years. All vacancies are to be filled for the balance of the unexpired term in the same manner as original appointments. (E.C. No. 44, § 4 (1980); am § 32 ch 168 SLA 1990)

Effect of amendments. — The 1990 amendment, effective June 22, 1990, deleted a provision at the end of the first sentence pertaining to terms of member first appointed.

Effect of amendments. — The first 1991 amendment added subsection (d). The second 1991 amendment, effective July 3, 1991, repealed subsection (c). Effective date of 1991 amendment. — Under § 58, ch. 66, SLA 1991, the 1991

amendment to (d) of this section takes effect upon entry of a final order dismissing Weiss v. State of Alaska, 4FA-82-220 Civ. and the expiration of any time for appeal.

Chapter 29. Department of Health and Social Services.

Article

- 1. Organization (§§ 44.29.022, 44.29.024)
2. Advisory Board on Alcoholism and Drug Abuse (§§ 44.29.100 — 44.29.140)
3. Alcoholism and Drug Abuse Revolving Loan Fund (§§ 44.29.210 — 44.29.230)

Article 1. Organization.

Section

- 22. Fees for department services
24. Fees for services of contractors or grantees

\*Sec. 44.29.022. Fees for department services. (a) The commissioner of health and social services may establish by regulation a schedule of reasonable fees for services provided by the Department of Health and Social Services under AS 44.29.020(1) — (8), AS 47.10, AS 47.30.655 — 47.30.910, and AS 47.80.100 — 47.80.170. The fee established for a service may not exceed the actual cost of providing the service. The commissioner may define or establish the "actual cost of providing a service" by regulation. The Department of Health and Social Services shall charge and collect the fees established under this subsection. The department may waive collection of a fee upon a finding that collection is not economically feasible or in the public interest.

(b) The commissioner of health and social services may establish by regulation and the department may charge reasonable fees for department publications and research data to cover the cost of reproduction, printing, mailing, and distribution.

(c) [Repealed, § 28 ch 90 SLA 1991.]

(d) [See effective date note] A regulation that establishes a fee for services under AS 44.29.020(a)(7) that are part of the integrated comprehensive mental health program under AS 47.30 may be adopted under this section after consultation with the Alaska Mental Health Trust Authority. (§ 69 ch 138 SLA 1986; am § 16 ch 66 SLA 1991; am § 28 ch 90 SLA 1991)

Sec. 44.29.024. Fees for services of contractors or grantees:

(a) The commissioner of health and social services may establish by regulation a schedule of reasonable fees for services provided by contractor or grantee of the Department of Health and Social Service under AS 18 or AS 47. The fee established for a service may not exceed the actual cost of providing the service. The commissioner may define or establish the "actual cost of providing a service" by regulation.

(b) The Department of Health and Social Services may require the recipient of a grant or a contractor under a grant to charge the fee established under (a) of this section for services provided by the recipient or contractor and to use the fees collected for the program providing the services.

(c) [See effective date note] A regulation that establishes a schedule of reasonable fees for services provided by a contractor or grantee that are part of the integrated comprehensive mental health program established under AS 47.30 may be adopted under this section after consultation with the Alaska Mental Health Trust Authority. (§ 69 ch 138 SLA 1986; am § 17 ch 66 SLA 1991)

Effect of amendments. — The 1991 amendment added subsection (c). Effective date of 1991 amendment. — Under § 58, ch. 66, SLA 1991, the 1991 amendment to (c) of this section takes ef-

fect upon entry of a final order dismissing Weiss v. State of Alaska, 4FA-82-220 Civ. and the expiration of any time for appeal.

Article 2. Advisory Board on Alcoholism and Drug Abuse.

Section

- 100. Advisory board on alcoholism and drug abuse
110. Composition
115. Qualifications of board members
120. Term of office

Section

- 130. Compensation, per diem, and expenses
135. Officers and staff
140. Duties

Sec. 44.29.100. [See effective date note] Advisory board on alcoholism and drug abuse. There is established in the Department of Health and Social Services an advisory board on alcoholism and drug abuse. (§ 1 ch 198 SLA 1972; am E.O. No. 71, § 2 (1988); am § 18 ch 66 SLA 1991)

ALASKA STATUTES 44.29.022-4 "FEES FOR DEPARTMENT SERVICES"

NS

# STATE OF ALASKA

\*073 0330-1  
WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF HEALTH AND SOCIAL SERVICES

THEODORE A. MALA, COMMISSIONER

OFFICE OF THE COMMISSIONER

P.O. BOX 110601  
JUNEAU, ALASKA 99911-0601  
PHONE: (907) 463-3030

### MEMORANDUM

# RECEIVED

AUG 4 1993

**DATE:** August 4, 1993  
**TO:** Cheryl Frasca, Director  
Division of Budget Review  
Office of Management & Budget

**BUDGET REVIEW**

**FROM:** Theodore A. Mala, MD, MPH  
Commissioner  
Department of Health & Social Services



**SUBJECT:** FY93 Type 1 and 2 RP: Move General Funds, GF/Program Receipts and Interagency Receipts between various components of the State Health Services BRU and Move Authorization between Lines within the Components.  
RP 0630457

The Department of Health & Social Services requests permission to move General Funds and GF/Program Receipt and Interagency Receipt authority among the components of the State Health Services BRU and to move authorization between line items within the various components as shown on the attached worksheet.

Why are the funds available or needed the components/line items?

Nursing - <\$223.4> General Fund, \$41.0 GF/Program Receipts & \$5.0 Interagency Receipts

The Nursing Component has a total surplus funding available in the Personal Services Line 100, of <\$413.0>, as result of difficulty in recruiting and retaining experienced public health nurses, especially in the rural areas. The supply and demand for public health nurses has become such, that Alaska is no longer competitive in salaries making the hardships of living in the rural areas of Alaska less attractive. There is also <\$5.0> excess authorization in Travel Line 200 as the managers restricted travel in anticipation of increase in leasing costs. This component needs additional funding in Contractual Line 300, \$28.0, to offset the increase in new leases which were negotiated throughout the year using the nursing standards established for health centers; Supply Line, \$16.0, to offset the inflation factor that raised the cost of necessary supplies; and Equipment Line, \$196.6, for the replacement of obsolete computer equipment for the Resource Patient Management System which is not manufactured nor supported by the Alaska Area Native Health Service which had originally supplied the state with the equipment.

DR. MALA MEMO RE: TRANSFER OF FUNDS

Cheryl Frasca

-2-

The Nursing Component has excess General Funds, <\$223.4>. In the FY93 budget, the program receipt authority in the Nursing Component was reduced as a result of the transfer of the Home Health Services program. In developing the FY93 program receipt revenue projections for the Nursing Component was underestimated by \$17.0. In addition, the component received a grant from the Aetna Foundation as an enhancement to the federal Immunization Action Plan grant, requiring an additional \$24.0 in program receipts.

In addition, interagency receipts from the Division of Medical Assistance for Medicaid for the EPSDT program was also underestimated by \$5.0 requiring transfer of additional I/A authority for this component.

**Women, Infants and Children (WIC) - <\$115.0> General Funds**

In FY93, the WIC component maximized federal funds and program receipts, allowing <\$115.0> in General Funds to be utilized to offset revenue shortfalls in other components. This component has excess authorization <\$27.0> in the Personal Services Line 100 as a result of staff vacancies and PCN 06-1597 being re-classed from an Analyst/Programmer III to an Analyst/Programmer IV in FY93, which required less premium time funding. The component also has excess authority in the Supply Line 400, <\$88.0> as the component has sufficient federal and GF/PR receipts to purchase all needed food packets in FY93.

**Maternal, Child & Family Health (MCH) - \$86.0 General Funds and \$7.0 Interagency Receipts**

As a result of a personnel grievance arbitration arising from staff reductions in FY92, the MCH component is required to increase the Personal Services Line 100 by \$44.4 in GF and additionally raise the Line 100 by \$7.0 in interagency authority to fully claim reimbursement for services to Medicaid clients. This component also has an overexpenditure in Contractual Line 300 - \$19.2, Supply Line 400 - \$15.6, and Grants Line 700 - \$12.9 as a result of a revenue shortfall in GF/Program Receipts requiring a transfer of GF from other components in order to offset this shortfall.

This component has excess authorization in Equipment Line 500, as the anticipated replacement for equipment did not materialize.

**Laboratory Services (Labs) - \$324.5 General Funds, <\$196.7> GF/Program Receipts and <\$27.0> Interagency Receipts**

In FY93 the Section of Public Health Laboratories was budgeted to implement a fee-for-service system January 1, 1993, for all laboratory testing. These fees were to replace General Funds reduced to achieved the departmental target ceiling. In addition, it was also to receive fees from Medicaid interagency receipts for

Cheryl Frasca

-3-

services and to implement blood lead testing in Early Periodic Screening, Diagnostic, and Treatment program for Medicaid eligible children. As a result of a series of programmatic delays, both the Blood Lead Testing and fee-for-service was not implemented in FY93. A net effect is the Labs component has a severe revenue shortfall in GF/Program Receipts of <\$196.7> and <\$27.0> in interagency receipts.

The component was budgeted at maximum V&T for FY93 with limited turnover in personnel. This resulted in a \$105.0 shortfall in Personal Services Line 100. Extra travel costs of \$7.5 were incurred as a result of evaluating various states billing systems to find the most suitable computer system for implementing the fee-for-service system and of successfully attempting to secure funding for the Agency for Toxic Substances Disease and Registry Cooperative Consultation Grant. The section also incurred increased space cost of \$18.0 in the Contractual Line 300 for the Radiological Health Unit and from the Municipality of Anchorage implementing more rigid regulations for the disposal of medical waste. In anticipation of the overexpenditure in Lines 100 through 300, the Section of Laboratories implemented ultra conservative measures in use of Supplies Line 400. By implementing these measures, the section was able to save <\$29.7> for movement into those lines.

#### Public Health Administrative Services - \$143.5 General Funds

Except for one professional level staff member leaving the director's office in June, 1993, the only turnover experienced by this component was in two clerical positions, the divisional secretary and the Clerk-Typist III for the Primary Care Unit. The component needs an additional \$50.0 GF in Personal Services Line 100 authorization in order to meet payroll. An additional \$65.0 GF is needed in Contractual Line 300 for departmental contract services for a Health Reform Lobbyist in Washington, D.C. and for a contract for divisional service and organizational review.

Replacement of software and hardware resulted in an overexpenditure of Supply Line 400, \$10.0 GF, and Equipment Line 500, \$1.3 GF.

The department is cosponsoring a Public Health Policy Conference to formalize the state's Public Health Policy and has awarded a grant, Line 700, in the amount of \$25.0 GF to review public health services in Alaska.

By taking advantage of reduced rates, the component was able to contain its travel costs, making <\$7.8> available for transfer to other lines.

Epidemiology - \$64.0 General Funds, <\$10.0> GF/Program Receipts & <\$125.0> Interagency Receipts

Cheryl Frasca

-4-

The Epidemiology component was budgeted for three RSA's: Division of Medical Assistance for Medicaid Refinancing, \$165.2; Department of Education for AIDS educational material, \$25.0; and Department of Corrections for X-ray services, \$25.0. The RSA's for DOE and DOC never materialized as DOE decided to purchase their material directly and the X-ray technician was eliminated. The component will be able to earn less than half of the interagency receipts for Medicaid refinancing. The component is not able to receive all of its budgeted program receipts due to the small number of autopsies which met the criteria for remaining the aorta for a study in Atherosclerosis during this fiscal year.

An additional \$2.0 is needed in Personal Services Line 100 to offset the costs associated with the implementation of the new Health Specialist series, \$0.4 in Travel Line 200 due to the outbreak of Hepatitis A in the rural areas, \$13.0 in the Contractual Line 300 for the purchasing of X-ray services as the X-ray Technician was not on staff for the year and \$11.0 in the Equipment Line 500 for the implementation during FY93 of a Local Area Network system in the Frontier Building.

Epidemiology has extra authorization in Supply Line 400, <\$97.4> due to the receipt of additional federal direct assistance for immunization.

**EMS Training & Licensing - \$3.3 General Funds & \$16.0 GF/Program Receipts**

EMS Training & Licensing is requesting \$22.0 in Personal Services Line 100 due to the limited turnover in personnel; \$4.0 in Travel Line 200 for grant site overview; and \$6.3 in Supply Line 400 and \$10.0 in Equipment Line 500 for the purchase of computers and related software to support the trauma registry. The laptop computers and related software will allow data entry into the trauma register from the field.

The component has extra authorization in Contractual Line 300, <\$23.0>, as activities which had previously been identified as contractual were executed through a Grant to a Region.

For the past two fiscal years, EMS Training & Licensing has generated additional program receipts, \$16.0, without raising the fees for certification.

**Bureau of Vital Statistics - \$149.7 GF/Program Receipts & <\$55.5> Interagency Receipts**

The Bureau of Vital Statistics, historically, has generated and used more program receipts than budgeted. In FY94 this deficit has been adjusted to reflect this generation. The increase in the additional program receipts, \$149.7, has been generated by the

Cheryl Frasca

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increase in research and vital records information for individuals and corporations. To aid in this research, the component has needed to increase the Contractual Line 300, \$94.2, to contract for software development for the Electronic Birth Certificate system. Because of the revenue shortfalls in other components within this BRU, the department would like to utilize all the GF/program receipts in order to be able to transfer General Funds between components in order to meet these deficits.

In FY93, BVS provided less than budgeted medicaid research and analysis services. This resulted in a revenue shortfall of <\$55.5> of interagency receipts. This shortfall will be offset by the increase of earned program receipts.

#### Health Services/Medicaid - \$195.5 Interagency Receipts

Health Services/Medicaid contracted with the Municipality of Anchorage for a Healthy Child and Healthy Baby project under the Medicaid program requiring additional authorization in the Contractual Line 300 of \$280.0. The authorization for the BRU is within the authority of the RSA, #0630203, with the Division of Medical Assistance. This transfer will correct the authorization to accurately reflect the use of these funds. This component has excess authorization in: Personal Services Line 100, <\$35.0>, as the V&T was minimum and the actuals exceeded the projected V&T; Travel Line 200, <\$14.0>, by taking advantage of reduced rates for staff travel; and Supply Line 400, <\$21.0>, and Equipment Line, <\$14.5>, as the need for replacement for supplies and equipment were less than anticipated for the year.

#### Post Mortem Examinations - \$40.4 General Funds

The Post Mortem Examination program's appropriated budget for FY93 was \$696.0 with a supplemental request of \$200.0. The department is requesting that an additional \$0.4 be transferred into this component's Travel Line 200 and \$40.0 into Contractual Line 300. The funding is needed in the travel line to offset expenditures used to plan for the implementation of a State Medical Examiner system which becomes effective September 1, 1993. The additional \$40.0 is needed in the contractual line as the number of autopsies escalated in FY93. For the past several years, the number of autopsies has hovered around 800 per year. As of July 28, 1993, the number of autopsies has increased to 827. It is estimated that the component will need an additional \$40.0 to pay for any outstanding bills for FY93.

#### Home Health Services - <\$323.3> General Funds

The Home Health Services has <\$323.3> in General Funds available for transfer to offset the revenue shortfalls in other components due to: delays in hiring of personnel in the Personal Services Line

Cheryl Frasca

-6-

100, <\$45.0>; delays in implementing contracts from non-responsiveness of contractors in the Contractual Line 300, <\$263.3>; and fewer trips to oversee the contracts in the Travel Line 200, <\$15.0>, which is the direct result of the delay in implementing the contracts.

Impact of not authorizing this transaction.

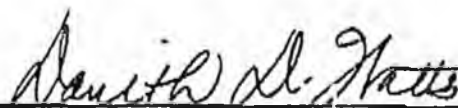
I respectfully request your assistance in expediting this Revised Program Request realizing that the request is late. It was necessary to perform time studies in three components as a requirement for Medicaid Refinancing which was initiated in FY93. The results of the time studies were not available for final reconciliation until June 30, 1993.

With the time study results now available, the department will be able to adjust for the differences early in FY94 by Revised Program and in FY95 during the budget process. If this request is not granted the department will be unable to balance and meet its FY93 obligations.

Thank you for your assistance.

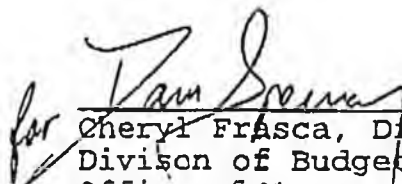
(7)

Revised Program No. 0630457  
 Date August 4, 1993  
 Page No. 7



Danith Watts  
 Danith Watts  
 Budget Analyst  
 Division of Budget Review  
 Office of Management and Budget

Approved this 4 day of August, 1993.



Cheryl Frasca  
 Cheryl Frasca, Director  
 Division of Budget Review  
 Office of Management and Budget

P.O. BOX 1730  
112 BINKLEY STREET  
SOLDOTNA, ALASKA 99669  
TELEPHONE (907) 262-9425

M. JUSTIN MOORE, D.M.D., M.S.

ORTHODONTIST

SEP 23 1993

Dear Cynthia Torrey

I am strongly opposed to a proposed 250% increase  
in any increase in regulatory over x ray take heads. This is  
exactly the kind of government bureaucratic waste that is  
causing our fees to increase. I see no need for this action  
whether the dental profession or the public is served by this  
increase - kept at \$20 per take or less.

Sincerely

Justin Moore DMD MS

T. S. REDMOND, D.D.S.

September 09, 1993

SEP 23 1993

Con Bunde  
Cynthia Toohey:Co-Chairperson  
House Health & Social Services Committee  
Division of Public Health  
350 Main Street Rm. #517  
P.O. Box 110612  
Juneau, Alaska 99811-0612

Dear Ms. Toohey:

I'm writing in regards to the proposed fee increase for state monitoring of ionized sources (X-ray Heads).

I'm strongly against this increase as it appears primarily designed to subsidize the costs of an inspector to travel state-wide to perform inspections-this in light of the fact that the most x-ray units are in South Central, Western and Northern Alaska.

An increase from \$20.00 to \$50.00 per "head" is a 250% increase! This does not conform in any way to current trends and pressure for cost containment.

There exist much more convenient and less costly options to perform this regulatory monitoring such as:prepared cards/mailers. If a problem is detected, adjustments/repairs can be easily and more cost effectively made by dental equipment technicians-who are qualified. Proof of compliance can be verified just as proof of continuing education is performed by Division of Occupational Licensing.

Sincerely,



T. S. Redmond, D.D.S.

cc:Martha Reinbold  
Exec. Director Ak.Dental Society  
3400 Spenard Road, Suite 10  
anchorage, Alaska 99503  
3606 RHONE CIRCLE ANCHORAGE, ALASKA 99504 TELEPHONE 562-2408

TSR:pm



*Michale L. Boothe, D.D.S.*

OCT 01 1993

Cynthia Toohey  
Co-Chair HSS  
Division of Public Health  
POBox 110612  
Juneau, AK 99811-0612

Sept. 17, 1993

re: Dental X-Ray  
Tax Increase

The fee increase from \$20 to \$50 per dental X-Ray head is simply not justified. If you look at the State's proposal carefully you will see that the entire cost is allocated to TRAVEL. If the State's inspector was employed in Anchorage, the entire justification for the fee increase evaporates. The railbelt allows road access to the vast majority of the practitioners.

Cost containment is a big part of the coming "health care reform". This fee increase is not cost containment. IF a technician can be justified, THEN this person can be based WHERE THE PEOPLE ARE.

In the past, radiological surveys were conducted by mailing in a card that was exposed by the practitioner themself. Our office also monitors radiation exposure through individual dosimeters. This protects the patients and staff from excess exposure and it protects me lagally.

In summary, this fee increase is a "make work" justification by the State Radiation office. It is not needed.

*Handwritten notes and date: 10-5-93*

# HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE


ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES



STATE CAPITOL, JUNEAU 99801  
(907) 465-3759

## MEMORANDUM.

TO: Members, House Health, Education & Social  
Services Committee

FROM: Representative Toohey 

RE: additional written testimony

DATE: September 30, 1993

Attached are photocopies of two more letters I have received regarding the proposed Division of Public Health radiological inspection fees. The originals have been added to the permanent library file. I will send you copies of any additional comments I receive.

The roster of Committee Members present on the first page of the draft minutes you were sent is inaccurate. The correct list of members present has been substituted, and a copy of the first page of the minutes is attached. Please replace the uncorrected version which lists all members as present.

Please call my office at 258-8195 with any further revisions to the minutes, or if you have any additional concerns about the fee-increasing regulations.

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE  
WORK SESSION  
August 31, 1993  
9.00 am

**DRAFT**

MEMBERS PRESENT

Rep. Cynthia Toohey, Co-Chair  
Rep. Pete Kott  
Rep. Bettye Davis  
Rep. Irene Nicholia (teleconf.)  
Rep. Tom Brice (teleconf.)

MEMBERS ABSENT

Rep. Con Bunde, Co-chairman  
Rep. Gary Davis, Vice-chairman  
Rep. Al Vezey  
Rep. Harley Olberg

OTHER LEGISLATORS PRESENT

Sen. Johnny Ellis  
Sen. Dave Donley  
Sen. Suzanne Little (teleconf.)  
Rep. Joe Sitton (teleconf.)  
Rep. Jim Nordlund

COMMITTEE CALENDAR

\*Work Session: Proposed Regulations on State Lab Fees

(\* First public hearing.)

WITNESS REGISTER

DR. PETER NAKAMURA, Director  
Division of Public Health  
Department of Health & Social Services  
P.O. Box 110610  
Juneau, AK 99811-0610  
907 465 3090  
Position statement: explained and defended fees

DR. KATHERINE KELLEY, Chief  
Section of Laboratories  
Division of Public Health  
Department of Health & Social Services  
3256 Hospital Drive  
Juneau, AK 99801  
907 586 3586

**DRAFT**

# DRAFT

Position statement: presented detailed history of how regulations were adopted, what sort of comments were received, how fees work

REP. JOE SITTON  
Alaska State Legislature  
Dimond Courthouse, Room 609  
Juneau, AK 99801  
907 465 2327

Position statement: questioned fees and their public health impact

CHARLES F. TEDFORD, Radiological Physicist  
Division of Public Health  
Department of Health & Social Services  
320 West Willoughby Street, Suite 101  
Juneau, AK 99811  
907 465 3019

Position statement: explained tube fees, defended inspection system

MARGARET ERICKSON  
Seward General Hospital  
P.O. Box 265  
Seward, AK 99664  
907 224 3845

Position statement: expressed concern with tube fees, advocated moving radiological inspector's office to Anchorage

TONI LEE, Lab Supervisor  
Family Medical Center  
HC 60, Box 3140  
Delta Junction, AK 99737  
907 895 5100

Position statement: expressed concern with lab fees, their effect on patient participation in public health process

SHELIA NORDALE  
Central Peninsula General Hospital  
P.O. Box 866  
Soldotna, AK 99669  
907 262 4404

Position statement: concerned about effect of fees on hospital operations and collection of public health data

JOAN BENNET SCHRADER  
Coalition of Labor Women  
Mount Redoubt Chapter  
P.O. Box 1587  
Kenai, AK 99611

# DRAFT

T. S. REDMOND, D.D.S.

September 09, 1993

SEP 23 1993

Con Bunde  
Cynthia Toohey:Co-Chairperson  
House Health & Social Services Committee  
Division of Public Health  
350 Main Street Rm. #517  
P.O. Box 110612  
Juneau, Alaska 99811-0612

Dear Ms. Toohey:

I'm writing in regards to the proposed fee increase for state monitoring of ionized sources (X-ray Heads).

I'm strongly against this increase as it appears primarily designed to subsidize the costs of an inspector to travel state-wide to perform inspections-this in light of the fact that the most x-ray units are in South Central, Western and Northern Alaska.

An increase from \$20.00 to \$50.00 per "head" is a 250% increase! This does not conform in any way to current trends and pressure for cost containment.

There exist much more convenient and less costly options to perform this regulatory monitoring such as:prepared cards/mailers. If a problem is detected, adjustments/repairs can be easily and more cost effectively made by dental equipment technicians-who are qualified. Proof of compliance can be verified just as proof of continuing education is performed by Division of Occupational Licensing.

Sincerely,



T. S. Redmond, D.D.S.

cc:Martha Reinbold  
Exec. Director Ak.Dental Society  
3400 Spenard Road, Suite 10  
anchorage, Alaska 99503  
3606 RHONE CIRCLE ANCHORAGE, ALASKA 99504 TELEPHONE 562-2408

TSR:pm

M. JUSTIN MOORE, D.M.D., M.S.

ORTHODONTIST

P.O. BOX 1730  
112 BINKLEY STREET  
SOLDOTNA, ALASKA 99669  
TELEPHONE (907) 262-9425

SEP 23 1993

Dear Cynthia Tooley

I am strongly opposed to the proposed 250% increase  
or any increase in registering our x ray take heads. This is  
exactly the kind of government bureaucratic waste that is  
causing our fees to increase. I see no need for this action.  
Neither the dental profession or the public is served by the  
increase - Keep it at \$20 per take or less.

Sincerely

Justin Moore D.M.D., M.S.