

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10761 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

1 and may include documentation supporting the objection. AS 44.62 (Administrative
2 Procedure Act) does not apply to the appeal.

3 * **Sec. 8.** AS 47.31.035 is amended by adding a new subsection to read:

4 (d) A denial or reduction of assistance under this chapter due to insufficient
5 appropriations for financial assistance under this chapter may not be appealed under
6 this section.

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

9 **APPLICABILITY.** The provisions of this Act do not apply to applications for
10 assistance under AS 47.31 for admissions occurring on or before the effective date of secs. 1 -
11 8 of this Act.

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

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

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

19 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2004.

Changes between HB 535 Version A and CS for HB 535(HES) Version D

1. Section 7, Page 4, Lines 23-28 on HB 535 Version A was deleted on the CS.
2. On the CS – there were two lines added on Page 2, Lines 28-29:
 - (2) assist affected facilities in transferring patients to another available facility as necessary and as the patient's condition permits.

23-GH2080\D
Mischel
4/22/04

CS FOR HOUSE BILL NO. 535(HES)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to liability for expenses of placement in certain mental health facilities;**
2 **relating to the mental health treatment assistance program; and providing for an**
3 **effective date."**

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

5 *** Section 1.** AS 47.30.910(a) is amended to read:

6 (a) A patient, the patient's spouse, or the patient's parent if the patient is under
7 18 years of age shall pay the charges for the care, transportation, and treatment of the
8 patient when the patient is hospitalized under AS 47.30.670 - 47.30.915 at a state-
9 operated facility, an evaluation facility, or a designated treatment facility providing
10 services under AS 47.30.670 - 47.30.915. The patient, the patient's spouse, or the
11 patient's parent if the patient is under 18 years of age shall make arrangements with a
12 state-operated facility, an evaluation facility, or a designated treatment facility for
13 payment of charges, including providing income information necessary to determine
14 eligibility for benefits under AS 47.31. Charges assessed for services provided under

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AS 47.30.670 - 47.30.915 when a patient is hospitalized at a state-operated facility may not exceed the actual cost of care and treatment. The department may, when assessing charges for services provided at a state-operated facility, consider the ability to pay of a patient, a patient's spouse, or a patient's parent if the patient is under 18 years of age. In order to impose liability for a patient's cost of care at a state-operated facility, the department shall issue an order for payment within six months after the date on which the charge was incurred. The order remains in effect unless modified by subsequent court order or department order. The department may not impose liability for a patient's cost of care at a state-operated facility if the patient would be eligible for financial assistance under [OTHERWISE MEET THE ELIGIBILITY CRITERIA, OTHER THAN LOCATION OF SERVICE, IN] AS 47.31.010 if the care were provided by an evaluation facility or a designated treatment facility.

* Sec. 2. AS 47.31 is amended by adding a new section to read:

Sec. 47.31.007. Limitation on financial assistance and appeals due to lack of appropriations; notification. (a) Notwithstanding any contrary provision of this chapter, financial assistance under this chapter is subject to appropriation by the legislature. Nothing in this chapter creates an entitlement to financial assistance under this chapter. Notwithstanding any contrary provision of this chapter, a denial of financial assistance under this chapter due to lack of appropriations is not appealable under AS 47.31.035.

(b) If the department projects, based on registrations, that the need for financial assistance under this chapter will exceed the amount of appropriations made for financial assistance under this chapter, the department shall

(1) post notification of the projection on the department's Internet website and provide electronic notice to evaluation facilities and designated treatment facilities that have previously served patients who received assistance under this chapter; and

(2) assist affected facilities in transferring patients to another available facility as necessary and as the patient's condition permits.

* Sec. 3. AS 47.31.010 is amended to read:

Sec. 47.31.010. Eligibility for assistance. (a) The department shall provide

New

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1 financial assistance under this chapter to a patient who

2 (1) does not have the available means to pay or substantially contribute
3 to the payment of charges assessed by a facility;

4 (2) has no insurance or other third-party resources, including
5 Medicaid or Medicare, [THIRD PARTY] to pay for the evaluation or treatment
6 provided under AS 47.30; [AND]

7 (3) has been registered under AS 47.37.012; and

8 (4) meets the criteria in this chapter.

9 (b) To be eligible for assistance under this chapter, a patient must have

10 (1) been admitted for inpatient evaluation or treatment at an evaluation
11 facility or a designated treatment facility other than a state-operated hospital after
12 either

13 (A) an involuntary commitment under AS 47.30.700 -
14 47.30.915; or

15 (B) a voluntary admission chosen by the patient after a
16 determination by the patient's treating physician that the patient meets the
17 involuntary commitment criteria in AS 47.30.700 - 47.30.915 and that
18 involuntary commitment proceedings would be initiated if the patient did not
19 choose to be admitted voluntarily; [AND]

20 (2) a gross monthly household income that does not exceed 185
21 percent of the federal poverty guideline for this state for the calendar month in which
22 service was provided;

23 (3) no insurance or other third-party resources, including
24 Medicaid or Medicare, to pay for the cost of evaluation or treatment;

25 (4) been timely registered under AS 47.31.012; and

26 (5) not become eligible for discharge under AS 47.30.780 during
27 the period for which financial assistance is requested.

28 * Sec. 4. AS 47.31 is amended by adding a new section to read:

29 **Sec. 47.31.012. Registration of eligibility for assistance.** (a)
30 Notwithstanding any contrary provision of this chapter, the department may not
31 provide financial assistance under this chapter unless the patient has been registered

1 under this chapter. The registration must be received by the department within 24
2 hours after the patient's admission to the facility. The registration may be made by
3 telephone call, electronic message, or other means approved by the department. In
4 order to register, information specified by the department by regulation must be
5 supplied to demonstrate the patient's eligibility for assistance.

6 (b) Registration under (a) of this section must be made for each admission.

7 (c) Following registration for each admission, a complete application for
8 assistance must be submitted in accordance with AS 47.31.015 and evaluated by the
9 department for eligibility under this chapter.

10 * Sec. 5. AS 47.31.015(a) is amended to read:

11 (a) To receive assistance under this chapter, a patient or a patient's legal
12 representative must apply in writing on a form provided by the department. A patient
13 must apply for assistance within 90 [180] days after the date of admission to
14 [DISCHARGE FROM] the facility.

15 * Sec. 6. AS 47.31.015(b) is amended to read:

16 (b) A patient is considered to have applied for assistance under (a) of this
17 section if the evaluation facility or designated treatment facility notifies the
18 department on a form provided by the department that there is good cause to believe
19 that the patient would be eligible for assistance under this chapter and

20 (1) the patient, the patient's spouse, or the patient's parent if the patient
21 is under 18 years of age failed, within 60 [150] days after the date of admission to
22 [DISCHARGE FROM] the facility, to make arrangements to pay the evaluation
23 facility or designated treatment facility; or

24 (2) the patient lacks the mental capacity to apply for benefits under this
25 chapter.

26 * Sec. 7. AS 47.31.035(a) is amended read:

27 (a) Except as provided in (d) of this section, a [A] patient or the patient's
28 legal representative may appeal a denial of assistance by sending written notice of
29 objection to the department within 30 days after the date of the notice of denial. The
30 written notice of objection must include an explanation of the reasons for the objection
31 and may include documentation supporting the objection. AS 44.62 (Administrative

1 Procedure Act) does not apply to the appeal.

2 * Sec. 8. AS 47.31.035 is amended by adding a new subsection to read:

3 (d) A denial or reduction of assistance under this chapter due to insufficient
4 appropriations for financial assistance under this chapter may not be appealed under
5 this section.

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15 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
16 effective date of the respective statutory change.

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

18 * Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2004.

**SENATE HEALTH, EDUCATION AND SOCIAL
SERVICES COMMITTEE (HES)**

**LETTER OF INTENT
TO SB 364**

It is the intent of the legislature that the Department of Health and Social Services continue to develop and support a continuum of mental health care that includes community-based outpatient and supportive services, community hospital-based inpatient evaluation and treatment services, and tertiary mental health care through the Alaska Psychiatric Institute. In developing this system the Department of Health and Social Services shall be guided by the principles that mental health services should be clinically appropriate, cost effective, offered in the least restrictive setting available, and provided as close to the client's home as possible.

It is further the intent of the legislature that in the event of a shortfall in appropriations for mental health evaluation and treatment at community hospitals to stabilize persons experiencing a psychiatric emergency or crisis, and who meet the criteria for involuntary commitment under AS 47.30.700 - 47.30.915, the Department of Health and Social Services shall make every effort to identify additional financing sources or reallocate appropriations available for the purpose from lesser priorities to continue these important services for the remainder of the fiscal year.

Part of language in operating budget

23G-2
3/31/2004
(9:37 AM)

AMENDMENT

OFFERED IN THE HOUSE HEALTH,

BY _____

EDUCATION AND SOCIAL SERVICES COMMITTEE

TO: HB 535

1 Page 2, line 28:

2 Delete "may [SHALL]"

3 Insert "shall"

4

5 Page 4, lines 23 - 28:

6 Delete all material

7

8 Renumber the following bill sections accordingly.

9

10 Page 5, line 12 - 13:

11 Delete "secs. 1 - 9"

12 Insert "secs. 1 - 8"

13

14 Page 5, line 20:

15 Delete "Section 11 of this Act"

16 Insert "Section 10 of this Act"

17

18 Page 5, line 21:

19 Delete "sec. 12 of this Act"

20 Insert "sec. 11 of this Act"

23G-2
3/31/2004
(9:38 AM)

AMENDMENT

OFFERED IN THE SENATE HEALTH,
EDUCATION AND SOCIAL SERVICES COMMITTEE
TO: SB 364

BY _____

- 1 Page 2, line 28:
- 2 Delete "~~may~~ [SHALL]"
- 3 Insert "shall"
- 4
- 5 Page 4, lines 23 - 28:
- 6 Delete all material
- 7
- 8 Renumber the following bill sections accordingly.
- 9
- 10 Page 5, line 12 - 13:
- 11 Delete "secs. 1 - 9"
- 12 Insert "secs. 1 - 8"
- 13
- 14 Page 5, line 20:
- 15 Delete "Section 11 of this Act"
- 16 Insert "Section 10 of this Act"
- 17
- 18 Page 5, line 21:
- 19 Delete "sec. 12 of this Act"
- 20 Insert "sec. 11 of this Act"

House HESS Questions 3/25/04 HB 535
Draft 3/31/04

- 1) If a person has been sent to a DET facility on a court order, would the DBH have any authority to question or overthrow the court order.

Attn Gen – the DBH would be obligated to follow that order

However, the treating physician can discharge a person who does not meet admission criteria.

- 2) How many youth are treated in DET facilities?

Seven (under 3%) admissions occurred in FY 03 out of a total 244 admissions; one youth entered the hospital twice. None exceeded the evaluation phase of up to 7 days.

- 3) What is the explanation for the increased length of stay at Bartlett?

See attached list of reasons for extended stays as explained by Bartlett justified by clinical reasons in the best interests of the patient

- 4) Why is cost of care at Mt. Edgecumbe so high compared to Bethel for example?

All IHS hospitals have a nationally determined rate that is the same for all hospitals

General answer is full cost studies are conducted every four years which include facility depreciation and are used to collect Medicaid funds.

- 5) What would happen if API were full?

- See # 3 – We can ask a DET facility to keep someone longer
- API is being more assertively managed to avoid being full – Current CEO has not turned anyone away

- 6) Could we send anyone to a correctional facility if API is full?

Attn Gen. -- DHSS will pay for another placement – we will not send to correctional facility (notwithstanding hold in jail while transportation being arranged for combative patients – leads to discussions about developing more assertive local DET and other medication options including Dr. to Dr. discussions with local physicians and API physicians.

- 7) Why are there different poverty levels eligibility definitions -- example between DET and Denali Kid Care.

There are at least 9 categorical programs using poverty definitions ranging from 100 – 250% of federal poverty guidelines. Each was developed at different times, under different climates and different administrations.

See attached data summary sheet.

- 8) What is the comparable API Daily Medicaid Rate?

I was in error reporting the daily cost at API as \$669. That rate did not include depreciated facility costs. The Medicaid Rate was calculated at \$757.46/day calculated with the same standardized procedure used to calculate the other Medicaid rates used for other hospitals.

A rate for the new facility has not been calculated.

- 9) Are the Medicaid Rates cost shifting from higher Medical Costs such as surgery?

(Note: DHSS efforts to restructure psychiatric hospital rate.)

- 10) How will be using First Health and MD to monitor program?

See Summary of Proposed DET Monitoring Process

- 11) How have other states managed DET like programs in terms of an entitlement vs. limitations of budget.

Dan Branch, Att. Gen. Office has been asked to attend on 4/2/04

Length of Stay Extensions at Bartlett FY 03

- Difficulty in stabilizing on medications; developed many side effects to medications
- Placement, working w/ courts to get guardianship
- Difficulty in stabilizing medications, many reactions
- Placement, unable to release safely by self, not appropriate for API
- MD felt API placement inappropriate, better to stay within the southeast community
- Stabilizing on medications
- Difficulty in stabilizing on medications related to reactions/EPS
- Was off medication completely, restarted and stabilized
- Stabilizing on medications
- Co-occurring ETOH abuse, needing extra time
- Newly diagnosed, stabilizing on medication

Hospital CEO notes that most delays occurred with patients sent from across the region where resources tend to be less than in Juneau. Sixty-four percent of the delays were related to medication issues. More assertive discharge planning may be able to facilitate earlier discharges. Discharge planning should begin on Day of Admission by hospital staff and local programs. More active management by DBH/AFI/First Health may facilitate more timely discharges.

2004 Monthly Federal Poverty Guidelines for Alaska
Effective 4/1/2004

HOUSEHOLD SIZE	QMB Working Disabled (premium level)	SLMB Base	SLMB Plus	Denali KidCare (limit for insured children)	Denali KidCare (limit for uninsured children) and Pregnant Women	Transitional Medicaid (DET)	QDWI	Working Disabled (Transition Back to Work)
	100%	120%	135%	150%		185%	200%	250%
1	\$970	\$1,163	\$1,309	\$1,454	\$1,635	\$1,793	\$1,939	\$2,423
2	\$1,301	\$1,561	\$1,757	\$1,952	\$2,208	\$2,407	\$2,602	\$3,253
3	\$1,633			\$2,449	\$2,782	\$3,021	\$3,265	\$4,082
4	\$1,965			\$2,947	\$3,355	\$3,634	\$3,929	\$4,911
5	\$2,296			\$3,444	\$3,928	\$4,248	\$4,592	\$5,740
6	\$2,628			\$3,942	\$4,501	\$4,861	\$5,255	\$6,569
7	\$2,960			\$4,439	\$5,074	\$5,475	\$5,919	\$7,398
8	\$3,291			\$4,937	\$5,647	\$6,089	\$6,582	\$8,228
Ea Addl	\$332			\$498	\$574	\$614	\$664	\$830

QMB – Qualified Medicare Beneficiary

SLMB Base – Special Low Income Medicare Beneficiary

SLMB Plus – Special Low Income Medicare Beneficiary with Special Circumstances

QDWI – Qualified Disabled and Working Individuals

Proposed DET Monitoring Process 4/5/04 draft

DET Admission & Review Process	Existing Practice	Administered by DBH/API/1 st Health
<p>I. <u>Registration:</u> Provides ability to identify level of utilization for program management. Type of Information obtained:</p> <ul style="list-style-type: none"> • Basic demographics • Program Criteria: <ul style="list-style-type: none"> • Mental status • Level of acuity (dangerousness) <p>(Note: Discharge Planning is to begin at Day 1)</p>	<p>I. <u>Registration:</u> 1. The treating physician certifies on admission that the patient meets involuntary commitment criteria. Reference AS 47.30.700-47.30.915</p> <p>Note: registration does not involve authorizing admission.</p>	<p>I. <u>Registration:</u> All registration would be sent to DBH/API</p> <p>(Note: it is possible to have online data entry into AKAIMS from the provider or API)</p>
<p>II. <u>Eight Day Review:</u></p> <p>It is assumed that the "evaluation" period is up to three days, and can be extended to 7 days. The "treatment" period is implemented from this point forward.</p> <p>Note: Updating the means for documentation to more clearly articulate that criteria for continued stay is evident.</p> <p>(NOTE: Discharge planning should be updated)</p>	<p>II. <u>Eight Day Review:</u> 1. The treating physician makes a daily notation in each patient's care chart regarding whether the patient continues to meet the involuntary commitment criteria, and recertifies every 7 days, whether the patient continues to meet criteria.* (Reference the <u>Mental Health Treatment Assistance Eligibility Manual</u>, p.3)</p> <p>2. "The division will reimburse a designated evaluation facility for no more than 7 days for evaluation and crisis stabilization or for transition to community-based services if the division determines the amount of time is clinically appropriate" Reference the <u>Mental Health Treatment Assistance Eligibility Manual</u>, p.6) Reference 7 AAC 75.520(b) and (c).</p>	<p>II. <u>Eight Day Review: (est. # 60-70)</u> DBH/API staff would conduct the 8 day review.</p> <p>1. Does the evaluation period exceed 7 days?</p> <ul style="list-style-type: none"> • No....No review is conducted • Yes... Medical necessity of extension is reviewed: Criteria met? <ul style="list-style-type: none"> • Yes...extension is approved. • No...provider contacted for more information. Criteria met? <ul style="list-style-type: none"> • Yes...extension is approved. • No...DBH medical director consults with provider. Criteria met? <ul style="list-style-type: none"> • Yes...extension approved • No... payment denied
<p>III. <u>Retrospective Review</u></p> <p>This review would occur within 90 days of admission, after discharge.</p> <ul style="list-style-type: none"> • Same as time limit for bill submission • Note: this would involve, on average, 275 clients annually. 	<p>III. <u>Retrospective Review</u> 1. The division will reimburse a designated treatment facility for no more than 40 days for evaluation, treatment, and crisis stabilization or for transition to community-based services if the division determines the amount of time is clinically appropriate</p> <p>Reference the <u>Mental Health Treatment Assistance Eligibility Manual</u>, p.7) Reference 7 AAC 75.520(b) and (c).</p>	<p>III. <u>Retrospective Review</u> API staff would conduct review. Sources used: the client file Process:</p> <ol style="list-style-type: none"> 1. Paperwork is filed in a timely manner 2. Admission criteria is met? 3. File contains medical necessity that matches length of stay with client need? 4. File contains discharge planning that includes referral linkage to community based programs?

Summary of DES/T for FY00 to FY03 Hospitals Only

		Clients Served in Fiscal Year				
Region	Facility	FY00	FY01	FY02	FY03	
ARO	Providence Hospital	2	0	0	0	
ARO	North Star Hospital	0	0	2	0	
NRO	Fairbanks Memorial Hospital	127	185	207	178	
NRO	YKHC	6	6	2	0	
SCRO	Providence Kodiak Island Medical	12	9	0	1	
SCRO	Valdez Community Hospital	0	0	2	0	
SERO	Bartlett Memorial Hospital	44	68	65	57	
SERO	Ketchikan General Hospital	33	21	0	0	
SERO	Mt Edgecombe Hospital	2	1	8	8	
SERO	Petersburg General	0	1	0	0	
	Statewide	226	291	286	244	
		Days of Evaluation and Treatment Services in Fiscal Year				
Region	Facility	FY00	FY01	FY02	FY03	
ARO	Providence Hospital	6	0	0	0	
ARO	North Star Hospital	0	0	6	0	
NRO	Fairbanks Memorial Hospital	874	791	892	991	
NRO	YKHC	8	12	2	0	
SCRO	Providence Kodiak Island Medical	22	24	0	4	
SCRO	Valdez Community Hospital	0	0	6	0	
SERO	Bartlett Memorial Hospital	235	460	430	670	
SERO	Ketchikan General Hospital	59	33	0	0	
SERO	Mt Edgecombe Hospital	2	2	28	21	
SERO	Petersburg General	0	1	0	0	
	Statewide	1266	1323	1364	1686	
		Average Length of Stay in Fiscal Year				
Region	Facility	FY00	FY01	FY02	FY03	
ARO	Providence Hospital	3	0	0	0	
ARO	North Star Hospital	0	0	3	0	
NRO	Fairbanks Memorial Hospital	6.9	4.3	4.33	5.6	
NRO	YKHC	1.3	2	1	0	
SCRO	Providence Kodiak Island Medical	1.8	2.7	0	4	
SCRO	Valdez Community Hospital	0	0	3	0	
SERO	Bartlett Memorial Hospital	5.3	6.8	6.6	11.8	
SERO	Ketchikan General Hospital	1.8	1.6	0	0	
SERO	Mt Edgecombe Hospital	1	2	3.5	2.6	
SERO	Petersburg General	0	1	0	0	
	Statewide	3	2.9	3.6	6	
		Cost of Increase 01 to 03				Estimated
	Statewide		FY01	FY02	FY03	Cost Increases
	Average Daily Medicaid Rate		1178	1449	1493	
	Percentage of Increase in Rate					27% \$534,090
	Total Bed Days		1323	1364	1686	
	Percentage of Increase in Days					27% \$612,018
	Total DES/T		\$1,410,745	\$2,470,511	\$2,831,728	
	Percentage of Increase in Cost					100% \$1,420,938

SB 364 / HB 535 -- DET Bill Summary -- 3/31/04

Background/Intent

The existing statutes require the State to cover the costs of diagnosis, evaluation and treatment (DET) for financially eligible patients who need to be involuntarily committed to non-state-operated hospitals. The costs of these services and the related transportation cost have increased over the years. The intent of this bill is to:

- Establish that this is not an entitlement
- Clearly communicate that costs incurred will only be covered up to the amount appropriated by the legislature
- Require hospitals to notify the Department within 24 hours of admission of a potentially eligible individual, allowing the Department to assist in timely and appropriate discharge to community based programs
- Establish that the Department is under no obligation to pay for services a hospital delivers to a patient beyond recommended discharge date
- Funding is decreased between FY04 and FY05

Program Effects

- Contains costs on an annual basis
- 24-hour registration assists Department to determine costs at time they are incurred and thus allow for fiscal management
- Limit State responsibility to funds appropriated by legislature

Cost Progression 2000-2005

FY00	\$	1,901,480	
FY01		2,055,420	
FY02		2,284,930	
FY03		3,384,430	
FY 04 Budget		3,096,800	
FY 05 Budget		1,901,480	Strategies being explored to expand federal participation via Disproportionate Share (DSH)

Cost Saving Strategies

- Update transportation polices and procedures
 - Ambulances

DET Sites

- Fairbanks
- Juneau

Other Sites

Palmer, Ketchikan, Cordova, Homer, Valdez, Sitka,
Bethel, Kodiak

Cost Comparisons between API and DET/S Facilities

- API daily rate 757.46
- Fairbanks 1,646.91
- Bartlett 1,636.04
- Ketchikan 1,800.68
- Ft. Edgecombe 2,049.00
- Bethel 2,049.00

Explanation for Cost Increases over years

100% of Hospital cost increases between 01 and 03

27% of Hospital increases in average daily Medicaid between 01 and 03

27% of Hospital increases in total beds used between 01 and 03

Management of Costs

Costs within existing budget – if retrospective reviews are changed from DBH staff to First Health the cost would be about \$31,800/year based on a current charge of \$111.44/review X 275 reviews (average # of admissions / last 3 years).

If we add an early review at 8th day of admission (transitioning from evaluation to treatment) we can also add discussion about eligibility and discharge planning, the cost would increase by \$7,000 based on 63 admissions over 8 days in FY03. The total First Health review costs would be about \$40,000/year.

Common use of funding limitation to appropriations

Current grant regulations

7 AAC 81.220. Limitation of appropriations. (a) During each state fiscal year, the department [A GRANT AGENCY] may authorize the payment of costs under a provider agreement only to the extent of money allocated in the state budget for the grant program for that fiscal year.

(b) The department [A GRANT AGENCY] may determine the amount of money, if any, that it will keep in reserve at a particular time, based on the part of the fiscal year that remains and the demand for services of the program that the department expects during the balance of the fiscal year.

(c) If authorized financing for a grant program is less than the amount required to provide service to all individuals who meet applicable eligibility criteria and seek those services, the department will [A GRANT AGENCY SHALL] prioritize which individuals will receive services. (Eff. 7/21/2002, Register 163; am ___/___/2004, Register _____)

Chapter 14.09. TRANSPORTATION OF PUPILS

Sec. 14.09.010. Transportation of pupils.

(a) A school district that provides student transportation services is eligible to receive funding for operating the student transportation system. Subject to appropriation, the amount of funding provided by the state under this section is the lesser of the amount determined by multiplying the amount of the school district's ADM less the ADM for the district's correspondence programs during the current fiscal year

(1) by a per student allocation computed by dividing the amount received by the school district under this section during fiscal year 2003 by the school district's ADM less the ADM for the district's correspondence programs during fiscal year 2003; or

(2) by \$1,200 per student.

(b) In this section,

(1) "ADM" has the meaning given in AS 14.17.990;

(2) "district's ADM" means the sum of the ADMs in the district.

Sec. 14.25.020. Powers of the administrator.

(a) The administrator may

(1) formulate and recommend to the Alaska Teachers' Retirement Board regulations to govern the operation of the system;

(2) make expenditures from the retirement fund necessary to administer this chapter.

(b) The administrative expenditures permitted by (a)(2) of this section shall be included in the governor's budget for each fiscal year and are subject to appropriation by the legislature.

Sec. 14.57.100. Acquisitions.

Subject to appropriation by the legislature under AS 37.14.530, the director may use the balance of the net income account of the Alaska heritage endowment fund to acquire culturally or historically significant artifacts, natural history specimens, art objects, collections, and other items, materials, or properties that represent and document Alaska's land, natural history, and people for

- (1) the Alaska State Museum; and
- (2) the Sheldon Jackson Museum.

Sec. 18.56.410. Alaska energy efficient home grant fund.

(a) There is established in the corporation the Alaska energy efficient home grant fund consisting of money appropriated to it by the legislature and deposited in it by the corporation. The corporation shall administer the Alaska energy efficient home grant fund under the provisions of this section.

(b) Subject to appropriation, the corporation may grant funds from the Alaska energy efficient home grant fund to agencies of the state or federal government, individuals, or businesses that retrofit existing single family dwellings or build new single family dwellings that meet criteria adopted by the corporation.

(c) The corporation shall adopt guidelines and procedures for the fund after consultation with the board of directors of the Alaska Craftsman Home Program.

Sec. 18.56.420. Housing assistance loan fund.

(a) There is created in the corporation, as a revolving loan fund, the housing assistance loan fund consisting of money appropriated to it by the legislature and deposited in it by the corporation, and repayments of principal and interest on loans made or purchased from the assets of the fund. The corporation shall

(1) adopt regulations to administer the housing assistance loan fund under AS 18.56.400 - 18.56.600; and

(2) subject to appropriation, provide money for a rural assistance loan program to originate, purchase, participate in the purchase of, or refinance

(A) small community housing mortgage loans;

(B) loans made for building materials for small community housing;

(C) loans made for renovations or improvements to small community housing;

(D) loans made for the construction of owner-occupied small community housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor or services in constructing the owner's own housing.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering the housing assistance program.

Sec. 18.56.650. Low cost and low income multiple family housing development fund and grants.

(a) There is created in the corporation a low cost and low income multiple family housing development fund. Subject to appropriation the corporation shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing low cost, low income multiple family housing.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the corporation. The application

(1) shall demonstrate the need for low cost, low income multiple family housing in the area to be served, the feasibility of the proposed project; and

(2) must include an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) A low cost and low income multiple family housing project developed under this section

(1) shall be prepared in accordance with facility procurement policies developed by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

(2) is a public facility under AS 35.10.160 - 35.10.200.

(d) The corporation shall adopt regulations under AS 18.56.088 to carry out the purposes of this section.

(e) In this section, "low cost and low income multiple family housing"

(1) means a specific work or improvement undertaken primarily to provide multiple family dwelling accommodations for low income persons;

(2) includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing.

Sec. 29.25.074. Surcharge.

(a) A municipality may not enforce a penalty for violation of an ordinance for which a surcharge is required to be imposed under AS 12.55.039 unless the municipality authorizes the imposition of and provides for the collection of the surcharge. The surcharge shall be deposited into the general fund of the state and accounted for under AS 37.05.142. Subject to appropriation, the legislature may reimburse a municipality that collects a surcharge required to be imposed under AS 12.55.039 for the cost to the municipality in collecting the surcharge and transmitting the surcharge to the state. The reimbursement may not exceed 10 percent of the surcharge collected and transmitted to the state.

(b) This section applies to home rule and general law municipalities.

Sec. 36.30.695. Other rules of procedure.

(a) The commissioner may adopt by regulation additional rules of procedure providing for the expeditious arbitration, hearing, and other administrative review of all contract claims, both before the contracting agency and through an appeal heard de novo.

(b) Except as provided by (c) of this section, an arbitrator shall issue a final decision, and a hearing officer shall issue a recommended decision, within the following time limits after the date the record on the claim is closed:

- (1) 30 calendar days for a claim of less than \$100,000;
- (2) 45 calendar days for a claim of \$100,000 or more but less than \$1,000,000; or
- (3) 60 calendar days for a claim of \$1,000,000 or more.

(c) The commissioner of administration or the commissioner of transportation and public facilities may, for good cause shown, grant an arbitrator or a hearing officer additional time to issue a decision.

(d) If an arbitrator or hearing officer fails to issue a decision within the time allowed for a decision under (b) or (c) of this section, the arbitrator or hearing officer is disqualified from acting as an arbitrator or hearing officer in another proceeding under this chapter for one year after the decision is issued.

(e) The venue for an arbitration or hearing under this chapter is the judicial district where the office of the contracting agency is located, unless the agency and the contractor agree on another location.

(f) If a party fails to appear at a proceeding under this chapter, the arbitrator or hearing officer may proceed in the party's absence.

(g) Subject to appropriation, any money awarded by an arbitrator's decision shall be paid within 45 days after the date that the arbitrator's decision is final. Subject to appropriation, any money awarded by a hearing officer's recommended decision that is approved by the commissioner of transportation and public facilities shall be paid within 45 days after the date that the commissioner's decision is delivered to the contractor and the agency, unless the commissioner's decision is appealed under AS 36.30.685.

Sec. 37.14.300. Investment loss trust fund.

(a) There is established as a separate fund in the state treasury the investment loss trust fund. The trust fund consists of money appropriated to it by the legislature. The Department of Revenue is the custodian of the trust fund and shall invest the trust fund in accordance with AS 37.10.071. Subject to appropriation, the amount earned on money in the trust fund shall be retained in the trust fund. The trust fund shall be held in trust for the benefit of participants in the supplemental annuity plan established under AS 39.30.150 - 39.30.180 and for other purposes authorized by this section, subject to the conditions set out in this section.

(b) The Department of Administration shall spend money from the trust fund as necessary to

(1) hold participants in the plan and annuity holders harmless from a loss on investments in guaranteed investment and annuity contracts issued by Executive Life Insurance Company of California;

(2) pursue a right to recover amounts from persons who may have unlawfully caused or contributed to the loss on investments; and

(3) protect the interest of participants in the plan and annuity holders during proceedings to conserve or liquidate the assets of Executive Life Insurance Company of California.

(c) If the plan or an annuity holder does not incur a loss on investments, or, if after compensating the plan and annuity holders for the loss on investments, a balance remains in the trust fund, the trust fund created in (a) of this section is terminated and the balance of the trust fund lapses pro rata into the funds from which the appropriations to the trust fund were made. The state is subrogated to a right of claim held by participants in the plan and annuity holders to the extent of amounts spent from the trust fund.

(d) In this section,

(1) "annuity holder" means

(A) a plan participant who elects to receive an annuity contract acquired by the Department of Administration and issued by Executive Life Insurance Company of California; and

(B) members of the Unlicensed Vessel Personnel Annuity Retirement Plan who receive an annuity contract acquired by the Department of Administration and issued by Executive Life Insurance Company of California;

(2) "loss on investments" means

(A) the difference between the principal amount plus accrued interest earned through May 3, 1991, on the guaranteed investment contracts issued by Executive Life Insurance Company of California, according to the terms of the contracts, and a lesser amount received by the plan upon maturity, sale, or other termination of the contracts; plus

(B) accrued earnings on the amount described in (A) of this subsection, beginning May 4, 1991, and continuing until the earlier of a participant's benefit commencement date or the maturity, sale, or other termination of the contracts, at a rate equal to the rate, less one percent to be used for the purposes of (b)(2) - (3) of this section, earned each month on the investment loss trust fund; or

(C) any unpaid annuity amounts due to annuity holders under an annuity contract issued by Executive Life Insurance Company of California;

(3) "plan" means the supplemental annuity plan established under AS 39.30.150 - 39.30.180;

(4) "trust fund" means the investment loss trust fund established under this section.

Sec. 38.35.145. Agreement to provide for payment of preapplication costs.

(a) To accommodate preliminary work in advance of the receipt of an application for a lease under this chapter, the department may enter into an agreement with a prospective lessee desiring to own an oil or natural gas pipeline that is proposed to be located in whole or in part on state land. The agreement must provide that the prospective lessee reimburse the department for the reasonable costs of work incurred in preparing for activities before receipt of an application.

(b) Expenditure of amounts received by the department under (a) of this section is subject to appropriation by the legislature. Appropriations made to satisfy the requirement of (a) of this section may be made by general appropriations of program receipts conditioned on compliance with the program review provisions of AS 37.07.080(h).

(c) The department may not exercise authority to enter into an agreement under (a) of this section after December 31, 2003, but an agreement entered into before January 1, 2004, is valid and enforceable on and after that date.

Sec. 39.30.050. Administrative costs.

The department shall collect from each participating political subdivision its respective pro rata share of the expenses incurred in the administration of AS 39.30.010 - 39.30.080. The amounts collected from participating political subdivisions, together with money appropriated by the state for covering the state's share of administrative costs, shall be deposited in an FICA administration fund and are not allocable to any other purpose. Expenditures from the FICA administration fund shall be included in the governor's budget for each fiscal year and are subject to appropriation by the legislature. At the time of preparation of the governor's annual budget the department shall review the FICA administration fund and adjust the rate of assessment on political subdivisions so as to prevent the accumulation of more money than is needed to administer AS 39.30.010 - 39.30.080.

Sec. 43.77.060. Revenue sharing.

(a) Subject to appropriation by the legislature and except as provided in (b) of this section, the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

(b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, the commissioner shall pay to each

(1) city that is located in a borough incorporated after the effective date of this Act, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

(A) 45 percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after the effective date of this Act, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

(c) Notwithstanding the provisions of (b) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (b)(1) of this section to the borough in which the city is located.

(d) To the extent that appropriations are available for the purpose, and notwithstanding the requirement of AS 37.07.080(e) that approval of the office of management and budget is required, an amount equal to 50 percent of the tax revenue that is collected under this chapter and

is not subject to division with a municipality under (a) - (c) of this section shall be transmitted each fiscal year, without the approval of the office of management and budget, by the department to the Department of Community and Economic Development for disbursal to eligible municipalities under AS 29.60.450.

(e) For purposes of this section, tax revenue collected under AS 43.77.010 from a person entitled to a credit under AS 43.77.035 or 43.77.045 shall be calculated as if the person's tax had been collected without applying the credits.

Sec. 47.37.125. Payment for services.

Subject to appropriation by the legislature, money in the mental health trust settlement income account established in AS 37.14.036 may be used to support a service provided under the authority given in this chapter.

HB

543

Analysis of CSHB543

Section 1

47.07.037 (a) (1) and (2): Requires the Department to establish regulations to develop preferred drug list or to limit coverage of a drug.

This bill is unnecessary because the Department already has the authority to implement a Preferred Drug List (PDL) through 7 AAC 43.594 which provides for pharmaceutical prior authorization. In addition, AS 47.07.036 (a) (b) authorizes the Department to implement cost containment measures that will not adversely affect Medicaid recipient services.

47.07.037 (a) (3): Allows physicians the ability to prescribe non preferred drugs without prior authorization or justification, other than "medically necessary".

This requirement eliminates the Department's to require any pre authorization for drugs on the PDL or other means to manage drugs utilization. Based upon the experience in other states, voluntary utilization of drugs on a PDL will not exceed 25%. The Departments budget savings for the PDL in FY 05 is \$20,000.0. The impact of this section will result in an annual loss of \$15,000.0 of the budget savings.

In addition, this eliminates the Department's ability to conduct utilization review for safety, abuse and waste of those drugs on the PDL.

This section would also jeopardize federal funding by eliminating the required drug utilization review process (ProDUR) that has been in place since 1995.

47.07.037 (b): Requires the Department to contract the PDL management services under AS 36 30.

This requirement is unnecessary since the contract for management of the PDL was procured in accordance with the State Procurement Code (AS 36.30) and has been previously approved by the federal Centers for Medicare and Medicaid Services.

47.07.037 (c): Requires the Department to establish a drug review committee to select drugs for the PDL; and establish criteria for drug selection, and conduct public meetings.

This requirement is unnecessary since the Department has already established a Pharmacy and Therapeutics Committee (P&T) with By-Laws, Procedures, and criteria for drugs selection. The Committee holds noticed public meetings;

provides the opportunity for pharmacy manufactures to submit briefing materials, and the opportunity for public comment at the meetings.

47.07.037 (d): Requires the Committee to serve without compensation other than travel and per diem; and to select a chair.

This requirement is unnecessary since the Department has already established a Pharmacy and Therapeutics Committee and provides travel and per diem costs.

47.07.037 (e) (1) (2) and (3): Defines drug and preauthorization and preferred drug list.

The definition limits the Department's ability to manage drugs paid for through the Medicaid Program. This will greatly limit the ability of the Department to control costs, abuse, fraud and waste of pharmaceuticals.

The definition of PDL in Sec 47.07.037 (e)(3) defines, in part, the list as a "restrictive formulary" which is not allowed by federal regulations and if implemented would result in the loss of federal match for pharmaceuticals. The department's current PDL is not a restrictive formulary, but rather contains a list of drugs that are first and second choices for prescribing, which is compatible with federal regulations.

Section 2

(a): Requires the Department to review drugs previously added to the PDL in accordance with regulations, with the exception of the Senior Care Program.

This section eliminates the Departments' ability to implement the PDL without regulations. This requires review of the present PDL for consistency with the adopted regulations. The time required to establish regulations and review all the drugs on the PDL in accordance with the regulations, would be approximately 10 months from the effective date of the act. This will delay implementation of the PDL until May, 2005, with an estimated loss in savings of \$18,000.0.

(b): Requires the Department to delay implementation of mental health drugs until January 1, 2005.

This section is unnecessary since the Department intends to postpone implementing mental health drugs until the beginning of calendar year 2005.

(c): Authorizes the Department's current P&T Committee as the Prescription Drug Review Advisory Committee.

This section is unnecessary since the Department has already established a P&T Committee.

AMENDMENT #1 *Passed*

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILSON

TO: HB 543

1 Page 3, lines 27 - 30:

2 Delete "a preferred drug list adopted by the Department of Health and Social Services
3 before the effective date of this Act may be implemented until the effective date of regulations
4 adopted under this Act or until six months after the effective date of this Act, whichever date
5 occurs first"

6 Insert "a preferred drug list initiated by the Department of Health and Social Services
7 before the effective date of this Act must be reviewed for consistency with regulations
8 adopted under this Act and may not be implemented before the effective date of the
9 regulations adopted under this Act, except that a prescription drug list initiated before the
10 effective date of this Act may be implemented for prescription drug coverage under the senior
11 care program established under ch. 3, SLA 2004, until the effective date of regulations
12 adopted under this Act or until six months after the effective date of this Act, whichever date
13 first occurs"

AMENDMENT #2 Failed

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILSON

TO: HB 543

- 1 Page 4, line 2:
- 2 Delete "January 1"
- 3 Insert "March 1"

OFFERED IN THE HOUSE HESS COMMITTEE

TO: HB543 Version H

DATE: April 20, 2004

AMENDMENT #3 BY REP. SEATON - Passed

1 Page 2, Line 2-4 (Subsection 3):

2 Delete entire lines

AMENDMENT #4 BY REP. SEATON - Passed

3 Page 2, Line 9:

4 Delete "dispense as written,"

5 Page 2, Line 10:

6 Delete comma after "medically necessary

7 Insert period

8 Page 2, Line 10:

9 Delete "or other wording with similar import."

Alaska State Hospital & Nursing Home Association
Comments on HB 535 Before House Health, Education and Social Services
April 13, 2004

ASHNHA requests that the intent of HB 535 be further clarified either by adding the following sentence to the Letter of Intent submitted by the Department (Option 1), or by amending HB 535 to add the following subsection (Option 2).

OPTION 1 - Add the following sentence to the Letter of Intent:

If the department implements Section 2 of HB 535 due to insufficient funding, the department will work with impacted community hospitals to transfer these patients to API as soon as their medical condition permits.

OPTION 2 - **Sec. 2.** AS 47.31 is amended by adding a new subsection to read:

(c) If the department must implement the provisions of AS 47.31.007 due to lack of sufficient appropriation, the department will work with impacted community hospitals to transfer these patients to API as soon as their medical condition permits.



Health, Education, and Social Services Committee
Alaska State Legislature
House of Representatives
Representative Peggy Wilson - Chair

SPONSOR STATEMENT

HB 543
"Medicaid and Prescription Drugs"

HB 543 will in no way stop or delay the implementation of the Senior Care Program.

The Department of Health and Social Services is currently in the process of implementing a preferred drug list (PDL). This limitation on medical assistance coverage is being done as a cost containment measure. While we believe that cost containment measures are a necessary step in achieving cost savings we believe that we must proceed carefully and judiciously. To that end, the state will need to adopt formal regulations in order to ensure that our efforts to achieve cost saving is not at the expense of Alaskan patients health and well being. HB543 ensures that those protective measures are in place prior to the actual implementation of a PDL.

Under HB 543 the regulations must include: standards, opportunity for public comment, an appeal process, and a provision for approved coverage of a drug that is not on preferred drug list when it is deemed medically necessary.

HB 543 provides that the commissioner must appoint a Prescription Drug Review Advisory Committee prior to the department establishing a PDL or placing any limitation on coverage of a medication. HB543 also establishes the membership of the committee as well as the duties.

HB 543 places a temporary moratorium on the implementation of a PDL, or restricted access to medication coverage, for drugs used to treat mental illness. This temporary moratorium expires January 1, 2005. Mental health patients are especially vulnerable to adverse effects from changes to their medications. HB 543 gives the department ample time to ensure that the necessary protective measures are in place prior to discussion of this drug class.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

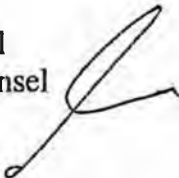
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 31, 2004

SUBJECT: Medical Assistance Coverage for Prescription Drugs (HB 543)

TO: Representative Peggy Wilson
Attn: Linda Miller

FROM: Jean M. Mischel
Legislative Counsel 

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires the Department of Health and Social Services to adopt regulations before implementing a preferred drug list or a limitation on medical assistance coverage for a prescription drug. The regulations must include standards for placing a drug on a preferred drug list or otherwise limiting coverage for a drug, an opportunity for public comment, an appeal process, and a provision under which the department will approve unlimited coverage in certain circumstances. Authorizes the department to contract for services to establish a preferred drug list or otherwise limit drug coverage and requires the commissioner to appoint a Prescription Drug Review Advisory Committee. Establishes duties, reimbursement and procedural rules of the committee. Defines certain terms as used in this section.

Section 2. Adds a transitional provision allowing for (1) the continuing implementation of a preferred drug list adopted by the department before the effective date of the bill for up to six months and (2) the continuation of an existing committee to serve as the Prescription Drug Review Advisory Committee under the bill. Prohibits the implementation of a cost containment measure pertaining to drugs used to treat mental illness, as defined in this section, before January 1, 2005.

Section 3. Establishes an immediate effective date for the bill.

JMM:lmb
04-089.lmb

LEGAL SERVICES

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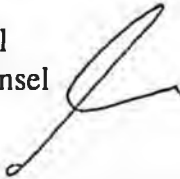
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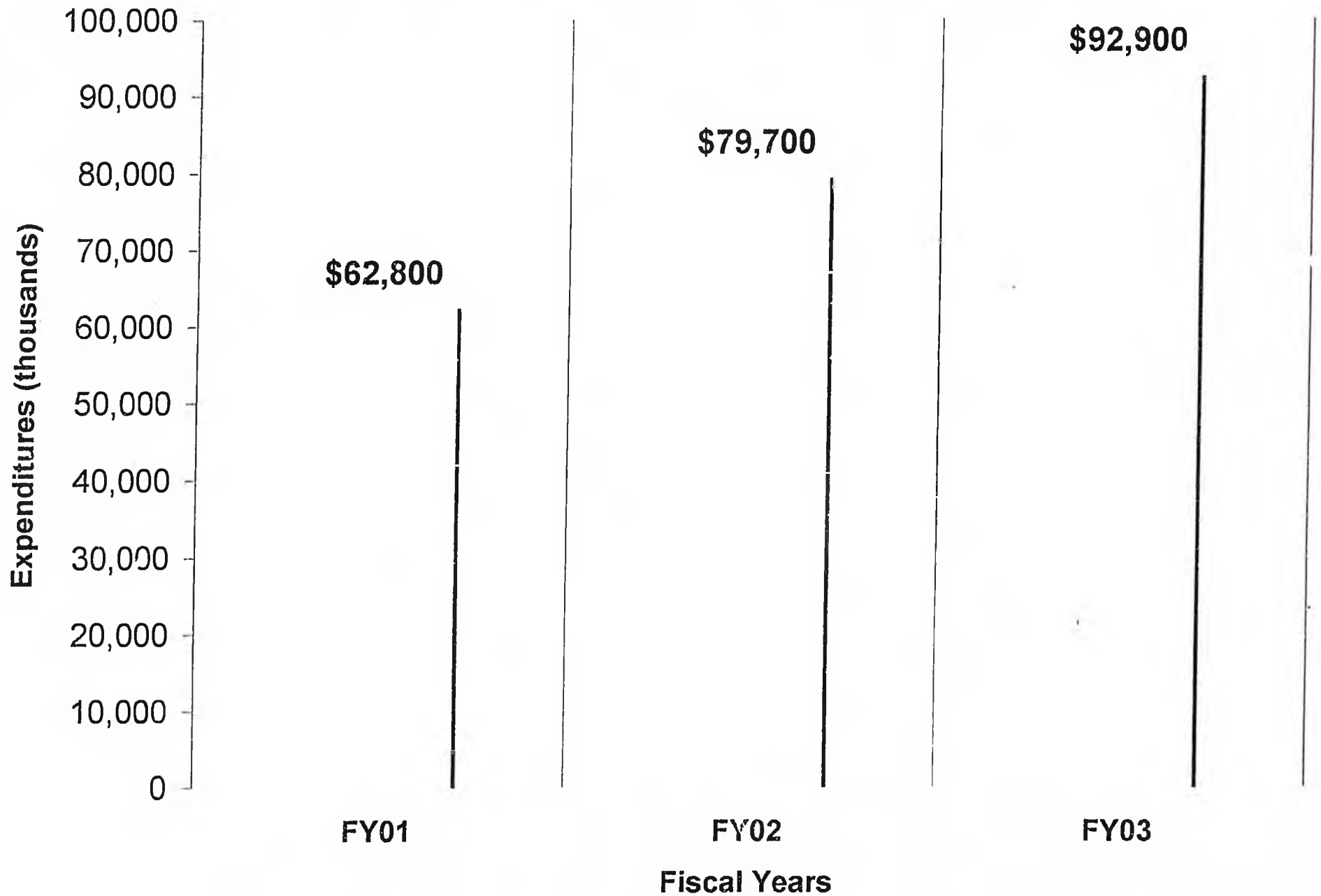
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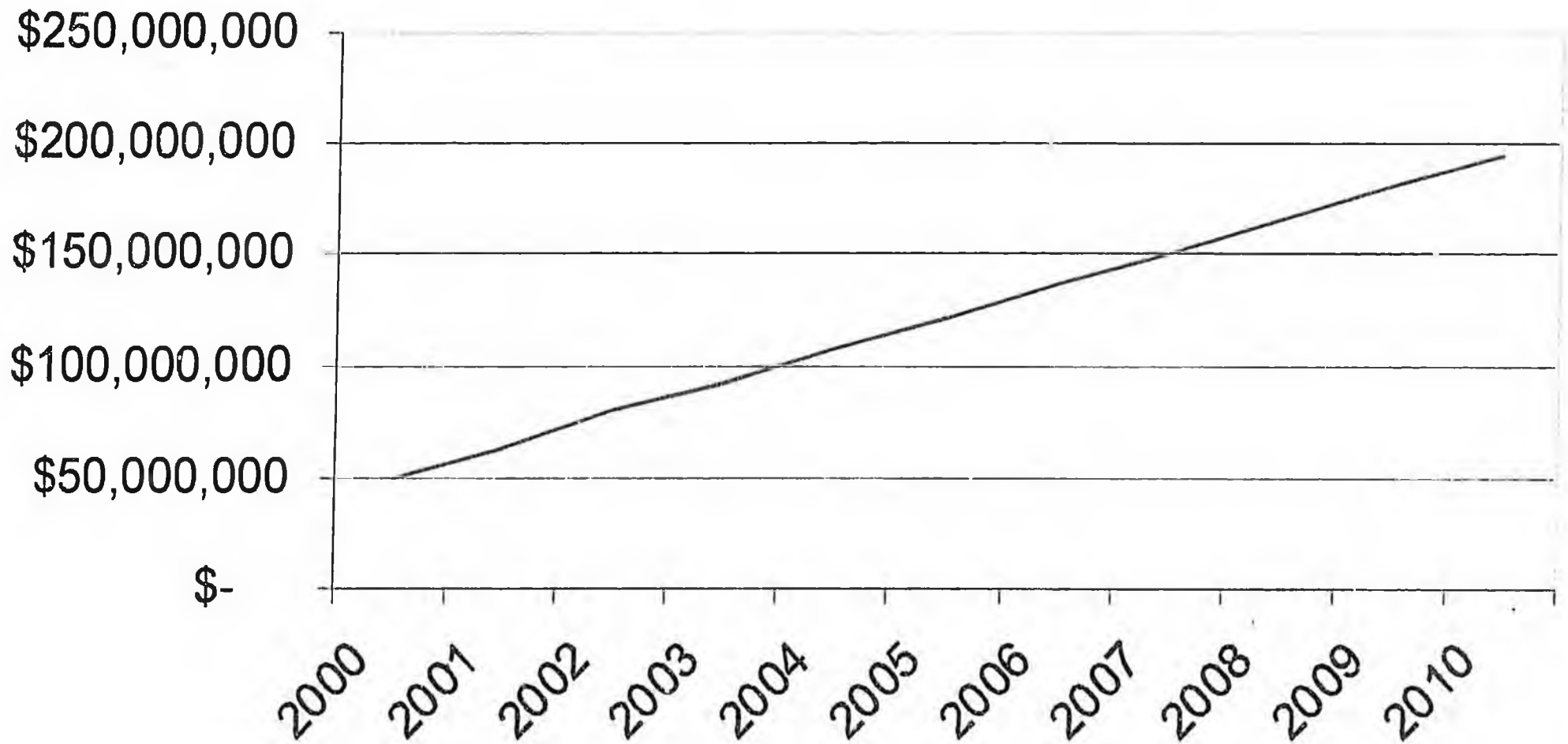
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JMM:lmb
04-089.lmb

Medicaid Pharmacy Expenditures



Forecast Drug Expenditure



Forecasted Drug Expenditure To 2010

Health Care Services

HCS>Preferred Drug List Program

Preferred Drug List Program

About the program

General Information about PDL:

- What is a Preferred Drug List?
- The PDL is a list of prescription medications within a therapeutic class determined to be effective which would be Medicaid's first choice when prescribing for Medicaid patients.

Under a PDL program:

- All currently approved drugs remain available
- Preferred drugs require no special authorization
- Non-preferred drugs will require a prescriber's documentation of medical necessity
- Certain groups of recipients based on age or other criteria may be exempt from the PDL requirements

CXZCZX

How are drugs placed on the PDL?

- The Alaska Medicaid Pharmacy and Therapeutics (P&T) Committee will be responsible for determining the most effective drug or reference drug to be placed on the Preferred Drug List
- Drugs in specified drug classes are approved for the PDL based on safety, clinical efficacy, and cost

sdasd

The Advantages of a PDL:

- The PDL ensures continued patient care while reducing the expenditure growth of the pharmacy program through supplemental rebate Agreements.
- All drugs currently covered will be available to Medicaid patients.
- Non-preferred drugs will require a prescriber's documentation of medical necessity.

Exemptions

- Certain groups of recipients based on age or other criteria may be exempt from the PDL requirements.
- The PDL will be phased in by sets of drug classes. Each set will include approximately five drug classes.

Criteria for non-PDL drug approval

PDL

▼ PDL

- › Abou
- › Com
- › AK P
- › Drug
- › Meet
- › Publi
- › FAQ
- › Dowr
- › Cont.

PDL QL

Choos

- The prescriber will determine and document that the non-PDL drug is medically necessary. The exact criteria for this approval is to be determined by therapeutic class by the Pharmacy and Therapeutics Committee.

Provider Notification

- Providers will be notified in advance through this Website and mailings.
- The Alaska PDL processing for the first set of therapeutic classes will start by early 2004. At this time pharmacies will be notified with alerts but claims will not deny.
- Full Implementation:
The first therapeutic class will be fully implemented 60 to 90 days after the pharmacy alerts are active. When providers have been notified that the therapeutic class is in effect, individual drugs must be on the PDL List, determined to be medically necessary, or exempt from the PDL.

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State of Alaska | Administrative Services | Alaska Pioneer Homes
Behavioral Health | Health Care Services | Juvenile Justice | Office of Children's Services
Public Assistance | Public Health | Seniors and Disabilities Services
[H&SS Public Notices](#) | [Site Search](#) | [Links for staff](#) | [Webmaster](#)

Health Care Services

HCS>Preferred Drug List Program

Preferred Drug List Program Pharmacy and Therapeutics Committee

Name:	City:
Michale Boothe, DDS	Anchorage
Heidi Brainerd, RPh	Anchorage
Richard E. Brodsky, MD (Chair)	Anchorage
Robert H. Carlson, MD	Sitka
Kelly C. Conrighnt, MD	Anchorage
Jeffery Demain, MD	Anchorage
Traci Gale, RPh	Sitka
Nathaniel Haddock, MD	Juneau
Charlene Hampton, RPh	Anchorage
Arthur S. Hansen, DDS	Fairbanks
R. Duane Hopson, MD	Anchorage
Thomas Hunt, MD	Anchorage
Diane Liljegren, MD	Ketchikan
Ronald J. Miller, RPh	Chugiak
Michael C. Norman, MD	Anchorage
Gregory R. Polston, MD	Anchorage
Richard C. Reem, MD	Fairbanks
Sherrie D. Richey, MD	Anchorage
Janice L. Stables, MSN, ANP	North Pole
George Stransky, MD	Anchorage
Alexander H. vonHafften, MD	Anchorage
Trish D. White, RPh	Sitka

PDL

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- › Cont.

PDL QL

[:Choos

Alaska Department of Health and Social Services Pharmacy & Therapeutics Committee Procedures

In November 2003, the Pharmacy and Therapeutics (P&T) Committee appointed by Commissioner Gilbertson began reviewing pharmaceutical classes to identify drugs that are clinically and therapeutically equivalent, and potentially cost less than other drugs in the same class.

- The P&T Committee Website provides public notice of the drug classes to be considered, drugs adopted, public notices, meeting agendas, meeting minutes, drug review schedules, clinical submission forms, committee membership and Department of Health and Social Service contact individuals.
<http://hss.state.ak.us/dhes/PDL/>
- Additional meeting notices are published in Anchorage, Juneau and Fairbanks newspapers at least ten days prior to the meeting.
- Clinical Submission forms are posted on the P&T Website for pharmaceutical companies to submit drug information for review and consideration by the P&T Committee.
- The Department's contractor, First Health Services Corporation, prepares a pharmaceutical analysis of each drug to be reviewed and compiles the Clinical Submission forms for P&T Committee review.
- At least two weeks prior to the meeting, P&T Committee members are provided packets containing analytical information on the drug classes under review. The Committee members review the materials in preparation for the meeting.
- Prior to the beginning of the P&T Committee meeting, persons wishing to testify on the drug classes under review indicate their intent by registering at the door, listing name, title, company or agency they are representing.
- Following the call to order, presenters testify before the P&T Committee in the order they registered. Each presenter is allowed five (5) minutes to testify. At the end of public testimony the P&T Committee members are provided time to ask questions or make comments to the public presenters.
- After testimony from all registered parties is completed, the P&T Committee reviews the drug classes to determine clinical efficacy and therapeutic equivalency. Physicians who are specialists in the particular clinical area under review are invited to testify on the drugs to provide additional information.

- The First Health Service Corporation and Department of Health and Social Services Pharmacists also provide clinical information on each drug class, along with guidelines and scientific evidence on equivalency of drugs.
- The P&T Committee also takes under consideration the medical necessity exclusions or special criteria of a single or multiple agents.
- After testimony and discussion, P&T Committee members vote on each drug class. At least 51% of P&T committee quorum must vote to adopt the preferred drug.
- A representative of First Health Services Corporation and Department staff review the Committee-adopted drug classes, identify which drugs are included in the multi-state supplemental rebate agreement, and report their findings to the P&T Committee.
- Recommendations made by the P&T Committee are considered final and are not reviewed again until new clinical information is presented to the P&T Committee. After the P&T Committee completes its review of all drug classes. The P&T Committee will continue meeting on a quarterly basis to review new drugs and new research as it becomes available.
- Breakthrough drugs in a class containing preferred drugs may be addressed upon a call for a special meeting of the P&T Committee outside of the quarterly meeting.

Timeline of Public Process

Date	Activity
Aug 26, 2003	Medical Services Networking Committee at ANTHC-Presentation
Sep 3 rd	Dillingham-Presentation
Sep 4 th	Fairbanks-Presentation
Sep 11 th	ASHNA-Presentation
Sep 16 th	Physicians and Surgeons group-Presentation
Sep 18 th	Soldotna/Homer Pioneers' Home convention-Presentation
Sep 19 th	Advisory Boards of the Alaska Mental Health Trust Authority-Statewide
Sep 22 nd	Ketchikan General Hospital-Presentation
Sep 23 rd	Sitka Hospital-Presentation
Sep 25 th	Children's Trust Fund meeting-Presentation
Sep 29 th	Public meeting at the Anchorage Legislative Office
Sep 30 th	Public meeting at the Fairbanks Legislative Office
Oct 2 nd	Public meeting at the Juneau Legislative Office
Oct 7 th	Bartlett Regional Hospital, Juneau-Presentation (Over 50 physicians and other staff attended)
Oct 7 th	First Health signed the contract Amendment
Oct 9 th	Governor's Council in Talkeetna- Presentation
Oct 9 th	Advance Planning Document completed for CMS
Oct 10 th	First meeting of the Pharmacy & Therapeutics Committee <i>Adopted by-laws and selected the first drug classes to be reviewed</i>
Oct 11 th	ASMA-Presentation
Oct 20 th	Circulate draft educational letters to Medicaid providers and beneficiaries for internal approval
Oct 28 th	Presentation to Bethel Hospital

<i>Date</i>	<i>Activity</i>
Nov 1 st	Distribute meeting materials for next Pharmacy & Therapeutics Committee meeting
Nov 21 st	Pharmacy and Therapeutics Committee Meeting <i>Approve preferred drugs for initial four classes</i>
Dec 1 st	Distribute materials to Pharmacy and Therapeutics Committee members for the next meeting
Dec 7 th	CMS approves contract amendment for pharmacy program change
Dec 19 th	First notification of Preferred Drug List to all providers.
Dec 31 st	Second notification of pharmacy program changes to all registered Medicaid providers
Dec 31 st	Submit the Medicaid State Plan Amendment
Jan 5, 2004 th	Send recipient letter explaining Preferred Drug List
Jan 2 nd	Publish the drug classes to be reviewed in February
Jan 16 th	Pharmacy & Therapeutics Committee meeting
Jan 21 st	Presentation to Anchorage Nurse Practitioner Association
Feb 13 th	Pharmacy & Therapeutics Committee meeting
Feb 28/29 th	Presentation to Pharmacy Association
Mar 19 th	Pharmacy & Therapeutics Committee meeting
Apr 9 th	Presentation to Anchorage Regional Hospital Grand Rounds
May 19 th	Implement 14 classes of drugs with soft edits
May 21 st	Pharmacy & Therapeutics Committee meeting

Alaska Medicaid Pharmacy and Therapeutics Committee

Meeting date March 19, 2004

Frontier Building, 3601 C Street; Room 880/890

Agenda

Call in: 1-800-315-6338. Use access code 735#.

Drug classes to be discussed as time allows. Call to order - Chair	Richard Brodsky, MD	8:00 a.m.
Introduce New Members	Richard Brodsky, MD	
Roll call	Richard Brodsky, MD	8:00 – 8:10
Public Comment - (See guidelines on page 2)		8:10 – 8:55
P&T Questions & Comments for public		
President of AK State Medical Association	Alex Malter, MD	
Review / Approve Minutes from earlier meetings	Richard Brodsky, MD	
Calcium Channel Blockers: Dihydropyridine Calcium Channel Blockers Non-Dihydropyridine Calcium Channel Blockers <ul style="list-style-type: none">• Time for Calcium Channel Blockers - discussion & vote• Vote on motions	Sandy Kapur, Pharm D	Time as needed
BREAK		Approx 10:00 a.m.
Inhaled and Nebulized Corticosteroids Time for discussion on Inhaled and Nebulized Corticosteroids <ul style="list-style-type: none">• Vote on motions	Sandy Kapur, Pharm D	Time as needed
Nasal Steroids Time for discussion and vote on Nasal Steroids <ul style="list-style-type: none">• Vote on motions	Sandy Kapur, Pharm D	Time as needed
Quinolones: Second Generation & Third Generation Time for discussion & vote on Quinolones: Second & Third Generation <ul style="list-style-type: none">• Vote on motions	Sandy Kapur, Pharm D	Time as needed
Lipotropics: Fibric acid derivatives & Statins <ul style="list-style-type: none">• Time for discussion & vote on Lipotropics: Fibric acid derivatives & Statins• Vote on motions	Sandy Kapur, Pharm D	Time as needed
Classes for next P&T meeting		5 minutes
Final Comments by Chair or other members		5 minutes
Closing		Noon or before

GUIDELINES FOR PROVIDING COMMENT to the ALASKA P&T COMMITTEE
February 13, 2004

1. All interested speakers will be required to provide the Committee with the name of their organization, the speaker's relationship to the organization and topic area.
2. The time on the agenda for each agenda item is limited. An individual's comments to the committee are limited to a maximum of five (5) minutes in total.
3. Only one speaker "slot" will be available per meeting representing a single manufacturer or interest group. Within the allowable five (5) minute time period, multiple speakers may share this "slot".
4. NO reference or information as to pricing is allowed in any comment(s). Such information will be considered reason for immediately ending the comment opportunity.
5. It is requested that comment provided in relation to specific medications be directed toward how this product is clinically superior or the specific advantage(s) it offers, new evidence/research results or synergistic outcomes which have been demonstrated.
6. Written medical information is not accepted at the P&T meeting. This is to be submitted First Health prior to the meeting.

Medicaid Recipients visits his/her doctor Doctor prescribes a Medicaid Non-preferred drug

- Patient visits doctor.
- Doctor completes exam.
- Doctor prescribes a Medicaid Non-preferred drug due to an adverse drug reaction to the preferred drug.
- Doctor writes prescription with statement of medical necessity.
- Patient takes prescription to pharmacy.
- Pharmacist checks recipient identification, takes name, address, Medicaid eligibility sticker and the prescription.
- Pharmacist enters prescription into pharmacy computer with patient demographic information.
- Pharmacist sends prescription claim to First Health over point-of-sale system.
- Two seconds later, the pharmacist receives an alert that the prescription drug is a Medicaid Non-preferred drug.
- Pharmacist re-sends the prescription claim with an "8" in the prior authorization type code field.
- In two seconds the pharmacist receives a paid claim status.
- Pharmacist counsels the patient on the drug.
- Patient pays the co-pay and leaves the pharmacy with the filled prescription.

RX PRESCRIPTION	
Name: Ms. Recipient	John Doe, M.D. 1120 Any Street Anchorage, AK 99501
Address: 1011 Any Lane	
<i>Medically necessary</i>	
RX	Atacand 16 mg #30 Sig: 1 tab daily
Signed	<i>John Doe, MD</i>

States with PDLs

- Alabama
- Alaska
- Connecticut
- District of Columbia
- Florida
- Georgia
- Idaho
- Iowa
- Illinois
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Mississippi
- Montana
- Missouri
- Michigan
- Minnesota
- Nevada
- New Hampshire
- North Dakota
- Ohio
- Oklahoma
- Oregon
- Tennessee
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

States with rules/regulations

- Alabama
-
- Connecticut
- District of Columbia
- Florida
- Georgia
- Idaho
- Iowa
- Illinois
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Mississippi
- Montana
- Missouri
- Michigan
- Minnesota
- Nevada
- New Hampshire
- North Dakota
-
- Oklahoma
- Oregon
- Tennessee
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House HESSCommittee on HB 543 Committee Name
Dated 4/13/04
Bill / Subject

Madam Chair Wilson and members of the House Health, Education and Social Services committee,

Thank you for scheduling this public testimony on HB 543.

My name is Betsy Turner-Bogren, Fairbanks District Manager for the American Diabetes Association. Over 40,000 Alaskans are affected by diabetes - a serious and deadly disease. Although we generally support HB 543 at this time, we do have questions.

These include: does the language "prescription drugs", "drug lists", etc. include the medically prescribed supplies that are necessary to manage diabetes? Examples of such supplies are blood sugar monitors, test strips, insulin syringes, pens and pumps. Without these supplies, the daily challenge of blood sugar and disease management cannot be achieved.

We urge you to make sure this legislation will actually support the needs of the 40,000 Alaskans living with diabetes.

SIGNED:

Betsy Turner-Bogren Thank you for your time.

Testifier

American Diabetes Association

Representing

PO Box 80728 Fairbanks, AK 99708 / 907/457-1557

Address / Phone Number

**Alaska
Breast
Cancer
Advocacy
Partners**

ABCAP

RECEIVED

APR 16 2004

April 13, 2004

To House HESS Committee:

Subject: HB 543 –Medicaid and Prescription Drugs

Reference: To be submitted as testimony at April 13, 2004 Hearing

Dear Committee Members:

Alaska Breast Cancer Advocacy Partners (ABCAP) supports HB 543 because we feel it is important for licensed medical providers to have the option of choosing a prescription drug that best fits the medical history of their patient. Physicians need to prescribe the drug that gives the patient the best outcome. People's tolerances to drugs are different. Physicians should not be forced into making a decision that could put the patient's health at risk because of a PDL. Although PDL's are cost effective measures, this is not a "one-size-fits-all" world.

Sincerely,



Carla Williams
President
345-8060

HCR

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• *Representative Mary Kapsner*

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Tuntutuliak

Upper Kalskag

MEMORANDUM

TO: Representative Peggy Wilson, Chair
Health, Education, and Social Services Committee

FROM: Representative Mary Kapsner

Rep Kapsner/pj

DATE: February 19, 2003

RE: HCR 8 – Inhalants Awareness Week

I would like to request a formal hearing for House Concurrent Resolution 8 in the Health, Education and Social Services Committee. I have attached a copy the Resolution, my Sponsor Statement, as well as an additional fact sheet with background information.

If at all possible, I would prefer to have the hearing to take place during the week of February 25, 2003, to coincide with the presence of Jim Henkelman, Statewide Outreach Coordinator for the Yukon-Kuskokwim Health Corporation Tundra Swan Inhalant Treatment Program in Bethel, Alaska, and an expert on the issues surrounding the abuse of inhalants.

Thank you for your consideration.

Representative Mary Kapsner

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House Concurrent Resolution 8 - Inhalant And Poisons Awareness Week Sponsor Statement

Although the abuse of inhalants is not a new problem, it is reaching rampant proportions throughout Alaska and among youth across the nation. Part of what makes the problem so frustrating is that the substances used in "huffing" are commonly available and often necessary for their intended uses, but highly dangerous, even fatal, when misused. Many abusers simply are not aware of how physically destructive the "high" they seek really is.

House Concurrent Resolution 8 calls upon the Governor to declare March 16-22, 2003 as Inhalants and Poisons Awareness Week. The week would coincide with the National Inhalant and Poisons Awareness Week.

It is our hope that public and private agencies as well as citizens all across the state will recognize National Inhalants and Poisons Awareness Week, and will observe it through appropriate activities that will educate and inform the people of Alaska of the dangers of inhalants and poisons.



Inhalants

Contact Information

Residential Treatment

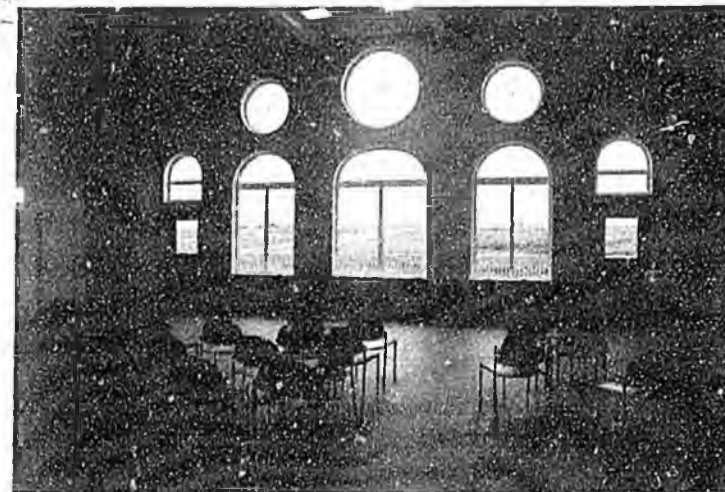
McCann Treatment Center
Yukon-Kuskokwim Health Corporation
P.O. Box 528 • Bethel, Alaska 99559
1-907-543-6800

Admission/Referral

907-543-6803 • fax: 907-543-6830

Statewide Outreach Office

Tundra Swan Outreach Program
2110 E. Northern Lights, Suite 102
Anchorage, Alaska 99508
toll free: 1-866-HUFFING (483-3464)
or 907-646-0778 • fax: 907-646-0738



- 1,400 products accessible.
- Limited treatment options.
- In Alaska, inhalants are used mostly by children.
- "Sudden Sniffing Death" is high risk with inhalants.
- Inhalant abuse can quickly cause permanent damage to the brain.
- Cost for care of a person damaged by inhalant abuse can be more than \$1.4 million.

Challenges To Treatment:

- Impulsive, aggressive behavior towards others can occur suddenly while under the influence.
- Two to six weeks of 24-hour supervised detoxification time needed.
- Poor attention span.
- Poor decision making.
- Short term memory problems.
- Sometimes physical coordination problems.

Call Toll-free:
1-866-HUFFING (483-3464)



Statewide Outreach



YUKON-KUSKOKWIM HEALTH CORPORATION

The Project's Story

- 1997 - 1998 Rural Human Services students organize Inhalant Prevention Conference.
- March, 1998 Billy McCann asks Senator Murkowski, "What can you do about inhalant abuse?"
- 1998 - 2000 Multiple proposals submitted by ANTHC and YKHC.
- October, 1998 Senator Murkowski organizes National Inhalant Awareness Day.
- January, 2000 Federal funding announced.
- August, 2000 Groundbreaking for inhalant abuse treatment facility in Bethel.
- October, 2000 Workshop to develop guidelines for inhalant treatment program. Statewide outreach efforts begin.
- Aug. 31, 2001 Grand Opening of 11,000 sq. ft. residential treatment facility.
- Sept., 2001 First group of Alaskan youth begin treatment at the new McCann Treatment Center.

Mission:

The Inhalant Treatment Program is a statewide, inhalant program providing specialized services for all Alaskan youth, their families and the communities in which they live.

Program funded through SAMHSA-CSAT



Above: School presentations are the basis of prevention.



Left: Opening the McCann Treatment Center in Bethel

Residential Treatment – Helping Youth to Heal

The multi-culturally based program treats up to 14 youth, ages 10 - 17, per treatment session.

Residential treatment has four phases of care and includes involvement by families and community care providers — followed by ongoing outpatient follow-up and support. Treatment takes four to six months.

Strength-based treatment acknowledges Alaska's cultural diversity.

Assessment and treatment incorporate the cultural values, beliefs and practices of the population being served.

The wisdom and input from elders is an integral part of the program.

Statewide Outreach & Early Intervention Program

The Inhalant Treatment Program has a statewide focus, providing information, assessment, training and treatment throughout Alaska

Early Intervention – Training

Inhalant abuse treatment . . . programs at conferences, workshops and in community meetings to increase awareness and capacity to respond to inhalant abuse issues.

Statewide Advisory Council

Family members of inhalant abusers, persons who have abused inhalants themselves, service providers and leaders in the healthcare system bring perspective and input.

Inhalant Prevention Conferences

The Tundra Swan Program participates in planning the conference and producing educational components.

Brief Intensive Intervention

Mobile Intervention Teams travel to regional hubs and communities throughout Alaska to provide intensive outpatient assessment and intervention services to children ages 8 to 18 who are using inhalants. A multi-disciplinary team works with local providers to facilitate the clinic/camp program.

Evaluation

Reviews the program's performance in order to help strengthen its effectiveness.





INHALANTS & POISONS

They are right under your nose

CAUTION: *This information can be quite dangerous if used by children or youth to find out about how to abuse inhalants. We do not want this to happen, so PLEASE be careful with this information and do not allow anyone under the age of 18 to review this material without a parent or educator with the person.*

INHALANTS FACT SHEET

- ▼ Inhalants are not drugs. They are toxic chemicals that when used inappropriately, such as by sniffing or "huffing" the vapors, can cause toxic effects, similar to the "high" obtained with drugs.
- ▼ Inhalants can kill the very first time they are used. Death is usually from heart failure or suffocation.
- ▼ Inhalant highs are the result of intensive penetration of toxic chemicals into the brain tissue, where they are capable of causing irreversible damage.
- ▼ In addition to brain, liver, lung and bone marrow damage, there is evidence that chronic abuse of some inhalants causes chromosome and fetal damage.
- ▼ Inhalants are the fourth most abused substance after alcohol, tobacco, and marijuana among high school students.
- ▼ A 1999 nationwide survey of students indicates that 19.5% of eighth graders have used inhalants compared to 22% who have used marijuana/hashish.
- ▼ However, there are Alaska communities where it is reported that up to 90% of the elementary school students have tried or are using inhalants.
- ▼ Chronic inhalant users can suffer severe and permanent brain damage; some die the first time they try it; other possible risks include loss of consciousness and irreversible damage to the liver, kidneys and bone marrow.
- ▼ Inhalants are often a "gateway" to the abuse of other illicit substances. 70% of one group of substance abusers, in treatment, indicated they had started with inhalants and 50% of those indicated they would go back to inhalants (primarily gas) if alcohol was not available.
- ▼ More than 1,400 common, useful and legal household, office and classroom products can be used to "get high".
- ▼ Every year kids die from inhalant use, but many parents and educators remain ignorant of this silent epidemic.
- ▼ Because the chemicals in inhalants enter the lungs in such high concentrations, they have a more formidable toxic profile than other types of abused drugs.
- ▼ Inhalant treatment is significantly more complex than most drug abuse treatment. The toxic chemicals remain in the body tissues for extended periods of time, resulting in the need for a four to six week period of detoxification, prior to actual intensive treatment having much positive effect.
- ▼ Youth with a history of chronic inhalant use have strikingly high rates of relapse. Because of the difficult problems associated with inhalant abuse treatment, these youth are often excluded from some drug abuse programs.
- ▼ Chronic inhalant users may suffer withdrawal symptoms, including: hand tremors, chronic headaches, nervousness, anxiety and excessive sweating.

Signs of Use	Harmful Effects
<p>There is a common link between inhalant abuse and problems in school – failing grades, chronic absences and general apathy. Other signs include the following:</p> <ul style="list-style-type: none"> ▼ Paint or stains on body, clothing, rags or bags ▼ Spots or sores around the mouth ▼ Red or runny eyes or nose ▼ Chemical breath odor ▼ Drunk, dazed or dizzy appearance ▼ Nausea, loss of appetite ▼ Anxiety, excitability, irritability ▼ Restlessness or unexplained moodiness and anger outbursts ▼ Missing abusable household items ▼ Slurred or disoriented speech 	<p>Potential long-term effects of inhalant use include:</p> <ul style="list-style-type: none"> ▼ Short-term memory loss ▼ Hearing loss ▼ Limb spasms ▼ Permanent brain damage ▼ Bone marrow damage ▼ Liver and kidney damage ▼ Possible fetal effects similar to fetal alcohol syndrome ▼ Intoxication ▼ Death
<p>Typical Profile of an Inhalant Abuser</p>	<p>RESOURCES</p>
<p><i>There is no typical profile of an inhalant abuser. Sniffers and huffers are represented by both sexes and all socioeconomic groups throughout the country and Alaska. It is not unusual to see elementary and middle-school age youth involved with inhalant abuse. Although often typified as a "rural" problem, the misuse of inhalable products, besides gas, is, unfortunately, very common in schools and homes throughout both urban and rural Alaska.</i></p>	<p>Local Substance Abuse Programs and/or Local Community Mental Health Services</p> <p>Yukon-Kuskokwim Health Corporation Tundra Swan Inhalant Treatment Program Bethel, Alaska</p> <ul style="list-style-type: none"> - McCann Center – 907-543-6800 - Jim Henkelman, Statewide Outreach Coordinator - Toll Free: 866-HUFFING [483-3464] Or: 907-230-6693
<p>Inhalant Prevention Curriculum</p> <p>There is a good curriculum guide for Kindergarten thru 12th grade available from the State of Virginia, Dept. of Education. It can be downloaded as a PDF file: www.pen.k12.va.us/VDOE/Instruction/Inhalantbook.pdf</p> <p>If you are unable to access it, go to: www.pen.k12.va.us/VDOE and under Instructional Support Services find Office of Compensatory Programs and under that find Frequently Requested Information and under that "Inhalant Prevention Guide".</p> <p>Great Britain Website: www.re-solv.org</p>	<p>National Inhalant Prevention Coalition 1-800-269-4237, or on the World Wide Web at: http://www.inhalants.org</p> <p>National Drug and Alcohol Treatment Referral Service – 1-800-662-HELP</p> <p>National Clearinghouse for Alcohol and Drug Information – 1-800-729-6686 http://www.health.org</p> <p>Search for inhalant information at: www.jointogether.org/sa/</p> <p>Another good information resource: www.drugabuse.gov/drugpages/inhalants.html</p> <p>www.intheknowzone.com</p>

HCR

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Representative Mary Kapsner

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Tuntutuliak

Upper Kalskag

MEMORANDUM

TO: Representative Peggy Wilson, Chair
House Health, Education and Social Services Committee

FROM: Representative Mary Kapsner

DATE: April 23, 2003

RE: Scheduling Request – Alaska History Resolution (HCR 19)

I respectfully request consideration of calendaring of the attached resolution requesting the State Board of Education to adopt regulations requiring the equivalent of at least one semester of Alaska history prior to graduation from high school.

Over the past two years interest in requiring Alaska students to learn about our state's history has grown. Alaskans speak with pride about being from this great state, but many lack a base of knowledge about our history, how we got to this point in time, and why aspects of our government and social structures are different. Many Alaskans, in fact, were educated in other states where they took that state's history and express surprise that Alaska doesn't have a similar requirement.

Support across Alaska has been tremendous. It has come from diverse areas--from the education community, civic leaders, historical societies, the editorial boards of numerous newspapers, and many individual Alaskans. Recognizing the fiscal challenges facing every school district, The Humanities Forum has led a successful effort in obtaining funding needed for curriculum development and training.

Nearly 2/3 of the last legislature joined in co-sponsoring legislation aimed at improving this circumstance by requiring high school students to have some basic knowledge of Alaska history and government. It passed the House without opposition, but was stalled in a Senate committee. During the interim we worked with the leadership of the Alaska Humanities Forum in bringing the issue to the attention of the State Board of Education. The board developed a committee to consider the issue and was mid-process at the time the Governor appointed new board members. This resolution requests the newly appointed State Board of Education to continue the work begun on this issue.

Representative Mary Kapsner

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House Concurrent Resolution 19 - Alaska History Curriculum Sponsor Statement

Although we are a very young state, we are a land with a rich history. Our economy is fueled by resource development, in our recent history predominantly by oil, at various times in the past by fisheries, fur, timber, and mining. We are facing pressing issues as we plan for our future, and we need an electorate that understands the context of these issues at more than a 4th or 6th grade level.

House Concurrent Resolution 19 calls upon the State Board of Education to require that high school students to complete the equivalent of a semester course in Alaska History before graduation. Understanding our history is fundamental to being an informed and effective participant in state and local affairs. While many school districts in Alaska do offer and/or require a high school level Alaska History course, the legislature should request that the State Board of Education see that every child receives a quality education in this critical subject.

Groups across Alaska, from educators to economists, have been active in advocating the teaching of Alaska history to our students. In addition to individual Alaskans who have spoken out in support of Alaska History over the past two years, resolutions or letters came from Commonwealth North, the Alaska Humanities Forum, The Association of School Boards, the Association of School Administrators, NEA, the Alaska Geographic Alliance, the Alaska Historical Society, the Alaska Historic Commission, the Alaska Historic Preservation Office, the Alaska Municipal League, AFN, First Alaskans Institute, Bridge Builders, Palmer Historic Society, the Municipality of Anchorage, the Anchorage School Board, and numerous other municipalities around the state.

Senator Ted Stevens and the Alaska Humanities Forum have succeeded in securing funding for the development of a high school level Alaska History curriculum that could be made available to school districts.

Alaskans everywhere pride themselves simply in being Alaskan. We tell ourselves that our children are our most valuable resources, that they will be the leaders of tomorrow. As we strive to prepare them for the future, the educational foundation we provide should include an understanding of our state's history.

Representative Mary Kapsner

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HCR 19 – Alaska History Curriculum Sponsor Statement

House Concurrent Resolution 19 calls upon the State Board of Education to require high school students complete the equivalent of a semester course in Alaska History before graduation.

Understanding our history is fundamental to being an informed and effective participant in state and local affairs. While many school districts in Alaska do offer and/or require a high school level Alaska History course, many do not. There is a compelling interest in having our students learn about our state's history as they begin their lives as responsible citizens of our state. As many supporters of an Alaska history high school requirement have noted, the better educated today's young people are concerning our history, the better equipped they will be to make decisions in the future that will become part of our history.

The State Board of Education began the work necessary to consider the proposition of requiring Alaska History as a part of high school curriculum this past year. This resolution reinforces the Legislature's interest in the new board continuing that work.

Over the past three years support for requiring Alaska History at the high school level has been tremendous. Groups from educators to economists have been active in advocacy efforts. The diversity of support says a lot: Commonwealth North, the Alaska Humanities Forum, the Association of School Boards, the Association of School Administrators, NEA-Alaska, the Alaska Geographic Alliance, the Alaska Historical Society, the Alaska Historic Commission, the Alaska Historic Preservation Office, the Alaska Municipal League, AFN, First Alaskans Institute, Bridge Builders, Palmer Historic Society, the Municipality of Anchorage, the Anchorage School Board, and numerous other municipalities around the State.

Senator Ted Stevens and the Alaska Humanities Forum have succeeded in securing funding for the development of a standards-based high school level Alaska History curriculum that would be made available to school districts. The effort placed on relieving the financial burden to school districts who do not presently have an Alaska History curriculum makes this a truly win/win proposition. Districts will be able to maintain a high level of local control in terms of curriculum content and deciding whether students should take Alaska History as a stand alone course or as components of other course requirements—including social studies, language arts and math.

Alaskans everywhere pride themselves simply in being Alaskan. We tell ourselves that our children are our most valuable resources, that they will be the leaders of tomorrow. As we strive to prepare them for the future, the educational foundation they receive should include an understanding of our state's history.



Resolution of the State Board of Education & Early Development

**Supporting the Alaska Humanities Forum Request For Federal Funding
To Enhance The Teaching and Learning of Alaska History and Culture**

Resolution 05-2002

Whereas, the State of Board of Education & Early Development has adopted a mission for schools that promises "that all students succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and are effective in improving the character and quality of the world about them"; and

Whereas, the State Board has set out in 4 AAC 04.020 that graduating seniors need to possess certain skills and qualities, including being "responsible citizens"; and

Whereas, the State Board in February 2002 went on record expressing its "strong support for mandating a knowledge of Alaska's history for our high school graduates"; and

Whereas, many young Alaskans lack sufficient knowledge of the history and cultures of our state; and

Whereas, the State Board is on record as supporting the convening of a widely diverse group of Alaskans, including community leaders, teachers, administrators, parents, university professors and historians to develop standards and a curriculum of what students should know about Alaska history and our state's cultures; and

Whereas, the Alaska Humanities Forum is a highly regarded organization known for its excellent work and high quality products that possesses a deep commitment to Alaska, its children and its future; so

Therefore, Be It Resolved that the State Board of Education & Early Development strongly supports the request of the Alaska Humanities Forum for federal funds to develop, produce and distribute standards, curriculum materials and lesson plans for the teaching and learning of Alaska history and culture in the schools of Alaska.

Chair, State Board of Education & Early Development

November 22, 2002



Some educators believe Alaska history should be a mandatory class, but other people say it should remain optional.

Putting Alaska history into the school books

Iris Keogh

Anchorage, Alaska, Sept. 26 - Should high school students be given one more requirement, or is there another way to incorporate Alaska history into the school curriculum? That's one of the issues facing the state Board of Education and Early Development.

Who was Alaska's first governor?

When did Alaska become a state?

How and when did the Alaska Permanent Fund start?

These are all questions on Alaska history -- questions, some say, that many Alaskan students can't answer.

Ira Perman is a member of a task force for the teaching of Alaska history and cultural studies. He and others think the Board of Education should require that all 52 school districts statewide teach a semester course in Alaska history.

because they don't have the background of information, and just the issue of the permanent fund, how to solve the state's fiscal problems, how we got to where we are."

Even though Comeau believes Alaska history should be required, she says how the subject is taught should be a local decision. What works in Anchorage may not work in the Bush.

"I think it's critical," says state Commissioner of Education Shirley Holloway. "I think the state board is very supportive of that. They just want to be sensitive to the differences that we have in this state, in terms of the number of youngsters in schools and the number of teachers that are available to teach those youngsters."

Megan Coffland, a senior at Sitka High School and the student advisor to the board, thinks the concept of students learning about their state is a great idea, but making the subject a requirement is not.

"They won't take it seriously," she says. "It's just one more requirement to get out of the way. It's one more frustration, and you don't want something that important to be a frustration to students."

"People don't know, for example, why the Egan Center is named... after who?" Perman says.

Just one of the questions many educators hope students can answer.

For the record, the Egan Civic and Convention Center was named for Bill Egan, who served as Alaska's first governor from 1959 to 1966, and again from 1970 to 1974. Alaska became a state in 1959. The Alaska Permanent Fund was first suggested by Gov. Jay Hammond, and created by Alaska voters in 1976 with an amendment to the state constitution. The first checks were sent out in 1982.



Wednesday, January 23, 2002

Learning history is an investment in the future

Frontiersman editorial board

The Legislature is once again considering a bill that would require high school students to pass an Alaska history class to earn a diploma. We throw our full support behind this plan.

Sometimes classes are designed to get students excited about a topic, to inspire them to learn more. Others offer basic, day-to-day knowledge students will need after they graduate. Instruction in Alaska's history addresses both of these.

A good class, taught by the right teacher, could help students to understand the relevance of years gone by, to observe in their own communities the effects of those years and, in turn, could inspire them to enjoy history as a general subject.

But more importantly, information about how we all arrived in Alaska and how we formed our government and established our relationships with each other and with the rest of the world is critical to decisions we make everyday. Whether it is the ongoing debate over subsistence and its related struggle of rural versus urban communities or the issue of where state money comes from and how it is spent, we could all stand to take a look back over the decades prior to today.

So far, dozens of legislators around the state have signed on as co-sponsors of the Alaska history requirement bill, joining forces with sponsor Rep. Mary Kapsner,

D-Juneau.

Lt. Gov. Fran Ulmer, the state Tolerance Commission and the Anchorage School Board have all voiced their support of the bill.

We encourage our legislators and local school board to take a similar stance. This is a chance to not only help our students be better educated about their own state, but also to possibly improve everything from race relations to budget decisions in years to come as these

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students become the business and government leaders of Alaska.

But all this grand talk of looking back at our history to improve our future won't mean a thing if we don't have the money to make it happen.

Too often federal and state laws pile new requirements onto our educators but then don't back it up with adequate budget increases. We don't want to see everyone cheer for the Alaska history class requirement only to have it come back to our local schools as another unfunded mandate.

Look at it as an investment. The better educated today's youth are about Alaska's history, the better equipped they will be in the future to make decisions that will become a part of Alaska's history. And every student becomes more interested in Alaska history and government is one more person who will become an interested voter, an involved citizen and, possibly, a dedicated legislator.

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OUR VIEW

History Lesson

*Alaska students need it;
State House gets to work*

Stirring to life in the Alaska Legislature is a bill that shows great long-term promise for helping bridge the state's disturbing urban-rural divide. HB 171 would require graduating Alaska students to pass a high school class in Alaska history, including a Native studies component. The bill cleared the House Education Committee on Wednesday. The next committee in line to consider the bill waived any action on it, a sure sign the bill is gathering momentum. Now it's awaiting action in the House Finance Committee. Along the way, HB 171 has picked up a bipartisan list of 18 cosponsors, just three short of the 21 votes needed for passage when a bill comes to the House floor.

The bill's preamble makes a compelling case for the measure:

"An education rich in history and government is vital to the development of a representative democracy and a civil society. Knowledge of a person's own state history and government is fundamental to informed and effective participation in state and local affairs. ... An educated Alaska populace with a full appreciation for the history of Alaska will make better decisions for the good of all Alaska citizens."

*Extra urgency
for the Alaska
history
requirement
comes from a
simple fact of
Alaska
geography.*

Requiring Alaska history for high school graduation would be a good idea under any circumstances. After all, 22 other states have a similar law. But extra urgency for the Alaska history requirement comes from a simple fact of Alaska geography. The state's rural areas, where most of the Alaska Native population lives, are so distant and isolated that few urban Alaskans ever go there. That physical gulf creates a chasm of misunderstanding about the unique needs of rural Alaska, especially about the many different Native cultures found there.

So far, no House member has objected to the proposed Alaska history requirement. The only hesitant voice comes from Anchorage Rep. Con Bunde, who opposes the provision that opens a possible exemption from the requirement for special education students.

We hope the measure won't get sidetracked over that important, but largely technical, issue. Alaska can't start soon enough to give its graduating students the fundamental grounding they need to be informed, caring citizens.



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Anchorage Daily News

B-6 Friday, April 27, 2001

Alaska State History— Let's Teach It Now!

In a recent public appearance it became painfully clear that Alaska's generation of the future knows little about Alaska's past.

I asked a group of high school grads what they knew about Pearl Harbor Day. I saw puzzled looks and blank stares on the faces of the young audience.

When told that bombing Pearl Harbor started WW II for the U.S. and that Alaska was also bombed during that war, the looks turned to doubt. Playing to my obvious strength I asked if anybody knew that when Alaska was purchased from Russia aboriginal inhabitants were to receive certain status, according to the agreement signed by U.S. Secretary of State William H. Seward and Baron Eduard de Stoeckl (for Alexander II of Russia). (And who were they, anyway?) Or further, that the Baron had to actually bribe certain members of both houses of Congress to secure the required number of votes to complete the purchase.

I later wondered if any high school student had ever thought about the land bridge, or had read about the European explorers who came to the Great Land, the first one from Denmark.

Beyond their own culture, are students aware of the several distinct cultures that make up the population of Alaska? Their customs, tools, modes of transportation and trade; religious observation or geographic ranges and uses of the land?

In the main, they knew nothing of these things. Worse, they don't really care. They're not relevant today, they say. If not relevant, it is because adults have not made them relevant. The kids cannot be faulted.

Can't We All Just Get Along?

Understanding begins with knowledge. Beware that understanding doesn't always beget appreciation or tolerance.

Such things come only with time. But, begin with knowledge.

We support the proposition that a passing grade in Alaska history should be requisite to secondary school graduation. That's the easy part. Coming up with a suitable textbook, goals and objectives and course work will not be easy to do during the first few years. Just defining Alaska history will be daunting enough. Shall we study Alaska "State" (modern) history? Shall we go back further to Alaska ancient history? Much of that history is recorded in the oral tradition of Alaska's First Peoples.

How Broad A Viewpoint?

The twig in the pathway over which we must not trip while seeking knowledge is this: The course must not be overtaken by a few advocates of only one or limited experiential histories. To suppose that Alaska's history began with the list of European explorers and exploiters who nearly extinguished Native cultures in Alaska would be just as wrong as to suppose that Europeans (white people) had nothing positive to offer. Likewise would it be counterproductive to wallow through centuries of hate and self-pity.

Alaska's Grand Social Experiment

And finally, a chapter must be included to cover the period 1970 to the present. It would be dedicated to the anthropology and sociology of financially disadvantaged landholders when they become wealthy shareholders. Ergo, a current case history and analysis of the Alaska Native Claims Settlement Act belongs in a good history of Alaska. It has changed the Great Land forever and ever, and for ages unto ages.

—Vern C. McCorkle

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Alaskans need knowledge of past

By Jon Kumin
For the Journal

Alaska is grappling with a host of serious issues. They share a common characteristic: Successful resolution must be based on understanding the underlying circumstances. Whether it's subsistence, the fiscal gap or revitalizing the Alaska salmon industry, solutions are best crafted from a firm understanding of the past.

In September 2000 Commonwealth North completed a major study of urban-rural issues. One of the six study recommendations was to seek the meaningful teaching of Alaska history in all Alaska high schools. This recommendation was based on extensive testimony during the study that effective decisions about Alaska's future must be based on a better understanding of our common past.

A follow-up study by Commonwealth North researched the issues affecting such a course, reaching out to groups that included teachers, school administrators, school boards and historians. Wide support was heard for the concept.

Much progress has been made since. The Anchorage School Board voted to incorporate this requirement and has started carefully assembling the appropriate curriculum materials. The Alaska

House of Representatives showed it understood the importance of the topic by unanimously passing House Bill 171, which mandates the teaching of Alaska history in Alaska high schools. The bill now rests in the Senate.

As the debate continues, issues have arisen. The Senate has the opportunity to improve the bill. Several areas must be addressed.

A common curriculum

One common unifying Alaska history course is needed to impart a shared understanding of Alaska's past. The current bill leaves each of the 53 state school districts to develop its own Alaska history course. There is no oversight body developing a curriculum or set of academic standards.

The Department of Education and Early Development should develop a curriculum standard that can be used as a basis for adoption statewide. The good work started by the Anchorage School District can be melded into this effort.

The course must be accurate and balanced, including the study of Alaska's government, civics,

WEALTHBUILDERS



Kumin

geography and economy. The history and ways of life of Alaska's many peoples, both indigenous and more recent arrivals should be covered along with topics like the campaign for statehood, mining, the pipeline, the Alaska Native Claims Settlement Act, the Permanent Fund, federal policies and major public policy issues of today.

Alaska's history is unlike any other. Much of our history is so recent that some who created it are still with us. We have a fantastic opportunity to pass our history on to young people directly from those who made it. We still have, for example, a handful of the people who wrote our state's constitution, which is widely respected as one of the best in the United States.

Unfunded mandates

The Fairbanks North Star Borough School District and other districts reasonably bridle at the imposition of academic requirements without the accompanying implementation funds. Funding from the state will be hard to come by, perhaps for years to come. Yet, civic backers of the bill are putting their money where their mouths are.

The Alaska Humanities Forum, the First Alaskans Institute, National Education Association - Alaska and others have pledged to provide money to develop the course, create materials and train teachers. Help from Washington, D.C., is also available.

How to make room for Alaska history should be a local decision. Many ways exist to add Alaska history to a district's curriculum. Specifics will depend on the priorities of each community.

Alaska history course has long-lasting value

Continued from Page 4

Districts may replace an elective course of lower priority. Some districts may choose to increase their students' graduation credit requirement; a one-semester course adds one-half credit. Some may choose to integrate the content into existing courses, such as threading the study of the Permanent Fund into an economics course.

What about Advanced Placement students?

This course must challenge those students. A rigorous and engaging course will have tremendous benefits. Students without an appreciation of the special nature of their state are more likely to leave it. Alaska history should be offered as an honors-level course for those students who respond to challenging curriculum.

Other questions and concerns will arise. It is important to remember that the long-term benefits of teaching a common Alaska history course far outweigh the short-term challenges. Our students need to learn their common

history. They need to know they have one. Otherwise Alaskans will continue down the path we have been treading. We will not understand who we are, how we came to be, and, most importantly, we will have a hard — perhaps impossible — time agreeing on what we should become.

We have an opportunity to impart a common Alaska history to the next generation of Alaskans.

We have an opportunity to impart a common Alaska history to the next generation of Alaskans. We have an obligation to tell an accurate and compelling story to our children so that we come together as Alaskans with a shared understanding of our past, a better understanding of our present and the prospect of a unified future. History will judge us poorly if we do not.

Jon Kumin is president of Kumin Associates Inc. Architects and Planners. He can be reached at 907-272-8833.

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NEA-ALASKA

Affiliated with the National Education Association

April 29, 2003

Representative Mary Kapsner
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Kapsner:

Thank you for inviting NEA-Alaska to reaffirm its support for legislation that would provide all of Alaska's high school graduates the opportunity to acquire knowledge of our state's history. We are pleased to reaffirm that support.

At our 2001 Delegate Assembly, NEA-Alaska members from all across the state voted to approve New Business Item 01-57. This New Business Item states in part, "NEA-Alaska shall encourage the Department of Education and Early Development to develop regulations providing (a) mandatory Alaskan History curriculum...throughout the State..." The delegates to our 2002 and 2003 Delegate Assembly continued their support for this concept.

NEA-Alaska supports the passage of HCR 19. This legislation falls within the spirit of our New Business Item. Speaking as an individual who attended school in another state, I can say that I was taught the history of that state. I have spoken with colleagues who came to Alaska from many other states, and they all had similar experiences of being required to learn about the history of the states where they attended school.

Most Alaskans came to this state from other states and from many foreign countries. It is shared experiences that make us all Alaskans. The shared experiences of our ancestors are our collective history. It is important for our children to be familiar with that shared experience, in other words, with our history. If we believe that a united Alaska is better than a fractured one, then we need to engage in activities that bring us together. Learning about our shared history is one such activity. For that reason, NEA-Alaska is pleased to be in support of HCR 19.

Sincerely,

Rich Kronberg
President

Alaska Association of School Administrators
LEADERSHIP FOR LEARNING

326 Fourth St., Suite 404 • Juneau, AK 99801-1101
Phone: (907) 586-9702 (800) 478-9702 • Fax: (907) 586-5879



April 30, 2003

The Honorable Mary Kapsner
State Capitol Building, Room 424
Juneau, AK 99801

Dear Representative Kapsner:

Please accept this written testimony in comment on House Concurrent Resolution No. 19, urging implementation of an Alaska history curriculum in public schools.

As you are aware from prior correspondence, AASA can provide support for the concept but has a long-standing concern about unfunded mandated curriculum. In fact, every year our association endorses a resolution opposing unfunded mandates.

However, if the legislature would provide additional funds for a quality Alaska History requirement, including the costs of teacher training, teacher time, materials development and materials acquisition, there is support for its being a requirement. Districts already provide a variety of coursework in Alaska History, though not necessarily at the high school level.

In addition, because this resolution places the decision with the State Board of Education, we can support its passage. The appropriate forum for debate on the matter is with the State Board and we welcome that dialogue.

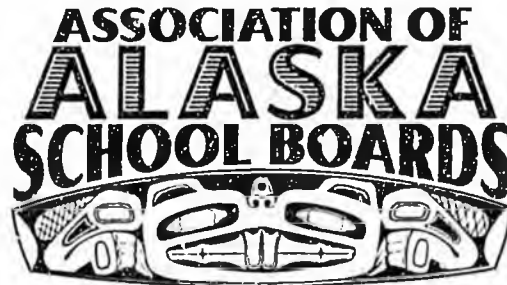
Please let me know if you would like additional information or further assistance.

Sincerely,

A handwritten signature in cursive script that reads 'Mary A. Francis'.

Mary A. Francis, Ph.D.
Executive Director

MF:klc



Advocates for Alaska's Youth

**Position Paper in Support of
HCR 14–Alaska History**

The Association of Alaska School Boards supports HCR 14, a resolution encouraging districts to include a review of Alaska history as part of their high school curriculum. The resolution also urges the Department of Education & Early Development to continue its fourth grade Alaska history curriculum.

The face of Alaska is changing demographically, economically, and socially. The speed of change makes it imperative for Alaska's citizens and leaders to have a sound understanding of the state's history. Knowing our history gives us all a context of where we came from and what we value about the diversity and richness of our state. That knowledge can help all Alaskans make decisions individually and collectively that will protect and enhance what we value both now and into the future.

An educated Alaskan populace, with a full appreciation for the history of the state in which they live, will make better decisions for the good of all its citizens. An understanding of our state's history will help us avoid mistakes of the past and will contribute to a prosperous, successful future for all Alaskans, no matter where they reside.

May 1, 2003