

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SHES 124

1 the state, organized by the cash and negotiated price of the procedure at available
2 providers and insurers, updated annually; the list must include medical procedures
3 covered by workers' compensation under AS 23.30;

4 (5) available hospital ratings, including the rates of hospital acquired
5 infections and mortality occurring at each hospital located in the state;

6 (6) consumer education information on topics that include body mass
7 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug
8 addictions, that includes the location of available sites that provide care and
9 treatment related to those issues;

10 (7) a list of procedures approved by state agencies for emergency
11 response and treatment;

12 (8) disease management support information;

13 (9) insurance information that includes

14 (A) a navigator to determine insurance eligibility using a
15 matrix of available insurers;

16 (B) links to Internet websites for purchasing insurance
17 policies;

18 (C) an explanation of mandatory and optional insurance
19 coverage;

20 (10) a list of primary care clinics that cater to uninsured and self-pay
21 patients; and

22 (11) information on the quality of health care facilities, including any
23 actions taken by state or federal agencies related to

24 (A) licensure and accreditation of a health care facility; or

25 (B) a licensed professional practicing in a health care facility

26 (c) the department may contract with a private entity to provide services and
27 information required under (a) of this section.

28 (d) The department shall develop and consistently update an Internet website
29 to provide residents of the state timely and accurate information regarding prevention
30 and healthy living.

31 (e) The department shall post and make available information related to the

1 commission, including the commission's annual reports under AS 18.09.070(c).

2 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
3 provide to the department the following information related to the facility's health
4 care services for placement in the database developed under AS 18.09.110:

5 (1) information on costs to the consumer for health care services;

6 (2) types of insurance and payment accepted by the health care
7 facility for health care services;

8 (3) each location where the health care facility operates, and the
9 hours of operation;

10 (4) the types and scope of health care services offered at the health
11 care facility;

12 (5) the Internet address of any Internet website of the health care
13 facility the purpose of which is to provide factual information to aid the consumer;

14 (6) any other readily accessible information that the department
15 determines would help the consumer to make informed decisions about the health
16 care facility's services.

17 (b) The department shall develop a standard form or format for reporting the
18 information required in (a) of this section. The department shall adopt regulations
19 specifying the timing and frequency of the reporting of the information required by
20 (a) of this section.

21 (c) The department shall notify the health care facility of a failure to report
22 under (a) of this section and give the health care facility an opportunity to contest or
23 cure the failure. If the health care facility does not promptly cure the failure, the
24 department shall post the notice of failure on the database developed under
25 AS 18.09.110.

26 **Sec. 18.09.130. Coordination of departments.** The Department of
27 Administration, the Department of Commerce, Community, and Economic
28 Development, the Department of Labor and Workforce Development, and the
29 Department of Law shall

30 (1) provide to the commission for placement on the database
31 developed under AS 18.09.110 information regarding an adverse action taken against

1 a health care facility in the state or against a licensed professional practicing in a
2 health care facility in the state; and

3 (2) cooperate with the commission in the performance of its duties.

4 **Article 3. General Provisions.**

5 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
6 AS 44 62 (Administrative Procedure Act) to carry out the purposes of this chapter.

7 **Sec. 18.09.990. Definitions.** In this chapter,

8 (1) "commission" means the Alaska Health Care Commission
9 established in AS 18.09.010;

10 (2) "costs to the consumer" means actual price paid by the consumer
11 for health care services;

12 (3) "department" means the Department of Health and Social
13 Services;

14 (4) "health care facility" means

15 (A) a facility licensed under AS 47.32;

16 (B) an independent diagnostic testing facility providing
17 services in the state;

18 (C) a provider of a home and community based waiver
19 service that is certified under regulations adopted by the department,

20 (D) a provider of personal care services that is certified under
21 regulations adopted by the department.

22 * **Sec. 5.** AS 18.26.220 is amended to read:

23 **Sec. 18.26.220. Facility compliance with health and safety laws and**
24 **licensing requirements.** A medical facility constructed, acquired, improved,
25 financed, or otherwise under the provisions of this chapter and all actions of the
26 authority are subject to [AS 18.07.] AS 47.32 [.] and any other present or future state
27 licensing requirements for the facilities or services provided under this chapter [A
28 MEDICAL FACILITY ISSUED A CERTIFICATE OF NEED UNDER SEC 4, CH
29 275, SLA 1976, BY VIRTUE OF BEING IN EXISTENCE OR UNDER
30 CONSTRUCTION BEFORE JULY 1, 1976, MUST FULLY MEET THE
31 REQUIREMENTS OF AS 18.07 IN ORDER TO BE ELIGIBLE FOR FUNDING

1 UNDER THIS CHAPTER.]

2 * **Sec. 6.** AS 21.86.030(c) is amended to read:3 (c) Nothing in this section relieves a health maintenance organization that
4 wishes to exercise the power described in (a)(1) of this section from the requirements
5 of6 (1) [AS 18.07, REGARDING OBTAINING A CERTIFICATE OF
7 NEED;

8 (2) AS 47.32, regarding regulation of hospitals; and

9 (2) [(3)] other statutes applicable to hospitals or other health care
10 facilities.11 * **Sec. 7.** AS 39.25.120(c)(7) is amended to read:12 (7) the principal executive officer of the following boards, councils,
13 or commissions:

14 (A) Alaska Public Broadcasting Commission;

15 (B) Professional Teaching Practices Commission;

16 (C) Parole Board;

17 (D) Board of Nursing;

18 (E) Real Estate Commission;

19 (F) Alaska Royalty Oil and Gas Development Advisory
20 Board;

21 (G) Alaska State Council on the Arts;

22 (H) Alaska Police Standards Council;

23 (I) Alaska Commission on Aging;

24 (J) Alaska Mental Health Board;

25 (K) State Medical Board;

26 (L) Governor's Council on Disabilities and Special Education;

27 (M) Advisory Board on Alcoholism and Drug Abuse;

28 (N) Statewide Suicide Prevention Council;

29 (O) the State Board of Registration for Architect, Engineers,
30 and Land Surveyors.31 (P) Alaska Health Care Commission;

1 * **Sec. 8.** AS 18.07.021, 18.07.031, 18.07.035, 18.07.041, 18.07.043, 18.07.045,
2 18.07.051, 18.07.061, 18.07.071, 18.07.081, 18.07.091, 18.07.101, 18.07.111; and
3 AS 47.80.140(b) are repealed.

4 * **Sec. 9.** (a) The following regulations are annulled:

5 (1) 7 AAC 07.010, 7 AAC 07.012, 7 AAC 07.015, 7 AAC 07.025, 7 AAC
6 07.031, 7 AAC 07.032, 7 AAC 07.033, 7 AAC 07.035, 7 AAC 07.040, 7 AAC 07.042, 7
7 AAC 07.050, 7 AAC 07.052, 7 AAC 07.060, 7 AAC 07.067, 7 AAC 07.070, 7 AAC 07.072,
8 7 AAC 07.079, 7 AAC 07.080, 7 AAC 07.092, 7 AAC 07.095, 7 AAC 07.105, 7 AAC
9 07.107, and 7 AAC 07.900;

10 (2) 7 AAC 09.030(3) and 7 AAC 09.170(5);

11 (3) 7 AAC 43.689(g)(4)(B);

12 (4) 15 AAC 118.020(c)(3) and (d)(1).

13 (b) The commissioner of health and social services shall immediately proceed under
14 AS 44.62 to amend or annul the following regulations in accordance with the provisions of
15 this Act:

16 (1) 7 AAC 09.020;

17 (2) 7 AAC 43.679, 7 AAC 43.685, 7 AAC 43.686, and 7 AAC 43.709.

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

20 **TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,**
21 **AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM.** (a) The
22 commissioner of health and social services through the Department of Law shall
23 immediately take steps to seek dismissal of pending administrative appeals and court actions
24 concerning the issuance of certificates of need under AS 18.07 or implementation of
25 AS 18.07.

26 (b) The Department of Health and Social Services shall immediately close all
27 pending application files under AS 18.07. The Department of Health and Social Services
28 shall send written notification to applicants of the action taken under this subsection.

29 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section
30 to read:

31 **TRANSITION: REGULATIONS.** The Department of Health and Social Services

1 may proceed to adopt regulations necessary to implement the changes made by this Act. The
2 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
3 effective date of the statutory change.

4 * Sec. 12. Sections 5, 6, and 8 - 10 of this Act take effect July 1, 2010.

5 * Sec. 13. Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2008.

MEMORANDUM

DATE: January 25, 2008
TO: Senator Bettye Davis
FROM: Thomas S. Obermeyer
RE: SB 245 – "An Act establishing the Alaska Health Care Commission and the Alaska Health Care Information Office; relating to health care planning and information; repealing the certificate of need program for certain health care facilities and relating to the repeal; annulling certain regulations required for implementation of the certificate of need program for certain health care facilities; and providing for an effective date." –also known as the "Health care Transparency Act – or Initiative"

Summary

- I. This bill attempts to combine three substantive areas of health care into one bill:
 - 1) Creation of a statewide health care plan
 - 2) Establish a 10-member Alaska Health Care Commission with Executive Director to be partially exempt
 - 3) Repeal Certificate of Need program (CON)
 - A. Dismiss pending administrative appeals and court actions regarding CON. – allow transition to 7/1/2010.
 - B. Allow continuation of "certain health care facilities," defined as critical care hospitals, nursing homes, and residential psychiatric treatment centers
- II. Sections 1, 2, and 5 of SB 245 are to take effect immediately, *i.e.*, July 1, 2008.
- III. Sections, 3,4, and 6-10 to repeal CON take effect immediately, with exceptions for pending appeals and litigation extended to 7/1/2010, and continuation of "certain health care facilities" defined per above to include critical care hospitals, nursing homes and psychiatric treatment facilities.

Sectional Analysis

The Sectional Analysis of SB245 HB337 by the Department of Health and Social Services is to be changed per the amendments as follows:

Section 1. No change to plan to create Alaska Health Care Commission

(section to take effect July 1, 2008)

Section 2. No change to first part regarding policy, strategy and new Alaska Health Care Information Office.

Major change in last section. AS 18.09.110, regarding department information related to health care facilities, pharmacies, drugs, etc. This section is completely rewritten, much more detailed, and demanding.

Note that amendment eliminates need for update of Internet website (which could save \$800,000 in fiscal note #1 out of \$1,205,600. Elimination of website does not make sense as it is integral to program. Perhaps it is included in another part of the bill which I have not discovered.

(Section to take effect July 1, 2008)

Sections 3 & 4. No changes, except on page 8, additions to definitions of "health care facility" to mean: A) a facility licensed under AS 47.32; B) an independent diagnostic testing facility providing services in the state; and per amendment, C) provider of home and community-based waiver service certified by state; and D) provider of personal care services that is certified under regulations of the department.

Section 5. No change in executive director classified as partially exempt.
(section to take effect July 1, 2008)

Section 6. No change in repeal of CON program.

Section 7. No change in annulling regulations governing the Certificate of Need Program, except for typo change.

Section 8. Allows until July 1, 2010 for Commission of HSS and Dept. of Law to dismiss pending administrative appeals and court actions concerning CON.

Section 9. Completely replace with "Transition: Continuation of certificate of need requirements for 'certain health care facilities'" defined above to include critical care hospitals, nursing homes and psychiatric treatment facilities.

Section 10. Renumbered sections to take effect immediately: 3, 4, and 6-10.

Section 11. Sections 1,2, and 5 to take effect July 1, 2008.

Fiscal Notes

Fiscal Note 1: FY 2009 requires appropriation of \$1,205,600 and about \$200,000 higher for FY 2010-2013. If Internet website eliminated per amendment, i.e., line 17, page 7 (C), savings could be \$800,000 and part of 4 personnel.

Repeal of CON results in savings of \$3 million per year in payments for avoided capital costs (50% federal/50%GF/M). This represents 1.2% of total project costs for these facilities.

Page 2 details summary of expenditures and savings.

Fiscal Note 2:

Costs \$800,100 for FY 2009 and similar through 2013 to create and man Alaska Health Care Information Office and related website. Costs could be lower and fewer than the 2 personnel if website eliminated, but this may not be necessary or intended as I read the bill.

Detail summary of expenditures and savings, fiscal note 2, page 2 is identical to fiscal note 1, page 2.

Fiscal Note 3.

Eliminates CON program; saves \$304,600 and eliminates 2 positions. Detail summary of expenditures and savings, fiscal note 3, page 2 is identical to fiscal notes 1 and 2, page 2.

Fiscal Note 4.

Establishes cost of Alaska Health Care Commission at \$710,100, including 2 FT positions.

Detail summary of expenditures and savings, fiscal note 4, page 3 is identical to fiscal notes 1,2 and 3, page 2.



FOR IMMEDIATE RELEASE

No. 08-006

Governor Palin Introduces the Health Care Transparency Act

January 19, 2008, Juneau, Alaska - Governor Sarah Palin today introduced the Alaska Health Care Transparency Act which will provide more effective tools to help Alaskans access affordable health care, and to ensure our health care system is responsive to changing demographics and market conditions.

The Act includes some recommendations from the Health Care Strategies Planning Council and the Health and Social Services Certificate of Need Negotiated Rule Making Committee.

"I thank the members of these two committees," Governor Palin said. "They worked diligently to evaluate the broad spectrum of the health care system in our state. After reviewing their work, I am establishing the Alaska Health Care Commission to further health care planning from a statewide perspective, by building on the work they have done."

The bill would establish an Alaska health care information office to give consumers factual information on quality, cost and other important matters to help them make better-informed decisions about health care in the state. Recognizing that health care must be market- and business-driven, rather than restricted by government, Governor Palin is proposing a repeal of the Certificate of Need program (CON).

CON is a regulatory process that requires certain health care providers to obtain state approval before offering certain new or expanded services.

Health and Social Services Commissioner Karleen Jackson concluded that the CON program does not benefit the citizens of Alaska, given the litigious environment surrounding it.

The reports from the two committees are available online at:
<http://www.hss.state.ak.us/commissioner/legislature/>

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DHSS Contacts: Sherry Hill (907) 465-1618, cell (907) 321-2838
Wilda Laughlin (907) 465-1613, cell (907) 723-3802

SENATE BILL NO. 245

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/08

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Health Care Commission and the Alaska health care
2 information office; relating to health care planning and information; repealing the
3 certificate of need program for certain health care facilities and relating to the repeal;
4 annulling certain regulations required for implementation of the certificate of need
5 program for certain health care facilities; and providing for an effective date."

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

7 * **Section 1.** AS 18.05.010(b) is amended to read:

8 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
9 18.15.395, the department may

10 (1) flexibly use the broad range of powers set out in this title assigned
11 to the department to protect and promote the public health;

12 (2) provide public health information programs or messages to the
13 public that promote healthy behaviors or lifestyles or educate individuals about

1 health issues:

2 (3) promote efforts among public and private sector partners to
3 develop and finance programs or initiatives that identify and ameliorate health
4 problems;

5 (4) establish, finance, provide, or endorse performance management
6 standards for the public health system;

7 (5) develop, adopt, and implement

8 **(A) a statewide health plan under AS 18.09 based on**
9 **recommendations of the Alaska Health Care Commission established in**
10 **AS 18.09.010; and**

11 **(B) public health plans and formal policies through**
12 **regulations adopted under AS 44.62 or collaborative recommendations that**
13 **guide or support individual and community public health efforts;**

14 (6) establish formal or informal relationships with public or private
15 sector partners within the public health system;

16 (7) identify, assess, prevent, and ameliorate conditions of public
17 health importance through surveillance; epidemiological tracking, program
18 evaluation, and monitoring; testing and screening programs; treatment;
19 administrative inspections; or other techniques;

20 (8) promote the availability and accessibility of quality health care
21 services through health care facilities or providers;

22 (9) promote availability of and access to preventive and primary
23 health care when not otherwise available through the private sector, including acute
24 and episodic care, prenatal and postpartum care, child health, family planning, school
25 health, chronic disease prevention, child and adult immunization, testing and
26 screening services, dental health, nutrition, and health education and promotion
27 services;

28 (10) systematically and regularly review the public health system and
29 recommend modifications in its structure or other features to improve public health
30 outcomes; and

31 (11) collaborate with public and private sector partners, including

1 municipalities, Alaska Native organizations, health care providers, and health
 2 insurers, within the public health system to achieve the mission of public health.

3 * **Sec. 2.** AS 18 is amended by adding a new chapter to read:

4 **Chapter 09. Statewide Health Care Planning and Information.**

5 **Article 1. Alaska Health Care Commission; State Health Plan.**

6 **Sec. 18.09.010. Alaska Health Care Commission.** The Alaska Health Care
 7 Commission is established within the Department of Health and Social Services. The
 8 purpose of the commission is

9 (1) to provide recommendations for and foster the development of a
 10 statewide plan to address the quality, accessibility, and availability of health care for
 11 all citizens of the state; and

12 (2) to review and approve facility health care information for
 13 placement on the department's Internet database established under AS 18.09.110.

14 **Sec. 18.09.020. Composition; chair.** (a) The commission consists of 10
 15 members as follows:

16 (1) the state officer assigned the duties of medical director for the
 17 department;

18 (2) one member representing the Department of Administration,
 19 appointed by the commissioner of administration;

20 (3) one member representing the Department of Commerce,
 21 Community, and Economic Development, appointed by the commissioner of
 22 commerce, community, and economic development;

23 (4) one member representing the Department of Labor and
 24 Workforce Development, appointed by the commissioner of labor and workforce
 25 development;

26 (5) three public members, appointed by the governor; one of the
 27 members appointed under this paragraph must be a small business owner in the state;

28 (6) one ex officio nonvoting member from the house of
 29 representatives, appointed by the speaker of the house, and one ex officio nonvoting
 30 member from the senate, appointed by the president of the senate;

31 (7) an ex officio nonvoting member representing the office of the

1 governor.

2 (b) The department's representative appointed under (a)(1) of this section
3 shall serve as chair of the commission.

4 **Sec. 18.09.030. Term of office.** (a) Public members of the commission
5 appointed under AS 18.09.020(a)(5) serve for staggered terms of three years

6 (b) If a vacancy occurs in a public member's seat on the commission, the
7 governor shall make an appointment for the unexpired portion of that member's term.

8 (c) The governor may remove a public member of the commission from
9 office only for cause.

10 **Sec. 18.09.040. Executive director.** The commission shall employ an
11 executive director, who may not be a member of the commission. The executive
12 director shall serve at the pleasure of the commission. The commission shall
13 establish the duties of the executive director. The executive director is in the partially
14 exempt service under AS 39.25 (State Personnel Act).

15 **Sec. 18.09.050. Staff.** The department may assign employees of the
16 department to serve as staff of the commission. The commission shall prescribe the
17 duties of the commission staff.

18 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its
19 membership and consistent with state law, shall adopt and amend bylaws governing
20 its proceedings, and other activities, including provisions concerning a quorum to
21 transact commission business and other aspects of procedure, frequency and location
22 of meetings, and establishment, functions, and membership of committees.

23 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as
24 the state health planning and coordinating body. Consistent with state and federal
25 law, the commission shall provide recommendations for and foster the development
26 of a statewide health plan containing the following:

27 (1) a comprehensive statewide health care policy;

28 (2) a strategy for encouraging

29 (A) personal responsibility in prevention and healthy living
30 for all residents of the state;

31 (B) reductions in health care costs for all residents of the state

1 to below the national average:

2 (C) access in communities to safe water and wastewater
3 systems;

4 (D) the development of a sustainable health care workforce in
5 the state;

6 (E) quality health care being accessible for all residents of the
7 state; and

8 (F) increasing the number of residents of the state who are
9 covered by insurance for health care services.

10 (b) The commission shall review and approve health care information for
11 placement on the department's database developed under AS 18.09.110.

12 (c) The commission shall submit to the governor and the legislature by
13 January 15 of each year an annual report regarding the commission's
14 recommendations and activities.

15 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member
16 appointed to the commission under AS 18.09.020(a)(5) is not entitled to a salary, but
17 is entitled to per diem, reimbursement for travel, and other expenses authorized by
18 law for boards and commissions under AS 39.20.180.

19 **Article 2. Alaska Health Care Information Office.**

20 **Sec. 18.09.100. Office.** The Alaska health care information office is
21 established in the department. The purpose of the office is to improve access by
22 residents of the state to consistently updated

23 (1) facility information to aid consumers of health care services from
24 health care facilities in the state; and

25 (2) information to encourage personal responsibility in prevention
26 and healthy living.

27 **Sec. 18.09.110. Dissemination of information.** (a) The department shall
28 establish and maintain an information database on the Internet for all health care
29 facilities in the state in order to provide objective, unbiased, and factually based
30 information on health care facilities in the state. The department may require those
31 health care facilities to provide information in a standard form or format to the

1 department for placement on the database. Before information is placed on the
2 database, the commission shall review the information for accuracy.

3 (b) The database developed under (a) of this section must include the
4 following:

5 (1) a geographically indexed list of all health care facilities in the
6 state by region;

7 (2) information on costs to the consumer for health care services
8 provided by health care facilities;

9 (3) information on the quality of health care facilities, including any
10 actions taken by state or federal agencies related to

11 (A) licensure and accreditation of a health care facility; or

12 (B) a licensed professional practicing in a health care facility;

13 (4) the types and scope of health care services provided by each
14 health care facility;

15 (5) types of insurance and payment accepted by each health care
16 facility for health care services.

17 (c) The department shall develop and consistently update an Internet website
18 to provide residents of the state timely and accurate information regarding prevention
19 and healthy living.

20 (d) The department shall post and make available information related to the
21 commission, including the commission's annual reports under AS 18.09.070(c).

22 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
23 provide to the department the following information related to the facility's health
24 care services for placement on the database developed under AS 18.09.110:

25 (1) information on costs to the consumer for health care services;

26 (2) types of insurance and payment accepted by the health care
27 facility for health care services;

28 (3) each location where the health care facility operates, and hours of
29 operation.

30 (4) the types and scope of health care services offered at the health
31 care facility;

1 (5) the Internet address of any website of the health care facility to
2 provide factual information to aid the consumer;

3 (6) any other readily accessible information that the department
4 determines would be helpful to the consumer to make informed decisions about the
5 health care facility's services.

6 (b) The department shall develop a standard form or format for reporting the
7 information required in (a) of this section. The department shall adopt regulations
8 specifying the timing and frequency of the reporting of the information required by
9 (a) of this section.

10 (c) The department shall notify the health care facility of any failure to report
11 under (a) of this section and give the health care facility an opportunity to contest or
12 cure any failures. If the health care facility does not promptly cure any failure, the
13 department shall post the notice of failure on the database developed under
14 AS 18.09.110.

15 **Sec. 18.09.130. Coordination of departments.** The Department of
16 Administration, the Department of Commerce, Community, and Economic
17 Development, the Department of Labor and Workforce Development, and the
18 Department of Law shall

19 (1) provide information to the commission regarding an adverse
20 action taken against a health care facility in the state, or against a licensed
21 professional practicing in a health care facility in the state, for placement on the
22 database developed under AS 18.09.110; and

23 (2) cooperate with the commission in the performance of its duties

24 **Article 3. General Provisions.**

25 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
26 AS 44.62 to carry out the purposes of this chapter.

27 **Sec. 18.09.990. Definitions.** In this chapter

28 (1) "commission" means the Alaska Health Care Commission
29 established in AS 18.09.010;

30 (2) "cost to consumers" means actual prices paid by consumers for
31 health care services;

1 (3) "department" means the Department of Health and Social
2 Services;

3 (4) "health care facility" means

4 (A) a facility licensed under AS 47.32;

5 (B) an independent diagnostic testing facility providing
6 services in the state; *(C) Independent Diagnostic Testing Facility, Inc. 10/1/76*

7 * **Sec. 3.** AS 18.26.220 is amended to read:

8 **Sec. 18.26.220. Facility compliance with health and safety laws and**
9 **licensing requirements.** A medical facility constructed, acquired, improved,
10 financed, or otherwise under the provisions of this chapter and all actions of the
11 authority are subject to [AS 18.07.] AS 47.32[.] and any other present or future state
12 licensing requirements for the facilities or services provided under this chapter. [A
13 MEDICAL FACILITY ISSUED A CERTIFICATE OF NEED UNDER SEC. 4, CH.
14 275, SLA 1976, BY VIRTUE OF BEING IN EXISTENCE OR UNDER
15 CONSTRUCTION BEFORE JULY 1, 1976, MUST FULLY MEET THE
16 REQUIREMENTS OF AS 18.07 IN ORDER TO BE ELIGIBLE FOR FUNDING
17 UNDER THIS CHAPTER.]

18 * **Sec. 4.** AS 21.86.030(c) is amended to read:

19 (c) Nothing in this section relieves a health maintenance organization that
20 wishes to exercise the power described in (a)(1) of this section from the requirements
21 of

22 (1) [AS 18.07, regarding obtaining a certificate of need;

23 (2)] AS 47.32, regarding regulation of hospitals; and

24 (2) [(3)] other statutes applicable to hospitals or other health care
25 facilities.

26 * **Sec. 5.** AS 39.25.120(c)(7) is amended to read:

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28 or commissions:

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30 (B) Professional Teaching Practices Commission;

31 (C) Parole Board.

- 1 (D) Board of Nursing;
 2 (E) Real Estate Commission;
 3 (F) Alaska Royalty Oil and Gas Development Advisory
 4 Board;
 5 (G) Alaska State Council on the Arts;
 6 (H) Alaska Police Standards Council;
 7 (I) Alaska Commission on Aging;
 8 (J) Alaska Mental Health Board;
 9 (K) State Medical Board;
 10 (L) Governor's Council on Disabilities and Special Education,
 11 (M) Advisory Board on Alcoholism and Drug Abuse;
 12 (N) Statewide Suicide Prevention Council;
 13 (O) the State Board of Registration for Architect, Engineers,
 14 and Land Surveyors;

15 **(P) Alaska Health Care Commission;**

16 * **Sec. 6.** AS 18.07.021, 18.07.031, 18.07.035, 18.07.041, 18.07.043, 18.07.045,
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 18 AS 47.80.140(b) are repealed.

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

21 ANNULMENT, AMENDMENT, AND REPEAL OF REGULATIONS. (a) The
 22 following regulations are annulled:

23 (1) 7 AAC 07.010, 7 AAC 07.012, 7 AAC 07.015, 7 AAC 07.025, 7 AAC
 24 07.031, 7 AAC 07.032, 7 AAC 07.033, 7 AAC 07.035, 7 AAC 07.040, 7 AAC 07.042,
 25 7 AAC 07.050, 7 AAC 07.052, 7 AAC 07.060, 7 AAC 07.067, 7 AAC 07.070, 7 AAC
 26 07.072, 7 AAC 07.079, 7 AAC 07.080, 7 AAC 07.092, 7 AAC 07.095, 7 AAC 07.105,
 27 7 AAC 07.107, and 7 AAC 07.900;

28 (2) 7 AAC 09.030~~(b)~~(3) and 7 AAC 09.170(5);

29 (3) 7 AAC 43.689(g)(4)(B);

30 (4) 15 AAC 118.020(c)(3) and (d)(1).

31 (b) The commissioner of health and social services shall immediately proceed under

AMENDMENT

OFFERED IN THE SENATE HEALTH, EDUCATION
AND SOCIAL SERVICES COMMITTEE

BY _____

TO: SB 245

1 Page 6, lines 5 - 16:

2 Delete all material and insert:

3 "(1) the list of preferred drugs approved by the department for
4 reimbursement by the department;

5 (2) a complete list, organized by region and address, of

6 (A) health facilities located in the state;

7 (B) licensed pharmacists and pharmacies located in the state;

8 (C) emergency and urgent care facilities located in the state;

9 (D) health insurance companies offering coverage in the state;

10 (E) health care providers licensed in the state, including the
11 provider license number, type, and expiration date along with disciplinary actions,
12 if any;

13 (F) long-term, in-home, and hospice care providers located in the
14 state;

15 (G) public assistance offices of the department;

16 (3) a list of the 100 most commonly prescribed medications in the state
17 and the source and price, updated monthly, of the medications;

18 (4) a list of the 100 most commonly conducted medical procedures in the
19 state, organized by the cash and negotiated price of the procedure at available providers
20 and insurers, updated annually; the list must include medical procedures covered by
21 workers' compensation under AS 23.30;

1 (5) available hospital ratings, including the rates of hospital-acquired
2 infections and mortality occurring at each hospital located in the state;

3 (6) consumer education information on topics that include body mass
4 index, diet and nutrition, exercise, smoking cessation, and alcohol and drug addictions,
5 and that includes the location of available sites that provide care and treatment;

6 (7) a list of procedures approved by state agencies for emergency
7 response and treatment;

8 (8) disease management support information,

9 (9) insurance information that includes

10 (A) a navigator to determine insurance eligibility using a matrix of
11 available insurers;

12 (B) links to Internet websites for purchasing insurance policies;

13 and

14 (C) an explanation of mandatory and optional insurance coverage;

15 (10) a list of primary care clinics that cater to uninsured and self-pay
16 patients; and

17 (11) information on the quality of health care facilities, including any
18 actions taken by state or federal agencies related to

19 (A) licensure and accreditation of a health care facility; or

20 (B) a licensed professional practicing in a health care facility.

21 (c) The department may contract with a private entity to provide services and
22 information required under (b) of this section."
23

24 Page 6, line 17:

25 Delete "(c)"

26 Insert "(d)"
27

28 Page 6, line 20:

29 Delete "(d)"

30 Insert "(e)"
31

1 Page 8, line 6:

2 Delete "."

3 Insert ";"

4

5 Page 8, following line 6:

6 Insert

7 "(C) a provider of a home and community-based waiver service
8 that is certified under regulations of the department;

9 (D) a provider of personal care services that is certified under
10 regulations of the department."

11

12 Page 8, line 23:

13 Delete "AS 47.32."

14 Insert "AS 47.32."

15

16 Page 9, line 28:

17 Delete "7 AAC 09.030(b)(3)"

18 Insert "7 AAC 09.030(3)"

19

20 Page 10, following line 15:

21 Insert a new bill section to read:

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

24 **TRANSITION: CONTINUATION OF CERTIFICATE OF NEED REQUIREMENTS**
25 **FOR CERTAIN HEALTH CARE FACILITIES.** (a) Notwithstanding sec. 6 of this Act, the
26 provisions of former AS 18.07.021, 18.07.031, 18.07.035, 18.07.041, 18.07.043, 18.07.045,
27 18.07.051, 18.07.061, 18.07.071, 18.07.081, 18.07.091, 18.07.101, 18.07.111; and
28 AS 47.80.140(b) continue in effect as they read on June 30, 2008 for certain health care facilities
29 as defined in (c) of this section.

30 (b) Notwithstanding sec. 7(a) of this Act, the provisions of the following regulations
31 continue in effect as they read on June 30, 2008 for certain health care facilities defined in (c) of

1 this section:

2 (1) 7 AAC 07.010, 7 AAC 07.012, 7 AAC 07.015, 7 AAC 07.025, 7 AAC
3 07.031, 7 AAC 07.032, 7 AAC 07.033, 7 AAC 07.035, 7 AAC 07.040, 7 AAC 07.042, 7 AAC
4 07.050, 7 AAC 07.052, 7 AAC 07.060, 7 AAC 07.067, 7 AAC 07.070, 7 AAC 07.072, 7 AAC
5 07.079, 7 AAC 07.080, 7 AAC 07.092, 7 AAC 07.095, 7 AAC 07.105, 7 AAC 07.107, and 7
6 AAC 07.900;

7 (2) 7 AAC 09.030(3) and 7 AAC 09.170(5);

8 (3) 7 AAC 43.689(g)(4)(B);

9 (4) 15 AAC 118.020(c)(3) and (d)(1).

10 (c) Notwithstanding sec. 8 of this Act, the commissioner of health and social services
11 may not immediately take the actions required by sec. 8 of this Act for the certain health care
12 facilities until July 1, 2010.

13 (d) The provisions of this section apply only until June 30, 2010.

14 (e) In this section,

15 (1) "certain health care facilities" means

16 (A) critical access hospitals;

17 (B) nursing homes;

18 (C) residential psychiatric treatment centers;

19 (2) "critical access hospital" means a facility that is a hospital licensed in this
20 state that satisfies the criteria set out at 42 U.S.C. 1395i-4(c)(2)(B) and meets the conditions of
21 participation set out in 42 C.F.R. 485.601 - 485.647;

22 (3) "nursing home" means a nursing facility as defined in 42 U.S.C. 1396r(a);

23 (4) "residential psychiatric treatment center" means a secure or semi-secure
24 psychiatric facility or inpatient program in a psychiatric facility that is licensed by the
25 Department of Health and Social Services and that provides therapeutically appropriate and
26 medically necessary diagnostic, evaluation, and treatment services

27 (A) 24 hours a day for children with severe emotional or behavioral
28 disorders;

29 (B) under the direction of a physician; and

30 (C) under a professionally developed and supervised individual plan of
31 care that is designed to achieve the recipient's discharge from inpatient status at the

1 earliest possible time, and that is intensively and collaboratively delivered by an
2 interdisciplinary team involving medical, mental health, educational, and social service
3 components."
4

5 Renumber the following bill sections accordingly.
6

7 Page 10, line 22:

8 Delete "Sections 3, 4, 6 - 8, and 9"

9 Insert "Sections 3, 4, and 6 - 10"
10

11 Page 10, line 24:

12 Delete "sec. 10"

13 Insert "sec. 11"

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number 1
 Bill Version SB 245
 (S) Publish Date 1/19/08
 Dept. Affected Health & Social Services
 RDU Health Care Services
 Component Medicaid Services

ID(File name) 0050-DHSS-MS-1-18-08
 Title HEALTH CARE TRANSPARENCY ACT
 Sponsor RULES COMMITTEE
 Requester _____

Component No 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims
Miscellaneous							
TOTAL OPERATING	.	0.0	.	.	.	.	.
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts
1003 GF Match
1004 GF							
1037 GF Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	.	0.0	.	.	.	.	.

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

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

This bill eliminates the Certificate of Need program. This fiscal note is indeterminate. Eliminating the CON program would likely increase costs to Medicaid, however the costs are unknown at this time.

This fiscal note is based on projects denied, withdrawn, or reduced as the result of the CON program which is estimated to have saved the Alaska Medicaid program approx. \$3 million per year in payments for avoided capital costs (50% federal 50% GFM). This represents 1.2% of the total project costs for these facilities.

Prepared by William Streur, Deputy Commissioner
 Division Health Care Services
 Approved by Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 465-5830
 Date/Time 01/16/2008
 Date 01/19/2008

**FISCAL NOTE
FN # 1**

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. SB 245

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

**Fiscal Note Summary by Component
Department of Health & Social Services**

		Appropriation	Information				
		Required	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and internet site to provide consumers information about all health care facilities in the state	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number 2
 Bill Version SB 245
 (S) Publish Date 1/19/08
 Dept Affected Health & Social Services
 RDU Commissioner's Office
 Component AK Health Care Information Office

ID (File name) 0050-DHSS-AHCIO-1-18-08
 Title HEALTH CARE TRANSPARENCY ACT

Sponsor RULES COMMITTEE
 Requester _____

Component No 2899

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	494.9		494.9	494.9	494.9	494.9	494.9	494.9
Travel	18.0		18.0	18.0	18.0	18.0	18.0	18.0
Contractual	250.0		235.0	235.0	235.0	235.0	235.0	235.0
Supplies	22.2		10.0	10.0	10.0	10.0	10.0	10.0
Equipment	15.0		10.0	10.0	10.0	10.0	10.0	10.0
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	800.1	0.0	767.9	767.9	767.9	767.9	767.9	767.9
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF	800.1	767.9	767.9	767.9	767.9	767.9
1037 GF/Mental Health						
Other (Specify Type-do not abbreviate)						
Other (Specify Type-do not abbreviate)						
TOTAL	800.1	0.0	767.9	767.9	767.9	767.9

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	4	4	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill creates the Alaska Health Care Information Office and a related Internet site to provide consumers consistently updated information about all health care facilities in the state.

71000 Personal Services Two information technology positions are being requested to design, develop, implement, and support the dissemination of information on the internet for all health care facilities in the state to provide objective, unbiased, and factually based information on those facilities. In addition, an interactive website will be created to assist the public in obtaining timely and accurate information about personal responsibility in preventing chronic health conditions and promoting healthy living. Two planner positions will be needed to assist in research and data collection for the Commission.

Prepared by Jay C. Butler, MD
 Division Chief Medical Officer
 Approved by Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 269-8045
 Date Time 01/17/2008
 Date 01/18/2008

**STATE OF ALASKA
2008 LEGISLATIVE SESSION****ANALYSIS CONTINUATION**

Funding is needed to support two existing positions— Public Information Officer and Publications Technician. These positions will coordinate internal and external communications for the Alaska Health Care Information Office.

72000 Travel

Travel and per diem for professional staff.

73000 Contractual

Professional services contracts will be needed to facilitate and supplement formative research methods to develop and messages to promote healthy behaviors. Core Service RSAs will be required to provide lease space, telecommunications, mainframe connectivity, postage, etc.

74000 Supplies

In addition to day-to-day office supplies; FY09 includes one-time-only start-up costs such as computers, office furniture, reconfiguring leased space, wiring needs for connectivity, printers, fax, and photocopier.

75000 Equipment

FY 09 includes a one-time-only purchase of a server; subsequent fiscal years provide for technology upgrades and maintenance.

A summary of the overall impact of this legislation follows on the next page.

**FISCAL NOTE
FN # 2**

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. SB 245

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

**Fiscal Note Summary by Component
Department of Health & Social Services**

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and internet site to provide consumers information about all health care facilities in the state	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	2	0	2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number 3
 Bill Version SB 245
 (S) Publish Date 1/19/08
 Dept Affected Health & Social Services
 RDU Departmental Support Services
 Component Health Planning & Infrastructure

ID/File name) 0050-DHSS-HPI-1-18-08
 Title HEALTH CARE TRANSPARENCY ACT
 Sponsor RULES COMMITTEE
 Requester _____

Component No 2765

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	Appropriation		Information						
	Required		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	(190.1)								
Travel	(21.6)								
Contractual	(90.9)								
Supplies	(2.0)								
Equipment									
Land & Structures									
Grants & Claims									
Miscellaneous									
TOTAL OPERATING	(304.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES									
CHANGE IN REVENUES (0)									

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(44.8)								
1003 GF Match	(44.8)								
1004 GF	(89.5)								
1037 GF/Mental Health									
1156 Receipt Support Svcs (RSS)	(125.5)								
Other (Specify Type-do not abbreviate)									
TOTAL	(304.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	- 2							
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This bill eliminates the Certificate of Need program. These sections take effect immediately so FY09 is for a full year. This fiscal note estimates the savings in personal services and other administrative costs from elimination of the Certificate of Need office in Health Planning & Infrastructure. Expenditures are based on FY07 actuals and include legal services for CON hearings & appeals. Two positions would be eliminated. Revenue from CON application fees would be eliminated (all of Receipt Support Services). Revenue estimates for RSS are based on FY08 Management Plan and the remainder is pro-rated at 50% Medicaid reimbursable 50% non-reimbursable. The Medicaid costs are 50% federal 50% GF Match.

A summary analysis of the impacts of this legislation follows on next page.

Prepared by Dr. Jay Butler, Chief Medical Officer
 Division Commissioner's Office
 Approved by Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 269-7800
 Date/Time 01/16/2008
 Date 01/18/2008

FISCAL NOTE
FN # 3

BILL NO. SB 245

STATE OF ALASKA
2008 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

Fiscal Note Summary by Component
Department of Health & Social Services

Dollars in thousands		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services Indeterminate additional cost to Medicaid if CON eliminated	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure Savings if CON program is eliminated. Eliminates revenues from CON application fees	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: SB 245
 (S) Publish Date: 1/19/08
 Dept Affected: Health & Social Services
 RDU: Boards & Commissions
 Component: AK Health Care Commission

ID(File name): 0050-DHSS-AHCC-1-18-08
 Title: HEALTH CARE TRANSPARENCY ACT
 Sponsor: RULES COMMITTEE
 Requester: _____

Component No: 2900

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include information unless otherwise noted below

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	173.1		173.1	173.1	173.1	173.1	173.1
Travel	200.0		200.0	200.0	200.0	200.0	200.0
Contractual	250.0		250.0	250.0	250.0	250.0	250.0
Supplies	72.0		10.0	10.0	10.0	10.0	10.0
Equipment	15.0		10.0	10.0	10.0	10.0	10.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	710.1	0.0	643.1	643.1	643.1	643.1	643.1

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES (0)							
-------------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	710.1		643.1	643.1	643.1	643.1	643.1
1037 GF/Mental Health							
Other (Specify Type-do not abbreviate)							
Other (Specify Type-do not abbreviate)							
TOTAL	710.1	0.0	643.1	643.1	643.1	643.1	643.1

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	2		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill permanently establishes the Alaska Health Care Commission in DHSS to develop a statewide plan addressing the quality, accessibility and availability of health care in Alaska.

71000 Personal Services: Two new positions are needed to support the Commission. Costs are estimated for an Executive Director and administrative support position.

72000 Travel: Travel and per diem for Commission staff, and, travel and per diem for ten Commission members to conduct public meetings around the state.

Prepared by: Jay C. Butler, MD
 Division: Chief Medical Officer
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone: 269-8045
 Date Time: 01/17/2008
 Date: 01/18/2008

ANALYSIS CONTINUATION

73000 Contractual

Professional services contracts will be needed to supplement staff research and core service RSAs will be required to provide lease space, telecommunications, mainframe connectivity, postage, etc.

74000 Supplies

In addition to day-to-day office supplies, FY09 includes one-time-only start-up costs such as computers, office furniture, reconfiguring leased space, wiring needs for connectivity, printers, fax, and photocopier.

75000 Equipment

FY09 includes a one-time-only purchase of a server; subsequent fiscal years provide for technology upgrades and maintenance

A summary of the overall impact of this legislation follows on next page.

**FISCAL NOTE
FN # 4**

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. SB 245

ANALYSIS CONTINUATION

HEALTH CARE TRANSPARENCY INITIATIVE

**Fiscal Note Summary by Component
Department of Health & Social Services**

		Appropriation Required	Information				
		FY2009	FY2009	FY2010	FY2011	FY2012	FY2013
<i>Dollars in thousands</i>							
Total All Expenditures by Fund Source	Total	\$1,205.6	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$1,420.7	\$0.0	\$1,411.0	\$1,411.0	\$1,411.0	\$1,411.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Health Care Services Medicaid Services <i>Indeterminate additional cost to Medicaid if CON eliminated</i>	Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Departmental Support Svcs Health Planning & Infrastructure <i>Savings if CON program is eliminated. Eliminates revenues from CON application fees</i>	Total	(\$304.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Federal	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	(\$44.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	RSS	(\$125.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commissioner's Office AK Health Care Information Office <i>Establishes new office in DHSS and Internet site to provide consumers information about all health care facilities in the state</i>	Total	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$800.1	\$0.0	\$767.9	\$767.9	\$767.9	\$767.9
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Boards & Commissions AK Health Care Commission <i>Establish new commission in DHSS to develop statewide plan addressing the quality, accessibility and availability of health care in Alaska</i>	Total	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF Match	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	GF	\$710.1	\$0.0	\$643.1	\$643.1	\$643.1	\$643.1
	RSS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total All Positions	Full time	4	0	4	4	4	4
Health Care Services Medicaid Services	Full time	0	0	0	0	0	0
Departmental Support Svcs Health Planning & Infrastructure	Full time	-2	0	-2	-2	-2	-2
Commissioner's Office AK Health Care Information Office	Full time	4	0	4	4	4	4
Boards & Commissions AK Health Care Commission	Full time	2	0	2	2	2	2

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALM, GOVERNOR

P.O. BOX 110801
JUNEAU, ALASKA 99811-0801
PHONE: (907) 465-3030
FAX: (907) 465-3088

Sectional Analysis **SB 245/HB 337 Health Care Transparency Act**

Section 1. AS 18.05.010(b)

Requires the Department of Health and Social Services to implement a statewide health plan under AS 18.09, which is a new chapter creating the Alaska Health Care Commission.

Sec. 2. AS 18.09

Establishes a 10-member Alaska Health Care Commission within the Department of Health and Social Services. The purpose of the Commission is to develop a statewide plan to address the quality, accessibility and availability of health care for all citizens of the state; and to review and approve facility health care information for placement on the department's Internet database established under AS 18.09.110.

Section 2 also specifies that the plan contain a health care policy and a strategy for encouraging: personal responsibility and reductions in health care costs; access to safe water and wastewater systems; development of a sustainable health care workforce; accessible quality health care; and an increase in the number of residents who are covered by insurance.

Establishes an Alaska Health Care Information Office to provide consistently updated health care facility information to aid consumers of health care services, and information to encourage personal responsibility in prevention and healthy living.

Finally, the section requires health care facilities to provide the department information related to the facility's health care services for placement on the database developed under AS 18.09.110.

Sec. 3. AS 18.26.220 and Sec. 4 AS 21.86.030(c)

Technical, conforming edits to reflect the repeal of the CON program (see Sec. 6).

Sec. 5 AS 39.25.120(c)(7)

Specifies that the principal executive officer of the Alaska Health Care Commission is classified as partially exempt.

Sec. 6

Repeals 18.07, the Certificate of Need Program; and 47.80.140(b), which requires a certificate of need as a prerequisite for licensing a residential facility after July 1, 1978.

Sec. 7.

Annuls regulations governing the Certificate of Need Program.

Sec. 8

Directs the commissioner of the Department of Health and Social Services and Department of Law to immediately take steps to seek dismissal of pending administrative appeals and court actions concerning the issuance of certificates of need under AS 18.07. Requires the Department of Health and Social Services to immediately close all pending application files under AS 18.07.

Sec. 9

Allows the Department of Health and Social Services to adopt regulations necessary to implement changes made by this Act.

Sec. 10

Sets an immediate effective date for:

- Section 3 and 4, technical amendments to reflect repeal of certificate of need program;
- Section 6, repealing 18.07, certificate of need program;
- Section 7, annulling regulations governing the certificate of need program;
- Section 8, dismissing pending administrative appeals and court actions; and closing all pending application files under the certificate of need program;
- Section 9, allowing the department to adopt regulations to implement changes made in the act.

Sec. 11

Sets an effective date of July 1, 2008 for:

- Section 1, requiring the department to implement a statewide health plan;
- Section 2, establishing the Alaska Health Care Commission and the Alaska Health Care Information Office;
- Section 5, specifying the executive officer of the Health Care Commission as partially exempt.

Thomas Obermeyer

From: Hill, Sherry (HSS) [sherry.hill@alaska.gov]
Sent: Friday, February 01, 2008 11:44 AM
To: Thomas Obermeyer
Subject: FW: Senate H.E.S.S. Schedule February 4 - 8
Importance: High
Attachments: HB337 CS (E) 013108.pdf; Changes in the CS for House Bill 337.doc

as discussed

Note my new e-mail address! Sherry.Hill@alaska.gov

*Sherry Hill, MS, PR
 Assistant Commissioner for Public Affairs
 Alaska Department of Health and Social Services
 PO Box 110601
 Juneau, AK 99811-0601
 907-465-1618 cell 907-321-2838*

From: Hill, Sherry (HSS)
Sent: Friday, February 01, 2008 7:26 AM
To: Burrell, Don (LAA)
Cc: Rooney, Rebecca (LAA)
Subject: RE: Senate H.E.S.S. Schedule February 4 - 8
Importance: High

thanks Don!

Here is the CS that House HES adopted. There are a couple of areas we still need to tweak but this would give Senate HES a working document. I am also attaching a summary matrix which will help to decipher what was changed by whom (Becky this is for you too!)

What we still are working on:

Changed:

- the information that we will collect for the Health Info Office web site – leaves us to determine parameters in regulation (page 6 lines 14-17, paragraph (2) is still causing a lot of discussion so there will likely be some changes to this)
- composition of the board
- leaves CON intact for RPTC, Nursing Homes, and Critical Access Hospitals but eliminates the rest (Sec. 2.3 page 3 lines 1-10)

One thing that could be a problem – WE THINK that the third item will NOT protect Critical Access Hospitals in small communities because it won't prevent a diagnostic imaging center, or ambulatory surgery center from building in those communities – so House HES will be discussing

Note my new e-mail address! Sherry.Hill@alaska.gov

*Sherry Hill, MS, PR
 Assistant Commissioner for Public Affairs
 Alaska Department of Health and Social Services
 PO Box 110601
 Juneau, AK 99811-0601
 907-465-1618 cell 907-321-2838*

From: Don Burrell [mailto:Don_Burrell@legis.state.ak.us]

Sent: Thursday, January 31, 2008 5:16 PM

To: Hill, Sherry (HSS); Bryan Butcher; Fulton, Trevor M (LAA); Wielechowski, Bill (LAA); Ascott, George (LAA); Pustay, Katherine (LAA); Ledoux, Gabrielle R (LAA); Hancock, Suzanne J (LAA)

Subject: Senate H.E.S.S. Schedule February 4 - 8

Good evening everyone!

Senator Davis wanted everyone to be aware that one of your bills is on the Senate H E S.S. schedule next week. Attached is that schedule.

Please contact our office if you have any additional information that needs to be added to committee members packets or if you have any questions.

The bill will be heard in the order listed on the schedule.

Please let me know if you need any additional information and we will see you next week.

Don Burrell Jr.

Legislative Aide

Office of Senator Bettye Davis

State Capitol Room 30

Juneau, Alaska 99801

907-465-3822 P

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25-GH2050 E
Mischel
1/30/08

CS FOR HOUSE BILL NO. 337(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH 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 establishing the Alaska Health Care Commission and the Alaska health care
2 information office; relating to health care planning and information; relating to the
3 certificate of need program for certain health care facilities; and providing for an
4 effective date."

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

6 * Section 1, AS 18.05.010(b) is amended to read:

7 (b) In performing its duties under this chapter, AS 18.09, and AS 18.15.355 -
8 18.15.395, the department may

9 (1) flexibly use the broad range of powers set out in this title assigned
10 to the department to protect and promote the public health;

11 (2) provide public health information programs or messages to the
12 public that promote healthy behaviors or lifestyles or educate individuals about
13 health issues;

14 (3) promote efforts among public and private sector partners to

1 develop and finance programs or initiatives that identify and ameliorate health
2 problems;

3 (4) establish, finance, provide, or endorse performance management
4 standards for the public health system;

5 (5) develop, adopt, and implement

6 (A) a statewide health plan under AS 18.09 based on
7 recommendations of the Alaska Health Care Commission established in
8 AS 18.09.010; and

9 (B) public health plans and formal policies through
10 regulations adopted under AS 44.62 or collaborative recommendations that
11 guide or support individual and community public health efforts;

12 (6) establish formal or informal relationships with public or private
13 sector partners within the public health system;

14 (7) identify, assess, prevent, and ameliorate conditions of public
15 health importance through surveillance; epidemiological tracking; program
16 evaluation; and monitoring; testing and screening programs; treatment;
17 administrative inspections; or other techniques;

18 (8) promote the availability and accessibility of quality health care
19 services through health care facilities or providers;

20 (9) promote availability of and access to preventive and primary
21 health care when not otherwise available through the private sector, including acute
22 and episodic care, prenatal and postpartum care, child health, family planning, school
23 health, chronic disease prevention, child and adult immunization, testing and
24 screening services, dental health, nutrition, and health education and promotion
25 services;

26 (10) systematically and regularly review the public health system and
27 recommend modifications in its structure or other features to improve public health
28 outcomes; and

29 (11) collaborate with public and private sector partners, including
30 municipalities, Alaska Native organizations, health care providers, and health
31 insurers, within the public health system to achieve the mission of public health.

1 * **Sec. 2.** AS 18.07.111(8) is repealed and reenacted to read

2 (8) "health care facility" means a residential psychiatric treatment
3 center and a private, municipal, state, or federal hospital that has been designated by
4 the department as a critical access hospital.

5 * **Sec. 3.** AS 18.07.111 is amended by adding new paragraphs to read:

6 (11) "critical access hospital" means a facility that is a hospital
7 licensed in the state that satisfies the criteria set out in 42 U.S.C. 1395i-4(c)(2)(B)
8 and meets the conditions of participation set out in 42 C.F.R. 485.601 - 485.647;

9 (12) "nursing home" means a nursing facility, as defined in 42 U.S.C.
10 1396r(a).

11 * **Sec. 4.** AS 18 is amended by adding a new chapter to read:

12 **Chapter 09. Statewide Health Care Planning and Information.**

13 **Article 1. Alaska Health Care Commission; State Health Plan.**

14 **Sec. 18.09.010. Alaska Health Care Commission.** The Alaska Health Care
15 Commission is established in the Department of Health and Social Services. The
16 purposes of the commission are

17 (1) to provide recommendations for and foster the development of a
18 statewide plan to address the quality, accessibility, and availability of health care for
19 all citizens of the state; and

20 (2) to review and approve facility health care information for
21 placement on the department's Internet database established under AS 18.09.110.

22 **Sec. 18.09.020. Composition; chair.** (a) The commission consists of 12
23 members as follows:

24 (1) the state officer assigned the duties of medical director for the
25 department;

26 (2) one member representing the Department of Administration,
27 appointed by the commissioner of administration;

28 (3) one member representing the Department of Commerce,
29 Community, and Economic Development, appointed by the commissioner of
30 commerce, community, and economic development;

31 (4) one member representing the Department of Labor and

1 Workforce Development, appointed by the commissioner of labor and workforce
2 development,

3 (5) six public members, appointed by the governor; one of the
4 members appointed under this paragraph must be a small business owner in the state.

5 (6) one member from the house of representatives, appointed by the
6 speaker of the house

7 (7) one member from the senate, appointed by the president of the
8 senate

9 (b) The department's representative appointed under (a)(1) of this section
10 shall serve as chair of the commission.

11 **Sec. 18.09.030. Term of office.** (a) Public members of the commission
12 appointed under AS 18.09.020(a)(5) serve for staggered terms of three years.

13 (b) If a vacancy occurs in a public member's seat on the commission, the
14 governor shall make an appointment for the unexpired portion of that member's term.

15 (c) The governor may remove a public member of the commission from
16 office only for cause.

17 **Sec. 18.09.040. Executive director.** The commission shall employ an
18 executive director, who may not be a member of the commission. The executive
19 director shall serve at the pleasure of the commission. The commission shall
20 establish the duties of the executive director. The executive director is in the partially
21 exempt service under AS 39.25 (State Personnel Act).

22 **Sec. 18.09.050. Staff.** The department may assign employees of the
23 department to serve as staff to the commission. The commission shall prescribe the
24 duties of staff of the commission.

25 **Sec. 18.09.060. Bylaws.** The commission, on approval of a majority of its
26 membership and consistent with state law, shall adopt and amend bylaws governing
27 proceedings and other activities, including provisions concerning a quorum to
28 transact business and other aspects of procedure, frequency and location of meetings,
29 and establishment, functions, and membership of committees.

30 **Sec. 18.09.070. Duties of the commission.** (a) The commission shall serve as
31 the state health planning and coordinating body. Consistent with state and federal

1 law, the commission shall provide recommendations for and foster the development
2 of a statewide health plan containing the following:

3 (1) a comprehensive statewide health care policy;

4 (2) a strategy for

5 (A) encouraging personal responsibility in prevention and
6 healthy living for all residents of the state;

7 (B) reducing health care costs for all residents of the state to
8 below the national average;

9 (C) ensuring access in communities to safe water and
10 wastewater systems;

11 (D) developing a sustainable health care workforce in the
12 state;

13 (E) ensuring access to quality health care being accessible for
14 all residents of the state; and

15 (F) increasing the number of residents of the state who are
16 covered by insurance for health care services.

17 (b) The commission shall review and approve health care information for
18 placement on the department's database developed under AS 18.09.110.

19 (c) The commission shall submit to the governor and the legislature by
20 January 15 of each year an annual report regarding the commission's
21 recommendations and activities.

22 **Sec. 18.09.080. Compensation, per diem, and expenses.** A public member
23 appointed to the commission under AS 18.09.020(a)(5) is not entitled to a salary, but
24 is entitled to per diem, reimbursement for travel, and other expenses authorized by
25 law for boards and commissions under AS 39.20.180.

26 **Article 2. Alaska Health Care Information Office.**

27 **Sec. 18.09.100. Office.** The Alaska health care information office is
28 established in the department. The purpose of the office is to improve access by
29 residents of the state to consistently updated

30 (1) information about health care facilities to aid consumers of health
31 care services of health care facilities in the state, and

1 (2) information to encourage personal responsibility in prevention
2 and healthy living.

3 **Sec. 18.09.110. Discrimination of information.** (a) The department shall
4 establish and maintain an information database on the Internet of information about
5 all health care facilities in the state to provide objective, unbiased, and factually
6 based information on health care facilities in the state. The department may require
7 those health care facilities to provide information in a standard form or format to the
8 department for placement in the database. Before information is placed in the
9 database, the commission shall review the information for accuracy.

10 (b) The database developed under (a) of this section must include the
11 following:

12 (1) the availability and location of state licensed health care providers
13 and facilities, organized by region;

14 (2) the facility cost and provider cost of medical procedures in the
15 state, organized by the cash price and negotiated price of each procedure charged by
16 available providers and paid by insurers, updated annually; the cost must include the
17 cost to workers' compensation under AS 23.30;

18 (3) the prescription medication cost in the state, organized by the
19 cash price and negotiated price of each medication;

20 (4) available hospital ratings, including the rates of hospital acquired
21 infections and mortality occurring at each hospital located in the state.

22 (c) The department shall develop and consistently update an Internet website
23 to provide residents of the state timely and accurate information regarding prevention
24 and healthy living.

25 (d) The department shall post and make available information related to the
26 commission, including the commission's annual reports under AS 18.09.070(c).

27 **Sec. 18.09.120. Mandatory reporting.** (a) A health care facility shall
28 provide to the department the following information related to the facility's health
29 care services for placement in the database developed under AS 18.09.110:

30 (1) information on costs to the consumer for health care services;

31 (2) types of insurance and payment accepted by the health care

1 facility for health care services;

2 (3) each location where the health care facility operates, and the
3 hours of operation;

4 (4) the types and scope of health care services offered at the health
5 care facility;

6 (5) the Internet address of any Internet website of the health care
7 facility the purpose of which is to provide factual information to aid the consumer;

8 (6) any other readily accessible information that the department
9 determines would help the consumer make informed decisions about the health care
10 facility's services.

11 (b) The department shall develop a standard form or format for reporting the
12 information required in (a) of this section. The department shall adopt regulations
13 specifying the timing and frequency of the reporting of the information required by
14 (a) of this section.

15 (c) The department shall notify the health care facility of a failure to report
16 under (a) of this section and give the health care facility an opportunity to contest or
17 cure the failure. If the health care facility does not promptly cure the failure, the
18 department shall post the notice of failure on the database developed under
19 AS 18.09.110.

20 **Sec. 18.09.130. Coordination of departments.** The Department of
21 Administration, the Department of Commerce, Community, and Economic
22 Development, the Department of Labor and Workforce Development, and the
23 Department of Law shall

24 (1) provide to the commission information for placement in the
25 database developed under AS 18.09.110 regarding an adverse action taken against a
26 health care facility in the state or against a licensed professional practicing in a
27 health care facility in the state; and

28 (2) cooperate with the commission in the performance of its duties.

29 **Article 3. General Provisions.**

30 **Sec. 18.09.900. Regulations.** The department may adopt regulations under
31 AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter.

1 **Sec. 18.09.990. Definitions.** In this chapter,

2 (1) "commission" means the Alaska Health Care Commission
3 established in AS 18.09.010;

4 (2) "costs to the consumer" means the actual price paid by the
5 consumer for health care services.

6 (3) "department" means the Department of Health and Social
7 Services.

8 (4) "health care facility" means

9 (A) a facility licensed under AS 47.32;

10 (B) an independent diagnostic testing facility providing
11 services in the state;

12 (C) an agency providing a home and community based waiver
13 service that is certified under regulations adopted by the department,

14 (D) an agency providing personal care services that is
15 certified under regulations adopted by the department.

16 * Sec. 5, AS 39.25.120(e)(7) is amended to read:

17 (7) the principal executive officer of the following boards, councils,
18 or commissions:

19 (A) Alaska Public Broadcasting Commission;

20 (B) Professional Teaching Practices Commission;

21 (C) Parole Board;

22 (D) Board of Nursing;

23 (E) Real Estate Commission;

24 (F) Alaska Royalty Oil and Gas Development Advisory

25 Board;

26 (G) Alaska State Council on the Arts;

27 (H) Alaska Police Standards Council;

28 (I) Alaska Commission on Aging;

29 (J) Alaska Mental Health Board;

30 (K) State Medical Board;

31 (L) Governor's Council on Disabilities and Special Education.

1 (M) Advisory Board on Alcoholism and Drug Abuse,

2 (N) Statewide Suicide Prevention Council,

3 (O) the State Board of Registration for Architect, Engineers,
4 and Land Surveyors;

5 (P) Alaska Health Care Commission;

6 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
7 read

8 TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS,
9 AND COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM. The
10 commissioner of health and social services through the Department of Law shall
11 immediately take steps to seek dismissal of pending administrative appeals and court actions
12 concerning the issuance of certificates of need, as appropriate, under AS 18.07, as amended
13 by secs. 1 and 2 of this Act or implementation of AS 18.07.

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

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

20 * Sec. 8. Section 7 of this Act takes effect immediately under AS 01.10.070(c).

21 * Sec. 9. Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2008.

Changes in the CS for House Bill 337

HB337 original	DHSS amendment	HES changes	HB 337 CS
<p>Creates Health Care Commission to review health care policy and develop a plan – 10 members</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOI rep • 3 public members (1 small business owner) • House ex-officio. • Senate ex-officio. • Gov. office ex-officio <p>July 1 effective date</p>		<p>Changes composition of the Health Care Commission: 12 members</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOI rep • 6 public members (1 small business owner) • House representative • Senate representative 	<p>Changes composition of the Health Care Commission: 12 members:</p> <ul style="list-style-type: none"> • DHSS Med. Officer (Chair) • DOA rep • DCCED rep • DOI rep • 6 public members (1 small business owner) • House representative • Senate representative <p>July 1 effective date Page 3, line 22 (3s on commission Page 3 line 5 and 7 removing ex-officio of legislative members</p>
<p>Creates Health Info office: health info on web site on health care facilities, costs on health care, licensed facilities. July 1 effective date</p>	<p>Modifies info gathered, but no great impact on intent</p>	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care. • Cost of health care • Quality of health care 	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care. • Cost of health care • Quality of health care <p>Page 6, line 12-26</p>
<p>Repeals Certificate of Need, immediate effective date</p>	<p>Eliminates all CON Except Delays repeal of CON for 2 years for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities) (note: No end date, relies on solutions or recommendations from Commission)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities) Page 3, lines 1-10</p>

Other legislation, CON only:

HB4 (Rep. Lynn)	HB 345	CS for HB337
<p>Eliminates CON except for</p> <ul style="list-style-type: none"> • Health care facilities in boroughs having a population of not more than 25,000 OR in a community with a critical access hospital • Nursing Homes • RPTC 	<p>Retains CON, except makes the following CON changes:</p> <p>Excludes CON for Diagnostic Imaging Equipment located in:</p> <ul style="list-style-type: none"> • A borough of population of 60,000 or more AND • A city that does not have a critical access hospital AND • Has at least 50% ownership by one or more licensed, qualified AK physicians 	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals (does not protect such hospitals from HDE or Amb Surgery centers, need to address Communities which have such facilities) <p>Page 3, lines 1-10</p>

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<p>Creates Health Info office health info on web site on health care facilities, costs on health care, licensed facilities. July 1 effective date</p>	<p>Modifies info gathered, but no great impact on intent</p>	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care. • Cost of health care • Quality of health care 	<p>Modifies info gathered to focus on:</p> <ul style="list-style-type: none"> • Access to health care. • Cost of health care • Quality of health care <p>Page 6, line 12-26</p>
<p>Repeals Certificate of Need, immediate effective date</p>	<p>Eliminates all CON Except Delays repeal of CON for 2 years for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPIC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPIC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities) (note: No end date, relies on solutions or recommendations from Commission)</p>	<p>Eliminates all CON Except DOES NOT repeal of CON for:</p> <ul style="list-style-type: none"> • Nursing Homes • RPIC • Critical Access Hospitals <p>(does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities)</p> <p>Page 3, lines 1-10</p>

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HB4 (Rep. Lynn)	HB 345	CS for HB337
Eliminates CON except for <ul style="list-style-type: none"> • Health care facilities in boroughs having a population of not more than 25,000 OR in a community with a critical access hospital • Nursing Homes • RPTC 	Retains CON, except makes the following CON changes: <p>Excludes CON for Diagnostic Imaging Equipment located in:</p> <ul style="list-style-type: none"> • A borough of population of 60,000 or more AND • A city that does not have a critical access hospital AND • Has at least 50% ownership by one or more licensed, qualified AK physicians 	Eliminates all CON Except DOES NOT repeal of CON for: <ul style="list-style-type: none"> • Nursing Homes • RPTC • Critical Access Hospitals (does not protect such hospitals from HDE or Amb. Surgery centers; need to address Communities which have such facilities) Page 3, lines 1-10

1 AAC 07.050, 7 AAC 07.052, 7 AAC 07.060, 7 AAC 07.067, 7 AAC 07.070, 7 AAC 07.072,
2 7 AAC 07.079, 7 AAC 07.080, 7 AAC 07.092, 7 AAC 07.095, 7 AAC 07.105, 7 AAC
3 07.107, and 7 AAC 07.900;

4 (2) 7 AAC 09.030(3) and 7 AAC 09.170(5);

5 (3) 7 AAC 43.689(g)(4)(B);

6 (4) 15 AAC 118.020(c)(3) and (d)(1).

7 (b) The commissioner of health and social services shall immediately proceed under
8 AS 44.62 to amend or annul the following regulations in accordance with the provisions of
9 this Act:

10 (1) 7 AAC 09.020;

11 (2) 7 AAC 43.679, 7 AAC 43.685, 7 AAC 43.686, and 7 AAC 43.709.

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

14 **TRANSITION: PENDING APPLICATIONS, ADMINISTRATIVE APPEALS, AND**
15 **COURT ACTIONS FOR THE CERTIFICATE OF NEED PROGRAM.** (a) The
16 commissioner of health and social services through the Department of Law shall immediately
17 take steps to seek dismissal of pending administrative appeals and court actions concerning
18 the issuance of certificates of need under AS 18.07 or implementation of AS 18.07.

19 (b) The Department of Health and Social Services shall immediately close all pending
20 application files under AS 18.07. The Department of Health and Social Services shall send
21 written notification to applicants of the action taken under this subsection.

22 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

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

28 * **Sec. 12.** Sections 5, 6, and 8 - 10 of this Act take effect July 1, 2010.

29 * **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2008.

MEMORANDUM

DATE: January 25, 2008
TO: Senator Bettye Davis
FROM: Thomas S. Obermeyer
RE: SB 245 – “ An Act establishing the Alaska Health Care Commission and the Alaska Health Care Information Office; relating to health care planning and information; repealing the certificate of need program for certain health care facilities and relating to the repeal; annulling certain regulations required for implementation of the certificate of need program for certain health care facilities; and providing for an effective date.” –also known as the “Health care Transparency Act –or Initiative”

Summary

- I. This bill attempts to combine three substantive areas of health care into one bill:
 - 1) Creation of a statewide health care plan
 - 2) Establish a 10-member Alaska Health Care Commission with Executive Director to be partially exempt
 - 3) Repeal Certificate of Need program (CON)
 - A. Dismiss pending administrative appeals and court actions regarding CON. – allow transition to 7/1/2010.
 - B. Allow continuation of “certain health care facilities,” defined as critical care hospitals, nursing homes, and residential psychiatric treatment centers
- II. Sections 1, 2, and 5 of SB 245 are to take effect immediately, *i.e.*, July 1, 2008.
- III. Sections, 3,4, and 6-10 to repeal CON take effect immediately, with exceptions for pending appeals and litigation extended to 7/1/2010, and continuation of “certain health care facilities” defined per above to include critical care hospitals, nursing homes and psychiatric treatment facilities.

Sectional Analysis

The Sectional Analysis of SB245/HB337 by the Department of Health and Social Services is to be changed per the amendments as follows:

Section 1. No change to plan to create Alaska Health Care Commission

(section to take effect July 1, 2008)

Section 2. No change to first part regarding policy, strategy and new Alaska Health Care Information Office.

Major change in last section, AS 18.09.110, regarding department information related to health care facilities, pharmacies, drugs, etc. This section is completely rewritten, much more detailed, and demanding.

Note that amendment eliminates need for update of Internet website (which could save \$800,000 in fiscal note #1 out of \$1,205,600. Elimination of website does not make sense as it is integral to program. Perhaps it is included in another part of the bill which I have not discovered.

Section to take effect July 1, 2008)

Sections 3 & 4. No changes, except on page 8, additions to definitions of "health care facility" to mean: A) a facility licensed under AS 47.32; B) an independent diagnostic testing facility providing services in the state; and per amendment, C) provider of home and community-based waiver service certified by state; and D) provider of personal care services that is certified under regulations of the department.

Section 5. No change in executive director classified as partially exempt.
(section to take effect July 1, 2008)

Section 6. No change in repeal of CON program.

Section 7. No change in annulling regulations governing the Certificate of Need Program, except for typo change.

Section 8. Allows until July 1, 2010 for Commission of HSS and Dept. of Law to dismiss pending administrative appeals and court actions concerning CON.

Section 9. Completely replace with "Transition: Continuation of certificate of need requirements for 'certain health care facilities'" defined above to include critical care hospitals, nursing homes and psychiatric treatment facilities.

Section 10. Renumbered sections to take effect immediately: 3, 4, and 6-10.

Section 11. Sections 1,2, an5 to take effect July 1, 2008.