

**PRESIDENT'S REPORT**

March 21, 2008

**LEGISLATIVE
UPDATE:****> HB 337 &****SB 245 CON****Bills Update****> SB 28****Mandatory****Nurse****Overtime****Update****> HB 407 &****HB 345 Dead****> Up Next Week****▪ SB245 on 3/28**

➔ **HB 337 Health Care Transparency Act (OPPOSE)** - This legislation is now in House Finance. When HB 337 left House HES it contained provisions that would completely repeal CON in MatSu, Anchorage and Fairbanks. HB 337 also contained a provision for an Alaska specific CON study to be done. Rep Gardner asked her HES Committee members to conduct the study before adding language that would actually repeal CON in any areas of the state but the Committee voted against that motion. ASHNHA has been working with House Finance members to delete the repeal language in HB 337 with language from Rep Mike Kelly's bill HB 345 that just addresses when imaging equipment must go through the CON process. HB 345 will come up in House Finance the week of March 31.

➔ **SB 245 Health Care Transparency Act (SUPPORT)** - This is the Senate companion bill to HB 337. SB 245 is presently in Senate HES where the Governor's CON repeal language has been completely deleted and replaced with ASHNHA's imaging language from Rep. Mike Kelly's bill (HB 345). SB 245 is scheduled for another hearing in Senate HES on Friday, March 28.

➔ **HB 345 CON Compromise Language (SUPPORT)** - This is Rep. Mike Kelly's bill that contains ASHNHA's language that would address the very narrow issue of when imaging equipment added to a physician office must go through CON. This bill is in House HES and for all practical purposes is dead as the HES Chairman does not intend to release the bill from her committee. ASHNHA is working with Senate and House members and Rep. Mike Kelly to get his language included in both SB 245 and HB 337.

➔ **HB 407 Health Care Commission Membership (SUPPORT)** - This is Rep. Hawker's bill that proposes a different makeup for the Health Care Commission. Under this version most of the Health Care Commission members would be appointed by the Legislature rather than the Governor. ASHNHA supported the HB 407 and urged its passage from Committee. However, the House HES Committee chair has announced she will not be moving this bill from her Committee so it is for all practical purposes dead. However, ASHNHA is working with House members to substitute Rep Hawkers language in HB 337 for the Governor's language as ASHNHA believes Rep Hawkers approach is better.

➔ **SB 28 Mandatory Nurse Overtime (OPPOSE)** - SB 28 was heard again in Senate Finance on today, March 20. ASHNHA remains opposed to this legislation. Excellent testimony was provided by several representatives from Bartlett Regional Hospital and Ketchikan General Hospital refuting the belief that mandatory overtime and on call time are being inappropriately used. ASHNHA wants to extend its appreciation to Kyla Allred and Catherine Carter from Bartlett, and Lanetta Lundberg from Ketchikan for taking the time to testify. It was expected that SB 28 would move out of Senate Finance today but I believe their testimony combined with a jointly signed letter of opposition from Southeast hospital CEOs played a large part in the Senate Finance Committee holding the bill over for more consideration.

Why Does

ASHNHA

Support

SB 245 but

Oppose

HB 337?

Both Deal

With Identical

Issues: CON,

Creation of a

Commission,

& Mandatory

Reporting of

Information

ASHNHA's goals around CON and health reform for the 2008 Legislative Session are:

1. Assure continuation of Alaska's Certificate of Need (CON) laws for all communities.
2. Clarify the section of Alaska's CON law which prescribes when imaging equipment must go through the CON process.
3. Pursue establishment of a well balanced Alaska Health Care Commission to address improving health care access for all Alaskans.

Each bill before the Legislature has been weighed against these three criteria. For example, SB 245 Version 'O' dealing with CON and the Health Care Commission has been modified in the Senate to come into alignment with ASHNHA's goals and therefore has ASHNHA's support.

HB 337 on the other hand is on ASHNHA's OPPOSED list because it does not meet all of these criteria. The current version of HB 337 as passed from House HES would repeal CON completely in Anchorage, Fairbanks and MatSu. Additionally this version of HB 337 does not address the imaging equipment clarification sought by ASHNHA.

However, each stop in the legislative process affords each side another opportunity to reshape the legislation at hand. Now that HB 337 is in House Finance ASHNHA has been working with our extended lobbying team to bring the bill into alignment with our goals. When House Finance hears HB 337 there will be a move to adopt a new version 'X'.

Version 'X' of HB 337 would be supported by ASHNHA because:

- It has no provisions that would repeal CON in any Alaska community.
 - It contains language that clarifies that diagnostic imaging equipment purchased for a physician practice is not subject to CON review so long as the practice is at least 50% owned by physicians in that practice and there is at least one physician in the practice that can read the images that are produced with the equipment. This clarification would allow a radiology practice to add or replace equipment needed to serve their patients. This clarification would eliminate approximately 80% of all administrative appeals and lawsuits currently going on in Alaska on this question.
 - It adopts Rep. Hawker's version of the Health Care Commission which would have most members selected by the Legislature rather than the Governor.
 - It clarifies that mandatory reporting by health care providers of price and quality information cannot realistically begin before July 1, 2009 at the very earliest.
 - It requires that the Department of Health & Social Services contract with an independent, unbiased contractor to conduct a CON study specific to Alaska examining whether CON has been an effective health policy tool.
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<p>Upcoming Meetings of Interest:</p> <ul style="list-style-type: none"> • <u>ASHNHA 2008 Annual Meeting (TALKEETNA)</u> – to be held in conjunction with education sessions September 22 through September 25, 2008 in Talkeetna. The ASHNHA portion of the meeting will take place on September 24 and 25.
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