

ALASKA STATE LEGISLATURE
Administrative Regulation Review Committee
House Senate Joint Committee

Committee Members:

Representative Tom Anderson, Chair
Senator Gene Therriault, Vice Chair
Senator Ben Stevens
Senator Lyman Hoffman
Representative Vic Kohring
Representative Sharon Cissna



Interim:
716 West 4th Avenue, Suite 610
Anchorage, Alaska 99501
Phone: (907) 269-0265
Fax: (907) 269-0264

Session:
Alaska State Capitol, Rm 408
Juneau, Alaska 99801
Phone: (907) 465-4939
Fax: (907) 465-2418

FOR IMMEDIATE RELEASE: February 24, 2006

CONTACT: Eugene Harnett (907) 465-4939

Regulation Review Committee Hears from DHSS &
DME Providers

(JUNEAU) – On Tuesday, the Administrative Regulation Review Committee (ARRC) heard testimony from Durable Medical Equipment (DME) providers and others being adversely affected by new regulations adopted by the Department of Health and Social Services (DHSS). Representative Tom Anderson, Committee Chair, convened this hearing to consider the many problems being voiced to him regarding the effect these new regulations, which were adopted on January 11, 2006, are having on the health care industry in Alaska.

The Commissioner of DHSS, Karlene Jackson, and the Director of Health Care Services, Dwayne Peebles, defended the regulations at the hearing, stating that legislative directives to contain costs and federal mandates to reduce Medicaid justify the new rules. They also highlighted complaints about suppliers over-prescribing and delivering excessive products to clients.

The DME providers expressed concern over two issues. First, the Department has increased the number of Prior Authorizations in hopes of preventing abuse and fraud by medical suppliers. During testimony they rejected the notion that abuse, or over-supplying, is widespread and suggested that the Department do a proper investigation of such complaints and then sanction those offending suppliers, but not impose new paperwork burdens upon compliant companies.

Second, the Department reduced to an unmanageable amount the allowable Medicaid reimbursement rates for incontinence supplies for elderly and disabled patients. Suppliers testified that they would no longer be able to supply certain items at those reduced rates, sharing evidence of how this is impacting patients unable to acquire quality products, which in turn is forcing them to seek higher levels of care, ultimately, costing more to Medicaid. This will not save the Department money over the long term.

Representative Tom Anderson assured the DME providers that he would introduce legislation to resolve this regulation issue. "I am disappointed that the Department did not listen sooner to the stakeholders involved during the public comment period before the regulations were adopted," said Representative Anderson.

Several legislators urged the Commissioner to cooperate more closely with the DME companies to find solutions to the challenges the State faces in maintaining adequate healthcare amidst rising costs.

###