

**CS FOR SENATE BILL NO. 139(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/11/10

Referred: Rules

Sponsor(s): SENATORS OLSON, Wielechowski, Meyer, Davis, French, Kookesh, Paskvan, Egan

REPRESENTATIVES Kawasaki, Lynn

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing an employment incentive program for certain health care  
2 professionals employed in the state; and providing for an effective date."

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

4 \* **Section 1.** AS 18 is amended by adding a new chapter to read:

5 **Chapter 29. Health Care Professions Incentive Program.**

6 **Sec. 18.29.010. Legislative findings and intent.** (a) The legislature finds that

7 (1) the state is facing a serious shortage of health care practitioners and  
8 the shortage is projected to worsen;

9 (2) the state is one of few states that does not offer direct incentives to  
10 attract trained primary care providers to the state;

11 (3) the villages and towns in rural areas of the state are experiencing  
12 the greatest shortage of health care practitioners.

13 (b) The incentive payments provided under this chapter are intended to ensure  
14 that residents throughout the state, including recipients of medical assistance and

1 Medicare, have access to health care and that residents of rural areas of the state, in  
2 particular, experience improved access to health care services.

3 **Sec. 18.29.015. Health care professions incentive program; purpose;**  
4 **advisory body.** (a) The health care professions incentive program is established in the  
5 department for the purpose of addressing the worsening shortage of certain health care  
6 professionals in the state by increasing the number and improving the distribution of  
7 health care professionals who provide direct patient care.

8 (b) The program established under this section must include

9 (1) direct incentives paid under AS 18.29.020;

10 (2) procedures for the commissioner's designation and prioritization of  
11 sites eligible for participation in the program;

12 (3) an application process for participation in the program as

13 (A) an eligible site; or

14 (B) a tier I or tier II health care professional;

15 (4) the dissemination of public information and notices pertinent to the  
16 program;

17 (5) classification by the commissioner of each eligible site as having  
18 either regular or very hard-to-fill positions, or both;

19 (6) a lifetime maximum period of six years for participation in the  
20 program by a tier I or tier II health care professional; and

21 (7) annual program evaluations and reports.

22 (c) The program shall be administered by the commissioner in consultation  
23 with an advisory body appointed by the commissioner. The advisory body is made up  
24 of members with health care expertise, including expertise in economic issues  
25 affecting the hiring and retention of health care professionals in the state. Members of  
26 the advisory body serve at the pleasure of the commissioner to provide  
27 recommendations for and oversight and evaluation of all aspects of the program. The  
28 commissioner shall accept a recommendation of the advisory body on a matter  
29 pertaining to the identification and monitoring of areas of shortages, eligible sites,  
30 payment priorities, or evaluation of the program, unless the commissioner finds, in  
31 writing, that the recommendation cannot be financially or otherwise supported by the

1 department.

2 **Sec. 18.29.020. Direct incentives.** (a) The department shall provide direct  
3 incentives in the form of quarterly cash payments to eligible tier I and tier II health  
4 care professionals engaged in qualified employment. The department may not make an  
5 incentive payment

6 (1) before the employment period begins;

7 (2) for a period of qualified employment of less than three months; or

8 (3) under a contract term that is less than one calendar quarter.

9 (b) Payments made under this section may not exceed

10 (1) \$35,000 annually for a tier I health care professional employed in a  
11 regular position;

12 (2) \$47,000 annually for a tier I health care professional employed in a  
13 very hard-to-fill position;

14 (3) \$20,000 annually for a tier II health care professional employed in  
15 a regular position; or

16 (4) \$27,000 annually for a tier II health care professional employed in  
17 a very hard-to-fill position.

18 (c) The commissioner shall calculate the annual incentive payment amount by  
19 multiplying the annual maximum payment under (b) of this section by the percentage  
20 of full-time-equivalent employment for each of not more than three years of qualified  
21 employment less a matching payment amount as determined under (d) of this section.

22 (d) An employer or other entity that employs an eligible tier I or tier II health  
23 care professional at an eligible site shall make nonrefundable quarterly matching  
24 payments to the department. The payments must be in an amount that is

25 (1) not more than half of the annual incentive payment made under (c)  
26 of this section, as determined by the commissioner; and

27 (2) based on the employer's or entity's ability to pay, as determined by  
28 the commissioner, in consultation with the program advisory body.

29 (e) A payment made under (d) of this section shall be combined with the  
30 payment made to the professional by the department.

31 **Sec. 18.29.025. Number of participants.** (a) The number of participants to

1 whom the commissioner may provide a direct payment under the program established  
 2 under AS 18.29.015 may not exceed 90 participants annually as described in (b) of  
 3 this section, regardless of whether the participant is a new or continuing participant.

4 (b) The commissioner shall reserve sufficient funding for not fewer than three  
 5 positions in each of the 10 tier I and tier II health care professions in very hard-to-fill  
 6 positions at an eligible site.

7 **Sec. 18.29.030. Eligibility and priority.** (a) To be eligible for a direct  
 8 incentive payment under AS 18.29.020, an individual shall

9 (1) submit an application on a form approved by the commissioner;

10 (2) be engaged in qualified employment at an eligible site;

11 (3) be licensed as a tier I or tier II health care professional in the state  
 12 within 90 days after the first day of employment;

13 (4) meet a priority for payment established under (b) of this section;  
 14 and

15 (5) meet other criteria established by the commissioner.

16 (b) The commissioner shall establish priorities for payment of an incentive  
 17 under the program based on the recommendations of the program advisory body and  
 18 the availability of funding. The commissioner shall prioritize eligible sites based on  
 19 the remoteness of the site and the percentage of patients treated at the site who

20 (1) are uninsured;

21 (2) have or are eligible for medical assistance or Medicare coverage; or

22 (3) have or are eligible for other federal health program benefits.

23 (c) After June 30, 2017, the commissioner shall discontinue the approval of  
 24 new applicants under the program and provide incentives to eligible participants who  
 25 were approved previously and are continuing participants.

26 **Sec. 18.29.099. Definitions.** In AS 18.29.010 - 18.29.099,

27 (1) "commissioner" means the commissioner of health and social  
 28 services;

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

30 (3) "eligible site" means a service area or health care facility that the  
 31 commissioner has designated as located in a health care services shortage area based

1 on a needs assessment and employment statistics for qualified tier I or tier II health  
2 care professionals;

3 (4) "program" means the health care professions incentive program;

4 (5) "qualified employment" means employment of a tier I or tier II  
5 health care professional at an eligible site at which the health care professional is hired  
6 and paid to work

7 (A) in a full-time or not less than half-time position;

8 (B) for a contract term that is not less than three years; and

9 (C) not less than 50 percent time on direct patient health care

10 services;

11 (6) "tier I health care professional" means a dentist, pharmacist, or  
12 physician;

13 (7) "tier II health care professional" means a dental hygienist,  
14 registered nurse, certified nurse practitioner, physician assistant, physical therapist,  
15 clinical psychologist, or clinical social worker holding at least a master's degree in  
16 social work.

17 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 HEALTH CARE INCENTIVE PROGRAM; REPORT. On or before January 1, 2019,  
20 the Department of Health and Social Services shall prepare and submit a report to the  
21 legislature that describes the participation rates, costs, and the effect on health care profession  
22 shortage areas, as designated by the commissioner, of the health care profession incentive  
23 program established under AS 18.29.015.

24 \* **Sec. 3.** AS 18.29.010, 18.29.015, 18.29.020, 18.29.025, 18.29.030, and 18.29.099, added  
25 by sec. 1 of this Act, are repealed June 30, 2019.

26 \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).