

HOUSE FINANCE COMMITTEE
May 11, 2002
9:18 PM

TAPE HFC 02 - 110, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 9:18 PM.

MEMBERS PRESENT

Representative Bill Williams, Co-Chair
Representative Eldon Mulder, Co-Chair
Representative Con Bunde, Vice-Chair
Representative Eric Croft
Representative John Davies
Representative Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Carl Moses
Representative Jim Whitaker

MEMBERS ABSENT

None

ALSO PRESENT

Representative Fred Dyson; Kristin Bomengen, Assistant Attorney General, Department of Law; Mary Jackson, Staff, Senate Community and Regional Affairs Committee.

PRESENT VIA TELECONFERENCE

There were no teleconference testifiers.

SUMMARY

SB 364 An Act relating to medical services under the state Medicaid program.

SB 364 was REPORTED out of Committee with a "do pass" recommendation and with a previously published fiscal note: #1 HSS.

CSSB 359(RLS)

"An Act relating to organization grants for mergers, consolidations, or unifications involving third class boroughs; and relating to identification by the Local Boundary Commission of

areas that meet the standards for borough incorporation."

HCS CSSB 359 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published fiscal note: #2 CED.

#sb364

SENATE BILL NO. 364

An Act relating to medical services under the state Medicaid program.

KRISTIN BOMENGEN, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF LAW, testified in opposition. She discussed legal problems posed by the definition of medically necessary as proposed by the legislation. The legislation does not meet the terms of the court case. The court described the case as one that concerns the state of Alaska's denial of public assistance to Medicaid eligible women whose health is in danger. The court concluded that once the state undertakes to fund medically necessary services for poor Alaskans it cannot selectively exclude women that medically require abortions. The court case addresses a series of circumstances, which they believe would lead them to conclude that there is a group of women that would medically require to have the procedure made available under the Medicaid program. Some of the terms in the bill were taken from discussions in the court case. Significant risks and symptoms that can be highly dangerous to a developing fetus were addressed by the court case. The standard was set [by the legislation] at a place that did not address all the circumstances that the court considered when they concluded that women had medically necessary reasons to seek that outcome when presented with a pregnancy.

Ms. Bomengen referred to page 1, (b)(1)(a):

Adverse physical condition of a pregnant woman that (A) either is caused by the pregnancy or would be significantly aggravated by continuation of the pregnancy;

Ms. Bomengen noted that the court stated:

According to medical evidence provided to the court, some women particular those that suffer from preexisting health problems face significant risks if they cannot obtain abortions.

Ms. Bomengen noted "facing significant risks" is different from "would be significantly aggravated by continuation of the pregnancy."

Ms. Bomengen observed that the legislation addresses the most egregious circumstances of significant risks but does not address all of the [significant risks]. The court refers to women with renal disease that may lose a kidney and face a lifetime of dialysis if they cannot obtain an abortion. The term used is "may" not "would". There is a possibility not a certainty. Pregnancy with sickle cell anemia can accelerate the disease leading to complications. She concluded that the legislation sets a high bar on what is considered medically necessary. The result would be two groups of women served by Medicaid: a group that reaches the bar of highly serious conditions; and a group where abortion would be medically necessary but would not pass the standard that would be applied in the definition. She concluded that the legislation would result in constitutional challenges and the court would likely find the definition is too strict to apply.

Vice-Chair Bunde questioned the costs of defending previous legislation relating to abortion. Ms. Bomengen noted that attorney fees were between \$200 - \$250 thousand dollars.

In response to a question by Co-Chair Williams, Ms. Bomengen reiterated her belief that the legislation would be challenged in court. She emphasized that the court spelled out definitions [of medically necessary] that were not covered in the legislation. She observed that adverse physical condition does not permit medications for the condition such as epilepsy and bipolar.

Representative Foster MOVED to report SB 364 out of Committee with the accompanying fiscal note. Representative Croft and Vice-Chair Bunde OBJECTED. Vice-Chair Bunde noted that there is no middle ground. He noted that his decision is based on the freedom that he would allow his family.

A roll call vote was taken on the motion.

IN FAVOR: Foster, Harris, Lancaster, Whitaker, Mulder,
Williams
OPPOSED: Bunde, Croft, Davies

Representatives Moses and Hudson were absent from the vote.

The MOTION PASSED (6-3).

SB 364 was REPORTED out of Committee with a "do pass" recommendation and with a previously published fiscal note:
#1 HSS.
#sb359
CS FOR SENATE BILL NO. 359(RLS)

"An Act relating to organization grants for mergers, consolidations, or unifications involving third class

boroughs; and relating to identification by the Local Boundary Commission of areas that meet the standards for borough incorporation."

MARY JACKSON, STAFF, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE, provided information on SB 359. The bill provides a change in statute to allow consolidations to receive a grant from the state as do other entities when they form new governments. The Senate provided for two, \$200 thousand dollar grants: one for each of the first two years. The Senate Finance Committee added section 3 and the Senate Rules Committee deleted the second \$200 thousand dollar dispersement. The fiscal note on the legislation would be \$250 thousand dollars. She observed that there is a problem with section 3, which was amended in the proposed committee substitute. The sponsor supports the proposed committee substitute.

Co-Chair Mulder MOVED to ADOPT proposed committee substitute 22-LS1633\0, 5/11/02. There being NO OBJECTION, it was so ordered.

Representative Foster MOVED to report HCS CSSB 359 (FIN) out of Committee with the accompanying fiscal note. Representative Bunde observed that he has been consistent with not wanted to expand state funding, but he believed that by allowing consolidations the residents would take more local control and need less state funds. There are opportunities in statute for other size boroughs and cities to consolidate. There being NO OBJECTION, it was so ordered.

HCS CSSB 359 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published fiscal note: #2 CED.

#

ADJOURNMENT

The meeting was adjourned at 9:38 PM