

**ALASKA STATE LEGISLATURE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES
STANDING COMMITTEE**

April 30, 2002
3:15 p.m.

MEMBERS PRESENT

Representative Fred Dyson, Chair
Representative Peggy Wilson, Vice Chair
Representative John Coghill
Representative Gary Stevens
Representative Sharon Cissna
Representative Reggie Joule

MEMBERS ABSENT

Representative Vic Kohring

OTHER LEGISLATORS PRESENT

Representative Beth Kerttula
Representative Gretchen Guess
Representative Joe Hayes

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 342(HES)

"An Act relating to the long term care ombudsman."

- MOVED HCS CSSB 342(HES) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 50

Supporting the participation of Taiwan in the annual summit of the World Health Assembly.

- MOVED HJR 50 OUT OF COMMITTEE

HOUSE BILL NO. 313

"An Act requiring that the cost of contraceptives be included in certain health care insurance coverage."

- HEARD AND HELD

PREVIOUS ACTION

BILL: SB 342

SHORT TITLE:LONG TERM CARE OMBUDSMAN
 SPONSOR(S): HEALTH, EDUCATION & SOCIAL SERVICES

Jrn-Date	Jrn-Page		Action
02/25/02	2300	(S)	READ THE FIRST TIME - REFERRALS
02/25/02	2300	(S)	HES, FIN
03/04/02		(S)	HES AT 1:30 PM BUTROVICH 205
03/04/02		(S)	Heard & Held
03/04/02		(S)	MINUTE(HES)
03/06/02		(S)	HES AT 1:30 PM BUTROVICH 205
03/06/02		(S)	Moved CS(HES) Out of Committee
03/06/02		(S)	MINUTE(HES)
03/13/02	2415	(S)	HES RPT CS 5DP SAME TITLE
03/13/02	2415	(S)	DP: GREEN, WILKEN, LEMAN, DAVIS, WARD
03/13/02	2415	(S)	FN1: ZERO(ADM)
03/25/02	2518	(S)	FIN RPT CS(HES) 6DP 2NR
03/25/02	2518	(S)	DP: KELLY, GREEN, AUSTERMAN, WILKEN,
03/25/02	2518	(S)	LEMAN, WARD; NR: DONLEY, OLSON
03/25/02	2518	(S)	FN1: ZERO(ADM)
03/25/02		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/25/02		(S)	Moved Out of Committee
03/25/02		(S)	MINUTE(FIN)
04/03/02	2610	(S)	RULES TO CALENDAR 4/3/02
04/03/02	2612	(S)	READ THE SECOND TIME
04/03/02	2612	(S)	HES CS ADOPTED UNAN CONSENT
04/03/02	2612	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/03/02	2612	(S)	READ THE THIRD TIME CSSB 342(HES)
04/03/02	2613	(S)	PASSED Y19 N- E1
04/03/02	2619	(S)	TRANSMITTED TO (H)
04/03/02	2619	(S)	VERSION: CSSB 342(HES)
04/03/02		(S)	RLS AT 10:30 AM FAHRENKAMP 203
04/03/02		(S)	MINUTE(RLS)
04/04/02	2794	(H)	READ THE FIRST TIME - REFERRALS
04/04/02	2794	(H)	HES
04/30/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HJR 50

SHORT TITLE:SUPPORT TAIWAN IN WORLD HEALTH ASSEMBLY
SPONSOR(S): RLS BY REQUEST OF ECONOMIC DEVEL, TRADE, &

Jrn-Date	Jrn-Page		Action
04/22/02	3066	(H)	READ THE FIRST TIME - REFERRALS
04/22/02	3066	(H)	HES
04/30/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 313

SHORT TITLE:INSURANCE COVERAGE FOR CONTRACEPTIVES
SPONSOR(S): REPRESENTATIVE(S)MURKOWSKI, GUESS, KAPSNER, CISSNA,

Jrn-Date	Jrn-Page		Action
01/14/02	1957	(H)	PREFILE RELEASED 1/11/02
01/14/02	1957	(H)	READ THE FIRST TIME - REFERRALS
01/14/02	1957	(H)	HES, L&C, FIN
01/14/02	1957	(H)	REFERRED TO HES
02/22/02	2369	(H)	COSPONSOR(S): CRAWFORD
03/01/02	2448	(H)	JT-PRIME SPONSOR(S) REMOVED: JAMES
03/18/02	2593	(H)	JT-PRIME SPONSOR(S) REMOVED: WILSON
04/30/02		(H)	HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

JERRY BURNETT, Staff
to Senator Lyda Green
Alaska State Legislature
Capitol Building, Room 125
Juneau, Alaska 99801

POSITION STATEMENT: Presented SB 342 on behalf of Senate
Health, Education and Social Services Standing Committee,
sponsor.

RON COWAN, Long Term Care Ombudsman
Alaska Mental Health Trust Authority
Department of Revenue
550 West Seventh Avenue, Suite 1830
Anchorage, Alaska 99501

POSITION STATEMENT: Testified in support of SB 342.

REPRESENTATIVE LESIL MCGUIRE
Alaska State Legislature

Capitol Building, Room 418
Juneau, Alaska 99801
POSITION STATEMENT: Presented HJR 50 as sponsor.

REPRESENTATIVE LISA MURKOWSKI
Alaska State Legislature
Capitol Building, Room 408
Juneau, Alaska 99801
POSITION STATEMENT: Presented HB 313 as one of the prime
sponsors.

BOB LOHR, Director
Division of Insurance
Department of Community & Economic Development
3601 C Street, Suite 1324
Anchorage, Alaska 99503-5948
POSITION STATEMENT: Testified in support of HB 313.

COLLEEN MURPHY, M.D., Obstetrician-Gynecologist
3260 Providence Drive
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HB 313.

EILEEN FARIAN
7010 Fairweather Drive
Anchorage, Alaska 99518
POSITION STATEMENT: Testified in support of HB 313.

ANNE HARRISON
3270 Rosie Creek Road
Fairbanks, Alaska 99709
POSITION STATEMENT: Testified in support of HB 313.

CINDY NORQUEST
12225 Ginami Street
Anchorage, Alaska 99516
POSITION STATEMENT: Testified in support of HB 313.

SHERRY JAEGER
YWCA
PO Box 90541
Anchorage, Alaska 99509
POSITION STATEMENT: Testified in support of HB 313.

PAULINE UTTER
Alaska Women's Political Caucus
13820 Jarvi Drive

Anchorage, Alaska 99515

POSITION STATEMENT: Testified in support of HB 313.

ROBIN SMITH

14100 Jarvi Drive

Anchorage, Alaska 99515

POSITION STATEMENT: Testified in support of HB 313.

KAREN PEARSON, Director

Division of Public Health

Department of Health & Social Services

PO Box 110610

Juneau, Alaska 99811-0610

POSITION STATEMENT: Testified that HB 313 is a good public policy bill and asked the committee to support it.

KATIE CAMPBELL, Actuary Life/Health

Division of Insurance

Department of Community & Economic Development

PO Box 110805

Juneau, Alaska 99811-0805

POSITION STATEMENT: Answered questions on HB 313.

ACTION NARRATIVE

TAPE 02-38, SIDE A

Number 0001

CHAIR FRED DYSON called the House Health, Education and Social Services Standing Committee meeting to order at 3:15 p.m. Representatives Dyson, Wilson, Coghill, and Cissna were present at the call to order. Representatives Stevens and Joule arrived as the meeting was in progress.

SB 342 - LONG TERM CARE OMBUDSMAN

CHAIR DYSON announced that the first order of business would be CS FOR SENATE BILL NO. 342(HES), "An Act relating to the long term care ombudsman."

Number 0088

JERRY BURNETT, Staff to Senator Lyda Green, Alaska State Legislature, chair, Senate Health, Education and Social Services Standing Committee, sponsor, presented SB 342. He informed the members that SB 342 was introduced at the request of the executive director of Alaska Mental Health Trust Authority. It

was introduced to bring Alaska's law in compliance with federal law regarding the long term care ombudsman. He gave the following testimony:

Each state is required to have a long term care ombudsman under the Older [Americans] Act. Alaska's long term care ombudsman is located in the Alaska Mental Health Trust Authority. Recently, the long term care ombudsman resigned and was replaced. The one that resigned cited frustration with the Alaska statutes. It's one of his reasons [for] leaving.

[SB] 342 directs that the long term care ombudsman visits long term care facilities and identifies problems, rather than assuming the more passive role of responding to complaints; provides that no long-term care facility may deny immediate access to an employee or volunteer.

MR. BURNETT requested that the committee adopt Version P.

Number 0206

REPRESENTATIVE WILSON made a motion to adopt the proposed House committee substitute (HCS) for CSSB 342, version 22-LS1591\P, Lauterbach, 4/30/02, as a work draft. There being no objection, Version P was before the committee.

MR. BURNETT explained the changes in the proposed CS on page 3, Section 2. The new version allows immediate access granted between the hours of 8:00 a.m. and 8:00 p.m. under any circumstances. Between the hours of 8:00 p.m. and 8:00 a.m., immediate access will be granted if there is a scheduled visit, if there's a complaint that's being investigated, or if a resident in the long-term care facility has requested a visit during that time. He noted that this was worked out with representatives of the nursing homes who were concerned about having immediate access at all times.

MR. BURNETT explained that Version P clarified that the duties of the long term care ombudsman are [performed by the long term care ombudsman himself] or through a representative of the office, which would include employees and volunteers who are certified. There is a separation between volunteers and employees on page 2, (b), so only the ombudsman or employees of the office may subpoena witnesses, compel their attendance, et

cetera, and volunteers are not given all the powers of the ombudsman.

MR. BURNETT explained that SB 342 gives the long term care ombudsman guaranteed access to deal with any conflicts in access, gives the ombudsman an active role in providing the technical support to volunteer organizations and in protecting the health and safety of the most vulnerable older Alaskans.

Number 0428

CHAIR DYSON asked if there have been problems.

MR. BURNETT answered that there have been reports of a problem in getting access or cases where complaints were perhaps not investigated in a timely manner.

CHAIR DYSON asked what the remedy is if one of the facilities denies access according to this new law.

MR. BURNETT replied that the ombudsman has the power to subpoena, compel attendance, et cetera. He suggested that the long term care ombudsman or executive director of the Alaska Mental Health Trust Authority be asked that question.

REPRESENTATIVE COGHILL pointed out to Chair Dyson page 2, lines 28 to 29, which reads, "The powers described in this subsection shall be enforced by the superior court."

Number 0580

RON COWAN, Long Term Care Ombudsman, Alaska Mental Health Trust Authority, Department of Revenue, testified via teleconference. He endorsed everything Mr. Burnett indicated about the purpose of these amendments to the existing statute. From his experience in health care in Alaska, he noted that there have been various points of confusion regarding the authority of the long term care ombudsman but also the ombudsman's responsibilities.

MR. COWAN said he believes that the proposed changes will help clarify both of those issues. It will further delineate the responsibilities of the office, which are to be more proactive advocates rather than persons who respond to complaints. His office has made an effort to respond to what it has heard from the industry and smaller assisted living facilities. His office has no problems with those hours from 8:00 a.m. to 8:00 p.m.

being identified for reasonable visits. He said his office would not come in without good cause outside of those hours. He urged the committee to support the SB 342.

REPRESENTATIVE WILSON moved to report HCS CSSB 342, version 22-LS1591\P, Lauterbach, 4/30/02, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 342(HES) moved from the House Health, Education and Social Services Standing Committee.

HJR 50 - SUPPORT TAIWAN IN WORLD HEALTH ASSEMBLY

CHAIR DYSON announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 50, Supporting the participation of Taiwan in the annual summit of the World Health Assembly.

Number 0920

REPRESENTATIVE LESIL MCGUIRE, Alaska State Legislature, sponsor, presented HJR 50. She explained that the World Health Order (WHO) convenes a world health assembly, and this year will be in Geneva May 14 through 22, in which participants from all over the world have an opportunity to discuss health epidemics, problems, AIDS [acquired immune) deficiency syndrome], and cross-border infectious diseases. It is an opportunity to seek solutions and get direct evidence from other countries about what is going on. Taiwan has asked to have direct participation as an observer in this to have that first-hand information to take back to its people. She referred to a letter of support that noted it's been a case of "too little, too late" as far as health epidemics have been concerned in Taiwan.

REPRESENTATIVE MCGUIRE read through parts of the resolution for the committee. She noted that the U.S. [House] passed a resolution, that substantially mirrors HJR 50 in December 2001, urging Taiwan's participation as an observer. The U.S. Senate recently passed the same resolution March 19, 2002.

REPRESENTATIVE MCGUIRE indicated that this resolution would be a gesture of goodwill to Taiwan for the hard work it has put into health issues.

CHAIR DYSON asked who decides who participates.

Number 1127

REPRESENTATIVE MCGUIRE replied it is a committee of people, and the United States happens to be one of those committees. It is a committee of the WHO, and the U.S. is a voting member of that. She indicated there is an argument that China considers Taiwan part of the Republic of China, and people she has spoken with in Taiwan are fine with that relationship. At the same time, Taiwan has a large population that has separate epidemics, separate information, and many times the lag time on information from China to Taiwan is too much. She said, "That has been the hurdle, Mr. Chairman; it's been a political issue, and really what I'm trying to say is I don't believe this to be a political issue. People's health is not political to me."

REPRESENTATIVE MCGUIRE reported that Taiwan has been reaching out to people it has special relationships with. Taiwan is Alaska's sixth largest trading partner, and they have shared a special relationship through the years. She indicated that a resolution from Alaska's legislature would carry some weight.

Number 1297

REPRESENTATIVE COGHILL moved to report HJR 50 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HJR 50 was reported out of the House Health, Education and Social Services Standing Committee.

HB 313 - INSURANCE COVERAGE FOR CONTRACEPTIVES

Number 1317

CHAIR DYSON announced that the final order of business would be HOUSE BILL NO. 313, "An Act requiring that the cost of contraceptives be included in certain health care insurance coverage."

REPRESENTATIVE LISA MURKOWSKI, Alaska State Legislature, one of several prime sponsors, presented HB 313. She told the committee that it is an issue of prescriptive equity. She recognized that it being late in the session, HB 313 probably wouldn't move, but she appreciated the opportunity to get it on the record. She referred to a handout put out by The Coalition for [Prescription] Equity. She said the handout puts forth all the substantial arguments as to why Alaska should have mandated prescription coverage.

Number 1415

REPRESENTATIVE MURKOWSKI said that first of all, contraception is a basic health care need. Contraception is the only prescription approved by the FDA [Food and Drug Administration] not routinely covered by insurers. This is an issue that gets to the heart of talking about prescriptive equity. It is an equity issue recognizing that when contraception is being talked about, there is no prescription contraception for men. Less than 20 percent of traditional health care plans cover the FDA-approved methods of contraception.

Number 1475

REPRESENTATIVE MURKOWSKI told the members in terms of the equity issue, statistics say that women of childbearing age have to pay 68 percent more in out-of-pocket health care costs than men. The bulk of these health care costs are related to reproductive health care services.

REPRESENTATIVE MURKOWSKI noted that the question, What is the cost to the employer? always comes up. She pointed out the fact that covering contraceptives will actually save money. The cost for covering contraceptives for a year is about \$300, which is far less than pregnancy services. Contraception is not just intended to prevent pregnancy, but there are many medical reasons for prescribing birth control pills, such as prevention of anemia, osteoporosis, and endometriosis. Even for those reasons, it would still not be covered under the insurance plan at this point. She told the committee that affordable contraception will decrease the unintended pregnancies and prevent abortions.

Number 1572

REPRESENTATIVE MURKOWSKI referred to statistics that say 42 percent of live births in Alaska are unintended; 85 out of 100 women of reproductive age, who are not using contraceptives, will become pregnant in a year. Each year in Alaska, 120 pregnancies occur per 1,000 women, and 69 percent of these pregnancies end in live births and 16 percent in abortion. She commented that it is legitimate to look at contraception if members are concerned about abortion. This is an issue that causes discussion. It was suggested to her that contraception is an optional thing for women.

Number 1650

REPRESENTATIVE MURKOWSKI referred the committee to a footnote in the EEOC [U.S. Equal Employment Opportunity Commission] decision in the packet, which is a statement from Senator Snowe in a discussion or debate about the legislation at the federal level for equity in prescription insurance and contraceptive coverage. The senator states: "There is nothing optional about contraception. It's a medical necessity for women during 30 years of their lifespan. To ignore the health benefits of contraception is to say that the alternative of 12 to 15 pregnancies during a woman's lifetime is medically acceptable." She urged the committee to think about that.

Number 1650

REPRESENTATIVE MURKOWSKI said the bulletin issued by the Division of Insurance refers to the EEOC decision of December 2000 that, "pursuant to the Pregnancy Discrimination Act, the federal act, employers may not discriminate in their health insurance plan by denying benefits for prescription contraceptives when they provide benefits for other prescription drugs and devices." The bill before the committee is saying that if a plan offers a prescription benefit, it must cover contraceptives. It is not saying if no prescription benefit is provided, it now has to be provided. She noted that in HB 313, there is a religious exemption.

Number 1745

CHAIR DYSON asked what happens if Alaska is not in conformity with the Civil Rights Act of 1964.

REPRESENTATIVE MURKOWSKI answered that the State insurance for public employees currently covers contraception, but the retirement plan is not covered. She agreed that an employer who offers a plan that does not provide for prescriptive coverage could be subject to a lawsuit. In answer to the question, she said she does believe the state has exposure on this issue.

Number 1937

CHAIR DYSON asked if insurance companies are required to cover prescriptions for medicines that prevent an illness.

REPRESENTATIVE MURKOWSKI answered that she was only familiar with those mandates that are currently in statute, for instance, mammograms, prostate screening, and diabetes coverage, and wasn't sure of the answer to the question.

REPRESENTATIVE MURKOWSKI, responding to comments from Chair Dyson, remarked that it's not an issue of [insurance companies] covering prescriptive drugs equally for men and women. Representative Murkowski said the issue is: "should I choose to become pregnant, my pregnancy is covered; if I choose not to become pregnant, my contraception should be covered."

CHAIR DYSON asked if the morning after pill would be covered under this bill.

Number 2119

REPRESENTATIVE MURKOWSKI answered that if she understands it correctly, then yes it would be covered under the legislation. She reminded the committee that it has to be an FDA-approved and prescribed prescription.

Number 2156

BOB LOHR, Director, Division of Insurance, Department of Community & Economic Development, testified that the division supports this legislation. He gave the following testimony:

It clearly establishes that insurers must provide coverage for contraceptives if prescription drug coverage is provided. The recent federal court case and the Equal Employment Opportunity Commission opinion on coverage of prescription contraceptives concludes that employers may be found in violation of the Pregnancy Discrimination Act, if they do not provide coverage of prescription contraceptives when they provide coverage for other prescription drugs. The court case and the EEOC opinion are directed to employers, not insurers. Therefore, we do not believe that action by the division is mandated.

The division recently issued a bulletin to insurers requesting their assistance in informing employers of the potential violation under the Pregnancy Discrimination Act, if they fail to provide prescription contraceptive coverage when they provide coverage for other prescription drugs. For enforcement purposes, a legislation mandate, such as HB 313, requiring insurers to offer prescription contraceptive drug coverage, is preferable. An informal survey by the Alaska Division of Insurance

indicates that the largest insurers in the State already provide prescription drug coverage as a benefit option for employees.

Number 2235

CHAIR DYSON asked how much more the insurers would charge should the employers choose the option.

MR. LOHR replied that the figure he has heard is \$1 per month.

CHAIR DYSON asked if it is the employer that exercises the option, and all the employees in that company are paying the dollar, or if it is just the individual employee that exercises the option.

MR. LOHR said he believes it would be the employer making that choice to have that type of coverage.

Number 2281

REPRESENTATIVE STEVENS commented that his own insurance company would have been far better off providing his family with contraception than to cover his children up to age 21. He said he would think that the insurance companies would be delighted and would save money in providing contraception instead of life coverage.

MR. LOHR replied that he believes that most insurers support this type of legislation. Many have already exercised the option within Alaska, and there is relatively little opposition to this concept. He noted that that is unlike most insurance mandates, in which there will be substantial insurer opposition.

REPRESENTATIVE STEVENS asked why there would be any additional charge to the businessman who covers his employees.

MR. LOHR answered that he isn't sure how insurance companies do their internal discounting, but the prescription cost is an immediate expense and the long-term savings are hard to quantify.

Number 2337

CHAIR DYSON asked Mr. Lohr for his guess of the lower annual salary of people who have insurance through their employer. He

said he suspects that people who make \$15,000 per year probably don't have group insurance, and people who make \$40,000 do.

MR. LOHR said that he couldn't give him a number, but the general indication is the lower the income of the average salary of an employer, the less likely it would be offering health insurance.

CHAIR DYSON asked Mr. Lohr if he knew of any employees making less than \$25,000 who had health insurance.

MR. LOHR replied that he couldn't cite a list, but there are some. Typically, the incidence is lower. There is also a correlation of the size of the employer and the ability to offer coverage.

TAPE 02-38, SIDE B
Number 2378

MR. LOHR indicated that the division believes that the limited benefit health care insurance definition is unnecessary because the term "health care insurance plan" already excludes the benefits defined as limited benefit health care insurance. He suggested deleting the following: Page 2, lines 27 through 31 and page 3, lines 1 through 3; Page 2, line 2, delete "limited benefit health care insurance or".

Number 2325

REPRESENTATIVE MURKOWSKI concurred with that proposed amendment. She referred to a letter from Blue Cross Blue Shield which indicates it has no opposition to HB 313.

CHAIR DYSON said he thinks he heard Representative Murkowski infer that if insurance companies are not offering or making it universally available to the clients they're covering, they may be exposed to a lawsuit. He wondered if that was correct.

MR. LOHR responded that the division believes insurers are providing better customer service to employers by advising them of the EEOC decision. With this knowledge employers can make an informed choice about [various] types of coverage.

CHAIR DYSON asked if it would be the employers that would get sued.

Number 2247

MR. LOHR answered that the employers are the ones "under the gun" of the EEOC opinion; it's not the insurance companies. The division's regulatory authority extends to insurers, so it has let them know of this opinion in hopes that they will advise employers.

Number 2225

CHAIR DYSON asked what the effect of the law would be if this bill passes. He wondered if the division would be putting any employers in jail.

MR. LOHR responded no, he said he doesn't believe that this bill would give the division any authority over employers. Its authority extends to Title 21, which regulates the conduct of insurance companies, agents, brokers, et cetera.

CHAIR DYSON asked what would be the effect of this law.

Number 2200

MR. LOHR answered that the law would require prescriptive equity, and therefore would require that if an insurer chooses to offer prescription benefits, those benefits would be required to include contraceptives approved by the FDA. If the insurer elects not to offer prescription coverage, that's fine. But if they don't include contraception, the division would enforce the mandate under law to say, because you've chosen to offer prescription drug benefits, you must provide them on an even-handed basis with respect to approved contraceptives. If they don't, the division has a range of enforcement options which include fines to ultimately removal of the certificate of authority to operate in the state.

CHAIR DYSON commented that putting this in law would just give the division a better way of getting employers informed to do what they ought to be doing anyway to serve the clients and to protect themselves from lawsuits.

MR. LOHR said that is correct with respect to employers. The division doesn't go there in terms of its authority. It isn't trying to boot strap any kind of authority here. The division is trying to make sure that employers are following whatever mandates are legislatively approved.

Number 2109

COLLEEN MURPHY, M.D., Obstetrician-Gynecologist, testified via teleconference. She expressed strong support for HB 313. She said it makes medical sense, social sense, and economic sense. As a small business employer who now purchases health insurance for her employees, she has to have policies that make this available. It is difficult for the Division of Insurance to remind employers to buy insurance that is consistent with the EEO process, and it is very difficult for the division to enforce this. By passing this legislation, it actually gives the Division of Insurance some teeth to follow the plans it regulates in the state. She encouraged the committee to pass this bill on so that women can get the prescriptions they need, so that unintended pregnancy will decrease in the state with effective FDA-approved forms of contraception, and that it will show that women are cared about and are no longer sexually discriminated against.

CHAIR DYSON asked Dr. Murphy if oral contraception costs about \$300 a year.

DR. MURPHY answered that depends. She explained that drug companies can charge more for new drugs, but there are generic drugs available for several dollars per pack. If doctors prescribe the older drugs, they can use cheaper pills with comparable effects. The newer pills that have third generation progesterone tend to be more expensive. If someone uses generic drugs, the cost would be under \$100 per year.

Number 2009

CHAIR DYSON commented that it seems to him that everyone who has a good enough job with health insurance could afford the prescription contraceptive.

DR. MURPHY answered that she doesn't think it is a question about the affordability of different forms of family planning that are FDA approved. She informed the committee that there are many different forms someone could consider using. An IUD [intra-uterine device] costs about \$400, and to have it inserted costs \$300 to \$400, which is a large amount of money for people to pay out of pocket. There are newer monthly injections that cost about \$50 per month. There are new patches coming out, a ring to put inside the vagina, and oral contraceptive pills; all these things cost different amounts of money. She noted that the bottom line is the EEO issue. In order to be fair to women,

they should be able to get prescriptive contraception as a primary health care need.

Number 1949

CHAIR DYSON said he appreciated the equity issue. He wondered if there are other times when insurance companies are forced to pay for prescriptions that prevent a condition.

DR. MURPHY replied yes. For example, there is a monthly shot for rheumatic heart disease so bacteria won't get in the bloodstream. She noted there are all sorts of preventive medications. She reminded the members that it is cost effective to prevent problems. She said, "An ounce of prevention is worth a pound of cure."

Number 1909

CHAIR DYSON asked Dr. Murphy about the morning after pills.

DR. MURPHY replied that morning after pills are a backup form of birth control.

CHAIR DYSON said as he understands it, the morning after pills act after fertilization but before implantation.

DR. MURPHY told him that is not true. There have been a lot of theories around the mechanism of action for contraception in general. Most of the hormonal contraceptives work at many different levels. The progesterone is known to thicken the cervical mucus so that sperm cannot get out of the vagina. Progesterone also changes the lining of the uterus and makes it thinner. The hormones can also affect tubal motility so that sperm and eggs are not normally transported and meet each other in the middle. The estrogen and progesterone are also known to affect the development of egg and ovulation. The only proven mechanism of action for emergency contraception is the delay in ovulation. Basically, when a woman takes emergency contraception, it slows down the development of a developing egg so that it is not released within the next 72 hours, so in that time, the sperm dies before it can reach the egg.

CHAIR DYSON asked what the earliest is that fertilization can take place.

Number 1856

DR. MURPHY answered that the egg can be fertilized for approximately 24 hours after its been released. She noted that studies have shown that it takes hours for the sperm to transport itself into the tubes, but contractions in the uterus help the sperm out. She explained that sperm have been observed in the fallopian tube within minutes of having successful intercourse with normal cervical mucus. If there is a healthy egg sitting in the tube, it can happen within minutes. Emergency contraception is not 100 percent effective. It will not necessarily prevent a pregnancy that is already developing. If emergency contraception was an abortifacient, it would cause a higher rate of miscarriage and potentially a higher rate of malformation, neither of which occurs.

CHAIR DYSON expressed concern that this legislation covers abortifacients in the emergency contraception and asked Dr. Murphy to comment on that.

DR. MURPHY said she thought he was confusing emergency contraception pill with RU486 which is also known as Mifeprex or Mifepristone produced by Danco Laboratories. This is a drug that's an anti-progesterone which can also be used in other female health conditions, such as endometriosis, fibroids, and breast cancer. It is a drug that can stop a pregnancy. Emergency contraception does not interfere with a successful pregnancy.

Number 1631

REPRESENTATIVE STEVENS asked Dr. Murphy for some written information on the morning after pill.

DR. MURPHY referred him to a website for this information. The address is <http://www.akemergencycontraception.org>.

Number 1520

EILEEN FARIAN testified via teleconference on her own behalf. She told the committee that she was irritated when she refilled her prescription and discovered that for no reason, all birth control had increased a significant amount, and her prescription had increased \$4. She uses [birth control pills] for many medical reasons, but it is not covered. She stated that it is not covered by all state unions. The GGU [General Government Unit] does not cover birth control and hasn't as far as she knows. She said she believes that birth control is a preventive item. Insurance covers other preventive things such as

hepatitis C shots, immunizations, and flu shots. She expressed frustration about things that insurance doesn't cover.

Number 1396

REPRESENTATIVE WILSON asked Ms. Farian how much she pays per month.

MS. FARIAN answered that in the past she has paid from \$20 to \$35; currently, she pays \$25 for a generic prescription.

Number 1368

ANNE HARRISON testified via teleconference. She expressed support for HB 313. She noted that the numbers give a clear and convincing case for the passage of this prescriptive equity bill. It must get out of committee and onto an affirmative vote. She told the committee that she has a 37-year history as a nurse and nurse practitioner working with women. She is now retired and can schedule her still-busy schedule to justify a bill critical to reproductive health. She told the committee that women's health, and ultimately the health of their children, is absolutely dependent on the ability to control their fertility. They should not have to pay inequitable amounts relative to men for their contraception because their insurance companies do not pay for contraception. This refusal of some insurance companies to cover contraception makes no sense financially or from a health care perspective. She reminded the committee that contraception can prevent untimely pregnancies and therefore abortion. She emphasized that contraception is not abortion. She urged the committee to pass HB 313.

Number 1156

CINDY NORQUEST testified via teleconference. She told the members that she was astounded that this is even an issue. She said that she is a Catholic, a Republican, and a businesswoman. She explained that one of her reasons she is a Republican is her intolerance for government telling citizens and businesses what to do. But, sometimes that has to be done, she said. It makes good sense to make decisions that are tough decisions but address the issues of equity and fairness. That is what this is all about. Both the Civil Rights Act and the Pregnancy Discrimination Act were passed as a result of the greater good. No one wanted to admit that discrimination existed, and legislation was necessary to correct the issue, she noted. The

bottom line is that women and people of color were treated unfairly. Neither act mandated preferential treatment, just equal, and that's what is being asked for today.

MS. NORQUEST pointed out that the numbers do not show that women are treated equally when it comes to health care issues. Women are paying 68 percent more than men on out-of-pocket health care costs. She explained that she is very familiar with insurance plans since she used to manage the benefit plan for National Bank of Alaska. She stated that women do not get treated equally. She noted that this does save money for businesses. The Washington Business Group on Health found that not providing contraceptive coverage would cost employers 15 to 17 percent more.

Number 1055

MS. NORQUEST addressed some questions asked earlier. Responding to a question about how low people's income was before they were eligible for health insurance, she reported that Wells Fargo has employees making as little as \$16,500 a year who do receive health insurance. Wells Fargo stepped up to the plate in the 1990s and said it was an EEO employer, and it was going to treat its women fairly and equally, so it covered contraception. She said the ramifications about not passing or passing this are not from a legal standpoint, but from what is right and in the best interest of the public. She expressed disappointment about some condescending comments and for taking time off from work to testify on something that really is a "no brainer." She urged the committee to pass HB 313.

Number 0860

SHERRY JAEGER testified via teleconference on behalf of the YWCA [Young Women's Christian Association]. She expressed support for HB 313. She told the committee that this bill addresses the current inequities involved in women's health care plans and would require fairness in the workplace. It has the potential to affect 140,000 women of childbearing age in Alaska. It would eliminate gender discrimination under Title 7 of the Civil Rights Act of 1964 and would address the disparity requiring women to spend nearly 70 percent more than men on prescription drug expenses. She pointed out that contraception is a basic health care issue for women and a critical contributor to improved maternal and child health. This bill is not asking for preferential treatment; it's asking for equitable treatment within the context of an existing drug prescription benefit.

The adoption of HB 313 would ensure fairness and equity for women in the workplace, and it would not burden the insurance providers. It would ensure full coverage for women for all of their reproductive health care needs, and finally, it would ensure that Alaska would not be violating the Civil Rights Act of 1964. She urged the committee to move HB 313.

Number 0758

PAULINE UTTER, Alaska Women's Political Caucus, testified via teleconference. She told the committee that the caucus had a booth at a women's show in Anchorage and circulated a petition that said if Viagra is funded, why isn't birth control. She was astounded by the number of people who signed on. She suggested that the legislature should have the wherewithal to pass legislation that is in the best interest for women in this state. She urged the committee to pass HB 313 out of the committee.

Number 0700

ROBIN SMITH testified via teleconference. She noted that some people's religious beliefs run counter to the use of contraceptives or emergency contraception. She pointed out that there are many instances in which health insurance provides coverage that conflicts with individual religious beliefs. Christian Scientists do not believe in medical treatment except for dental and vision care. But most people expect health insurance to be available. Jehovah's Witnesses do not believe in blood transfusions. She said she can't imagine blood transfusions not being covered by health insurance. The Roman Catholic Church opposes tubal ligations and vasectomies. The majority of health insurance companies provide for this permanent form of contraception. Providence Hospital's health insurance covers birth control pills for its employees. She said she is sure that Pope John Paul does not approve. She noted that there is a wide variety of people's belief systems and how they impact what people do regarding their health care treatment.

MS. SMITH reminded the members that women can become pregnant for more than 30 years of their lives. Since most women only want two or three children, they spend the vast majority of their reproductive years preventing pregnancy. Contraception also aids women in facing the children they have; therefore, ensuring the health of the mother and the health of the infant that may be born. She concluded:

You are here to enable working women to have equal and fair treatment under the law. You are here, and if you pass this bill, you will be preventing unintended pregnancy, and as a result, preventing abortion. You are not forcing anyone to use any form of contraception. You are simply ensuring that women have what [they] need for basic health care coverage. Please pass this prescription fairness bill out of committee. Please make this bill law.

Number 0523

KAREN PEARSON, Director, Division of Public Health, Department of Health & Social Services (DHSS), testified that this is a good public policy bill. She told the committee that making sure that every child is wanted is an important part of public health and is aided by a contraceptive equity bill such as HB 313. She explained that the statistic of 42 percent of unintended births in Alaska means there are about 4200 children born every year in Alaska to parents who didn't intend to have that child at that time. That doesn't make an unwanted child. That's a much smaller percent. She recognized that unintended children are very often welcomed, but for parents to have the ability to plan for this is very important. The equity piece is that there are no categorical prescriptions put aside other than contraceptives. Since only women can get pregnant, it is very much a gender issue.

MS. PEARSON referred to Chair Dyson's question about someone's salary and insurance. She told him that the Department of Labor, other departments, and the DHSS have done an employers' survey related to insurance, and those results will be coming out soon. She remembered being surprised when she saw the first raw information that showed it wasn't necessarily all the big employers who provide insurance and all the small employers who don't. There is real diversity in terms of who does and who doesn't provide coverage in Alaska and the income levels of the people who then receive that. She said she will make that information available to the committee next month.

Number 0372

CHAIR DYSON commented that he didn't hear any testimony today saying that if this becomes law, women will have contraception that they didn't have before. It sounds to him that if the oral contraceptives can be had for \$100 a year, it's really not an

economic issue; it's an equity issue according to most of the testimony.

MS. PEARSON said he was probably right but shared something that may change that. She mentioned that people are aware that family planning services are provided through the Division of Public Health, and the price increases for oral contraceptives over the past 12 months has been absolutely amazing. The wholesale rate that the department buys them at has increased from 100 to 300 percent. She commented that what's going on in the pricing and charges is disturbing. She agreed that the real issue is equity, but with the huge increases in prices, it's also a growing economic issue. Passage of this bill guarantees that equity for women in pharmaceutical coverage, and she asked the committee to support this.

Number 0192

CHAIR DYSON said [HB 313] doesn't require religious employers to carry it. He wondered who decides what's a religious employer.

Number 0120

KATIE CAMPBELL, Actuary Life/Health, Division of Insurance, Department of Community & Economic Development, explained that a religious employer is defined in the law as an employer with a primary purpose of instilling religious principles. The Division of Insurance would be the one to enforce this provision.

TAPE 02-39, SIDE A
Number 0001

CHAIR DYSON asked about protecting the anonymity of a minor child getting contraception on the parents' insurance.

Number 0126

MR. PEARSON answered that as she understands it, that's not a violation of the privacy. It would be a violation if the provider shared with the parent, "I saw your son or daughter and provided this service." She commented that she believes certain young people choose to use public family planning services rather than choosing to go to their family physician and use their parents' insurance for coverage of that service.

Number 0178

CHAIR DYSON referred to page 2, lines 12 through 14, and said the copayment, "you could have it, but it had to be the same for all prescription in the same category."

MS. PEARSON agreed that was correct. There couldn't be a copay of \$5 for all drugs, except contraceptives would have a copay of \$50. That would not be acceptable.

[HB 313 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 4:53 p.m.