

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 1, 2002

3:20 p.m.

MEMBERS PRESENT

Representative Lisa Murkowski, Chair
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes

MEMBERS ABSENT

Representative Andrew Halcro, Vice Chair
Representative Pete Kott

COMMITTEE CALENDAR

HOUSE BILL NO. 343

"An Act extending the termination date of the Board of Professional Counselors."

- MOVED CSHB 343(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 318

"An Act relating to a health insurance uniform prescription drug information card; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 290

"An Act relating to membership in the Comprehensive Health Insurance Association."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 343

SHORT TITLE: EXTEND BOARD OF PROFESSIONAL COUNSELORS

SPONSOR(S): LABOR & COMMERCE

Jrn-Date	Jrn-Page		Action
01/18/02	2008	(H)	READ THE FIRST TIME -

			REFERRALS
01/18/02	2008	(H)	L&C, FIN
01/28/02		(H)	L&C AT 3:15 PM CAPITOL 17
01/28/02		(H)	Heard & Held
			MINUTE(L&C)
02/01/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 318

SHORT TITLE:UNIFORM PRESCRIPTION DRUG CARD

SPONSOR(S): LABOR & COMMERCE BY REQUEST

Jrn-Date	Jrn-Page		Action
01/14/02	1958	(H)	READ THE FIRST TIME - REFERRALS
01/14/02	1958	(H)	L&C, FIN
01/14/02	1958	(H)	REFERRED TO LABOR & COMMERCE
02/01/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 290

SHORT TITLE:COMPREHENSIVE HEALTH INSURANCE ASS'N

SPONSOR(S): REPRESENTATIVE(S)ROKEBERG

Jrn-Date	Jrn-Page		Action
01/14/02	1951	(H)	PREFILE RELEASED 1/4/02
01/14/02	1951	(H)	READ THE FIRST TIME - REFERRALS
01/14/02	1951	(H)	L&C, FIN
01/14/02	1951	(H)	REFERRED TO LABOR & COMMERCE
01/30/02		(H)	L&C AT 3:15 PM CAPITOL 17
01/30/02		(H)	Heard & Held
			MINUTE(L&C)
02/01/02		(H)	L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

ANNE HENRY, Chair
Board of Professional Counselors;
and Special Projects Coordinator
Division of Mental Health and Developmental Disabilities
Department of Community & Economic Development
PO Box 110620
Juneau, Alaska 99811-0620
POSITION STATEMENT: Testified on HB 343.

AMY ERICKSON, Staff
to Representative Lisa Murkowski
Alaska State Legislature

Capitol Building, Room 408
Juneau, Alaska 99801

POSITION STATEMENT: As committee aide, presented HB 318 on behalf of the House Labor and Commerce Standing Committee, sponsor.

GUY BELL, Director
Division of Retirement & Benefits
Department of Administration
PO Box 110203
Juneau, Alaska 99811-0203

POSITION STATEMENT: Testified on HB 318, saying he sees no downside to the bill; testified on HB 290.

JANET PARKER, Deputy Director
Division of Retirement & Benefits
Department of Administration
PO Box 110203
Juneau, Alaska 99811-0203

POSITION STATEMENT: Testified on HB 318.

ERIN CAREY BYRNE, Executive Director
Alaska Pharmaceutical Association
PO Box 101185
Anchorage, Alaska 99510-1185

POSITION STATEMENT: Testified on HB 318.

ROGER PENROD, President
Alaska Pharmaceutical Association
939 High Grade Way
Fairbanks, Alaska 99712

POSITION STATEMENT: Testified on HB 318.

LIS MERTEN, Director
North West Region
National Association of Chain Drug Stores
924 Capitol Way South Number 216
Olympia, Washington 98501

POSITION STATEMENT: Testified in support of HB 318, with some minor changes.

BARRY CHRISTENSEN, Chair
Legislative Committee
Alaska Pharmaceutical Association (AKPhA)
PO Box 101185
Anchorage, Alaska 99510

POSITION STATEMENT: Testified in support of HB 318.

MIKE WIGGINS, Vice President
National Accounts
Aetna

Seattle, Washington
(No address provided)

POSITION STATEMENT: Testified on HB 318, and said that although Aetna supports a standardized ID card, it feels that this should be done at the federal level; testified on HB 290.

JACK McRAE
Blue Cross Blue Shield of Alaska
(No address provided)

POSITION STATEMENT: Testified that Blue Cross Blue Shield of Alaska is not opposed to HB 318, but stated some concerns; testified in conceptual support of HB 290.

KATIE CAMPBELL, Actuary L/H
Division of Insurance
Department of Community & Economic Development
PO Box 110805
Juneau, Alaska 99811-0805

POSITION STATEMENT: Testified on HB 318.

JOHN L. GEORGE, Lobbyist
for American Council of Life Insurers (ACLI),
and American Family Life Assurance Company (AFLAC)
3328 Fritz Cove Road
Juneau, Alaska 99801

POSITION STATEMENT: Testified in conceptual support for HB 290.

BOB LOHR, Director
Division of Insurance
Department of Community and Economic Development
3601 C Street, Suite 132
Anchorage, Alaska 99503-5948

POSITION STATEMENT: Testified that the Division of Insurance conceptually supports HB 290.

ACTION NARRATIVE

TAPE 02-9, SIDE A
Number 0001

CHAIR LISA MURKOWSKI called the House Labor and Commerce Standing Committee meeting to order at 3:20 p.m. Representatives Murkowski, Rokeberg, Crawford, and Hayes were present at the call to order. Representative Meyer arrived as the meeting was in progress.

Number 0034

HB 343-EXTEND BOARD OF PROFESSIONAL COUNSELORS

CHAIR MURKOWSKI announced that the first order of business would be HOUSE BILL NO. 343, "An Act extending the termination date of the Board of Professional Counselors."

CHAIR MURKOWSKI, speaking on behalf of the House Labor and Commerce Standing Committee, sponsor of HB 343, announced that a letter of intent was drafted by her staff in conjunction with Pat Davidson from the Legislative Audit Division. The letter suggests that the Board of [Professional Counselors] (BPC), Board of Marital and Family Therapy (BMFT), Board of Social Work Examiners, and Board of Psychologist and Psychological Associate Examiners be merged. The letter also states that in the interim before the next "sunset audit," as the boards are being reviewed by the Legislative Audit Division, that there be a report on their progress towards the merger. The letter is urging the cooperation from all four boards to begin working towards a consolidated merger.

CHAIR MURKOWSKI pointed out that there is an amendment that relates to the number of hours that is required in the accreditation process for professional counselors.

Number 0290

ANNE HENRY, Chair, Board of Professional Counselors; and Special Projects Coordinator, Division of Mental Health and Developmental Disabilities, Department of Community & Economic Development, said the BPC met telephonically on Wednesday, January 30, 2002, and developed an amendment similar to the one the House Labor and Commerce Standing Committee drafted. Ms. Henry said the BPC deleted from the amendment the 48-hour requirement for the graduate program, which was limiting some people's ability to get licensure in Alaska. The amendment still maintains the 60-hour requirement overall, which keeps up the standard the BPC would like to see.

Number 0343

CHAIR MURKOWSKI asked Ms. Henry to explain what the specific problem was regarding the recognition of accredited hours.

MS. HENRY said the BPC recognizes graduate programs from regionally and nationally accredited universities. Some of the accrediting bodies allow a various number of semester hours for graduate programs. Some people graduated with as low as 35 hours of graduate work in their program, and were not allowed to be licensed in Alaska. She said that removing the requirement that a graduate program be a minimum of 48 hours will allow those people to still apply. She explained that one will still need to have 60 total graduate hours.

REPRESENTATIVE CRAWFORD asked Ms. Henry about a situation when a person attains a graduate degree through "advanced standing," whereby one can complete his/her graduate degree in one year instead of two, and asked if the advanced-standing students will be ruled out because they did their graduate work in one year.

Number 0478

MS. HENRY said these people will be allowed to apply if they have the total of 60 semester hours of graduate work during or after their graduate program. She added that "there is a standard of 60 hours that some of the national accrediting agencies are recommending that people adhere to; they haven't all achieved that at this point."

REPRESENTATIVE CRAWFORD asked if those people who got advanced standing, and did their graduate work in one year, would have to go and get another year of work done, even though they already have their master's degree.

MS. HENRY said that she isn't sure what "advanced standing" means, but the 60-hour requirement applies to everyone, including those who completed their master's degree in one year.

REPRESENTATIVE CRAWFORD reported, to the best of his knowledge, that people who graduated summa cum laude and magna cum laude were able to skip some courses and finish their master's work with fewer hours.

Number 0581

MS. HENRY said this statute would not recognize those who do not have the minimum of 60 semester hours completed, regardless of

the length of their graduate program. She stated that Alaska Pacific University requires 60 semester hours for a graduate degree in counseling. For a master's in science and clinical psychology, the University of Alaska's requirement is "48 or 45 hours." The University of Alaska Fairbanks requires 48 hours for its graduate programs. She said the Council for Accreditation Counseling (indisc.) and related educational programs, which is the national organization, is recommending that everyone go to 60 [hours].

Number 0634

REPRESENTATIVE CRAWFORD asked if those people who already practice in Alaska, and only have 30 graduate hours, would have to go back to school to get an additional 30 hours to continue their license.

MS. HENRY said that if these people were "grandparented" in, then they already have their license. If someone has graduated from a program and has 48 or fewer hours, he or she would have to take additional hours to meet the 60-hour requirement.

CHAIR MURKOWSKI said the statutes currently provide that these people still have to have a total of at least 60 hours. Previously, she indicated, someone could get 48 hours in his/her respective program and pick up 12 additional credits in another area.

MS. HENRY specified that the requirement was 48 hours within the graduate program, and after graduation some people had to pick up 12 additional hours [in order to meet Alaska's license requirements]. She said that the BPC has found through dealing with a lot of applications that some people have attended programs that are not 48 semester hours within the graduate program itself. She said that because of the "rigid" way the statute was written before, if they did not have 48 hours, they could not be licensed in Alaska. Ms. Henry offered that HB 343 would allow those people who do not have the required 60 hours to take additional hours to meet the requirement and obtain a license.

Number 0765

REPRESENTATIVE ROKEBERG moved to adopt Amendment 1, 22-LS1275\C.1, Lauterbach, 2/1/02, which read:

Page 1, line 1, following "**Counselors**":

Insert "; and relating to licensing of professional counselors"

Page 1, following line 5:

Insert a new bill section to read:

"* **Sec. 2.** AS 08.29.110(a) is amended to read:

(a) The board shall issue a professional counselor license to a person who applies for the license, submits the required fee, submits two letters of recommendation from professional counselors who are familiar with the applicant's practice of professional counseling, and presents evidence satisfactory to the board that the person

(1) is at least 18 years of age;

(2) is not under investigation in this or another jurisdiction for an act that would constitute a violation of this chapter;

(3) has not had a license related to the practice of counseling, psychology, marital and family therapy, or social work in this or another jurisdiction suspended, revoked, or surrendered in lieu of discipline unless the license has been fully reinstated in that jurisdiction;

(4) has passed a written examination as required by the board; the board may provide that passing a nationally recognized examination for professional counselors is sufficient to meet the examination requirement of this paragraph;

(5) has successfully completed either

(A) an earned doctoral degree in counseling or a related professional field from a regionally accredited institution of higher education approved by the board; or

(B) an earned master's degree in counseling or a related professional field, from a regionally or nationally accredited institution of higher education approved by the board, and [CONSISTING OF] at least 60 [48 SEMESTER HOURS AND AT LEAST 12 OTHER] graduate semester hours in counseling during or after earning the master's degree [, FOR A TOTAL OF AT LEAST 60 HOURS]; and

(6) has, after completing the requirement of either (5)(A) or (B) of this subsection, had at least 3,000 hours of supervised experience in the practice of professional counseling performed over a period of at least two years under the supervision of a supervisor approved under AS 08.29.210, with at

least 1,000 hours of direct counseling with individuals, couples, families, or groups and at least 100 hours of face-to-face supervision by a supervisor approved under AS 08.29.210 unless, under regulations of the board, the board allows the supervision to be by telephonic or electronic means because of the remote location of the counselor."

There being no objection, Amendment 1 was adopted.

Number 0802

CHAIR MURKOWSKI asked if anyone had comments regarding the letter of intent.

REPRESENTATIVE MEYER said he was thankful that the letter of intent was drafted as he had suggested.

CHAIR MURKOWSKI said the letter of intent sends a strong message as to what the House Labor and Commerce Standing Committee is looking for in HB 343.

Number 0850

REPRESENTATIVE ROKEBERG moved to report HB 343, as amended, out of committee with individual recommendations, the accompanying fiscal notes, and the letter of intent. There being no objection, CSHB 343(L&C) moved from the House Labor and Commerce Standing Committee.

HB 318-UNIFORM PRESCRIPTION DRUG CARD

Number 0884

CHAIR MURKOWSKI announced that the next order of business would be HOUSE BILL NO. 318, "An Act relating to a health insurance uniform prescription drug information card; and providing for an effective date."

AMY ERICKSON, Staff to Representative Lisa Murkowski, Alaska State Legislature, speaking as the committee aide, presented HB 318 on behalf of the House Labor and Commerce Standing Committee, sponsor. Ms. Erickson informed the committee that HB 318 was introduced at the request of the Alaska Pharmaceutical Association. Similar legislation has been enacted in 19 other states, and is in progress in several other states. This legislation is intended to provide practical guidelines for

organizations producing member identification (ID) cards, and to provide consistent standards for those using IDs. She added that the waiting time for consumers in pharmacies will be reduced, and pharmacists will have the information they need at their fingertips.

MS. ERICKSON said the card contains basic but essential information such as the name or logo of the card issuer. Implementation of the uniform card will greatly aid pharmacists and improve patient care by minimizing confusion. She offered that the uniform card will also eliminate unnecessary paperwork and decrease administrative burdens and processing claims.

Number 1002

MS. ERICKSON informed the House Labor and Commerce Standing Committee that there is a proposed committee substitute (CS), Version J.

Number 1067

REPRESENTATIVE ROKEBERG moved to adopt the proposed CS for HB 318, version 22-LS1061\J, Ford, 1/21/02, as a work draft. There being no objection, Version J was before the committee.

REPRESENTATIVE ROKEBERG asked for an explanation of the differences [between the proposed uniform card and the current prescription cards].

Number 1090

MS. ERICKSON explained that the card has been fine-tuned to look similar to the National Council for Prescription Drug Program's pharmacy card.

Number 1180

GUY BELL, Director, Division of Retirement & Benefits, Department of Administration, said that his division administers the health insurance for Select Benefits for approximately 5,000 state employees, and for approximately 23,000 retirees from the public employees' and teachers' retirement systems. He stated that the Division of Retirement & Benefits uses a prescription drug card. He said, "Based on conversations we've had with ... the staff, we believe our prescription drug card complies with the standards, and we have submitted a zero fiscal note associated with the legislation."

REPRESENTATIVE HAYES asked Mr. Bell if he sees any downside to HB 318.

Number 1122

MR. BELL replied in the negative.

REPRESENTATIVE ROKEBERG said that he is surprised to hear that. He asked whether "the card we have that we carry around with us," although it looks different, meets the requirements.

Number 1240

MR. BELL said yes.

REPRESENTATIVE ROKEBERG asked what the outcome would be if the state decided to make a change in the formulary.

MR. BELL deferred to a member of his staff.

Number 1270

JANET PARKER, Deputy Director, Division of Retirement & Benefits, Department of Administration, asked if the question was in regard to what would happen if there were any formulary changes.

REPRESENTATIVE ROKEBERG restated his question: What if the third-party administrator under the direction of the state changed the formulary?

MS. PARKER said that the state doesn't actually use a formulary, so "you're allowed to use any drugs you want, and maybe that's the issue...." She said that over 90 percent of the pharmacies participate in the state's card program. She asked whether this is designed to address formularies.

REPRESENTATIVE ROKEBERG said that he eventually wants to address that issue, but if the state doesn't have a formulary, then it's moot.

Number 1344

ERIN CAREY BYRNE, Executive Director, Alaska Pharmaceutical Association, testified via teleconference. She said that the Alaska Pharmaceutical Association wants to become uniform

throughout the Lower 48. She said that similar legislation has been enacted quickly in 19 other states in order to achieve the uniformity. She said, "We are just simply complying with ... different language that's already been drafted in other states ... to keep the model and the template uniform."

Number 1388

MS. BYRNE stated that she thought Ms. Erickson did an excellent job of summarizing the intent of HB 318. She said that everyone can appreciate the time spent waiting behind the counter [at a pharmacy], not waiting for a prescription to be filled but waiting while the pharmacist is gathering simple information that should be on the front of the card. She indicated that statistically 70 percent of a pharmacist's time is spent trying to gather information.

REPRESENTATIVE ROKEBERG asked Ms. Byrne if she could verify that the state's card is consistent with the ID card that would be required for [HB 318]. He specified that he was referring to the current card that's issued by Aetna as a third-party administrator to the Select Benefits group of Alaskan employees and to retirees.

MS. BYRNE said that she would have to look at the Aetna card specifically, but most of the major [insurance] carriers already have that information on the card.

Number 1480

ROGER PENROD, President, Alaska Pharmaceutical Association, testified via teleconference. He responded to Representative Rokeberg's question and said that the Aetna card does contain all of the necessary information that is required by the proposed legislation, as do most of the Blue Cross of Washington and Alaska cards. He said that difficulties arise when pharmacists run into people from "Outside" who have cards from [an insurance] carrier that does not have the required information on its cards.

MR. PENROD said that there is a nationwide trend showing that [a uniform prescription drug card] is "a viable aspect," and allowing [the Alaska Pharmaceutical Association] to have this type of legislation will only make its job easier. He added, "The real winner is the guy on the other side of the counter because it reduces their wait time. It does allow us to provide

for them that pharmaceutical care which has become so prominent in this last decade."

MR. PENROD added that historically pharmacy has primarily been a "cash-and-carry thing," and only in the last 15 years has insurance become a big player. He said, "Ten or twelve years ago, it might have made up 10 percent of our business, whereas today it makes up in excess of 80 percent." He said that because of the increase, from time to time a pharmacist may run into billing problems, and that is what [he hopes] HB 318 will help to alleviate.

Number 1603

REPRESENTATIVE ROKEBERG asked Mr. Penrod, "What if there's a change in the formulary on an annualized basis? How would that be impacted by the card?"

MR. PENROD said that it would not affect the card because the formulary is an agreement between "your insurer, which is the state, and the third-party carrier." He said, "If they want to try to minimize dollar amounts by reducing the choices of, for example, non-steroidal anti-inflammatory agents, ... they might want to ... phase those out and say, 'Let's use these other drugs.' But it doesn't affect the card at all."

Number 1650

REPRESENTATIVE ROKEBERG inquired as to whether the numbers on the card would indicate what type of formulary existed.

MR. PENROD said no.

REPRESENTATIVE ROKEBERG asked how a pharmacist would know whether or not an insurance company's formulary would cover the prescription being written. He clarified that he was referring to one of the number of companies that are licensed to do health insurance in Alaska.

MR. PENROD said that's when they begin to "practice medicine", which is a little beyond their scope. He explained that a pharmacist gets a rejected claim back through his/her computer saying that the particular drug - the "NDC, meaning National Drug Code, which is an identifier for that drug" - is not covered, "and they don't give any explanation." Or, in some cases, there are those drugs that have limits as to the amount that is covered.

REPRESENTATIVE ROKEBERG asked Mr. Penrod if he is a pharmacist.

MR. PENROD said yes.

REPRESENTATIVE ROKEBERG asked Mr. Penrod if he is aware that almost every company has a different formulary.

Number 1721

MR. PENROD said that fortunately Alaska has not been affected by that too much.

REPRESENTATIVE ROKEBERG said that he doesn't understand why this particular card is going to make that kind of difference.

MR. PENROD stated that sometimes he gets a card without an individual identification number or a group plan on it, and the card says, "For pharmacy claims call this 800 number."

REPRESENTATIVE ROKEBERG asked how the communication time would be reduced from the current average of 20 minutes [for phone verification].

MR. PENROD said that [the pharmacist] wouldn't have to make any phone calls because that information would already be on the card.

Number 1805

REPRESENTATIVE ROKEBERG asked Mr. Penrod if he has run into any difficulties as far as the different formularies from different health insurance underwriters.

MR. PENROD said that he hasn't had many problems with formularies.

REPRESENTATIVE ROKEBERG said that some companies will cover a certain drug that another company won't. He asked, "How do you know the distinction? Is that when you make that contact with them, or [do] you know because of prior experience?"

MR. PENROD said that sometimes a pharmacist will know from prior experience. He added that when an electronically submitted claim comes back and says [a specific drug] is not covered, the pharmacist tells the patient that this particular drug is not covered, and asks, "How would you like us to proceed?"

REPRESENTATIVE ROKEBERG asked if the electronically submitted claim is done through the Internet.

MR. PENROD said, "Just through the telephone lines."

Number 1850

MS. BYRNE said this card is simply a uniform identification card for insurance carriers. She stated that "the electronic transmittal will take place closed-circuit." She compared the proposed uniform prescription card to a state driver's license where each state has a driver's license number somewhere on the front of the license; in other words, it provides uniformity. She said that the formulary is completely specific to the carrier itself and that's all handled electronically. Those [pharmacists] who have been around for a while certainly know some of the major carriers and what they will cover and will not cover. She said, "The smaller carrier that we don't see often up here ... presents a problem."

Number 1902

REPRESENTATIVE ROKEBERG asked what happens when there is a tourist or visitor from outside [Alaska] and he or she doesn't have the uniform card.

MR. PENROD said that if he or she doesn't have an insurance card, then it's pretty cut and dried; the person gets to pay cash. If the person has an insurance card with inadequate information, then it requires a telephone call.

Number 1926

CHAIR MURKOWSKI asked if she understood correctly that right now there are 19 states that have signed on to some kind of uniform template, with the goal being that one could travel from Wisconsin to Alaska and would pretty much have the same basic information on the front of the card.

MR. PENROD said that was correct.

Number 1950

LIS MERTEN, Director, North West Region, National Association of Chain Drug Stores, testified via teleconference. She addressed the question regarding formularies and said that having the card

in Alaska and having it standardized will cut down on the amount of time that the pharmacists in Alaska are going to have to spend with someone from a state that hasn't passed a law and doesn't have a standardized card. She said that currently pharmacists have to deal with multiple people coming in, and the pharmacists have to stop and make phone calls. She asked if this answers Representative Rokeberg's question.

REPRESENTATIVE ROKEBERG said yes.

Number 2000

MS. MERTEN thanked the committee for introducing HB 318, and said that [the members of the National Association of Chain Drug Stores] support HB 318 with some minor changes. She said that currently in Alaska, [43 percent] of all prescriptions are paid for by a third party. [Ms. Merten later clarified by phone that this does not include Medicaid.] She said that pharmacists currently spend 20 percent of each working day dealing with problems just related to processing prescription drug claims. She said that the pharmacists would much rather be spending their time dealing directly with patients doing counseling and helping them comply with their drug regimen. She noted that the bill asks simply that the information needed to process the claim be included on the card, and she said that is all her organization is asking for. She complimented the committee and the drafters for having the director of [the Division of] Insurance be a big part of the implementation of the legislation.

MS. MERTEN said that [the National Association of Chain Drug Stores] would like to see a couple of changes as [HB 318] goes through the process. She said, "We'd like the bill clarifying who has to comply with this law, and we'd also like to clarify some language for the insurance (indisc.)." She said that she doesn't anticipate that [insurance companies] would have to issue new cards every time there is a little change. She offered her understanding that in Alaska a sticker is used on the driver's license [to note changes], for example. Ms. Merten said this certainly would be an acceptable format that the pharmacists would be very comfortable with if the information were to change. She added, "We're trying to make this as easy on the insurance as possible and not make this ... tough for them to comply."

Number 2096

CHAIR MURKOWSKI thanked Ms. Merten for her testimony and explained to her that it is the policy of the House Labor and Commerce Standing Committee to have legislation "practically perfect" before moving it from committee. She inquired whether one could just put a sticker on a card and have it be reissued, or if that would be problematic. In terms of who has to comply, she thought it was any health benefit plan that provides for prescription drugs or devices and that issues or uses cards. She said she thought that was relatively clear. She asked how Ms. Merten would make that more specific.

Number 2140

MS. MERTEN apologized for not knowing the insurance laws in Alaska and said, "If these are included, then [it's] fine the way it is." She emphasized the need to ensure that included in that broad language [describing health care insurers] are health benefit plans, health care insurance plans, managed care entities, and third-party administrators.

CHAIR MURKOWSKI said that she doesn't have the answer in terms of whether a health benefit plan in fact includes all those mentioned. She said that the committee should ask one of the experts waiting to testify.

MS. MERTEN said she had hoped that when that language was added it would be broad enough to incorporate all of those entities, and she isn't sure that it is.

Number 2190

BARRY CHRISTENSEN, Chair, Legislative Committee, Alaska Pharmaceutical Association (AKPhA), testified via teleconference. He stated that both he and his father are practicing pharmacists, and one of the most frustrating things they deal with in the day-to-day pharmacy practice is someone handing them a card that has information on different areas of the card. He expressed that this is a standardization that [he thinks] is going to be the standard for the United States across the line, and it would be nice to have Alaska [adopt] it sooner rather than later.

Number 2226

REPRESENTATIVE HAYES said that it sounds as if this type of legislation is going through one state at a time; he asked why the people who introduced this legislation first didn't

introduce it at the federal level. He commented that it would have been a lot easier to pass it on the federal level instead of going state by state.

CHAIR MURKOWSKI said that she will direct the question to Mr. Christensen because in his letter he stated that new federal guidelines issued under the Health Insurance Portability [and Accountability] Act (HIPAA) will require insurers to issue new prescription cards in the very near future.

MR. CHRISTENSEN said it is his understanding that the pharmacy associations have tried to work with the insurers and the [National Council for Prescription Drug Programs (NCPDP)] to try to get the insurers online so [a uniform card] is voluntary rather than a state or federal mandate, but it just hasn't happened very fast. He mentioned that it has been in the works for about four years. Mr. Christensen said that "HIPAA really doesn't ... require the issuance of prescription cards with the fact that they're out there." He said that currently most of the prescription drug cards are identified by a social security number (SSN) and he has been told that in the future the SSN will probably not be on the card anymore due to patient privacy protection. He said, "I wish that it would come down federally - we wouldn't have to be here - but the fact is that it hasn't come down, so state by state, ... it seems like ... we're working through it."

Number 2304

REPRESENTATIVE ROKEBERG said that states have primacy on insurance and this is a health insurance issue.

Number 2334

MIKE WIGGINS, Vice President, National Accounts, Aetna, testified via teleconference. He said that he's glad to hear that there's no problem with the State of Alaska ID card and it appears to be working. He said that he has unfortunately spent most of his time working on the prior version of HB 318 and not Version J because he was told it was the most current. He said:

Based on our review of that, we have some questions about the bill; and we're not sure that the current ID card, as it stands today, will meet that because [of] the bill. We spent most of today also working with the health care identification card pharmacy ID ... paper put out by the National Council for Prescription

Drug Programs. First of all, just a couple of general ... comments. The ID card that goes out is not just specifically for prescription drugs. It is for medical. It is a piece of document that [has] some pretty pertinent information that is not just specific to prescription drug plans but is also our medical card.

MR. WIGGINS said that many people have two ID cards and the state has a single ID card. He again apologized for not working off of Version J and commented that in the state of Alaska it appears that the card would not apply to federally funded plans that have (indisc.) prescription drug management programs, like Medicaid. So as it's written today, it's very narrowly defined as to whom it would actually affect. He said although many states have adopted this [type of legislation], it's been different in every single state. He expressed that Aetna does support a standardized ID card, but feels that it can only be done at the federal level. Mr. Wiggins explained that having these different bills passed in several states is making Aetna have to comply with [those laws] and make identification cards, for both medical and prescription drugs, for 19 different states.

MR. WIGGINS said that Aetna is currently processing claims for approximately 60,000 members in all 50 states and a number of foreign countries; [the members] don't seem to be having any problems with the card, which [Aetna thinks] doesn't comply with the current bill.

Number 2481

CHAIR MURKOWSKI asked how the card doesn't comply.

MR. WIGGINS asked if the committee would like to hear an item-by-item description.

CHAIR MURKOWSKI said yes.

TAPE 02-9, SIDE B
Number 2448

MR. WIGGINS offered to submit written comments after he had received Version J.

CHAIR MURKOWSKI said that would be helpful. She asked him for his fax number so that he could receive a copy of Version J quickly.

CHAIR MURKOWSKI asked how radically the various state requirements differ.

Number 2401

JACK McRAE, Blue Cross Blue Shield of Alaska, testified via teleconference. He said that Blue Cross Blue Shield has worked with both Washington and Oregon on similar legislation. It has not been specific regarding what should be on the card; rather, it has given the authority [to] the regulatory agencies - "which you have in your bill, 'the director shall' regulate" - to then work with the pharmacy groups and the carriers to establish what should be on the card.

MR. McRAE said that he isn't working off of Version J either, and mentioned that [Blue Cross Blue Shield] has some concerns regarding what is listed as definitions for different items. He informed the committee that Blue Cross Blue Shield is not opposed to [HB 318] and just wants to make sure that what happens is as uniform as possible in Washington, Oregon, and Alaska. He stated that [Blue Cross Blue Shield] has 85,000 members in Alaska; if [HB 318] would change the [prescription] card, it would require sending out 85,000 new cards. He said, "We would like to work with the committee on ... this issue. But we're not opposed to the bill itself; we're just concerned about some of the definitions themselves in the bill."

Number 2331

CHAIR MURKOWSKI requested that Mr. McRae do the same thing that Mr. Wiggins is doing, which is get a copy of Version J and send the committee his written comments.

CHAIR MURKOWSKI said that she is going to hold HB 318 over until the committee receives the written comments.

REPRESENTATIVE ROKEBERG addressed the issue of who is to qualify. He said it seems to him that even Medicaid recipients should have a card, but right now he isn't sure "a health benefit plan" is defined in the statute. He addressed this issue to Katie Campbell.

Number 2282

KATIE CAMPBELL, Actuary L/H, Division of Insurance, Department of Community & Economic Development, said that she also does not have a copy of Version J.

REPRESENTATIVE ROKEBERG said, "A health benefit plan that provides" is what is in [HB 318] right now. He asked if there is currently a definition of that in statute.

MS. CAMPBELL noted that "health benefit plan" is defined in Chapter 54 [AS 21.54.500], which applies generally, and it's one of the definitions that went in "when we made all of the HIPAA changes."

Number 2253

REPRESENTATIVE ROKEBERG asked if that would include any Medicaid recipients.

MS. CAMPBELL said that the definition is written in terms of employee welfare benefit plans, so it's very general, and Medicaid probably wouldn't qualify.

REPRESENTATIVE ROKEBERG said that Medicaid should be included. He referred to page 1, lines 5-7, Version J, which read in part, "A health benefit plan that provides coverage for prescription drugs or devices and that issues, uses, requires, or reissues a card". He indicated that if [Medicaid] didn't use a card, then it wouldn't be subject to this provision.

Number 2234

REPRESENTATIVE ROKEBERG asked Mr. Wiggins if there would be any impacts relating to the privacy issue and if he was familiar with the so-called Alaska patient's bill of rights [which he had sponsored].

MR. WIGGINS said that he has recently been working with the State of California on the privacy issue, and [California] has basically eliminated the [social security] number. He said, "That's going to make a requirement for major re-writes of eligibility systems that are coming off the payroll systems. It's going to cause a big change in the software for doctors [office's] who use [social security numbers] as identifiers - plus we're going to have to come up with ... encrypted software to work with that." Mr. Wiggins emphasized that privacy is a big issue nationwide regarding ID cards. He said that ID cards

are being looked at for confidentiality, and those same cards are being used for prescriptions, "so they kind of compound the issues."

Number 2167

REPRESENTATIVE ROKEBERG asked Mr. Wiggins to "check with our benefits people up here ... because there's several bills that have been floating around about social security numbers ... that I'm concerned about, as well as the patient's bill of rights and the other privacy issues."

MR. WIGGINS said that [Aetna] is not against a standardized card; it's just that it is having to comply with a lot of different bills being enacted in different states. He asked, "Who regulates them? Who's compliant?" He requested further explanation of the bill.

Number 2115

MR. McRAE said, "At one time under the HIPAA rules there was going to be a unique identifier for every individual that had health care throughout the nation, and that's been thrown out now." He said that it was decided to not do this at a congressional level. He offered that in the future there might be a different identifier other than social security numbers.

REPRESENTATIVE HAYES asked, "Why haven't any other companies looked at federal legislation and then just had the legislation do a reciprocity format like the bills that we were looking at last year?" He said that this would have been the easiest way to go about doing this.

MR. WIGGINS said that [Aetna] insures 18 million people throughout the country and is presently using a somewhat standard card for all 18 million people throughout the country.

Number 2057

MR. McRAE commented that Blue Cross Blue Shield's card in all the states, generally speaking, fulfills the requirements of what's in the legislation. He said his concern is that if it changes a little bit, the company will have to send out another 85,000 new cards. He restated his willingness to work through some of the definitions pertaining to the legislation.

CHAIR MURKOWSKI said she doesn't think that every time there's a change in the program, a new card has to be reissued. She offered that when it's time for the card to be reissued, then the appropriate changes would be made. She said, "We'll make sure that it basically says everything that we think you want it to say."

Number 2012

MR. McRAE stated that Blue Cross Blue Shield does not reissue at any set time, but rather when the data changes on the card for information purposes.

MR. WIGGINS said that Aetna does the same. He stated that Aetna has created a member service whereby people can request cards when they lose them. New members receive a new ID card.

Number 1984

CHAIR MURKOWSKI announced that she is going to hold [HB 318] over until the committee receives the written comments from Aetna, Blue Cross, and anybody else who would care to weigh in on Version J.

HB 290-COMPREHENSIVE HEALTH INSURANCE ASS'N

Number 1966

CHAIR MURKOWSKI announced that the next order of business would be the continuation of HOUSE BILL NO. 290, "An Act relating to membership in the Comprehensive Health Insurance Association."

Number 1935

JOHN L. GEORGE, Lobbyist for American Council of Life Insurers (ACLI), and American Family Life Assurance Company (AFLAC), said that there is a proposed amendment in the committee's packet, and asked that the committee not consider it today. He explained that in further discussions with his client and with the sponsor of the bill, Representative Rokeberg, there has been a request for some additional information. He said that he would rather propose an amendment that [Representative Rokeberg] was in agreement with and asked the committee to not take any action or even consider his current amendment.

MR. GEORGE stated full support of the concept of [HB 290] to broaden the base of people that subsidize the Comprehensive

Health Insurance Association [known as Alaska Comprehensive Health Insurance Association (ACHIA)] policies. He noted that as it is now, the small employer or the single person buying an individual policy is paying a substantial burden, while many people escape contributing.

Number 1884

CHAIR MURKOWSKI said that the House Labor and Commerce Standing Committee would disregard Mr. George's proposed amendment until further notice.

REPRESENTATIVE ROKEBERG asked Mr. George about "the scope of the definition of ... major medical and what can be covered under this bill."

MR. GEORGE said the law as it stands now says that any insurer that sells major medical insurance policies is a member of ACHIA, and the assessment is based not on the major medical premium but on all health insurance premiums written by that company. He stated that AFLAC writes \$14,106 of major medical premium[s]; it's Medicare-supplement policies, not even health insurance policies as one would think of a major medical policy. He said that the definition includes Medicare supplements, but because [AFLAC] writes over \$5 million in premiums in [Alaska], its assessment this year will be over \$30,000. He added, "Because they write \$14,000 worth of major medical, they pay \$30,000 in assessment."

Number 1820

MR. GEORGE said that interestingly enough, AFLAC wrote Medicare-supplement policies in [Alaska] until "1997 or 1998," but doesn't anymore. He explained that "they're guaranteed renewable, so they can't cancel the policies and get off; they must renew them. And as long as they renew them, they're subject to the assessment of all their premium." Noting that there may be other approaches, he told the committee that he is going to provide some more information to describe what other types of insurance [AFLAC] writes that fall under health insurance but not major medical.

REPRESENTATIVE ROKEBERG said that Mr. George's testimony clarified a point that he wants to work on in [HB 290]: the scope of how to get the premium expanded.

Number 1774

REPRESENTATIVE HAYES said that he should claim a conflict at this point.

CHAIR MURKOWSKI said that it is noted for the record, with humor.

Number 1749

GUY BELL, Director, Division of Retirement & Benefits, Department of Administration, said that the Department of Administration supports expanding those who can be assessed under the ACHIA program because of the need for an equitable approach to this issue. In regard to the legislation, Mr. Bell said that [HB 290] identifies the State of Alaska as one of the groups. He said from [the Division of Retirement & Benefits] perspective, that means two groups. The first is the Select Benefits group of about 5,000 state employees covered under a plan that [the division] administers. The second group is over 23,000 state and political subdivision retirees under the public employees' and teachers' retirement systems. He said, "That's who we think would be affected by that reference to the State of Alaska." He added that there are certain groups that would not be included and he thought that Bob Lohr made reference to them in his testimony at an earlier hearing. He mentioned that [the Division of Retirement & Benefits] based its fiscal note on numbers from the Division of Insurance, assuming that Select Benefits and retirees would be assessed.

MR. BELL said:

Because the employer contribution to ... insurance and Select Benefits is capped, either in statute for non-covered people or through collective bargaining agreements otherwise, we've indicated that this increase would be assessed against state employees based on the current law. And that's why we've shown an asterisk on fiscal impact, because really the premium increase would go to employees as opposed to the employer under the current law.

Number 1653

REPRESENTATIVE ROKEBERG interjected and said, "That's because the \$500 figure is in statute right now."

MR. BELL said that the amount of the employer contribution is in statute. He said:

The retirement funds are actuarially funded, which means we pre-fund obligations associated with the retirement system. So the actual costs to the retirement funds in the ... year will be greater than the amount of the assessment against the retiree plans because we're collecting in advance for active employees as well as paying for the assessment for retirees. So there's effectively a double hit when it comes to the retirement funds because of our actuarial funding approach. Now in a conversation I had today with Representative Rokeberg, I must acknowledge that this is a savings the retirement funds received some years ago when we went from being fully insured to being self-insured, so at one point, of course, the retirement funds were paying their share of this cost, up to ... 1997, when both the retiree and the active plans became self-insured.

Number 1582

REPRESENTATIVE ROKEBERG referred back to his conversation with Mr. Bell. He said one could make the case that particularly the retirees had already actuarially made the payments up until the point that they ceased making payments when the state became self-insured. He said there was only a small period of time and the figure of some \$1 million is pretty substantial given that the whole assessment now is perhaps \$3.5 million. He commented that it is almost double-paying in the future and that one could make the case that he/she wouldn't really need to do that if [the division] gave credit for the previous pre-payments.

Number 1534

MR. BELL said that in a theoretical sense that is true. He said, "Based on what the Division of Insurance has told us, the share ... of what the premium share would be of the total, and that annual assessment would be \$1 million against the retiree plans." He noted that [the Division of Retirement & Benefits'] fiscal note indicates that the annual cost to employers who pay rates to the retirement funds would be about \$2.2 million because [the division has] to collect not only for the \$1 million in premium it will pay in year one, but it also has to pre-fund future payments for currently active employees. He said that is because "when I retire, theoretically the

retirement fund has collected from ... my employer and me 100 percent of my expected retirement benefit."

Number 1480

REPRESENTATIVE ROKEBERG asked if, by statutory definition, the legislature could require that credit be given for the previous deposits when making the computation. He asked, "How do we get credit for those deposits?"

MR. BELL said, "Every employer is like a separate bucket, and we take all of the employer contributions to the retirement system for, let's say, the State of Alaska and put that in a bucket. And that bucket is to be used to fund all future obligations." He stated that this doesn't segregate the pension obligation from the other obligations; it is the asset. The asset is then measured against the expected liability, and if there's a difference, that employer is charged a higher rate to cover the difference. He said, "Effectively, I think what happened is that our medical costs modestly dropped when we went to self-insurance and so the liability associated with medical dropped, but at the same time employer rates came down, maybe partly because of this, but also because of ... other issues." He concluded by saying that there are a lot of things that go into determining assets and liabilities.

REPRESENTATIVE ROKEBERG suggested perhaps it is "commingled in the pot."

MR. BELL said that it can't really be segregated.

Number 1385

REPRESENTATIVE ROKEBERG said that it seems to him that there is an equity issue in terms of not getting credit for those payments that are already made actuarially. He said that he doesn't want to create too big a burden, or too big a fiscal note, no matter where the costs fall. He asked, "Is there a way we can bring equity to this equation and get some credit for those deposits?"

Number 1330

MR. BELL said that the short answer to that question is that adding an obligation to the retiree medical plan increases cost. He explained that there is no other place it can come from, because for 99 percent of retirees, their retirement funds pay

100 percent of the premium. He commented that although this looks like a large number in terms of the total asset of the retirement funds, it's not a substantial amount. He said that [the Division of Retirement & Benefits] has, as of June [2001], \$12 to \$13 billion in the retirement funds.

MR. BELL added that as the number of individuals affected by this is expanded, the cost to the retirement system will go down commensurately.

Number 1266

REPRESENTATIVE ROKEBERG said, "If we are able to expand the amount of coverage, ... those costs would go down." He said that looks like a very high cost in the scope of what [HB 290] is trying to attain. He said this makes [HB 290] look bad. He explained that "they have to actuarially put this money aside now for down the road, but they already did it in the past." He asked, "So where is that money?" He stated that although he understands that [the division] has to charge now for it, he doesn't think it is fair to double up on [retirees] now.

Number 1210

MR. BELL said that he needs to research whether or not the retirement funds did in fact pay a premium in the past toward ACHIA.

REPRESENTATIVE ROKEBERG said that was his understanding in their conversation earlier.

REPRESENTATIVE CRAWFORD said, "Just for my edification ... and clarification, I was under the impression what [Mr.] Lohr said the other day was that this would expand the ACHIA premiums to the ERISA [Employee Retirement and Income Security Act] plans that had stop-loss insurance, that it would really cast a broad net and would be very cheap for each individual." He asked if he is correct in this assumption.

REPRESENTATIVE ROKEBERG said that he thinks Representative Crawford's assumption is correct. He also stated that he wants to clarify that point with Mr. Lohr later. He stated his concern over the high fiscal note if, in fact, money has been paid in previously. He offered that this is because it's all done on an actuarial basis, not a current-cost basis.

Number 1106

CHAIR MURKOWSKI commented that perhaps the committee would receive some additional research on this topic.

MR. BELL said when actuaries do evaluations, they don't look at the obligations item by item, but at the total - the aggregate.

RESPECTIVE ROKEBERG said it shouldn't be looked at again if it wasn't taken into account before.

MR. BELL pointed out that something is being added.

Number 1048

BOB LOHR, Director, Division of Insurance, Department of Community and Economic Development, said, "It was really just a non-substantive procedural comment that if it turns out that they have been actuarially pre-funded, possibly transitional language and temporary professional acts would be one way to handle that, but I'm sure Representative Rokeberg is aware of that." He said that [the Division of Insurance's] conceptual support for HB 290 is based on the notion that by broadening the applicability of the assessment, it would in fact bring the rates down for all payers into the ACHIA fund.

REPRESENTATIVE ROKEBERG asked Mr. Lohr, "Is it your belief that we can go to those organizations that have stop-loss now?"

MR. LOHR said that is correct and "we do believe you can go there." He referred to a letter from Signe Anderson, Assistant Attorney General, Fair Business Practices Section, Department of Law, who responded to the question relating to the applicability of ERISA and possible pre-emption. He said:

We do believe that stop-loss policies are reachable, and in fact other states have successfully included them in the assessment base through a comparable program in those states. And to my knowledge there has not been a legal challenge - let alone a successful legal challenge - against that it is somehow violative of ERISA, or preempted by ERISA.

MR. LOHR offered that it's important in the rate design of this assessment to ensure that stop-loss coverage doesn't become unaffordable or do anything to drive it out of the state. He said, "It is an important insurance feature, and you certainly would not want to assess it unduly in some fashion that might

jeopardize the availability of the coverage." He commented that he thought it could be handled rather carefully in the design of the actual assessment figures themselves.

Number 0895

REPRESENTATIVE ROKEBERG asked Mr. Lohr if he could request his council to look into that, or to provide a letter regarding that.

MR. LOHR said, "We can certainly ask her to supplement the opinion." He stated that all of the available literature that [the Division of Retirement & Benefits] has reviewed suggests that this is a viable method of assessing premiums for the competence of health insurance programs, and that practice is active and growing in several states.

Number 0855

REPRESENTATIVE ROKEBERG stated that he is leaning towards trying to expand the definition of "those that offer major medical coverage." He referred to the situation that Mr. George brought up with AFLAC.

MR. LOHR said that he would be happy to work with [Representative Rokeberg] on that. He offered that generally the broader the base, the better the managing of the impact on the private insurance market and on all payers into the assessment would be.

REPRESENTATIVE ROKEBERG said that he has spoken with Mr. Bell about "bringing the University of Alaska in, and the other union trusts that weren't already covered." He commented that several of them already are [included] because they are underwritten or they have stop-loss coverage and are already paying into ACHIA.

Number 0709

JACK McRAE, Blue Cross Blue Shield of Alaska, testified via teleconference and said, "We're very supportive of the legislation that will broaden this pool." He explained that [Blue Cross Blue Shield of Alaska's] costs in Alaska run approximately \$1 million a year into the pool. He said that in 2002 it looks as if [Blue Cross Blue Shield of Alaska's] payment into the pool will just about double to a \$2 million figure. He offered that "with other (indisc.) going self-insured, there seems to be an inequity of that burden being put on just the

members of our commercial market place up there." Mr. McRae said that Blue Cross Blue Shield would like to work with the committee in any way possible to work through some legislation in this area.

MR. McRAE addressed the issue of stop-loss and said, "In Washington State they did tax stop-loss last session, I believe, or it could be the session before, at a different formula than the commercial carriers. But there hasn't been any problem down here, to the best of my knowledge, with the stop-loss carriers being part of the pool."

Number 0645

REPRESENTATIVE ROKEBERG asked, "Were they taxed as part of their guaranteed program, or for other purposes?"

MR. McRAE said that he would have to check the legislation, but he believes that the rate at which they were taxed was one-tenth of what the commercial carriers were taxed at.

REPRESENTATIVE ROKEBERG asked Mr. McRae if he'd said that a different rate was added.

Number 0616

MR. McRAE said that they are paying at a lower rate than what the commercial carriers are paying into the pool. He mentioned that the logic behind this was to make sure that the burden is such that stop-loss carriers aren't chased out of the state because it is a fragile marketplace.

REPRESENTATIVE ROKEBERG asked Mr. McRae if he could also look at the issue of assessment by premium versus covered lives. He said that he would be looking at that issue also. He also asked what percentage of the market Blue Cross Blue Shield has, since it makes up about \$2 million of the premium.

MR. McRAE said that with 85,000 lives covered in Alaska, not including a federal program, Blue Cross Blue Shield has just about 50 percent of the marketplace, although it goes back and forth between 50 and 51 percent.

REPRESENTATIVE ROKEBERG asked Mr. Wiggins if Aetna's 3.6 percent of the marketplace in Alaska includes its third-party administration.

MIKE WIGGINS, Vice President, National Accounts, Aetna, testified via teleconference. He said, "The majority of Aetna's business here is self-funded groups, not just the state. And I'm saying [Mr. McRae] and I are wrestling back and forth, but with the loss of GGU [General Government Unit] last year, we're probably about 20,000 less than he is." He added that Aetna is definitely a significant player in the marketplace and covers a lot of the significant employers that have home offices in the Lower 48, for example, some of the oil companies.

Number 0440

REPRESENTATIVE ROKEBERG asked, "How about the non-ERISA? How many do you have there?"

MR. WIGGINS said, "Well, I think the state's non-ERISA, so that's the only one I know. Most all of our other funded groups, as far as I know, are all ERISA-exempt."

REPRESENTATIVE ROKEBERG said that the state is ERISA-exempt.

MR. WIGGINS said that it's always a question, and he doesn't have an opinion on that. He commented on the fragile stop-loss market, and said:

I agree with that; it's a fragile market up in Alaska, and maybe it's just an education on the type of coverage we're talking about, but a stop-loss carrier doesn't get a large premium. He may be carrying a specific stop-loss at a level, let's say, \$250,000, and his premium may be 10 bucks, and so he's doing assessment on a per-covered-life [basis]. That doesn't make a whole lot of sense if that's the way you're going to do the apportionment.

REPRESENTATIVE ROKEBERG said, "It would be better as a premium tax, then, rather than a covered (indisc.)."

Number 0361

MR. WIGGINS said, "Yes, I totally agree with you, that it's a premium tax, but right now it's written on a per-head [basis], and as it's written here, we'll have some difficulty and definitely could hurt the marketplace for stop-loss carriers."

REPRESENTATIVE ROKEBERG asked, "Where are we now? We're on the premium, I thought, right?"

Number 0290

CHAIR MURKOWSKI said that the sponsor has asked to hold [HB 290] over as he continues to work through the process on it. She added that there has been some good information that the committee has benefited from.

REPRESENTATIVE ROKEBERG said that it isn't his intention, but there are "a few complex issues and ... could be some very political and technical applications, which there really shouldn't be. That's not my intention." He said that he is really pleased that the administration has indicated general conceptual support for [HB 290] because "that shows that we can make this a bipartisan thing and this is not intended to hurt, like, the union trust." He mentioned that [HB 290] is to make sure everybody equitably is paying into this very important program that needs to continue and which is growing, and that insurance needs to be available for everybody in the state. He said that there is testimony that Blue Cross is paying half the premium at \$2 million a year. He summarized by saying that "we need to expand that base of contribution into the program, and to make sure it's a viable program for the future."

Number 0159

CHAIR MURKOWSKI thanked Representative Rokeberg for bringing the bill forward. [HB 290 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:55 p.m.