

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

April 27, 2004

3:11 p.m.

**MEMBERS PRESENT**

Representative Peggy Wilson, Chair  
Representative Carl Gatto, Vice Chair  
Representative John Coghill  
Representative Paul Seaton  
Representative Kelly Wolf  
Representative Sharon Cissna

**MEMBERS ABSENT**

Representative Mary Kapsner

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 179(FIN)

"An Act relating to criminal history records and background checks; allowing persons to teach in the public schools for up to five months without a teaching certificate if the person has applied for a certificate and the application has not been acted upon by the Department of Education and Early Development due to a delay in receiving criminal history records; allowing teacher certification for certain persons based on a criminal history background check without fingerprints; and providing for an effective date."

- MOVED HCS CSSB 179(FIN) OUT OF COMMITTEE

SENATE BILL NO. 274

"An Act relating to the housing assistance loan fund in the Alaska Housing Finance Corporation; creating the housing assistance loan program; repealing loans for teacher housing and providing for loans for multi-family housing; making conforming amendments; and providing for an effective date."

- MOVED SB 274 OUT OF COMMITTEE

HOUSE BILL NO. 84

"An Act relating to a curriculum for Alaska history; and providing for an effective date."

- MOVED HB 84 OUT OF COMMITTEE

HOUSE BILL NO. 72

"An Act relating to the qualifications and appointment of members of the Board of Regents of the University of Alaska; and providing for an effective date."

- MOVED CSHB 72(HES) OUT OF COMMITTEE

HOUSE BILL NO. 535

"An Act relating to liability for expenses of placement in certain mental health facilities; relating to the mental health treatment assistance program; and providing for an effective date."

- MOVED CSHB 535(HES) OUT OF COMMITTEE

HOUSE BILL NO. 186

"An Act establishing the Radiologic Technology Board of Examiners; requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 434

"An Act relating to the practice of naturopathic medicine; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 239

"An Act directing the Department of Public Safety to establish an Internet-based identification and tracking system relating to controlled substances that are prescribed for human use; and relating to the manner in which prescriptions for controlled substances may be filled by a pharmacist."

- HEARD AND HELD

HOUSE BILL NO. 502

"An Act relating to dispensing opticians and dispensing optician apprentices."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 179

SHORT TITLE: CRIMINAL BACKGROUND CHECKS/TEACHERS

SPONSOR(S): SENATOR(S) THERRIAULT

04/08/03 (S) READ THE FIRST TIME - REFERRALS  
04/08/03 (S) HES, FIN  
04/16/03 (S) HES AT 1:30 PM BUTROVICH 205  
04/16/03 (S) Moved CSSB 179(HES) Out of Committee  
04/16/03 (S) MINUTE(HES)  
05/10/03 (S) HES RPT CS 2DP 1NR NEW TITLE  
05/10/03 (S) DP: DYSON, WILKEN; NR: DAVIS  
05/13/03 (H) FIN AT 8:00 AM SENATE FINANCE 532  
05/13/03 (S) <Above Item Removed from Agenda>  
05/13/03 (S) MINUTE(FIN)  
03/08/04 (S) FIN RPT CS 5DP 2NR NEW TITLE  
03/08/04 (S) DP: GREEN, WILKEN, DYSON, BUNDE,  
03/08/04 (S) STEVENS B; NR: HOFFMAN, OLSON  
03/08/04 (S) FIN AT 9:00 AM SENATE FINANCE 532  
03/08/04 (S) Moved CSSB 179(FIN) Out of Committee  
03/08/04 (S) MINUTE(FIN)  
03/15/04 (S) TRANSMITTED TO (H)  
03/15/04 (S) VERSION: CSSB 179(FIN)  
03/16/04 (H) READ THE FIRST TIME - REFERRALS  
03/16/04 (H) EDU, HES, JUD  
03/23/04 (H) EDU AT 11:00 AM CAPITOL 124  
03/23/04 (H) Moved Out of Committee  
03/23/04 (H) MINUTE(EDU)  
03/24/04 (H) EDU RPT 4DP 1NR 1AM  
03/24/04 (H) DP: WILSON, OGG, SEATON, GATTO;  
03/24/04 (H) NR: KAPSNER; AM: WOLF  
04/20/04 (H) HES AT 2:00 PM CAPITOL 106  
04/20/04 (H) Moved HCS CSSB 179(HES) Out of  
Committee  
04/20/04 (H) MINUTE(HES)  
04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: SB 274

SHORT TITLE: HOUSING PROGRAMS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/23/04 (S) READ THE FIRST TIME - REFERRALS  
01/23/04 (S) HES, FIN  
02/20/04 (S) HES AT 1:30 PM BUTROVICH 205  
02/20/04 (S) -- Meeting Canceled --  
02/25/04 (S) HES AT 1:30 PM BUTROVICH 205  
02/25/04 (S) Moved SB 274 Out of Committee

02/25/04 (S) MINUTE(HES)  
 02/27/04 (S) HES RPT 3DP 1NR  
 02/27/04 (S) DP: DYSON, GREEN, WILKEN; NR: GUESS  
 03/08/04 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 03/08/04 (S) Heard & Held  
 03/08/04 (S) MINUTE(FIN)  
 03/22/04 (S) FIN RPT 5DP 2NR  
 03/22/04 (S) DP: GREEN, WILKEN, DYSON, HOFFMAN,  
 03/22/04 (S) STEVENS B; NR: OLSON, BUNDE  
 03/22/04 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 03/22/04 (S) Moved SB 274 Out of Committee  
 03/22/04 (S) MINUTE(FIN)  
 03/31/04 (S) TRANSMITTED TO (H)  
 03/31/04 (S) VERSION: SB 274  
 04/01/04 (H) READ THE FIRST TIME - REFERRALS  
 04/01/04 (H) HES, FIN  
 04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
 04/22/04 (H) Scheduled But Not Heard  
 04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 84

SHORT TITLE: ALASKA HISTORY CURRICULUM  
 SPONSOR(S): REPRESENTATIVE(S) KAPSNER

02/07/03 (H) READ THE FIRST TIME - REFERRALS  
 02/07/03 (H) EDU, HES, FIN  
 04/13/04 (H) EDU AT 11:00 AM CAPITOL 124  
 04/13/04 (H) Moved CSHB 84(EDU) Out of Committee  
 04/13/04 (H) MINUTE(EDU)  
 04/14/04 (H) EDU RPT CS(EDU) 2DP 2NR 2AM  
 04/14/04 (H) DP: SEATON, WILSON; NR: WOLF, GATTO;  
 04/14/04 (H) AM: GARA, KAPSNER  
 04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 72

SHORT TITLE: BOARD OF REGENTS QUALIFICATIONS  
 SPONSOR(S): REPRESENTATIVE(S) GUTTENBERG

02/05/03 (H) READ THE FIRST TIME - REFERRALS  
 02/05/03 (H) EDU, HES  
 03/25/03 (H) EDU AT 11:00 AM CAPITOL 124  
 03/25/03 (H) Moved CSHB 72(EDU) Out of Committee  
 03/25/03 (H) MINUTE(EDU)  
 03/26/03 (H) EDU RPT CS(EDU) 5DP 1DNP  
 03/26/03 (H) DP: KAPSNER, GARA, SEATON, WILSON,  
 03/26/03 (H) GATTO; DNP: OGG  
 04/01/04 (H) HES AT 3:00 PM CAPITOL 106

04/01/04 (H) Scheduled But Not Heard  
04/13/04 (H) HES AT 2:00 PM CAPITOL 106  
04/13/04 (H) Scheduled But Not Heard  
04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
04/22/04 (H) Scheduled But Not Heard  
04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 535

SHORT TITLE: LIMIT STATE AID FOR MENTAL HEALTH CARE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/08/04 (H) READ THE FIRST TIME - REFERRALS  
03/08/04 (H) HES, JUD, FIN  
03/25/04 (H) HES AT 3:00 PM CAPITOL 106  
03/25/04 (H) Heard & Held  
03/25/04 (H) MINUTE(HES)  
04/13/04 (H) HES AT 2:00 PM CAPITOL 106  
04/13/04 (H) Scheduled But Not Heard  
04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
04/22/04 (H) Scheduled But Not Heard  
04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 186

SHORT TITLE: LICENSING RADIOLOGIC TECHNICIANS

SPONSOR(S): REPRESENTATIVE(S) ANDERSON

03/12/03 (H) READ THE FIRST TIME - REFERRALS  
03/12/03 (H) L&C, HES, FIN  
03/26/03 (H) L&C AT 3:15 PM CAPITOL 17  
03/26/03 (H) -- Meeting Canceled --  
03/28/03 (H) L&C AT 3:15 PM CAPITOL 17  
03/28/03 (H) Moved CSHB 186(L&C) Out of Committee  
03/28/03 (H) MINUTE(L&C)  
03/31/03 (H) L&C RPT CS(L&C) 3DP 3NR  
03/31/03 (H) DP: CRAWFORD, DAHLSTROM, ANDERSON;  
03/31/03 (H) NR: GATTO, GUTTENBERG, ROKEBERG  
04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
04/22/04 (H) Scheduled But Not Heard  
04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 434

SHORT TITLE: NATUROPATHIC MEDICINE

SPONSOR(S): REPRESENTATIVE(S) HOLM

02/04/04 (H) READ THE FIRST TIME - REFERRALS  
02/04/04 (H) L&C, JUD  
02/04/04 (H) HES REFERRAL ADDED AFTER L&C

02/18/04 (H) L&C AT 3:15 PM CAPITOL 17  
 02/18/04 (H) Heard & Held <Assigned to Subcmte>  
 02/18/04 (H) MINUTE(L&C)  
 03/03/04 (H) L&C AT 3:15 PM CAPITOL 17  
 03/03/04 (H) <Bill Hearing Postponed>  
 03/24/04 (H) L&C AT 3:15 PM CAPITOL 17  
 03/24/04 (H) Moved CSHB 434(L&C) Out of Committee  
 03/24/04 (H) MINUTE(L&C)  
 03/29/04 (H) L&C RPT CS(L&C) 2DP 2NR 3AM  
 03/29/04 (H) DP: CRAWFORD, GUTTENBERG; NR: LYNN,  
 03/29/04 (H) DAHLSTROM; AM: GATTO, ROKEBERG,  
 03/29/04 (H) ANDERSON  
 04/13/04 (H) HES AT 2:00 PM CAPITOL 106  
 04/13/04 (H) Heard & Held  
 04/13/04 (H) MINUTE(HES)  
 04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 239

SHORT TITLE: ID SYSTEM FOR PRESCRIPTIONS

SPONSOR(S): REPRESENTATIVE(S) CHENAULT

04/04/03 (H) READ THE FIRST TIME - REFERRALS  
 04/04/03 (H) HES, STA, FIN  
 03/30/04 (H) HES AT 3:00 PM CAPITOL 106  
 03/30/04 (H) Scheduled But Not Heard  
 04/01/04 (H) HES AT 3:00 PM CAPITOL 106  
 04/01/04 (H) Scheduled But Not Heard  
 04/08/04 (H) STA AT 8:00 AM CAPITOL 102  
 04/08/04 (H) <Bill Hearing Postponed>  
 04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
 04/22/04 (H) Scheduled But Not Heard  
 04/27/04 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 502

SHORT TITLE: DISPENSING OPTICIANS: BOARD & REGULATION

SPONSOR(S): REPRESENTATIVE(S) HOLM

02/16/04 (H) READ THE FIRST TIME - REFERRALS  
 02/16/04 (H) L&C, HES  
 03/31/04 (H) L&C AT 3:15 PM CAPITOL 17  
 03/31/04 (H) Heard & Held  
 03/31/04 (H) MINUTE(L&C)  
 04/02/04 (H) L&C AT 3:15 PM CAPITOL 17  
 04/02/04 (H) Moved Out of Committee  
 04/02/04 (H) MINUTE(L&C)  
 04/05/04 (H) L&C RPT 2DP 4NR  
 04/05/04 (H) DP: GATTO, GUTTENBERG; NR: CRAWFORD,

04/05/04 (H) LYNN, DAHLSTROM, ANDERSON  
04/06/04 (H) HES AT 3:00 PM CAPITOL 106  
04/06/04 (H) Scheduled But Not Heard  
04/22/04 (H) HES AT 2:00 PM CAPITOL 106  
04/22/04 (H) Heard & Held  
04/22/04 (H) MINUTE(HES)  
04/27/04 (H) HES AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

ZACK WARWICK, Staff  
to Senator Gene Therriault  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified on SB 179 on behalf of Senator Therriault, sponsor of SB 179.

DAN FAUSKE, CEO/Executive Director  
Alaska Housing Finance Corporation  
Department of Revenue  
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 274 and answered questions from the members.

JOE DUBLER, Chief Financial Officer  
Alaska Housing Finance Corporation  
Department of Revenue  
Juneau, Alaska

POSITION STATEMENT: Testified on SB 274 and answered questions from the committee.

PAT JACKSON, Staff  
to Representative Mary Kapsner  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Presented HB 84 on behalf of Representative Kapsner, sponsor of HB 84.

REPRESENTATIVE DAVID GUTTENBERG  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: As sponsor of HB 72, presented the bill and answered questions from the committee.

BILL HOGAN, Director  
Division of Behavioral Health  
Department of Health and Social Services

Juneau, Alaska

POSITION STATEMENT: Testified on HB 535 and answered questions from the committee.

RICHARD RAINERY, Executive Director

Alaska Mental Health Board

Juneau, Alaska

POSITION STATEMENT: Testified on HB 535 and answered questions from the members.

JEFF JESSEE, Executive Director

Alaska Mental Health Trust Authority

Anchorage, Alaska

POSITION STATEMENT: Testified on HB 535 and answered questions from the members.

ROD BETIT, President

Alaska State Hospital and Nursing Home Association

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 535 and answered questions from the members.

JIM SHINE, Staff

to Representative Tom Anderson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified on behalf of Representative Anderson, sponsor of HB 186, and answered questions from the committee.

CHRISTINE LUNG, Director

Government Relations

American Society of Radiologic Technologists (ASRT)

Address Unknown

POSITION STATEMENT: Testified in support of HB 186.

ANN DAILEY, President

Alaska Academy of Physician's Assistants

Iliamna, Alaska

POSITION STATEMENT: Testified on HB 186.

CLYDE PEARCE, Chief, Radiological Physicist

Radiological Health

Division of Public Health

Department of Health and Social Services

Anchorage, Alaska

POSITION STATEMENT: Testified on HB 186.

DONNA RUFSHOLM, Chair, Licensure Committee, and Board Member  
Alaska Society of Radiology Technologists  
Homer, Alaska

POSITION STATEMENT: Testified in support of HB 186.

ED HALL

Physician's Assistant and Member  
Alaska Academy of Physician Assistants  
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 186.

ERIKA WHITE, Program Director  
University of Alaska Anchorage  
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 186.

JOHN BRINGHURST, Administrator  
Petersburg Hospital  
Petersburg, Alaska

POSITION STATEMENT: Testified in opposition to HB 186.

B. J. ANDERSON

Laboratory and X-Ray Manager  
Anchorage Neighborhood Health Center  
Anchorage, Alaska

POSITION STATEMENT: Testified on HB 186.

VERA JAMES, Program Manager  
Alaska Native Health Board  
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 186.

BARBARA HUFFTUCKNESS, Director  
Governmental and Legislative Affairs  
Teamsters Local 959  
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 186.

ALEX MALTER, M.D., President  
Alaska State Medical Association  
Juneau, Alaska

POSITION STATEMENT: Testified on HB 434, and answered questions  
from the members.

SUE WRIGHT, Staff  
to Representative Mike Chenault

Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Presented HB 239 on behalf of Representative Chenault, sponsor of HB 239, and answered questions from the members.

MARGARET SODEN, Chair  
Alaska Board of Pharmacy  
Division of Occupational Licensing  
Department of Community and Economic Development  
Anchorage, Alaska

POSITION STATEMENT: Testified on HB 239.

MATT RUDIG, Staff  
to Representative Jim Holm  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified on HB 502 on behalf of Representative Jim Holm, sponsor of HB 502, and answered questions from the members.

RANDALL DAHL  
Opticians Association of Alaska  
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 502 and answered questions from the members.

CHRISTI BRAND, President  
Optician Association of Alaska  
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 502 and answered questions from the members.

JAMES ROTHMEYER, Chair  
Board of Dispensing Opticians  
Division of Occupational Licensing  
Department of Community and Economic Development  
Paxson, Alaska

POSITION STATEMENT: Testified in support of HB 502 and answered questions from the members.

FRANKLIN ROZAK, Secretary-Treasurer  
National Association of Optometrists and Opticians  
Marblehead, Ohio

POSITION STATEMENT: Testified on HB 502 and answered questions from the members.

BARBARA COTTING, Staff  
to Representative Jim Holm  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of Representative Holm,  
sponsor of HB 434.

LINDA ANDERSON, Lobbyist  
Naturopaths Association of Alaska  
Juneau, Alaska

POSITION STATEMENT: Testified on HB 434.

### **ACTION NARRATIVE**

#### **TAPE 04-37, SIDE A**

Number 0001

**CHAIR PEGGY WILSON** called the House Health, Education and Social Services Standing Committee meeting to order at 3:11 p.m. Representatives Wilson, Wolf, Coghill, and Seaton were present at the call to order. Representatives Gatto and Cissna arrived as the meeting was in progress. Representative Kapsner was excused.

CHAIR WILSON announced that the confirmation hearings are cancelled.

#### SB 179-CRIMINAL BACKGROUND CHECKS/TEACHERS

CHAIR WILSON announced that the first order of business would be CS FOR SENATE BILL NO. 179(FIN), "An Act relating to criminal history records and background checks; allowing persons to teach in the public schools for up to five months without a teaching certificate if the person has applied for a certificate and the application has not been acted upon by the Department of Education and Early Development due to a delay in receiving criminal history records; allowing teacher certification for certain persons based on a criminal history background check without fingerprints; and providing for an effective date."

CHAIR WILSON announced that the committee decided not to proceed with motions made at the last meeting on SB 179 because additional information came to the committee's attention. There was consensus from the committee that version V was preferable over version W.

Number 0117

REPRESENTATIVE SEATON moved to rescind previous action to report HCS CSSB 179(HES), version W, out of the House Health, Education and Social Services Standing Committee on April 20, 2004. There being no objection, the previous action to report out HCS CSSB 179(HES) was rescinded.

REPRESENTATIVE SEATON moved to rescind House Health, Education and Social Services Standing Committee action in adopt HCS CSSB 179(HES), version W, as the working document. There being no objection, the motion to adopt HCS CSSB 179(HES), version W, was rescinded.

Number 0389

REPRESENTATIVE SEATON moved to adopt CSSB 179(FIN), version V, as the working document. There being no objection, CSSB 179(FIN), version V is before the House Health, Education and Social Services Standing Committee.

Number 0402

ZACK WARWICK, Staff to Senator Gene Therriault, Alaska State Legislature, testified on SB 179 for Senator Therriault, sponsor of SB 179. He explained that version V of this bill allows the Department of Education and Early Development the authorization to grant the 60-day extension in the case of a backlog at the U.S. Department of Justice. He emphasized that the department has given assurances that this is an authorization that would not be taken lightly.

MR. WARWICK asked if the committee would need to rescind its action on the title change resolution.

CHAIR WILSON said no. The title change resolution only dealt with version W which will not be heard.

REPRESENTATIVE SEATON asked if there is a fiscal note with version V.

MR. WARWICK replied no.

Number 0426

REPRESENTATIVE SEATON moved to report CSSB 179(FIN), version V, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB

179(FIN), version V, was reported out of the House Health, Education and Social Services Standing Committee.

SB 274-HOUSING PROGRAMS

Number 0488

CHAIR WILSON announced that the next order of business would be SENATE BILL NO. 274, "An Act relating to the housing assistance loan fund in the Alaska Housing Finance Corporation; creating the housing assistance loan program; repealing loans for teacher housing and providing for loans for multi-family housing; making conforming amendments; and providing for an effective date."

Number 0545

DAN FAUSKE, Chief Executive Officer/Executive Director, Alaska Housing Finance Corporation, Department of Revenue, testified in support of SB 274 and answered questions from the members. He read a statement into the record as follows:

SB 274 will make two changes to the rural loan program. It will replace the Housing Assistance Loan Fund with the Housing Assistance Loan Program. This bill will also replace the Rural Teacher Housing Loan Program with the Rural Multi-Family Loan Program. The changing of the Housing Assistance Loan Fund from a fund to a program is necessary as a result of the liquidity concerns at the corporation. The current revolving nature of the fund limits the fund to being used only to purchase new loans under this program. For fiscal year 2003 over a third of the corporation's net income was in this fund. With the corporation paying a dividend of \$103 million to the state the funds paid to the state have continued to come entirely out of our working capital because of the restrictions of the Rural Loan Fund. This has resulted in the liquid assets of the corporation declining at an accelerated rate. In addition the revolving fund has not really revolved for several years and new loans in the program have exceeded the cash available in the fund causing the corporation to use its working capital to purchase and hold loans for reimbursement from the fund.

This legislation will allow the program to operate in the same way our other programs do, and other than

this change the program will continue to operate the same way.

The other phase would change the Rural Teacher Loan Program to the Rural Multi-Family Loan Program. The passage of SB 181 in 2002 changed the Rural Multi-Family non-owner occupied loan program into the Rural Teacher Loan Program. This change required anyone using the program to fill their duplex, four-plex, or any other multi-family building with at least one teacher in every unit. As a result of this restriction in the year and a half that the program has existed there has not been a single loan made. Before this change the multi-family program made up between 2 percent and 3 percent of our rural business. This bill will change the program back into the Rural Multi-Family Program available to anyone including teachers. It will also allow an owner to occupy one of the units if they so choose.

MR. FAUSKE reminded the members that Alaska Housing Finance Corporation (AHFC) is also in the process of putting in place the Teacher Housing Loan Program and the General Agreement on Tariffs and Trade (GATT) Program that are applied across the state. There are applications and work in progress in a variety of areas around the state, he added. He said he did not want to mislead the committee that AHFC is going backwards.

Number 0680

REPRESENTATIVE SEATON moved to adopt SB 274, 23-GS2095\A, as the working document. There being no objection, version A was before the committee.

Number 0760

REPRESENTATIVE COGHILL asked for clarification on the change between the fund and the program.

MR. FAUSKE replied that he will have Joe Dubler speak to this, but offered a brief explanation of the difference between a program and a fund. He explained that it has to do with the intricacies of how AHFC buys and sells bonds, and recycles loans. There are restrictions on co-mingling funds between programs and funds. With the exception of the [Housing Assistance Loan Fund] all of AHFC loans are administered through programs. He explained that the fund was created under statute.

Alaska Housing Finance Corporation has a hard time purchasing loans from this fund with monies from other programs, with the exception of cash placements from AHFC's general fund into the fund, he clarified.

Number 0769

JOE DUBLER, Chief Financial Officer (CFO), Alaska Housing Finance Corporation, Department of Revenue, testified on SB 274 and answered questions from the committee. The Housing Assistance Loan Fund that is being discussed is the revolving loan fund that came to AHFC when there was a merger with the then Department of Community and Regional Affairs in 1992, he explained. The fund was set up as a revolving fund to protect the assets so it could only be used statutorily to make new loans under that program. The corporation administers a lot of different loan programs very successfully throughout the state, Mr. Dubler said. It is AHFC wish to make this another one of those programs so it is not restricted to using only the assets in that fund for that specific program. It will mean that AHFC will be able to sell bonds to back loans that are now pledged to a fund that cannot be used now, he added. Mr. Dubler emphasized that there is about \$515 million, about one-third of AHFC's net assets, which is locked up in the fund and that cannot be used.

REPRESENTATIVE COGHILL commented that he believes the original policy call that occurred was to have a fund where the assets would build up. He asked if changing the fund to a multi-family loan program will mean the original intent of the fund will be superceded.

MR. DUBLER responded:

It is a dual-purpose bill. The only part of it is related to the multi-family aspect of it, of this program. The rest will just take the whole program, the majority of it are single-family loans in Rural Alaska and that will remain the same it will just be shifted out of a revolving fund so we can use those assets for...leverage those assets basically.

Number 0899

MR. FAUSKE added that the other feature of the bill that was referred to, the multi-family [loan program], was created to fix the problem that was created a couple of years ago which has not resulted in any loan activity. It is important to get back into

a mode where AHFC has access to these funds, he commented. Mr. Fauske told the committee that negotiations took place over many years and there was finally a compromise to get the bill to move. He explained that at a time when AHFC is trying to get investments out for rural and teacher housing it does not make sense to restrict loans by saying the housing must be occupied only by teachers. The intent is not a bad idea, but in practice it has not worked. For example, in many of the small rural areas where there will be an individual who has some money and wants to build a four-plex, live in one unit and rent three others out to teachers, this program restricted that kind of loan and denies access to some capital investments. It is important to get this program fixed, he summarized.

CHAIR WILSON recalled that originally the program was established to provide teachers with decent housing. However, the program just did not work.

MR. FAUSKE agreed that the program did not work. The revision in SB 274 will put the program back in an arena that will attract investors and make it easier for individuals to participate.

CHAIR WILSON commented that it was the legislature's goal to provide decent housing for teachers in Rural Alaska so they would be more likely to remain there. She stated that she believes the original goals can be achieved with the changes provided in the bill.

Number 1013

REPRESENTATIVE SEATON referred to Section 3, page 3, line 28 through 31, where it refers to the mortgage interest rate being one percent less. He commented that the lower interest rate use to be for small community housing for teachers; however, in this bill the lower interest rate will be for multi-family housing. Representative Seaton asked if there is any leverage that ensures the housing is focused on teacher housing. He interprets this language as saying that no one in the housing needs to be a teacher.

Number 1057

MR. FAUSKE replied that there is a distinct advantage for someone to build a unit that houses teachers because there are some financing programs available to offset some of the costs, such as the GATT program that is being done in conjunction with

the AHFC, Denali Commission, Rasmuson, and United States Department of Agriculture (USDA). Aside from the on-going program that the corporation offers for energy-efficiency and interest rate reductions, there is another avenue that adds another layer of possibilities for individuals. This would also allow an investor that wanted to approach the school district and offer a long-term agreement to provide housing to teachers and the financing would then be there to provide housing to teachers and health professionals. Mr. Fauske said that AHFC will do its part to provide the marketing to make sure lenders are aware of it so when someone walks off the street to a lending institution they will be aware of all the programs available to the borrower.

REPRESENTATIVE SEATON emphasized that he just wants to make sure there is some context in providing teacher housing.

Number 1153

REPRESENTATIVE SEATON moved to report SB 274, 23-GS2095\A, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 274, version A, was reported out of the House Health, Education and Social Services Standing Committee.

#### HB 84-ALASKA HISTORY CURRICULUM

Number 1203

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 84, "An Act relating to a curriculum for Alaska history; and providing for an effective date."

PAT JACKSON, Staff to Representative Mary Kapsner, Alaska State Legislature, presented HB 84 on behalf of Representative Kapsner, sponsor of HB 84. She said that she will be very brief in her explanation of the bill because she is aware of the fact that the members are familiar with it. Ms. Jackson shared that when researching the bill it was discovered that in 1981 the state board of education had looked at the issue of requiring Alaska history for high school seniors because of the importance of knowing one's history in order to become active in state affairs. In 1988 the then Senator Willie Hensley sponsored a resolution which passed the legislature with strong support, 18-0 in the Senate and 35-1 in the House.

MS. JACKSON told the members when Representative Kapsner started working on the issue she worked with a dedicated, broad-ranging, group of people from Commonwealth North, the Humanities Forum, the Alaska Historical Society, the [Alaska Association of School Administrators], and NEA-Alaska. There was agreement that it is important that high school students have that base of information.

MS. JACKSON commented that in the previous legislature the bill passed the House with really strong support by a vote of 36-0, but hit a roadblock in the Senate. Representative Kapsner reintroduced the legislation this year and has continued to receive a lot of positive support from people around the state from policy makers who wear a lot of hats.

Number 1353

REPRESENTATIVE SEATON moved to report CSHB 84(EDU), 23-LS0116\I, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 84(EDU), version I, was reported out of the House Health, Education and Social Services Standing Committee.

HB 72-BOARD OF REGENTS QUALIFICATIONS

Number 1379

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 72, "An Act relating to the qualifications and appointment of members of the Board of Regents of the University of Alaska; and providing for an effective date."

Number 1389

REPRESENTATIVE DAVID GUTTENBERG, Alaska State Legislature, sponsor of HB 72, presented the bill and answered questions from the committee. He explained that at the end of the 2002 session a situation occurred in joint session where a student regent did not get confirmed. As a result of that university students across the state wanted to come up with a fix that presented a solution to that problem. There has been a lot discussion about what that would be and suggestions ranged from adding another student regent to possibly allowing the Governor to add a student regent without going through the legislative confirmation process.

REPRESENTATIVE GUTTENBERG said that the consensus of that discussion is before the members now in HB 72. This bill allows for a second student regent, who serves in a non-voting student regent capacity for one year and then moves up to the voting student regent position the next year. The student regent would serve a two-year term with alternating appointments. He said he believes it is important to always have a student regent on the board. This also serves as an educational opportunity for another student, he added.

REPRESENTATIVE GUTTENBERG explained that students are elected from the student body and a list of names from each campus is submitted to the governor for appointment. He commented that the issue on the even number of members on the board of regents does not seem to be a problem because of the way the board of regents' works. It works through a committee process and divisive issues do not come before the full board until all the problems are worked out.

Number 1542

CHAIR WILSON asked if she understands correctly that the second student regent would serve by watching and learning and not have a vote.

REPRESENTATIVE GUTTENBERG replied that the second student regent would not be able to vote on official business at a full board of regents meeting. However, the second student regent could be participate in other meetings. He explained that when an issue comes before the regents it is assigned to a working group who works through the process. The second student regent could work on an issue; however, at a full regent meeting the student could speak, but not vote.

Number 1579

CHAIR WILSON commented that the state school board has the same arrangement with two student representatives. She shared that when she asked them how it was working out the students were very happy with it.

REPRESENTATIVE SEATON referred to page 3, lines 3 through 5, where it says:

The term "campus" used in this subsection means a portion of the University of Alaska designated as a "campus" by the Board of Regents.

REPRESENTATIVE SEATON asked whether there is language in the bill that makes the distinction that the student regents will come from different campuses.

REPRESENTATIVE GUTTENBERG responded that it is not his intention to have two people from the same campus. He added that he believes there would be enough political pressure on the governor to ensure that the two student regents come from different campuses.

REPRESENTATIVE SEATON pointed to page 2, lines 25 through 27 which reads as follows:

The list must [SHALL] consist of the names of two students from each campus of the University of Alaska after an election is held at each campus.

REPRESENTATIVE SEATON asked Representative Guttenberg if he intended for that language to specify that one nominee would come from each campus.

REPRESENTATIVE GUTTENBERG replied yes. The possibility of the governor appointing two regents from the same campus would be the governor's political decision. He said he hopes that would not happen.

REPRESENTATIVE SEATON commented that it is not specified.

REPRESENTATIVE GUTTENBERG agreed it is not specified.

Number 1693

REPRESENTATIVE COGHILL asked if the student regent positions are staggered. He said it appears that the terms could both begin at the same time.

REPRESENTATIVE GUTTENBERG replied that it is his intention to have the terms staggered. It would not be practical to have the terms start at the same time. The point is to have one student regent that watches for a year and moves up into the [voting] regent position when a regent is appointed behind him/her.

REPRESENTATIVE COGHILL commented that he is looking for that clarification in the language. He questioned whether Representative Guttenberg would want to amend the bill to specify that.

REPRESENTATIVE GUTTENBERG responded that he has discussed that possibility.

REPRESENTATIVE COGHILL noted that the qualifications refer to a regent having a graduate or undergraduate degree from the University of Alaska on page 2, lines 5 and 6. He asked if that is a current requirement or is it new language.

REPRESENTATIVE GUTTENBERG explained that while this is a change in the language, it is really directed at the board of regents, not student regents. Currently there is no requirement that any member of the board of regents be a graduate of the University of Alaska.

REPRESENTATIVE COGHILL commented that it sounds like a good idea.

CHAIR WILSON asked for Representative Guttenberg to clarify how the student regent is appointed.

REPRESENTATIVE GUTTENBERG explained that the governor is presented with a list of two students from each campus and from that list the governor selects one to be on the board of regents.

CHAIR WILSON commented that the bill does say that the "term of office begin June 1 of the year in which the appointment is made." She asked how the student regents' terms are designated.

Number 1833

REPRESENTATIVE GUTTENBERG commented that the university believed the terms of the regents could be accomplished by having a staggered term. When meeting with the regents he was told that they do not believe it is their role to tell the legislature how they will be governed.

REPRESENTATIVE SEATON moved conceptual Amendment 1 as follows:

On Page 2, Line 28, after "Governor."  
Insert "The Governor shall appoint one student from each of two different campuses having staggered terms."

REPRESENTATIVE SEATON he said he believes this conceptual amendment would take care of both problems.

There being no objection, Conceptual Amendment 1 was adopted.

REPRESENTATIVE COGHILL asked Representative Guttenberg if any of the regents have express an objection to the bill.

REPRESENTATIVE GUTTENBERG commented that the two regents that he spoke to were Representatives Fate and Ogg. Representative Ogg, when speaking only for himself, and not as a regent, said he believes the current arrangement is fine the way it is. Representative Guttenberg told the members that he did have a conversation with Chip Wagoner who was involved in the creation of a student regent position. He had some opposition, but decided that if the students wanted another regent he would not stand in their way.

REPRESENTATIVE COGHILL said he believes having one student regent as a non-voting member is a good idea. He told the members he supports the bill.

Number 1975

REPRESENTATIVE SEATON moved to report CSHB 72(EDU), 23-LS0112\Q, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 72(HES) was reported out of the House Health, Education and Social Services Standing Committee.

HB 535-LIMIT STATE AID FOR MENTAL HEALTH CARE

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 535, "An Act relating to liability for expenses of placement in certain mental health facilities; relating to the mental health treatment assistance program; and providing for an effective date."

Number 2066

BILL HOGAN, Director, Division of Behavioral Health, Department of Health and Social Services, testified on HB 535 and answered questions from the committee. He explained that the bill relates to statutes which requires the state to cover the costs of diagnosis and treatment services for individuals who are financially eligible, and who need to be involuntarily committed to non-state operated hospitals. Mr. Hogan told the committee that the costs of both the services and transportation expenses have increased dramatically over the last four years. The

intent of HB 535 is to clarify that the costs incurred will only be covered up to the amount appropriated by the legislature. The bill also requires hospitals to notify the department within 24 hours of admission of a potentially eligible individual. This would allow the department to assist in a timely and appropriate discharge to a community-based program, and also ensure that the funding is actually decreasing between fiscal year 04 and 05. The bill does give the department the capability of containing costs on an annual basis, he added. Mr. Hogan reiterated that this bill limits the state's responsibility to funds appropriated by the legislature.

MR. HOGAN told the committee that there are currently 10 sites that can provide mental health care throughout the state. The two most prominent sites are at Bartlett Regional Hospital and Fairbanks Memorial Hospital. There are smaller sites, usually comprised of one or two beds, in Palmer, Ketchikan, Cordova, Homer, Valdez, Sitka, Bethel, and Kodiak, he said.

MR. HOGAN reminded the members that the last time the bill was heard before the committee Chair Wilson directed the department to work with the various stakeholders including the Alaska Mental Health Trust Authority, the Alaska Mental Health Board, and the Alaska State Hospital and Nursing Home Association to come up with an agreement as to what the language in the bill should ultimately look like. The group agreed to a number of modifications to the bill, he said. He told the members that version H of HB 535 includes language in Section 2 of the bill, lines 28 through 30, which stipulates that the department will assist hospital-based facilities in moving individuals from its hospitals when there are no longer dollars available to pay for diagnosis, evaluation, and treatment (DET) services. It is not the department's intent to have hospitals bare the burden of having individuals in their facility without having appropriate compensation, he explained. In these circumstances, it would be the department's intent to have these individuals moved to Alaska Psychiatric Institute (API) if individuals are still involuntarily committed. However, if the individual no longer meets the involuntary commitment criteria the department will work to find alternatives in the community, Mr. Hogan said.

MR. HOGAN told the members that Section 2 is still the "sticking point" in general. The stipulation that the state would only pay for the program up to the level of appropriation by the legislature is the primary point of disagreement by the stakeholders, he stated.

Number 2188

CHAIR WILSON commented that the mental health community has been working hard to downsize API and find ways for patients to stay in their communities. Because of the lack of funding and cost-containing measures it appears there will be more individuals going to API, she added. Chair Wilson said she sees this as a philosophical tug-of-war.

Number 2300

RICHARD RAINERY, Executive Director, Alaska Mental Health Board, testified on HB 535 and answered questions from the members. He said that as an advocate for Alaska's mentally ill he has real discomfort with Section 2 of the bill. There has been a process that has gone on over a dozen years in designing a system that diverts individuals from API, he explained. Mr. Rainery said he believes this system will threaten that progress. He noted that while the members are aware of the fact that the new API has been downsized, they may not be aware of the fact that it has been designed to be a national model. It will be a very different facility therapeutically speaking. The old API was a converted medical/surgical hospital. The new API will be a state of the art psychiatric facility with one and two patient rooms. When the new API goes over census the therapy will be altered substantially, he said. Mr. Rainery reminded the members that this is in addition to the fact that these individuals will be removed from their home communities.

Number 2361

CHAIR WILSON asked Mr. Rainery to tell the committee what happens when a patient is removed from his/her community because he/she has been harmful to himself or herself or someone else. For example, what would happen to an individual living in Wrangell that has to be sent to API, she asked.

MR. RAINERY responded that under normal circumstances an individual in Wrangell would be transported to Bartlett Regional Hospital. If there was a scenario where Bartlett could not accept the patient, then the person would be escorted by a security service, often in handcuffs on public transportation.

**TAPE 04-37, SIDE B**

Number 2365

MR. RAINERY commented that has been an issue at the top of radar screen for quite a while, because it is a very demeaning and stigmatizing experience. Not only is the individual taken away from his/her home and family, but dehumanized in the process, he added. The individual is treated in a separate environment and then sent back to his/her home community where the reentry situation is complicated.

REPRESENTATIVE CISSNA asked if there have been studies on the outcomes of different treatment options.

MR. RAINERY replied that he could not cite any studies. In some parts of the mental health community it is accepted wisdom that it is always a problem to have an individual taken out of his/her home community and treated in an institution. It does not matter whether it is in Anchorage or Colorado, the reentry to the community is difficult. At least when a person is treated at Bartlett Memorial Hospital mental health unit or Fairbanks Memorial Hospital mental health unit the individual's family is there and able to interact with the individual on a daily basis. Additionally, the people who will be working with the individual as he/she goes back to the community are there and able to work with the individual, he added.

Number 2268

CHAIR WILSON commented that she tried to imagine herself in the place of an individual who was seen by people she knows being transported in handcuffs. That would be very embarrassing.

MR. RAINERY told the committee that very thing has happened to members of the Alaska Mental Health Board while they were members.

REPRESENTATIVE SEATON posed a hypothetical question where an individual from Wrangell were to be transported to either Bartlett Regional Hospital or a state of the art facility at API, would the outcome be the same. Are the treatment programs the same at both facilities, he asked.

MR. RAINERY responded that there are definitely not the same programs available at Bartlett Regional Hospital as that at API. He explained that API is a specialty hospital. If the committee were to look at the mental health system as a pyramid, API would be considered the very apex. Local hospital treatments are for a maximum of 30 days, but most patients are only there for 6 to

8 days, he commented. A course of treatment at API could be months long, although most are not there for months.

CHAIR WILSON pointed out that the Alaska Mental Health Board still prefers that individuals be treated at local hospital.

MR. RAINERY agreed that is correct. Most people admitted to local hospitals do not need to go to a specialty hospital like API, he said.

Number 2179

JEFF JESSEE, Executive Director, Alaska Mental Health Trust Authority, testified on HB 535 and answered questions from the members. He told the members that the problem with this bill is in Section 2 which allows the department to stop paying for DET when the state has reached the end of the appropriation. There are other parts of the bill that the Alaska Mental Health Trust Authority supports, such as those provisions which gives the department more management tools to bring the program under some active management.

MR. JESSEE pointed to the provision that the commissioner and the governor have decided that in this particular arena if there is a cost overrun on DETs, a supplemental appropriation is not an option. Either the money must be found elsewhere in the budget or the state will stop paying, he said. Mr. Jessee noted that there is intent language in the bill testifying to the state's good intentions to try to find other funding. He said he does not doubt their sincerity in these efforts, but there are a lot of discussions going on in the state in determining what constitutes essential services. This is one of those things the state absolutely has to do, he stated. By definition all people who have been found to be a danger to themselves or others and are in the care and custody of the commissioner, who then designates the different facilities to provide these services. The administration is asking the committee to make a policy decision. He said he believes the question is who will bare the burden if a shortfall in funding for this program occurs. Mr. Jessee asked if it will be the department who will have to ask for a supplemental, the local hospitals who could be asked provide uncompensated care, or the beneficiaries who have to bare the stigma of being transported in handcuffs to API. He shared that during territorial days patients were sent to Oregon. For many people in the outlying portions of Alaska, being sent to Anchorage is about the same as being sent to Oregon, he commented. Mr. Jessee said the policy call is pretty

straightforward, and if approved would mean partially dismantling the mental health system by transporting people to API. In closing, he commented that he does not believe the cost of transporting individuals to API has been included in the fiscal note.

Number 2043

REPRESENTATIVE SEATON moved to adopt CSHB 535, 23-GH2080\H, Mischel, 4/26/04, as the working document. There being no objection, CSHB 535, version H was before the House Health, Education and Social Services Standing Committee.

Number 1971

ROD BETIT, President, Alaska State Hospital and Nursing Home Association, testified in support of HB 535 and answered questions from the members. He told the members he believes this is a good bill in its present form and appreciated the time that was given to work through the details of it. Mr. Betit explained that he supports the bill because there is a \$1 million hole in the department's budget that the legislature has not said will go away; the commissioner has stated that he will not seek a supplemental [appropriation]; and the department is seeking additional funding through disproportionate share hospital funding (DSH) that may help to fill that hole. He told the members that some people are concerned about Section 2 of the bill, however, if the department has a funding shortfall and cannot make up the \$1 million, the commissioner must balance his budget. It will be necessary to act, and something akin to Section 2 will happen if there is not enough money. If this occurs there will be statutory language directing the commissioner to move these unfunded patients from community hospitals to API, he said. While the patient will be transported under embarrassing conditions, he/she will receive excellent care, and the community hospitals will not end up with an unfunded mandate that it cannot afford, he added. Mr. Betit commented that there will still be costs to local hospitals in that patients must be stabilized before being transported, but at least there is the expectation that cost will be minimized. If there is an overflow that API cannot handle, then he said he believes there will be tremendous pressure to divert money from other areas or ask for a supplemental. Mr. Betit acknowledged that this arrangement is not ideal for patients, families, or community hospitals that have made a philosophical and financial commitment to the DET program, but the future is muddier without this bill. He summarized that if there were enough money, this

bill would not even be on the table, and asked that the members move this bill out of committee.

Number 1898

REPRESENTATIVE COGHILL agreed with Mr. Betit's comment that when there is not enough money there needs to be a plan of action. He shared a personal experience where he escorted an individual to a treatment facility. It was not possible to get the person into the hospital so he/she was required to stay in jail for a day and a half. It was very difficult, he said. When the money is not there to pay for care, this is probably the best way to handle the problem. Representative Coghill commented that the average stay is between three to four days, so there will likely not be a huge number of individuals transported to API. He said he would be comfortable moving the bill.

REPRESENTATIVE CISSNA asked how many people will be transported to API.

MR. HOGAN responded in FY03 there were 244 individuals served statewide, 178 in Fairbanks, 57 in Bartlett, 8 Mt. Edgecumbe, and 1 in Kodiak. The great majority are served at Fairbanks [Memorial Hospital] and Bartlett [Regional Hospital]. He commented that Representative Coghill made a good point, in that it is the department's intention to stabilize individuals as quickly as possible. In a worse case scenario if the department had no money there could be approximately 240 individuals impacted by this change in law, he said. Mr. Hogan commented that he believes the number would actually be much smaller than that. Probably the number would be closer to 40 or 50 individuals.

REPRESENTATIVE CISSNA shared that she has been involved in the mental health field for many years and has seen great strides in deinstitutionalization of individuals. She commented that there is a systemic problem. Many of these individuals could have been identified at a much earlier point thereby eliminating or minimizing the need to be hospitalized, she added. Are these services being cut, Representative Cissna asked.

MR. HOGAN responded that he is a firm believer in community-based mental health services and has spent the last 25 to 30 years of his life working in that area. He said he understands that there needs to be a solid comprehensive community-based mental health system to make things work. Mr. Hogan acknowledged that there are some reductions in community-based

services and prevention services. These were difficult decisions, he added. Mr. Hogan said that he has tried to maintain the integrity of the system that's been built while recognizing the current fiscal realities that face the state.

Number 1995

The committee took an at-ease from 4:18 p.m. to 4:20 p.m.

Number 1586

REPRESENTATIVE COGHILL moved to report CSHB 535, 23-GH2080\H, Mischel, 4/26/04, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 535(HES) was reported out of House Health, Education and Social Services Standing Committee.

REPRESENTATIVE SEATON said for the record that he supports funding these obligations, but believes the state will be better off statutorily setting up a process in the event the state runs out of money, rather than leaving it to the department to do it.

CHAIR WILSON commented that there are two further committees of referral including the House Judiciary Standing Committee and House Finance Committee.

HB 186-LICENSING RADIOLOGIC TECHNICIANS

Number 1496

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 186, "An Act establishing the Radiologic Technology Board of Examiners; requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology; and providing for an effective date."

Number 1492

JIM SHINE, Staff to Representative Tom Anderson, Alaska State Legislature, presented HB 186 for Representative Anderson, sponsor of HB 186, and answered questions from the committee. He read the following statement into the record:

The unregulated practice of Radiologic Technology, Nuclear Medicine Technology and Radiation Therapy by unqualified individuals represents a serious health

risk to the citizens of Alaska. HB 186 will establish educational and certification standards for health care personnel in Alaska who perform medical imaging and radiation procedures. The Radiologic Health Science Professionals in Alaska are dedicated to the preservation of life and health, as well as the prevention and treatment of disease. The use of x-rays and other medical imaging disciplines is the most acceptable method for discovering and treating many conditions that might not otherwise be observed until it is too late for treatment. Any radiology procedure is only as effective as the person performing it. An underexposed chest x-ray cannot reveal pneumonia or a malignant lesion, just as an inadequate mammography technique cannot detect breast cancer. No matter what the procedure, the radiologic technologist's knowledge of anatomy, careful application of radiation and skillful operation of sophisticated medical equipment are the keys to its success. To be clinically useful diagnostic-imaging exams must be accurate.

The Alaska Society of Radiologic Technologist has consistently supported the enactment of state standards for the education and credentialing of radiologic technologists, radiation therapists and nuclear medicine technologists as a means of protecting Alaskans from the harmful effects of excessive and unnecessary exposure to medical radiation. Thirty-eight states have adopted recommendations for state licensure of radiology personnel, while Alaska is not one of those 38. Establishing these standards will ensure that Alaskans will have access to safe and high quality radiologic care. Licensure will establish radiation protection measures, as well as education and credentialing standards that will ensure the competency of persons operating medical equipment emitting radiation. To ensure that the citizens of Alaska receive maximum protection from the harmful effects of excessive and improper exposure to radiation, licensure must be passed to establish standards.

Number 1429

MR. SHINE commented that there are a number of people on-line that would like to testify on the bill.

Number 1329

REPRESENTATIVE SEATON moved to adopt CSHB 186, 23-LS0380\E, Mischel, 4/20/04, as the working document. There being no objection, CSHB 186, version E, is before the House Health, Education and Social Services Standing Committee as the working document.

Number 1258

CHRISTINE LUNG, Director, Government Relations, American Society of Radiologic Technologists (ASRT), testified in support of HB 186. She told the members that ASRT represents over 112,000 radiology technologists practicing in all states. The Alaska Society of Radiologic Technologists is an affiliated chapter of the ASRT. Ms. Lung said that ASRT supports HB 186 which would set down education and credential standards for radiographers, radiation therapists, nuclear medicine technologists, and limited radiologic technologists. Currently patients believe that everyone that they see in a physician's office or hospital is an educated and credentialed health care practitioner. However, in 11 states that is not necessarily the case. In those states anyone can be hired by a hospital or physician's office to perform critical medical imaging and radiation therapy procedures on patients without any formal education or certification of their capability to do so, she said.

Number 1187

MS. LUNG pointed out that currently there are 235,000 radiologic technologists who are voluntarily registered by the American Registry of Radiological Technologists. It is hoped that technologists in Alaska will have the opportunity to present to their patients credentials that would show that they are educated to perform these procedures. The educational and credentialing standards that are in HB 186 reflect the current professional standards of graduation from an approved educational program. These programs are approved by the Joint Review Committee on the Education on Radiologic Technology and national certification by the American Registry of Radiological Technologists. Ms. Lung told the members that currently there are over 400 technologists in the state that possess these credentials.

MS. LUNG explained that the credentials are important because medical imaging accounts for 90 percent of human exposure to

manmade radiation. It encompasses 40 percent of acute care health care costs, she added. In summary, Ms. Lung told the committee that HB 186 would ensure a reduction in exposure to radiation, reduced health care costs, and improved radiological health care to all patients.

Number 1089

ANN DAILEY, President, Alaska Academy of Physician's Assistants, testified in opposition to HB 186. She shared that she is a physician's assistant in Iliamna and previously worked in the rural community of St. Paul. Ms. Daily explained that there are no radiologic technicians available in the remote villages and for this reason oppose HB 186. In remote villages only limited radiography is performed as it is described in the bill. The provision of limited radiographic services to patients is well within physician's assistant's scope of practice which is regulated by Alaska statute and supervised by collaborative physicians. Radiologists over read our images and report any suspicions concerning quality, appropriateness, and over and under radiation levels to our supervisors. The equipment itself reads the amount of radiation a patient is exposed to, she explained. Quality checks and calibrations are done every six months by certified personnel, she added.

MS. DAILEY told the members that HB 186 will impose an untenable burden to the provision of health care to our most vulnerable patients in Rural Alaska. It will also erect a barrier to care by unreasonably and unnecessarily adding an additional bureaucratic administration, licensing requirements, fees, and examination to those already imposed, she stated. In areas of Alaska where tuberculosis, emphysema, asthma, and trauma are commonplace the ability to differentiate these conditions radiographically is key to prompt diagnosis, targeted treatment, and prevention of public health emergencies and loss of life and limb. She urged the members to hold HB 186 as it is an impediment to the underserved people in Rural Alaska.

Number 0869

CLYDE PEARCE, Chief, Radiological Physicist, Radiological Health, Division of Public Health, Department of Health and Social Services, testified on HB 186 and answered questions from the members. He told the members that he performs inspections at facilities throughout the state including 23 hospitals and 137 medical facilities. Mr. Pearce explained that he is supportive of the bill because it addresses some of the concerns

he has with the supervision of professional health care providers because these professionals do not understand radiology. He said his greatest concern is that the exposure to radiation in general is increasing with new technologies. For example, the exposure to radiation through mammography has increased even though the exposure time has decreased. The increased speed of the exposure makes the margin for error narrower, he explained.

MR. PEARCE told the members that Alaska has a unique problem where there is new technology and old equipment. For example, in Southeast the blue light used in x-rays are to be used with blue sensitive film; however, new green film was used and unfortunately green film cannot see blue light. The automatic machines cannot detect those kinds of incompatibilities, he said. As a result patients have received increased radiation exposure, rather than correcting the problem.

Number 0788

CHAIR WILSON asked Mr. Pearce to clarify the point he made concerning the blue and green film.

MR. PEARCE explained that it takes a lot of x-rays to get an image if the film is exposed in an open manner, so what has been used for 100 years is an intensifying screen which converts x-rays into (indisc.) light and the film is exposed to that (indisc.) light. An x-ray film is designed to be most sensitive to a particular color of light, rather than a full spectrum of light. The old screens use a blue light, and x-ray film was made to be sensitive to the blue light. The new screens emit green light, so the new film is especially sensitive to green light, which is the standard now. Mr. Pearce said he has seen two facilities using the old obsolete screen x-rays with new green sensitive film and as a result the patients were getting 6 to 10 times the amount of radiation exposure. The staff did not even know it, he added.

CHAIR WILSON surmised that higher amounts of radiation exposure was due to the fact that the film didn't come out so the technician would turn up the machine and do it again.

MR. PEARCE replied that is exactly right.

Number 0646

REPRESENTATIVE SEATON asked Mr. Pearce to comment on digital equipment. He asked if this equipment requires a lesser dosage of radiation.

MR. PEARCE replied that digital imaging is designed for safety. This process gets away from film processing. An advantage to digital imaging is that the image can be manipulated by increasing contrast or brightness. He commented that digital equipment does not guarantee lower dosages because it largely depends on who is operating the machine. In fact, he said he believes technicians can get a little lazy and add more radiation exposure to ensure that a good amount of data is obtain so that it can be manipulated, he added. Potentially, digital equipment could reduce exposures, but in practice it is often doubled or more depending on the operator.

CHAIR WILSON commented that whenever a facility purchases a new digital imaging machine training is provided to the staff.

Number 0541

MR. PEARCE agreed that training is provided. He compared the training of staff to a person who has a car with an automatic transmission and then buys a new car with a standard transmission. The trainer may teach the individual to use the stick shift, but will not teach the rules of the road and help the driver get a driving license. The trainer will be teaching staff the unique aspects of that digital imaging machine. It will not be a replacement for learning how to do radiography, he added.

Number 0472

DONNA RUFHOLM, Chair, Licensure Committee, and Board Member, Alaska Society of Radiology Technologists Board Member, testified in support of HB 186. She told the members that in 1991 the U.S. Congress recognized the need to regulate the operators of radiology equipment. It passed legislation saying that all states would have in place licensure programs for those individuals who perform radiology procedures, she said. Unfortunately, there were no repercussions for the states that did not comply with the law. She explained that today there is legislation that would make licensure mandatory for all states. If states do not comply the Medicare and Medicaid funding could be cut. Of the 50 states 38 have licensure laws in place, but Alaska is not one of them, she pointed out. Deficiencies in the use of radiation have been witnessed all over the state of

Alaska which has prompted the Alaska Society of Radiology Technologists to write regulations for those who perform those procedures.

MS. RUFSHOLM told the members that HB 186 was written to ensure quality patient care, as well as protecting those operating the radiology devices. She emphasized that it was not the intent of the Alaska Society of Radiology Technologists to deny rural residents of radiology services, but to provide training and education to staff who operate the equipment.

Number 0276

ED HALL, Physician's Assistant (PA), Member, Alaska Academy of Physician Assistants, testified in opposition to HB 186. He told the members that he has been a practicing PA for ten years and a member of the academy for nine years. Mr. Hall explained that in his discussions with PAs across the state he has found that there is great concern about the ability to provide care to patients, particularly in the rural areas of the state, but also in the urban areas of Alaska as well. He acknowledged that there are providers out there using antiquated equipment; however, this bill is directed toward those using the equipment, not to the highest technology or inappropriate equipment. Mr. Hall said he would hope anyone using radiology equipment would stay current. All providers that he knows have been through extensive anatomy courses, he stated. Mr. Hall reiterated that this appears to be another self-serving bureaucratic attempt at creating another office which will reduce access to optimal care to Alaskans. In summary, he emphasized that this bill will increase the cost of health care.

**TAPE 04-38, SIDE A**

Number 0033

ERIKA WHITE, Program Director, University of Alaska Anchorage (UAA), testified in support of HB 186. She told the members that the university currently has an Associates of Applied Science Degree in Radiologic Technology. There are also students enrolled in Fairbanks, Juneau, and Ketchikan. It is a 21-month educational program that includes physiology and anatomy courses, safety training, and proper exposure and positioning training. The course curriculum has been approved by the national accrediting body. This training course prepares students to take the national exam.

MS. WHITE commented that the university received \$84,000 to implement a limited radiology program which will be offered in the fall to PAs and nurses. She emphasized that this is not full training, but limited training. There is a need throughout the state for trained professionals who are licensed and this program should address those needs. Ms. White said that the most successful facilities are those that provide students with funding, by contracting or sponsoring students who then come back to its facility to work. She commented that rural health facilities are not doing that and it is important for those facilities to recognize that there are ways to attract registered technologists.

Number 0292

JOHN BRINGHURST, Administrator, Petersburg Hospital, testified in opposition to HB 186. Petersburg Hospital is a 27-bed hospital and long-term care facility that serves a community of 3,500 people whose only access to urgent care services comes from this facility. Mr. Bringhurst pointed out that like most Southeast communities Petersburg does not have road access to other medical facilities, so transportation is required either by the marine highway system or air transportation.

MR. BRINGHURST told the members that he was selected by the Alaska State Hospital and Nursing Homes Association (ASHNA) and Providence Hospital to represent both the small and large hospitals' interests in working with proponents of HB 186 and to influence revisions in the bill so that ASHNA can support it. While there have been efforts to this end, he said he does not believe that ASHNA can support HB 186 because it has serious flaws. The bill now has provisions for limited licensing for personnel which might help small hospitals comply with the requirement. However, the drafters of the bill used the definition of limited license to apply to the size of the community the person is employed in rather than the scope of the work being done. Many health care professionals make provisions for limited scope workers; such as CNA, LPN, pharmacy technicians, and physical therapy aides, etc. However, the limitations lie in the role he/she is able to play in the delivery of the service and not on the size of the community. He summarized by saying he questions the timing of this legislation. Mr. Bringhurst said he believes this is the worst time to implement this policy since Alaska is experiencing a shortage of radiological technicians. Recently ASHNA conducted a poll which showed radiology technicians as the number two position in terms of scarcity, which is only surpassed by

registered nurses. In Petersburg there is a 100 percent vacancy rate in radiology and one of those positions has been vacant for over 22 months. Small hospitals have a hard time attracting radiology technicians and often find the only solution is to train staff themselves. He said this legislation would have some short-term negative impacts that would nullify the good that is being accomplished. Mr. Bringhurst said he believes there are serious flaws that need to be addressed before this would be a good piece of legislation.

Number 0559

B. J. ANDERSON, Laboratory and X-Ray Manager, Anchorage Neighborhood Health Center, testified on HB 186. She explained that the Anchorage Neighborhood Health Center is a community health center. Ms. Anderson commended UAA for creating excellent course work for radiologic technicians. She said she believes that the new on-line program will be a great benefit; however, she expressed concern with required licensing at the state level. Ms. Anderson told the members that this will create a barrier for those interested in radiologic careers and job opportunity. This kind of career opportunity is common in rural areas, small clinics, physicians' offices, and community health centers, she said. It is difficult for these small and rural offices to recruit certified personnel. She said she can't over state that fact. For instance, at Iliuliuk Family & Health Services, Inc. in Dutch Harbor there are three individuals who have been trained in radiological procedures; one was trained in the Philippines and the other two were trained on the job. She stated that these individuals have excellent skills, but none of the three are certified. These individuals are also cross-trained to perform lab testing. This is an important dynamic in rural health. She told the members that she has an employee that is highly skilled, trustworthy, dependable, and of high integrity. Things that cannot be gauged by licensing alone. While he does not have a national certificate, he is the best employee she has. Ms. Anderson told the members that state licensing created barriers for her in two other states that she has worked. Ms. Anderson summarized that she believes education is the key, not licensing. People entering the health care field will seek further education. For these reasons she opposes HB 186, Ms. Anderson stated.

Number 0746

VERA JAMES, Program Manager, Alaska Native Health Board, testified in opposition to HB 186. She told the member that the

Alaska Native Health Board is nonprofit organization established in 1968 that advocates for 229 federally recognized tribes on health care issues. The board believes that the adoption of HB 186 as currently written will be harmful to tribal health providers ability to provide x-ray services in the smaller communities that are unable to support radiology technicians. This is because community health aides in many remote villages are the only providers available to take images as there would be no licensed practitioner on-site. It is for these reasons the Alaska Native Health Board opposes HB 186.

Number 0852

BARBARA HUFFTUCKNESS, Director, Governmental and Legislative Affairs, Teamsters Local 959, testified in support of HB 186. She explained that Teamsters Local 959 represents all the employees at South Peninsula Hospital in Homer. While the community is connected by the road system, the residents there consider themselves somewhat rural. She added that Teamsters Local 959 also represent the employees at Kodiak Island Hospital. She said that she always made the assumption that radiologic technologists performing the tests were licensed. Every employee who is hired at South Peninsula Hospital must meet high standards. Ms. Hufftuckness said that Teamsters Local 959 support HB 186 because it is believed it is a career opportunity in building growth. Employees that have worked within the system, for example certified nurses aides, are required to go through the licensure process. Many careers require licensing including nurses. It does not make sense to say that because there is a shortage of nurses that licensing on nurses should be eliminated. Ms. Hufftuckness said that she sympathizes with rural areas that have difficulties finding employees, but sees it as a career opportunity both in rural and urban areas of the state. She reiterated Teamsters Local 959's support for passage of HB 186.

Number 1050

CHAIR WILSON asked Mr. Shine if there is a senate-matching bill.

Number 1079

MR. SHINE replied there is not. He commented that he is not sure that some of the testifiers have the current version of the bill. The last version of the bill on Basis is one that passed out of the House Labor and Commerce Standing Committee in January. He noted, however, the bill before the House Health,

Education and Social Services Standing Committee is dramatically different. One of the testifiers mentioned that this bill would create a new level of bureaucracy; however, one of the major changes is that the bill's language went from having a board with the Alaska Society of Radiologic Technologists and other members from the industry taking care of the licensing issue to the Division of Occupational Licensing handling it, he said. He emphasized that no new level of bureaucracy is being created.

MR. SHINE commented that if anyone has questions about the bill Donna Rufsholm of the Alaska Society of Radiology Technologists is very knowledgeable. He emphasized that there are dramatic changes in version E which is before the committee. Anyone wishing to receive a copy of the latest version can contact him at 1-800-465-4939.

Number 1185

[HB 186 was held in committee.]

HB 434-NATUROPATHIC MEDICINE

Number 1283

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 434, "An Act relating to the practice of naturopathic medicine; and providing for an effective date."

ALEX MALTER, M.D., President, Alaska State Medical Association, testified on HB 434, and answered questions from the members. He urged the members not to support this bill. Dr. Malter provided the following statement:

The expansion of naturopaths' scope of practice would not enhance patient care, nor would it improve access to care. Training for naturopaths is less rigorous for that of medical doctors in both length and depth of study. The emphasis on natural healing does not allow sufficient time for its students to fully learn the accepted pathology, physiology, and pharmacology necessary to treat most medical conditions.

DR. MALTER pointed to Attachment 1 [The Professional Scope of Practice for Naturopaths] in the packet provided to the committee which was compiled by the [Alaska Association of Naturopathic Physicians, Inc.] and which shows different treatment techniques studied by naturopaths. He said this is a

broad list and it is important to note that pharmaceutical treatment is at the bottom of the list. He said it is the Alaska State Medical Association's position that four years of training and two years of clinical training is not enough time to master that entire list and still become proficient at using prescription drugs. He said that he is not convinced that the first two years of naturopath school and medical school are the same.

DR. MALTER said he believes that for any courses that cover the material in similar depth medical students are better prepared to learn that material because admission to medical school requires extensive undergraduate science background and then passing rigorous competitive exams. He referred to Attachment 2 [Table 17. Nonexclusive list of schools providing education and training for naturopaths, 2000.] and explained that by comparison there are no similar admission tests for naturopath schools and some do not even require a college degree to get in, he said. More importantly, medical students spend at least an additional four years in school and residency before licensure. These clinical years emphasize the appropriate safe use of medicines and are the backbone of physician training, he added. Naturopath programs do not require such residencies and the last two years of their schools focus on alternative treatments, he said. Physicians can't be licensed after medical school; they are licensed two years later. The bill before the committee would allow naturopaths to be licensed after completing naturopath school and not doing any clinical focus on pharmacological agents. This could be unsafe for Alaskans, he emphasized.

DR. MALTER told the members that some individuals would say that naturopaths are better educated than PAs. He said he believes that it is not the amount of schooling that qualifies an individual, it is the focus of that training. Physician's assistants are immersed in the safe use of medicines and are therefore more qualified even though their training may be slightly less than a naturopath.

Number 1398

DR. MALTER told the members that a comprehensive analysis for Massachusetts Special Commission on Complimentary Medicine concluded that naturopathic medicine is a dangerous activity and no amount of regulation is likely to mitigate this fact. He said that Medicare has also expressed similar reservations and asked the members to look at Attachment 3 [Conclusion of

Medicare's Report on Naturopaths, U.S. Department of Health, Education, and Welfare, Independent Practitioners under Medicare, December, 1968] which reads as follows:

Conclusions: Naturopathic theory and practice are not based on the body of basic knowledge related to health, disease, and health care which has been widely accepted by the scientific community. Moreover, irrespective of its theory, the scope and quality of naturopathic education do not prepare the practitioner to make an adequate diagnosis and provide appropriate treatment.

DR. MALTER told the members that he personally has cared for a patient who died prematurely because she had been under a naturopath's care for six months for chronic fatigue syndrome. He explained that when she came to him she had very advanced lymphoma and died quite quickly of a disease that would have been either curable or certainly easily treatable to prolong her life.

DR. MALTER emphasized that he believes expanding the scope of the 30 naturopaths in Alaska is really unlikely to improve access to care. He said he is not aware of any naturopaths practicing in parts of the state where access is most critical. The association believes it would be unwise and unsafe for the state to endorse the practice of naturopathy by granting these folks prescriptive authority and urged the members not to support the bill, Dr. Malter concluded.

Number 1539

REPRESENTATIVE SEATON commented that naturopath is a nonregulated term and he noted that Dr. Malter used the term frequently in his testimony. This bill deals exclusively with naturopathic physicians. He pointed out that this bill would restrict the use of the term naturopath to only naturopathic physicians in the future. Right now anyone can hang out a shingle that says naturopath, so the requirement that only naturopathic physicians can use the term will guarantee some medical expertise to that term, he said. Representative Seaton asked if Dr. Malter has distinguished between the two terms.

Number 1585

DR. MALTER responded that the only requirement to be considered a naturopathic physician is that an individual would have to go

through a naturopathic school or program. He said his concern is that in some cases a person does not even have to go through high school to get into the program. In many cases these programs do not even require much of a science background; however, he acknowledged that these individuals must pass an exam. Dr. Malter posed the question of whether the committee want to endorse someone as a physician who had four years of a graduate program, but who has had minimal training in the safe and appropriate clinical use of pharmaceuticals.

REPRESENTATIVE SEATON emphasized that naturopathic physicians have been licensed in Alaska for 17 years, not naturopaths. Many of the people that are being mentioned are not actually naturopathic physicians, he clarified. It is important to keep the terms straight, Representative Seaton emphasized.

DR. MALTER said he appreciates what Representative Seaton is saying, but pointed out that if the committee were to look at the requirements to attend these schools it would be found that there are no required undergraduate science classes. He said it is the Alaska State Medical Association's feeling that the legislature should be cautious about endorsing the practice in any way that might suggest to residents of Alaska that the state is really endorsing the practice.

[HB 434 was taken up again later in this hearing.]

The committee took an at-ease from 5:20 p.m. to 5:29 p.m.

#### HB 239-ID SYSTEM FOR PRESCRIPTIONS

Number 1764

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 239, "An Act directing the Department of Public Safety to establish an Internet-based identification and tracking system relating to controlled substances that are prescribed for human use; and relating to the manner in which prescriptions for controlled substances may be filled by a pharmacist."

Number 2131

SUE WRIGHT, Staff to Representative Mike Chenault, Alaska State Legislature, presented HB 239 on behalf of Representative Chenault, sponsor of HB 239. She told the members that Alaska has a drug problem of epidemic proportions. In the Kenai

Peninsula area there have been 27 near fatal or fatal overdoses of OxyContin. This number includes accidental deaths or suicides. She told the members that there is a licensed physician in Anchorage who prescribed 16,000 milligrams in one 30-day period in July of 2001. Ms. Wright said it is not possible to ingest that much. The person who that was prescribed to is dead, she added.

CHAIR WILSON asked if that prescription was for one person.

MS. WRIGHT replied yes, it was prescribed to one person who is now dead. She explained that the patient died in July of 2001, but the prescriptions were not filled until September or October of that year. It is assumed that these drugs were being sold on the street. Ms. Wright added that Medicaid dollars paid for these prescriptions. One person on the Kenai Peninsula has been present at seven different deaths and is a known [drug] dealer. She told the members that Representative Chenault's office has worked with a police chief whose wife had been on OxyContin and who had obtained it illegally. Ms. Wright pointed out that Representative Wolf has sponsored two bills that either outlaws or restricts OxyContin use. She told the member that HB 239 allows for the Board of Pharmacy to design and implement a system to track controlled substances in schedule IA in AS 11.71.140. The board was chosen because the pharmacy is the origination of a filled prescription. It is the best place to control the use of a drug, she added.

Number 2262

MS. WRIGHT said this bill gives the Board of Pharmacy the authority to manage the tracking system once it is designed. This shall be done through regulation, she added. The bill also requires the revamping of the delivery of schedule IA drugs via the U.S. Postal Service or other delivery services. She said there have been concerns raised by out-of-state providers such as Medco Health Solutions, Inc. [letter dated April 6, 2004] of increased costs to providers of \$16.76. Ms. Wright told the members that she researched this question by visiting the UPS web site and found that it would increase cost by \$1.75 per prescription. Ms. Wright pointed out that there are in-state pharmacies that already implement controlled substance deliveries out into the bush communities by registered mail. There is an additional \$5.00 charge per prescription, she said. Ms. Wright told the members that while this bill is not perfect, it is a start.

Number 2314

MS. WRIGHT shared that there are concerns that the additional requirements would "red flag" drug packages. She said she learned that outside pharmaceutical companies often have its name printed on the outside of delivery packages. When companies use its company's logo on the outside of packages, she said she believes it is a moot point to say the package is red flagged by requiring a signature for delivery at a home. She noted that Medco uses its logo on the outside of packages.

MS. WRIGHT said in conclusion, Medicaid alone paid over \$2 million in 2001 for OxyContin. Between 10 percent and 27 percent of Medicaid costs for OxyContin were for drugs that were sold on the streets. If these statistics are shown to be true for one drug and if tracking can be shown to keep OxyContin off the streets, it may be possible to save several million dollars by implementing this tracking system, she said. Ms. Wright emphasized that this is not meant to be an invasion of privacy, but a reaction to the drug problems that face Alaska.

**TAPE 04-38, SIDE B**

Number 2361

REPRESENTATIVE SEATON referred to the Department of Community and Economic Development's November 17, 2003 letter which says:

We feel, however, that for any monitoring program to work, the prescribers must be included along with pharmacists and law enforcement agencies.

REPRESENTATIVE SEATON asked Ms. Wright if this provision was incorporated into the legislation.

MS. WRIGHT replied that the letter Representative Seaton referred to is addressing a different version of the bill. She explained that the new version of HB 239 provides for a state of the art tracking system that would run over the same secure Internet lines that are currently being used by pharmacies when billing or prequalifying insurance payments on prescriptions. Ms. Wright told the members that there is a software company that designs this type of system and has successfully implemented it nationwide.

Number 2241

CHAIR WILSON moved to adopt CSHB 239, 23-LS0897\S, as the working document. There being no objection, Version S was before committee.

Number 2221

MARGARET SODEN, Chair, Alaska Board of Pharmacy, Division of Occupational Licensing, Department of Community and Economic Development, testified on HB 239. She told the members that her testimony is only on behalf of herself, as the board has not had an opportunity to look at the latest version of the bill. Ms. Soden said that the board and pharmacists in general are in favor of this concept of an Internet tracking system for controlled substances. She explained that the board of pharmacy's budget is quite slim so in order to do this right there would have to be adequate funding to implement it and keep it running.

Number 2157

CHAIR WILSON commented that she has had calls from pharmacists who believe they will be in the position of being the policemen in this system.

MS. SODEN replied that is true. She pointed to Section 1, page 1, lines 7 through 11, which says:

... secure networked server-based data base and procedures under which each pharmacist in the state will be required to determine, by consulting the secure data base, whether a prescription for a controlled substance that is being dispensed by the pharmacist to cover a certain time period for a human patient duplicates a prescription already dispensed for the same patient that was intended to cover a substantial portion of the same time period.

MS. SODEN commented that it will be very difficult for a pharmacists to make that kind of determination and it will make it difficult for a patient to get a prescription filled. She said she has a problem with this portion of the bill because of the burden it places on the pharmacists.

CHAIR WILSON asked if pharmacists across the state would have to purchase new software to accomplish this requirement.

MS. SODEN replied that there are some pharmacists in the state that only bill Medicaid over the Internet. In those cases, the pharmacist does not do any insurance billing electronically, she said. She acknowledged that it would be necessary for those pharmacists to purchase software. Ms. Soden said she has seen studies that say it costs anywhere from \$150,000 to \$1,000,000 to setup these programs. She commented that she does not know who would pay for it. There are probably some grants from the U.S. Department of Justice, she commented.

CHAIR WILSON said that Commissioner Gilbertson has expressed the desire to track prescription drugs. She suggested that Ms. Wright and the Board of Pharmacy meet with the commissioner to work on a compromise to bring to the legislature next session.

MS. WRIGHT replied that avenue has been explored and there was an outburst of concern that the Department Public Safety or the Department of Health and Social Services would control the tracking system. The concern was that the departments are too big and too many people would have access to the information. It was for that reason Representative Chenault chose the Board of Pharmacy.

Number 1950

[CSHB 239, Version S, was held in committee.]

HB 502-DISPENSING OPTICIANS: BOARD & REGULATION

Number 1940

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 502, "An Act relating to dispensing opticians and dispensing optician apprentices."

Number 1936

MATT RUDIG, Staff to Representative Jim Holm, Alaska State Legislature, presented HB 502 on behalf of Representative Holm, sponsor of HB 502. He told the members that the bill clarifies the education and training requirements to become an optician, allows qualified opticians from other states to practice in Alaska, and sets out requirement to fit and sell contact lenses. This bill will increase the amount of hours necessary to become a dispensing optician or an apprentice. Mr. Rudig explained that a few years ago the levels of training hours were lowered

below any other state that requires training hours and this bill would restore that requirement.

MR. RUDIG warned that the members may hear objections from national interests such as Wal-Mart and Target who want to put 18 year olds out there and call them opticians. This bill will ensure that the necessary training hours in Alaska is comparable to other states. The Alaska Opticians Board brought this issue forward, and Representative Holms believes Alaskan opticians should regulate their own industry, he said.

Number 1844

CHAIR WILSON asked how many training hours were necessary before there was a reduction in education and training.

MR. RUDIG replied there were 6,000 hours. He added that there was no distinction between training for eyeglasses and contact lenses. There was a request that there be a distinction drawn between the number of hours for each of these. HB 502 accomplishes this, he commented.

CHAIR WILSON asked how the requirements for education and training were reduced. What was the reasoning behind this reduction, she questioned.

MR. RUDIG responded that it was done "under the 24-hour rule by the National Opticians and Optometrists."

CHAIR WILSON asked for clarification that this was a nationwide move done in Washington, D.C.

MR. RUDIG replied that he believes it was done at the state level in various states that had optician boards. He suggested that someone on the optician board could provide more definitive information on that question. In response to Chair Wilson's inquiry, Mr. Rudig said that Alaska has an opticians' board and the Opticians Association of Alaska. The Legislative Budget and Audit Committee has recommended that the opticians board be sunsetted. This bill does not extend that sunset, but transfers the burden of licensing and apprentice program authority to the U.S. Department of Labor.

Number 1772

CHAIR WILSON asked if she understands correctly that several years ago the Alaska Board of Opticians asked for the number of

hours of training and education be reduced, and the legislature approved that reduction.

MR. RUDIG agreed and said that he believes the reduction in training and education occurred two years ago.

CHAIR WILSON asked for clarification on his comment regarding the Legislative Budget and Audit Committee's recommendation.

Number 1737

MR. RUDIG pointed to the audit in the members' packet [Alaska Division of Legislative Audit, Audit Digest #08-20022-03]. In that audit there was no recommendation with respect to the number of hours of training needed for opticians. He offered to get back to the committee with additional information on the recommendations in the audit. However, he suggested that perhaps one of the opticians who will testify could provide further clarification.

Number 1558

RANDALL DAHL, Opticians Association of Alaska, testified in support of HB 502 and answered questions from the members. He told the members that he could not comment on the questions Chair Wilson posed. Mr. Dahl said that his main point in testifying is to express his strong support for increased training and the apprenticeship program. He said that he has been a licensed optician in Alaska for 22 years and one of his main duties has been to train opticians. Under the prior statute that preceded 2002 the apprenticeship program was not structured. Even though there was a 6,000-hour apprentice requirement, there was no program. The new program which will be administered through the U.S. Department of Labor is quite structured, he explained. There are learning objectives, training schedules, and sign offs. Mr. Dahl said he supports the required 6,000 hours of training as an apprentice, including 4,000 hours of training for eyeglasses and at least 2,000 hours for contact lenses. This bill would bring the state's requirements into alignment with the U.S. Department of Labor's requirement for its apprenticeship program. Mr. Dahl summarized that he believes this is a very good bill and urged the members to pass the bill out of committee.

CHAIR WILSON asked how many hours the U.S. Department of Labor requires for licensure as an optician.

MR. DAHL responded that the U.S. Department of Labor has a 4,000-hour requirement, but he noted that he is not sure if that is inclusive of the spectacles and contact lenses training.

CHAIR WILSON commented that normally Alaskans like to do things independently, separate from federal involvement. She asked why he believes this is a good idea.

Number 1522

MR. DAHL replied that the state program was not structured even though there was a lot of time spent administering the program. The U.S. Department of Labor has an existing nationwide, cohesive program already in place, he added.

Number 1475

CHRISTI BRAND, President, Optician Association of Alaska, testified in support of HB 502 and answered questions from the members. She told the members that opticians found themselves in the position of having to sign up every employee as an apprentice, even if the individual had no interest in being an apprentice. It was required by state law. Two years ago, SB 270 provided for separate classification for optician's assistants. In this way an employee can work in the office, but not be classified as an apprentice unless that is their desire, she explained. This bill would formalize the training through the U.S. Department of Labor's program which would enable employers to apply for grants and provide an incentive to hire unemployed people. This program would clean things up, Ms. Brand said. In summary, if the state does sunset the board of opticians it is important to have this program in place, she added.

Number 1381

REPRESENTATIVE SEATON asked if he is correct in assuming that there are no education requirements for an optician's assistant.

MS. BRAND replied that is correct. An optician's assistant is more of a sales clerk who helps a customer pick out glasses or sells glasses. An assistant would not be able to help a customer with a prescription or provide advice regarding vision.

REPRESENTATIVE SEATON surmised that there are currently distinctions between an optician's assistant and an apprentice.

MS. BRAND responded that is correct. This bill would maintain that distinction, she added.

Number 1314

JAMES ROTHMEYER, Chair, Board of Dispensing Opticians, Division of Occupational Licensing, Department of Community and Economic Development, testified in support of HB 502 and answered questions from the members. He told the members that the education and training of apprentices use to be left to chance. If an apprentice got a good sponsor or employer then the individual received the training, but many did not, he said. This bill will provide that only those who are career bound need to register as apprentices. All the apprentices will have the same structured training through the U.S. Department of Labor. This bill will also fix the problem of the expenses connected to the board in administering the apprenticeship program, he added.

Number 1258

REPRESENTATIVE COGHILL asked for clarification that if the Board of Dispensing Opticians sunsets, then the apprenticeship program will be administered by a federal regulatory program.

MR. ROTHMEYER responded that if the board sunsets there will be no licensing or oversight of dispensing of contact lenses or spectacles in the state, other than a doctor of optometry or ophthalmologists.

CHAIR WILSON asked Mr. Rothmeyer whether the legislative audit recommended a sunset of the board.

MR. ROTHMEYER replied that the legislative audit had two major concerns. The first is that the training for apprentices is too subjective and prone to challenge by license applicants. The bill provides that there would be a structured educational opportunity through the U.S. Department of Labor.

CHAIR WILSON surmised that Mr. Rothmeyer is saying the Legislative Budget and Audit Committee recommended sunseting the Board of Dispensing Opticians.

MR. ROTHMEYER replied that the audit provided several recommendations, one of which was sunseting the board, and another was to move to a voluntary certification program. Under the voluntary plan there would not be anyone to oversee the continuing educational components, he added.

Number 1158

REPRESENTATIVE SEATON commented that several boards are being eliminated and the duties and authority are being assumed by the Division of Occupational Licensing.

MR. ROTHMEYER responded that the Division of Occupational Licensing is ill prepared to assume the mantel of distinguishing a licensed opticians duties and the continuing education required. It would be licensing in name only and no oversight would actually be provided, he said.

Number 1088

FRANKLIN ROZAK, Secretary-Treasurer, National Association of Optometrists and Opticians, testified on HB 502 and answered questions from the members. Mr. Rozak told the committee several companies that are members of the association provide services to Alaska. He told the members that Legislative Budget and Audit Committee has recommended that the board be sunsetted for a variety of reasons. Mr. Rozak commented that he will focus in on one main reason which is manpower. At the present time, according to the Legislative Audit for FY03 there are 107 licensed opticians in Alaska. That is far below what is necessary to effectively have a pro-competitive and pro-consumer market for Alaskan consumers, he said. He pointed out that FY00, FY01, and FY02 there were between 34 and 40 apprentice opticians registered. In FY03 there are 11 registered apprentice opticians. There is a significant drop off, he stated. Mr. Rozak commented that some of that may be due to the discussions of doubling the education requirements which is in HB 502. In 2002, the legislature decreased the education requirements for eligibility to take the exam for licensure, Mr. Rozak commented. Two things happen when there is a shortage of manpower, prices go up, and accessibility is diminished, he explained. If the board is to continue then the association would support doing whatever is necessary to increase the availability of qualified manpower in Alaska.

Number 0997

MR. ROZAK pointed to page 19 of the report [Alaska Division of Legislative Audit, Audit Digest #08-20022-03] which shows that there was a total of eight complaints, only one of which was a consumer in the previous 48 months. The balance of the complaints came from competitors, he said.

MR. ROZAK shared that the departments of health in Kansas, Colorado, and Minnesota have written formal reports where it was advised against the need to license opticians. It was found that there was no public health or protection benefit. It was also found that adequate existing training was provided through apprenticeships by various corporations, optometrists, ophthalmologists, and other dispensing opticians. Mr. Rozak told the members that these reports showed that there were numerous means of regress for customer problems. In summary, he said, it was found that licensing would result in an economic disadvantage for optical consumers.

MR. ROZAK said that increasing the number of hours for apprenticeship is not the way to increase manpower, given the fact that the number of apprenticeships is going down. He supports the U.S. Department of Labor's efforts to run an apprenticeship program, but believes the department will be hamstrung if it necessary to meet the number of hours required in HB 502.

Number 0872

MR. RUDIG asked Mr. Rozak where he is calling from.

MR. ROZAK responded that he is calling from Marblehead, Ohio.

Number 0854

CHAIR WILSON commented that she agrees that when the requirements are increased on an area where there is a shortage prices usually do go up. It is a concern for rural area of Alaska, she stated.

MR. RUDIG agreed that is a good point. He questioned why the prices did not go down when the requirements were lowered a few years ago. He told the committee he respects Mr. Rozak's opinion, but believes that Alaskan opticians have a better handle on what is happening here in Alaska.

Number 0768

REPRESENTATIVE SEATON told the members that the legislative audit is recommending not to extend the board which would mean it would terminate on June 30, 2005. He commented that there is at least one more legislative session before this would take effect. Representative Seaton asked Mr. Rudig if there have

been discussions about the audit because he cannot understand the recommendation not to extend the board. He asked if Representative Holm rejects the recommendations of the audit.

MR. RUDIG responded that the sponsor has accepted the recommendations of the audit. This bill allows the board to sunset because it was losing money and the opticians wished to move to the program [offered through the U.S. Department of Labor].

REPRESENTATIVE SEATON surmised that this bill is in line with the Legislative Audit, #08-20022-03.

MR. RUDIG replied that is correct.

CHAIR WILSON suggested that a checklist of recommendations made by the Legislative Budget and Audit Committee be provided at the next hearing of the bill. She announced that HB 502 will be held in committee.

#### HB 434-NATUROPATHIC MEDICINE

Number 0611

CHAIR WILSON returned attention to HOUSE BILL NO. 434, "An Act relating to the practice of naturopathic medicine; and providing for an effective date."

CHAIR WILSON told the members that the working document before the committee is CSHB 434, Version Q, Mischel, 4/24/04.

Number 0581

BARBARA COTTING, Staff to Representative Jim Holm, Alaska State Legislature, testified on behalf of Representative Holm, sponsor of HB 434. She said that much of what is in this version of the bill was a result of collaboration between Chair Wilson and Linda Anderson.

Number 0520

LINDA ANDERSON, Lobbyist, Naturopaths Association of Alaska, testified on HB 434. For the record she corrected an earlier statement by Ms. Cotting that she and Chair Wilson worked collaboratively on the bill; they did not, but she did bring the bill to the Chair earlier today, she said. There are compromises included in the bill and on-going discussions with

individual medical doctors are continuing. This same version is currently in the other body of the legislature as well, she added.

MS. ANDERSON told the members that the key changes in the bill is that the legislation will remove all schedule 2 drugs from the naturopathic physicians' ability to prescribe. The thrust of the compromise of this legislation is that this bill will allow naturopaths to prescribe, but in doing so they would be required to enter into a collaborative agreement with a medical doctor and that medical doctor will agree to a formulary of prescriptions. So in this bill naturopaths could prescribe legendary drugs and schedules 3, 4, and 5 drugs. That agreement will be on a case-by-case basis depending on those naturopaths and their specialties.

Number 0377

MS. ANDERSON summarized that if a naturopath can find a physician to enter into a collaborative agreement then the naturopath will have a tailored prescriptive ability. The bill also includes peer review. It simply says since there is no board, the Division of Occupational Licensing will oversee the regulations and the complaints will be filed, the division will pick up the file and call a group of identified naturopathic physicians who would review the complaints. Ms. Anderson said the bill suggests that the group meet quarterly; however, the division has said that quarterly meetings are not necessary. She added that there has been fewer than one complaint a year.

MS. ANDERSON pointed out that another key part of the bill is that collaborative agreements are repealed after four years. The idea is that after the medical communities have worked with naturopathic physicians and medical physicians the track record will speak for itself. She said she believes there will not be any further need for collaboration.

MS. ANDERSON pointed out that in 14 other states naturopathic physicians are given prescriptive authority. Naturopaths are willing to meet that test of collaborative work to assure the public safety for Alaskans.

Number 0179

MS. ANDERSON commented that many of the members heard Dr. Malter's testimony and were provided with information on naturopath programs. She told the members that not one of the

programs that he listed are from federally approved medical schools for naturopaths. Ms. Anderson stated that this bill is only addressing those individuals who have attended one of the five federally recognized medical schools for naturopaths in the nation. It is a very different list, she emphasized. Dr. Malter provided the committee with a list of schools that are not currently regulated at all, she stated.

[HB 434 was held in committee.]

#### **ADJOURNMENT**

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 6:22 p.m.