

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

April 12, 2005

3:10 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Paul Seaton, Vice Chair
Representative Tom Anderson
Representative Vic Kohring
Representative Lesil McGuire
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 231

"An Act relating to the definition of 'municipality' for purposes of human services community matching grants."

- MOVED CSHB 231(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 161

"An Act relating to reemployment of and benefits for retired teachers and public employees and to teachers or employees who participated in retirement incentive programs and are subsequently reemployed as a commissioner; repealing secs. 5, 7, and 9, ch. 58, SLA 2001; providing for an effective date by amending the delayed effective date for secs. 3, 5, 9, and 12, ch. 57, SLA 2001, and repealing sec. 13, ch. 58, SLA 2001, which is the delayed effective date for secs. 5, 7, and 9, ch. 58, SLA 2001; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 204

"An Act relating to the prescription and use of pharmaceutical agents, including controlled substances, by optometrists."

- HEARD AND HELD

HOUSE BILL NO. 29

"An Act relating to health care insurance and to the Comprehensive Health Insurance Association; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 112

"An Act relating to child protection, including forensic interviews and transportation of children; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 231

SHORT TITLE: HUMAN SERVICES GRANT ELIGIBILITY

SPONSOR(S): REPRESENTATIVE(S) WILSON

03/23/05	(H)	READ THE FIRST TIME - REFERRALS
03/23/05	(H)	CRA, HES, FIN
04/07/05	(H)	CRA AT 8:00 AM CAPITOL 124
04/07/05	(H)	Moved CSHB 231(CRA) Out of Committee
04/07/05	(H)	MINUTE(CRA)
04/08/05	(H)	CRA RPT CS(CRA) NT 3DP 2NR
04/08/05	(H)	DP: CISSNA, KOTT, LEDOUX;
04/08/05	(H)	NR: SALMON, OLSON
04/12/05	(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 161

SHORT TITLE: REEMPLOYMENT OF RETIREES

SPONSOR(S): REPRESENTATIVE(S) ELKINS

02/18/05	(H)	READ THE FIRST TIME - REFERRALS
02/18/05	(H)	EDU, HES, STA
04/05/05	(H)	EDU AT 11:00 AM CAPITOL 106
04/05/05	(H)	Moved CSHB 161(EDU) Out of Committee
04/05/05	(H)	MINUTE(EDU)
04/06/05	(H)	EDU RPT CS(EDU) 1DP 5NR 1AM
04/06/05	(H)	DP: THOMAS;
04/06/05	(H)	NR: GARA, SALMON, GATTO, LYNN, NEUMAN;
04/06/05	(H)	AM: WILSON
04/07/05	(H)	EDU AT 11:00 AM CAPITOL 106
04/07/05	(H)	-- Meeting Canceled --
04/12/05	(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 204

SHORT TITLE: OPTOMETRISTS' USE OF PHARMACEUTICALS
SPONSOR(S): REPRESENTATIVE(S) THOMAS

03/04/05 (H) READ THE FIRST TIME - REFERRALS
03/04/05 (H) HES, L&C
04/12/05 (H) HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

ROSEMARY HAGEVIG, Member
Board of Directors
Southeast Conference
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 231.

JANET CLARKE, Assistant Commissioner
Central Office
Finance and Management Services
Department of Health & Social Services
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 231, explained the fiscal note prepared by the department.

HEATHER WHEELER, Deputy Director
Municipality of Anchorage
Department of Health and Human Services (DHHS)
Anchorage, Alaska

POSITION STATEMENT: Her testimony regarding HB 231 was read by Molly Cullom.

JIM VANHORN, Staff
to Representative Jim Elkins
Juneau, Alaska

POSITION STATEMENT: Introduced new information relevant to HB 161 on behalf of Representative Elkins, sponsor.

MIKE TIBBLES, Deputy Commissioner
Office of the Commissioner
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the department during the hearing on HB 161.

LEO JOHN KERIN
Fairbanks, Alaska

POSITION STATEMENT: Testified during the hearing on HB 161.

ROBERT McHATTIE
Fairbanks, Alaska
POSITION STATEMENT: Testified during the hearing on HB 161.

LARRY WIGET, Director
Government Relations
Anchorage School District
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HB 161.

BRUCE JOHNSON
Alaska Association of School Boards (AASB)
Juneau, Alaska
POSITION STATEMENT: Testified that the association is in support of the rehire provision of HB 161.

CHRIS S. CHRISTENSEN, Deputy Administrative Director
Administrative Staff
Office of the Administrative Director
Alaska Court System
Anchorage, Alaska
POSITION STATEMENT: Testified to express his appreciation of HB 161.

REPRESENTATIVE BILL THOMAS
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Introduced HB 204, as sponsor.

CARL ROSEN, M.D., President
Alaska Eye Physicians and Surgeons
Anchorage, Alaska
POSITION STATEMENT: Testified in opposition to HB 204.

DONALD J. CINOTTI, M.D.
Jersey City, New Jersey
POSITION STATEMENT: Testified in opposition to HB 204.

BOYD WALKER, O.D.
Homer, Alaska
POSITION STATEMENT: Testified in support of HB 204.

GRIFF STEINER, M.D.
Anchorage, Alaska
POSITION STATEMENT: Testified in opposition to HB 204.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:10:54 PM](#). Representatives Seaton, Gardner, Cissna, and Wilson were present at the call to order. Representatives Kohring, McGuire and Anderson arrived as the meeting was in progress.

HB 231-HUMAN SERVICES GRANT ELIGIBILITY

CHAIR WILSON announced that the first order of business was HOUSE BILL NO. 231, "An Act relating to the definition of 'municipality' for purposes of human services community matching grants." [Before the committee was the committee substitute (CS) for HB 231(CRA), Version 24-LS0791\G.]

CHAIR WILSON turned the gavel over to Vice Chair Seaton.

[3:12:45 PM](#)

CHAIR WILSON introduced HB 231, as sponsor. She described the proposed legislation as "a human services matching grant program." Currently, the only communities that receive [matching grants] are Anchorage, Fairbanks, and - most recently - the Matanuska-Susitna (Mat-Su) Valley. Those communities qualify because they meet a population requirement. The original bill version would expand the definition of a qualified municipality to include a consortium of municipalities located in the same geographic area, with a population that exceeds 50,000; however, an amendment was adopted in the last committee of referral to change that number to 35,000.

CHAIR WILSON said in order to qualify for the grants, a municipality must: provide 30 percent of the funding, comply with the grant application process, and establish a citizens' advisory group to help establish the priorities in the area "and to see who gets the grants." The proposed legislation would allow Southeast Alaska to qualify for the grants "if they were under the umbrella of someone else." She added, "We're looking at Southeast Conference to be our umbrella." She said that organization presently works closely with the communities of Southeast Alaska. She listed [organizations that are currently providing services in Southeast Alaska]: Center for Community, United Way, Alaska Health Fair, Inc., Southeast Alaska Food Bank, Catholic Community Services, [Aiding Women in Abuse and Rape Emergencies (AWARE Inc.)], Alaska Legal Services, and Southeast Senior Services.

CHAIR WILSON stated, "I really think this is a fairness issue." She noted that there was a shift in the legislature this year when it set a precedent by opening up the availability of grants for utilities that were private and previously could not get grants.

[3:16:50 PM](#)

CHAIR WILSON, in response to a question from Representative Gardner, said she is not aware of anyone who is opposed to the bill.

VICE CHAIR SEATON asked Chair Wilson if her intention was to have the latest bill version adopted by the committee.

[3:17:47 PM](#)

CHAIR WILSON said she would rather work with the original bill than with the committee substitute [currently before the committee, produced by the House Community and Regional Affairs Standing Committee]. She expressed that there may be some reluctance by the communities already receiving the grants to allow other communities to participate at a lower minimum requirement; they would rather see communities pull together in order to "get more bang for the buck." She said she would leave it up to the committee to decide; however, she predicted the chances of the bill succeeding would be better if it were in its original form. In response to a question from Chair Seaton, she confirmed that the only difference between the original bill and the version from the House Community and Regional Affairs Standing Committee is the population requirement.

[3:19:01 PM](#)

REPRESENTATIVE CISSNA revealed that, as a member of the House Community and Regional Affairs Standing Committee, she had participated in the discussion regarding the population requirement of HB 231. She said a committee member from the northern part of Alaska had stated concern that it would be difficult enough for communities in that region to band together to meet the requirement of 35,000, let alone 50,000.

CHAIR WILSON responded, "That's left up in the air in the bill, so that if communities want to pull together to do this, they can." She said geographic area is not defined in the bill. She indicated that the intent of the bill is to provide the

opportunity for communities to succeed in getting grants if they choose to do so.

CHAIR WILSON [indisc.]

VICE CHAIR SEATON, in response to Chair Wilson, suggested that the intent of the committee now was [to continue to use the House Community and Regional Affairs Standing Committee's bill version already before the committee].

3:22:06 PM

ROSEMARY HAGEVIG, Member, Board of Directors, Southeast Conference, testified on behalf of Southeast Conference. She told the committee that she is also the executive director of a regional social services organization that could potentially benefit from the bill. She stated that many regional social services providers in Southeast Alaska support HB 231. She reported that the last U.S. Census data shows that the total population in Southeast Alaska is just over 70,000; therefore, the region would qualify. She said the social services infrastructure in the region is having an increasingly difficult time coming up with specific grant amounts in the various budgets. The proposed legislation would provide an opportunity to infuse an additional level of resources into the community. She stated, "Certainly, from my own personal experience and what I know to be in place already, we more than would be able to meet the required 30 percent match."

MS. HAGEVIG said there was some discussion in the last committee of referral regarding the fiscal note. She said, "In our conversations with the department, they shed some light on why that truly would be a zero fiscal note, even though they did provide some scenarios about eventual costs." She offered further details. She stated, "The other thing that we would like to make very clear is that we are not interested in seeing anything happen that would not hold harmless our neighbors to the north. Certainly what is going on in Anchorage, Fairbanks, and now in MatSu is of critical importance; we just would like to share in the opportunity to be able to participate in the same kind of a program."

MS. HAGEVIG concluded by noting that there are a number of organizations under the United Way umbrella in Southeast Alaska that provide region-wide services, and between the Southeast Conference Board and the United Way Board, there would have no

difficulty at all in putting together the required kind of fiscal oversight that would be necessary.

[3:25:54 PM](#)

JANET CLARKE, Assistant Commissioner, Central Office, Finance and Management Services, Department of Health & Social Services, explained the fiscal note prepared by the department. She said the zero fiscal was prepared for Version G. She stated, "Because the program is based on prorata proportion of population, it does not in and of itself require an increase of appropriations." For example, she illustrated that if the appropriation is \$1 million, no matter what number of grantees or municipalities qualify, the amount would be prorated. Second, Ms. Clarke noted that if the bill were to pass, it would not affect the municipalities who have already applied for the program by October 1, 2004 and would have profound impact on fiscal year (FY) 07. She explained, "The legislation requires that municipalities apply before October 1 of the preceding fiscal year, so for FY 06, the grantees who would qualify would be Anchorage, Fairbanks, and MatSu."

MS. CLARKE reviewed the two scenarios provided by the department, which are both based upon "the change to 35,000." The first scenario assumes that regional consortiums would form for all regions of the state and that there would be no additional money for the program appropriated by the legislature. She added, "If that were to occur, then Anchorage, MatSu, and Fairbanks would see significant reductions in their shares of the appropriated funds, and other communities would see a corresponding increase." The second scenario, which is illustrated on page 4 of the fiscal note, uses the same assumptions in the first scenario, but there would also be an assumption that the legislature would appropriate additional funds to hold all communities harmless and still provide grants "for all the other communities." The hold-harmless portion of the second scenario would cost an additional \$613,483.

VICE CHAIR SEATON asked, "Why is it that only these certain-size population areas are given those grants and they are not extended to other areas that may have the same kind of programs and be able to come up with a local match?"

[3:29:46 PM](#)

MS. CLARKE responded by offering a synopsis of the history of the program. She said the program was put into statute in 1992.

Prior to that, there were block grants provided to Anchorage and Fairbanks, which began in the early 80s when money was abundant. She said, "The idea at the time was that Fairbanks and Anchorage were disproportionately affected by social services programs, because they were such large hub communities; people came to those communities for services, and the view was that the state ought to offset some of those costs that the local communities were absorbing." At the same time there was a lot more money available for designated grants for other communities throughout the state. Ms. Clarke said that that money does not exist anymore in her department, and she offered her understanding that it doesn't exist in any other department either. The statute was written in 1992 so that Anchorage and Fairbanks would qualify. Now, because of its population increase, the Matanuska Susitna Borough qualifies for the grants, which has changed the dynamics of the funding for the program.

MS. CLARKE, in response to a question from Vice Chair Seaton, said she thinks there were some other designated grants to other local communities that are no longer designated in the budget. She stated that there was more opportunity for other local municipalities to get social services funding.

CHAIR WILSON interpreted Ms. Clarke to have said that "everybody was getting some kind of extra help - as funds - in all the areas, but slowly, as the money tightened up, they discontinued the help in the smaller areas, but Anchorage and Fairbanks continued with theirs."

MS. CLARKE responded that that's correct. She offered her understanding that, at one point, the social services block grants were up to \$4 million and have been "ratcheted back to the level they are now." She added, "Certainly the block grants themselves have been reduced, as well."

[3:33:30 PM](#)

HEATHER WHEELER, Deputy Director, Municipality of Anchorage, Department of Health and Human Services (DHHS), had her testimony read by Molly Cullom, Grant Administrator, DHHS, as follows:

The Anchorage Department of Health and Human Services supports HB 231 and the effort to expand human service matching grant programs to benefit more Alaska communities. However, with that expansion, we would hope the legislature would ensure sufficient funding

to hold current recipients harmless. Passing this legislation with sufficient funding will allow more communities to provide the essential safety net services to prevent or alleviate serious physical or mental hardship in this state, while not diminishing services in current recipient communities. Through grants to local nonprofit agencies, the human services matching grant supports the basic services that are critical to our state's most vulnerable citizens: children, abuse victims, those in temporary crisis or homelessness, and senior citizens.

... Human service grant funding was originally made available to larger Alaska communities in the 1980s in an effort to offset the disproportionate demand coming from people all over the state. The municipality continues to serve the state as a hub community, drawing and attracting people for services around the state to Anchorage. Because Anchorage serves so many people from outside its borders, it is in this state's best overall interest for the legislature not to decrease funding for Anchorage in order to make room for more communities.

Currently, 65 percent of Anchorage's human service matching grant funding goes for food and shelter programs. These services are associated with people on the move, people in crisis, and people in transition to and from rural communities. The municipality of Anchorage believes in being a responsible citizen of the State of Alaska and, as such, has never closed its doors to people from outside of Anchorage who seek services. Because of this, if more communities become eligible for human service dollars, we ask that sufficient funding be provided to sustain current services.

VICE CHAIR SEATON said the committee would probably be "looking at that support"; however, that would happen a year, or so, in the future, "because we're not talking about our current budget."

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CHAIR WILSON stated her intentions for the bill were not to make things worse for any other area in the state. She asked Ms. Clarke if she would submit an increased budget to the governor

if, for example, she were to get two new applications by October 1.

MS. CLARKE responded, "We would certainly prepare the request to the governor so that he would be aware of what the implications would be if that was not funded." She added that that information would be made available to the legislature, as well.

VICE CHAIR SEATON conveyed to Ms. Wheeler through Ms. Cullom that if all the grants are going through the main communities and are not provided to the outlying communities, that tends to bring the people who need services to the hub communities. He said he thinks the purpose of the bill is "to allow some distribution so that we can keep people in the communities where they reside."

VICE CHAIR SEATON closed public testimony.

REPRESENTATIVE GARDNER moved to report CSHB 231(CRA) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 231(CRA) was reported from the House Health, Education and Social Services Standing Committee.

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[Vice Chair Seaton handed the gavel back to Chair Wilson.]

HB 161-REEMPLOYMENT OF RETIREES

CHAIR WILSON announced that the next order of business was HOUSE BILL NO. 161, "An Act relating to reemployment of and benefits for retired teachers and public employees and to teachers or employees who participated in retirement incentive programs and are subsequently reemployed as a commissioner; repealing secs. 5, 7, and 9, ch. 58, SLA 2001; providing for an effective date by amending the delayed effective date for secs. 3, 5, 9, and 12, ch. 57, SLA 2001, and repealing sec. 13, ch. 58, SLA 2001, which is the delayed effective date for secs. 5, 7, and 9, ch. 58, SLA 2001; and providing for an effective date."

[3:40:41 PM](#)

JIM VANHORN, Staff to Representative Jim Elkins, introduced new information relevant to HB 161 on behalf of Representative Elkins, sponsor. He reviewed that the legislation would allow the rehiring of certain public employees' retirement system (PERS) and teachers' retirement system (TRS) members who retired

with a normal retirement. These rehired employees can continue to receive normal retirement and benefits if they waive further participation in the retirement systems. During their period of reemployment, he said, no contributions to PERS and TRS are required from the employee or the employer. The proposed legislation would sunset July 1, 2009.

MR. VANHORN directed attention to an Alaska Legislative Report entitled, "Results of the Retiree Return Program," produced by the Division of Retirement and Benefits and dated February 2005. The report shows that, as of November 30, 2004, there were a total of 211 retirees rehired under PERS and 124 retirees rehired under TRS, for a total of 335 employees, statewide. He said that equates to one-tenth of 1 percent of all PERS and TRS participants. He turned to a paragraph on page 4 of the report, which read as follows [original punctuation provided]:

On September 14, 2004 the Division of Retirement and Benefits received an Attorney General Opinion regarding the employment status of returned retirees as of the sunset date of the legislation. The opinion states that once the reemployment amendments to the PERS and TRS statutes sunset on July 1, 2005, reemployed retirees can no longer receive retirement benefits while employed by a PERS or TRS employer. If they continue employment with a PERS or TRS employer, they must begin making contributions to the retirement systems and have their retirement benefits stopped.

MR. VANHORN said the attorney general opinion came as a complete surprise to many. He stated, "The general opinion was that after the initial period, the legislature would review the program to see whether or not it was successful, and decide if it should be continued. Life decisions were made based on this opinion; now they slam shut in their faces." Mr. Vanhorn noted that the original legislation was a component of a workforce development initiative of the state, and a number of employers undertook to address workforce shortages that were already being experienced.

MR. VANHORN directed attention to an article entitled, "State Worker Shortage Looms," from a February 2005 issue of state news [included in the committee packet]. The article shows that many states are currently facing the effects of an approaching retirement implosion that follows Baby Boomers into their golden years. Mr. Vanhorn paraphrased some highlights of the article, including: A 2002 study showed that 30 percent of many states'

workforces would be retirement eligible by 2006; and compounding an approaching shortage of workers, a [Nelson A. Rockefeller Institute of Government] study confirms that nationally, 50 percent of government jobs are in occupations requiring specialized training, education, or job skills, compared to just 29 percent in the private sector. Mr. Vanhorn stated that it's obvious the workforce shortage will not go away, but will only intensify with time.

MR. VANHORN said that during a hearing on the bill, the House Special Committee on Education adopted a committee substitute for HB 161 that clearly states that the legislature understands that the rehire of retirees is a valuable tool for school districts and public employers to manage workforce shortages. The committee substitute also finds that human resource managers must plan to meet their future workforce needs, without reliance on retired workers.

MR. VANHORN directed attention to the pie charts on pages 13 and 24 of the previously noted report. He said the charts show that the majority of retirees that have been rehired were retired over 24 months before coming back to work, and the percentage of rehires has slowly decreased since 2002. Mr. mentioned the zero fiscal note in the committee packet. He concluded, "The current legislation has provided human resource managers an excellent tool to retain workers for hard-to-fill positions, and we urge ... passage of this extension."

[3:46:19 PM](#)

REPRESENTATIVE MCGUIRE stated, "I am embarrassed that I was in the legislature at the time that this bill passed. ... This bill was intended for very narrow circumstances: [For] small communities in Alaska where there was a teacher shortage, where kids were being left behind ... because there weren't adequate teachers there." Representative McGuire said there were also statements made about the need for public health workers in some communities where there was a shortage. She said, "I signed off on those very narrow circumstances, with the agreement and understanding that this program would sunset and that we would take a look at how it had been used" She said the time has come to review the program. Representative McGuire reported that there is a staggering amount of information regarding the abuse of the program by the current and preceding administrations. She offered an example of the abuse. She stated, "I don't even think we will begin to see the full

effects of what's happened over the last five years for decades to come."

REPRESENTATIVE MCGUIRE said she cannot, in good conscience, support the extension and she thinks the program should sunset. She said she has heard concern that the state may be sued for ending the program. Conversely, she stated that she has personally studied the waiver that the rehired employees signed and "there is no possible way that a state employee could have reasonably relied upon anything other than the waiver that they signed, which clearly stated that this sunset would occur in July." She said some people would argue that the personnel board has made "other statements," but she said many times statements are made that end up not being true. She offered an example.

3:51:30 PM

REPRESENTATIVE SEATON said there has been a misunderstanding that those on the program would have to quit their jobs when the program sunsets. He stated for the record that those people can continue their employment; they would just be put back into the retirement system.

MR. VANHORN confirmed that is true. He noted that TRS has stringent "sideboards," while PERS does not. He agreed that there probably have been abuses to the program; however, he pointed out that the [United Fishermen of Alaska] are strongly behind the bill, because, without it, 30 or more fish biologist will be lost. He offered further details. Mr. Vanhorn noted that [HB 161] is a companion bill to a Senate bill.

3:54:00 PM

REPRESENTATIVE CISSNA said it has been reported that PERS and TRS are in trouble. She stated, "It seems sort of inconsistent to at one time be talking about how to fix that program ... at the same time that we're talking about ... continuing with something that would only make it harder for the program to exist, because it's the continual paying in to that program that gives it the strength that allows it to continue, I would assume."

MR. VANHORN reminded Representative Cissna that the bill carries with it a zero fiscal note. He added, "The total cost ... is \$106.53." In response to a follow-up comment from Representative Cissna, Mr. Vanhorn indicated that the fiscal

note reflects the impact on the retirement systems. He offered further details.

3:55:50 PM

REPRESENTATIVE SEATON, in response to a request from Chair Wilson, offered some background information on PERS and TRS as it relates to the proposed bill. He said if [the State of Alaska] was "collecting under the normal cost rate all of the money that would be necessary for a person's retirement," the amount of employees makes no difference. However, he explained, there is a \$15 billion past service cost liability. He continued as follows:

So, what has happened in the past use of this bill is that the employers are not paying in on ... the past service cost. ... The contribution rate is escalating at 5 percent a year, so, in just a few years, we're going to be paying, like, 44 percent for the teachers for the past service cost. ... I haven't looked at the new CS on this bill as to whether this bill is now going to make the employers use their entire wage base, including these "waivered" employees. ... If they make that contribution for the waived employees - in other words if they would be paying into the system - then it wouldn't have the effect. If it is as it has been currently, there is a detrimental effect, because they're not paying in on the past service cost.

MR. VANHORN referred to language in CSHB 161(EDU), which was on page 2, lines 12-14, and read as follows:

(c) It is the intent of the legislature that employers that benefit from the provisions of the retiree reemployment provisions pay any increase in unfunded liability that results to the retirement systems.

MR. VANHORN directed attention to page 11 of the previously mentioned report, which shows a less than 1 percent impact on the [retirement] system. He offered further details.

REPRESENTATIVE SEATON moved to adopt [the committee substitute (CS) for 161(EDU), Version 24-LS0645\G, Craver, 4/5/05], as a work draft. There being no objection, Version G was before the committee.

3:59:58 PM

MIKE TIBBLES, Deputy Commissioner, Office of the Commissioner, Department of Administration, regarding the cost to the system, said one concern that has arisen is about bringing an individual back that would receive a benefit without paying into the system. He augmented Representative Seaton's previous explanation as follows:

When we hire an individual, we are paying a blended rate: a normal cost rate and a past service rate. The normal cost rate is the amount of the retirement benefit that that individual received after putting in a number of years of service - either 30 years, or 25 years, or reaching retirement eligibility by age. But the benefit that they receive is based on the amount that they and the employer have been paying over their lifetime for their career. So, for example, if they worked 30 years, ... their pension benefit is based on the amount that's paid, so there's no additional cost to the system for that individual coming back, because that individual's not accruing any additional benefits.

... Since we have this unfunded liability, the cost isn't associated with an individual; however, it's associated with the system - it's \$5 billion-worth. When we take out an individual from the system ..., their salary-base is used to allocate out a cost for past service rate. Then there becomes a higher rate among the other members.

MR. TIBBLES, regarding the impact of the program, said an actuary calculated a separate threshold for PERS and TRS and reported that "at 100 participants of a 242 waiver, there is a \$106,000 impact to the system." In PERS, there are 211 employees, so "the impact doesn't trigger until 500 employees." He explained, "So, we have a long way to go on the PERS system before they can actually put a dollar amount to the impact." He continued as follows:

So, what the ... committee substitute that you have in front of you does, is it requires all employers - when they bring an individual back - to pay that past service rate at the point that they can put the dollar amount to it - when it no longer becomes negligible.

... The net effect is: When an employer brings somebody back on a 242 waiver, they're going to save the normal cost rate; it's going to be a savings to their system. The State of Alaska saved a million dollars.

MR. TIBBLES said although it's certainly not the reason for the program, the State of Alaska has saved a million dollars because of it. He concluded, "Going forward under ... the committee substitute you have in front of you, we would be required to pay: TRS would be an increase of .01 percent, and at 500 participants on PERS would be .02 percent."

MR. TIBBLES, in response to a question from Chair Wilson, noted that the language regarding a requirement for a contribution by employers for the past service cost is found "in Section 3 for TRS and Section 4 for PERS." He explained that the way the system is currently set up, the director of the Division of Retirement & Benefits monitors the number of participants and, at the point that he/she has been told by the actuary that there is an impact, then "costs will go out to all the employers." He said he would support a change to automatically charge the past service rate equal to every other employee; thereby, even when the cost is negligible, some amount could still be collected into the system.

[4:07:16 PM](#)

CHAIR WILSON said she thinks the state has a responsibility to be "covering what we need to cover."

[4:07:55 PM](#)

REPRESENTATIVE GARDNER directed attention to language on page 2 [of Version G, beginning on line 4], which read as follows:

In extending the termination date of the reemployment provisions, it is the intent of the legislature to allow school districts and public employers to continue to use this management tool, while developing plans that address the knowledge, skills, and abilities that need to be transferred or developed to assure the work can be accomplished when the reemployment provisions terminate.

REPRESENTATIVE GARDNER asked if that language was in the original "waiver legislation."

MR. TIBBLES answered that he doesn't know.

[4:09:13 PM](#)

REPRESENTATIVE GARDNER clarified that she wanted to know if the original plan was a temporary one, with the intent that the employers have a contingency plan for "the end of the waiver program."

REPRESENTATIVE MCGUIRE stated her understanding of the original legislation was designed as a temporary crisis management tool, which is why there was a sunset clause.

[4:11:03 PM](#)

MR. TIBBLES said the original sunset clause was added to the original House Bill 242 in the House Finance Committee after discussion regarding the impact to entry-level positions and how the people in those positions would be able to move up in career progression. He said that amendment was the basis of the decision of the Department of Law last year that said that the individuals currently enrolled in a 242 waiver will, as of July 1, [2005], stop receiving the pension benefits.

[4:12:09 PM](#)

REPRESENTATIVE MCGUIRE opined that without the sunset clause, the bill would not have passed. She said there was concern at the time [House Bill 242] was on the floor regarding whether there may be other options, such as recruitment and retraining, rather than "giving people paychecks after they retire."

REPRESENTATIVE SEATON said the purpose of the previously mentioned language in the bill was to analyze what the effect of the program was on upward mobility of people within the system, and he noted that letters had been received indicating that [the waiver program] has been a severe detriment to people attempting to have upward mobility. He asked, "Where is that addressed in the [previously mentioned] report?"

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MR. TIBBLES responded that there was language in House Bill 242 that required a report to the legislature; however, it only applied to the TRS system. The report provided to the committee complies with the requirement that was submitted in the original

legislation. He stated that the administration has additional concerns regarding how the program has been implemented differently in each department. He stated, "I would like to walk through the administrative order that the governor signed on March 8, that implements the sideboards and talks about what we're going to require the departments to do ... and the workforce planning that needs to take place before they can bring an individual back on 242."

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LEO JOHN KERIN, at the request of the chair and in the interest of time, offered an abbreviated version of his written testimony, which he said he would send to the committee. He said he taught in a rural school district and strongly supports any measures taken to support excellence in education in rural Alaska, but is not convinced that "the rehire bill is the way to do that." He said he would send alternative suggestions to the committee by facsimile. Mr. Kerin stated his strong opposition to the extension of the rehire bill for PERS employees for the following reason: "While there ... may be a shortage of qualified teachers willing to work in rural Alaska, there is no shortage of qualified applicants willing to work in town with the state government bureaucracy, court system, university system, or municipal government." He continued as follows:

If there was a problem finding qualified applicants, as was recently the case for [the Department of Transportation & Public Facilities (DOT&PF)] technical engineers, the Department of Administration would adjust their ... internal alignment of salaries for the job class to attract more applicants. If there is a real short-term shortage of experienced personnel for a specific job, ... there is and always has been a contracting procedure to gain the needed expertise.

MR. KERIN said there has been significant abuse by the program. He indicated that the administration acknowledged that abuse when it brought forth a corrective administrative order; however, he said that order is like closing a barn door after the horses are out. He mentioned a "flood of recently retired and rehired employees, many of whom never bothered their desks during the 30-day waiting period." He asked, "If there is such a brain-drain for retiring baby boomers, why was the program only offered to a select few higher-level administrators instead of all retirement-age employees?"

MR. KERIN said early retirement legislation has not been around for very long. He said now provisions have been made to let commissioners come back from early retirement, without having to make restitution to PERS as is required in the retirement incentive program bills. He said there has been much discussion regarding the potential for lawsuits from people who believe that the information given to them from the Division of Retirement & Benefits meant that they would be "grandfathered in for life." He said, "I would worry more about all the people who ... retired early asserting that they should be given the same opportunity as all the other double-dippers in the same job."

MR. KERIN stated his belief that no realistic evaluation has been made regarding "the cost of PERS of inducing Tier I employees to retire on time, thereby affecting the retirement program's actuarials." He offered further details. He suggested that more testimony against [HB 161] is not heard from "the rank and file employees," because it's only their bosses who are being given "this platinum parachute." He added, "There's a real fear of retaliation."

MR. KERIN said that though the bill is well intentioned, the sunset needs to take place. He asked that at the very least, the administration make the positions of those in PERS who have already been rehired be subject to reexamination "pursuant to the safeguards of the recent administrative order." He said, "If it can be shown that a true shortage exists for the job in question, the person should be allowed to retain their job while restitution is made to ... PERS ..., as would take place if the person had taken an early retirement. Any other course of action results in all members of PERS shouldering the cost of these people's 60 percent bonus." Mr. Kerin opined that the legislature also needs to be forthright about the transfer of general fund operating costs that have already been transferred to PERS/TRS as a result of existing rehire legislation.

[4:21:56 PM](#)

ROBERT MCHATTIE, testifying on behalf of himself, told the committee that he is a retired PERS member, formerly employed by DOT&PF. He thanked Representative McGuire for her previous comments, which he said mirror his own. He said House Bill 242 originally addressed hard-to-hire teaching positions, especially in the Bush. He posited that the rehiring of retired teachers has generally been more justified and carefully handled compared

to the mostly supervisory and "important person" rehires done in PERS. He offered an example of the careful handling in TRS.

MR. MCHATTIE, regarding PERS, said he thinks it's self-interest that makes those who are going to be or have been rehired and those who represent agencies that do the rehiring support the proposed legislation. He said he personally knows lower-level staff members in several different agencies who are against these hiring practices but are afraid to give negative testimony for fear of reprisals from management or senior workers who have been rehired or intend to return. Mr. McHattie said obviously it is the lower-level staffers' paychecks that will be diminished when the legislature jacks up the PERS contributions, without collecting it from those who have been rehired. He clarified, "[Those formerly retired employees who are rehired] collect two fat paychecks while paying nothing into PERS, and the coworkers ... know that's going on." He concluded:

It has been argued that individuals are so knowledgeable and experienced, that they or others on the staff cannot be replaced. While I am sure that long-term employees all consider themselves to be irreplaceable - I know I did while I was working - that argument just doesn't wash. Administrators have always had the responsibility of making sure that staff positions can be covered in case of illness, vacations, death, or somebody just quitting. Considering that vacations for long-term employees can extend most of a month, I assume that various organizations don't fall apart during that time. Every employee is replaceable by necessity, except in cases where poor management or favoritism, or something like that, exists.

[4:26:33 PM](#)

LARRY WIGET, Director, Government Relations, Anchorage School District, testified in support of the legislative intent of HB 161 to rehire retired employees when there is an actual shortage of applicants for the vacant position, and urged the legislature to extend the sunset date for the legislation with the caveat that similar restrictions currently placed on the rehire of TRS employees - AS 14.21.35 - be adopted for PERS employees, as well. He stated concern that the pre-selection and hiring of retirees to fill the job they have just vacated, without regard as to whether or not there is a qualified applicant pool from which to draw, eliminates the career ladder in state employment

for other employees who are qualified and may apply and, unlike the rehire, would be contributing to the state retirement system.

4:28:09 PM

BRUCE JOHNSON, Alaska Association of School Boards (AASB), said that association's membership resolved itself behind the extension of the rehire provision at its annual conference in November. He said, "We believe this is a valuable tool for school districts to have. I think it's been used sparingly, when necessary, and we still - even with this provision - have positions that are unfilled at the beginning of every school year, well into the semester, in some cases." He offered an example. He said a lot of money has been invested in teachers who have reached retirement eligibility age, but may still have a couple years left to teach, perhaps after going away for a while. They can come back, work for a couple of years, and "fill some vital needs." He said most districts would just as soon bring in a young teacher to employment and guarantee that he/she will be there for a long time, but the reality is that it's just not possible in some of the areas with an acute shortage of teachers.

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CHRIS S. CHRISTENSEN, Deputy Administrative Director, Administrative Staff, Office of the Administrative Director, Alaska Court System, stated that the retiree return program has been very helpful to the court system, and he said that system is hopeful that the program will be extended by the legislature. Mr. Christianson reported that the court system has approximately 650 nonjudicial employees at 32 locations around the state. Currently, there are only about 10 people participating in the program. Though that doesn't sound like many, he said, those positions are critical to the operation of the court system. He stated that to a much greater extent than the executive branch, the court system has a number of unique, one-person job classes. One example, he said, is the state law librarian. He said it is crucial that these job positions remain filled by knowledgeable persons. He said it is difficult to recruit internally for such positions, because more than half of the court system's employees are clerical employees who cannot be promoted to these specific jobs.

MR. CHRISTIANSON stated that for certain jobs in the court system there have been no qualified applicants and there have

been times when supervisors [who have retired] have had to be rehired. He explained that the turnover rate in the lower-level positions is about 50 percent within the first five years of employment. In some rural locations, the turnover is twice as bad. He said this is primarily because of low pay.

MR. CHRISTIANSON said that the court system has, for more than the last decade, been running a mandatory 30-day hiring freeze for all positions; the only person allowed to waive the freeze is the administrative director. He said this action is financially responsible; however, because of the practice, when jobs turn over there are vacancies that last for 30 days. He said the freeze is a double-edged sword: it requires that the supervisors be more experienced in order to keep the case load moving during times when there are job vacancies, but the turnover means that fewer people get the years of experience they need to become supervisors. He continued: "The retiree return program has enabled the court system to continue to function in an efficient manner because of our ability to hire back experienced and knowledgeable employees in the one-person job classes and in the rare supervisory positions where we simply cannot fill the job. Without it, we would be struggling to fill certain key positions."

MR. CHRISTIANSON noted that the court system participated in the retirement incentive program (RIP) several years ago. He emphasized how damaging the RIP was; the court system lost the core of its long-term, experienced supervisors. Mr. Christianson stated, "To some extent, this program has helped us make up for that a little bit. And that's one of the reasons we are appreciative of this."

CHAIR WILSON closed public testimony.

[4:35:12 PM](#)

CHAIR WILSON said there are problems to be worked out, but there also is "an obvious need." She mentioned future work on the bill.

[4:36:49 PM](#)

REPRESENTATIVE ANDERSON said he has heard concerns expressed from Alaska State Troopers and is glad the bill will be held so that they will have a chance to offer their comments.

CHAIR WILSON announced that [HB 161 was heard and held].

HB 204-OPTOMETRISTS' USE OF PHARMACEUTICALS

CHAIR WILSON announced that the last order of business was HOUSE BILL NO. 204, "An Act relating to the prescription and use of pharmaceutical agents, including controlled substances, by optometrists."

[4:38:45 PM](#)

REPRESENTATIVE BILL THOMAS, Alaska State Legislature, as sponsor of HB 204, said that he represents 28 communities, which together have one optometrist and no ophthalmologists. He said the bill is critical for the needs of those communities. He said it is important to note that the unemployment rate in those communities ranges from 35 to 85 percent. The chance of many of the citizens in these communities having insurance is "nil."

REPRESENTATIVE THOMAS stated that HB 204 would change statutes to allow optometrists to administer oral pharmaceuticals to provide better and more complete eye care to Alaskans. Currently, he noted, optometrists are limited in the treatment of eye disease that is seen on a routine basis and would benefit from oral medication, including acute allergic reactions, ocular herpes, ocular herpes zoster, and chronic lid diseases. Currently 100 optometrists in 17 locations serve the state, spanning from Barrow to Juneau. There are 26 eye care specialists in 6 locations that can prescribe oral pharmaceuticals in Alaska.

REPRESENTATIVE THOMAS recounted a time when he was visiting a rural community and was suffering from diverticulitis. He was surprised that the physician's assistant could prescribe medication for him, while an optometrist could not. The proposed legislation would enable the optometrists to practice at the level at which they are trained. Representative Thomas reminded the committee that the legislature had recently voted in favor of a bill that would allow doctors trained in Asia to come to the Alaska and practice. He said HB 204 is simply asking that optometrists be allowed to use their background and education to the full extent. He also noted that another bill was recently supported that would allow a student to carry his/her own syringe and self treat in the case of anaphylaxis, while an optometrist is not allowed to treat for emergency anaphylaxis.

REPRESENTATIVE THOMAS said, without question, vision is an important aspect of a person's life and should be treated by a trained eye care professional. Currently, optometrists must refer outpatients to a general physician, physician's assistant, or a nurse practitioner for oral treatment of ocular disease. He said the proposed legislation would remove an extra step by having the ocular treatment done by an eye care professional, thereby saving the patient from undue complications and financial costs. He said, for example, that a person coming to Juneau from Kake for eye care would spend \$200 roundtrip by plane, or would have to take a circuitous route by ferry, which is only offered twice a month.

REPRESENTATIVE THOMAS said ophthalmologists are specialists, and he indicated that he is not trying to take anything away from them. He said he just wants people from the Bush to get good and timely eye care.

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CHAIR WILSON stated her intention to hold the bill because it is "different than the one last year."

[4:47:35 PM](#)

REPRESENTATIVE GARDNER referred to Representative Thomas' asking that optometrists be allowed to use their training. She stated her understanding that ophthalmologists are doctors, whereas optometrists are not, and she asked if that is correct.

REPRESENTATIVE THOMAS offered his understanding that optometrists have been trained in the area of giving oral medicine for eye care. He added that if that were not the case, 44 states would not have already allowed optometrists to [prescribe oral eye medication]. He suggested that the experts could enlighten the committee further.

REPRESENTATIVE GARDNER suggested that a person in the Bush could get a prescription from a nurse practitioner.

REPRESENTATIVE THOMAS said the concern is that a person not trained specifically in the care of eyes could make a misdiagnosis.

[4:50:40 PM](#)

CARL ROSEN, M.D., President, Alaska Eye Physicians and Surgeons, testified in opposition to HB 204. He told the committee that he is an ophthalmologist who practices in Anchorage. He stated that ophthalmologists attend college for four years, go through four years of medical school into which only 1 in 200 get accepted, serve a one-year internship in medicine or surgery, and complete a three-year intensive residency, at which point the ophthalmologist learns to diagnose, treat, and operate. The residency is typically done in a large university or city hospital where the ophthalmologist conditions him/herself to deal with very sick people. The system filters out those who can't handle the surgical anxiety that comes with the job. Dr. Rosen said he completed a fellowship in addition to the three years of residency to further train himself in orbital surgery and neuro-ophthomology.

DR. ROSEN said the issue of the rarity of finding an ophthalmologist in a rural community is "yes and no." He explained that the Native hospital travels frequently to various Native communities and has its own patient population. He noted that the U.S. Air Force also does that. His own practice has doctors who travel to Kodiak, Cordova, and Sitka. He added that there are [ophthalmologists] in both Juneau and Fairbanks.

DR. ROSEN confirmed that nurse practitioners have the ability to prescribe medications, but they are specifically trained to "be the first line." They treat with medication and also are knowledgeable regarding the pharmacology of medicines. He said anyone trained as an optometrist beyond five years ago did not have the intensive training to understand the pharmacokinetics and interaction of medicines. Optometrists also do not have hospital-based privileges or interact with the medical community on a regular basis. Dr. Rosen said he frequently consults other medical specialists when multiple drugs are involved.

DR. ROSEN stated that HB 204 does not differentiate treating an infant versus a ninety-nine-year-old. He said there is a danger in "just allowing this to go forward." He said the subject of the bill has been seen in the past and has consistently been thwarted. He said, "If you read the bill, it's under the jurisdiction of the optometric community, which is outside the purview of the medical board and the medical community." He said he thinks that's a dangerous problem.

DR. ROSEN said ophthalmologists in Alaska do take phone calls as a courtesy to the people of the state. He said he is available 24 hours a day, 7 days a week. He said:

Some states do have this bill, but if you look at the overall number of optometrists who use it, it's very small Let's say there's 100 optometrists in New Mexico who have this privilege; roughly 10-15 will actually use medications on a consistent basis to be considered familiar with medications. So, the vast majority don't have the numbers. And in medical school and in residency training, you're only allowed to graduate if you can prove that you have the ... capability to do this procedure or understand this disease. That's how medical school training [works]. And optometric training will not have that, because now they're outside of school and they're relying on the optometric board to give them a go or a no-go on this. So, I think that's also a problem.

4:57:53 PM

REPRESENTATIVE ANDERSON indicated that he would like to know if there would be trouble if the bill is not passed.

DR. ROSEN answered no. He stated:

As long as you're able to communicate the clinical symptoms and describe the ophthalmic condition to an ophthalmologist, or even [to] the emergency room which can transfer [that information] to the ophthalmologist ..., we're able to intervene and appropriately manage and assess the patient and then prescribe any medication, if any is necessary. ... There is no public outcry for this, and I have not heard or [do not] know of a problem where an optometrist has had a dire condition and has not been able to contact an ophthalmologist when needed. I just don't know of one.

5:00:30 PM

REPRESENTATIVE CISSNA asked if "telemedicine" is involved.

DR. ROSEN said he not only supports telemedicine, but it's been a hobby and avocation of his for the past seven years. He said efforts are being made to get more of the medical community to accept [telemedicine]. He listed some of the cases that he has treated by telemedicine.

[5:01:53 PM](#)

DONALD J. CINOTTI, M.D., said that he is from the American Academy of Ophthalmology and is "on the state affairs committee" in New Jersey. He said he monitors similar bills across the country and considers the ramifications of them. Dr. Cinotti stated that the proposed legislation is by far the most expansive of any bill he has seen in a long time, because of its vague language. For example, the bill mentions pharmaceutical agents, but does not specify oral pharmaceutical agents, which he said would lead a person to believe that injectable medications could be used, which he said is very troublesome. He said another concern is in regard to the use of "off-label medication." The treatments for ophthalmic disorders are becoming very complex. He offered an example of medicine that can be dangerous in the wrong hands, and he said some complications can lead to death. He stated, "Certainly we don't believe that the optometrists have the expertise or the knowledge to recognize the complications of use of these medications, nor the ability to treat them properly."

DR. CINOTTI said it's often mentioned that there are not enough ophthalmologists around to take care of patients, but in reality, there are, he said. He explained that when a patient goes to an emergency room there is usually an arrangement between that emergency room and an ophthalmologist on call who can determine the proper treatment. He said the bill has no oversight by physicians or optometrists; there would be no phone call to an ophthalmologist to see if the medication or the diagnosis is correct. He reiterated that the bill is a "very, very dangerous" one.

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REPRESENTATIVE SEATON asked if the language in the bill that Dr. Cinotti would like tightened is that on page 1, lines 9-10, which read as follows:

(2) the pharmaceutical agent is prescribed and used for the treatment of ocular disease or conditions, ocular adnexal disease or conditions, or emergency anaphylaxis;

DR. CINOTTI, in response, said many treatments for diseases are progressing, and he offered examples. He reiterated that the language does not specify oral versus injected medicine, but only lists "**pharmaceutical agent**".

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DR. CINOTTI, in response to a follow-up question from Representative Seaton, said adding "oral" before "pharmaceutical agent" would help, but there would still be the need to consider what is necessary for an optometrist to treat patients in a rural area. For example, if the concern is that optometrists should be able to use antibiotics, then the bill should specifically list what antibiotics they may use. He stated that an ophthalmologist, in practice, does not, in general, use controlled substances. He said he has worked as a director of ocular trauma in a major hospital for 22 years and has not written a subscription for a narcotic in at least three years. He added, "So, what is the point of giving the optometrist the right to subscribe narcotics?"

5:09:08 PM

BOYD WALKER, O.D., testified in support of HB 204. In response to remarks from the previous speakers, he said he believes it is up to the individual practitioner to make the decision as to whether something is within their scope of practice or not. He said a family practice doctor may well be capable of delivering a baby, but an obstetrician may think otherwise. Dr. Walker said he is not arguing that an ophthalmologist's level of training is [not] higher than that of an optometrist; however, he stated that in routine practice, there are times when individual optometrists - especially those in rural areas of Alaska - need to have the ability to prescribe oral medications and occasionally even inject medicine. He continued:

I recall back in the 70s, when optometrists were not allowed to use any medications, whatever - not for the purpose of diagnosing eye disease, nor for the purpose of treating eye disease. And ophthalmology said, "Gosh, people die from eye drops that dilate your eyes." Well, I believe today that after 15 years of experience that even our ophthalmology colleagues would agree that optometry has served a great function in terms of diagnosing eye disease that they would not have been able to find had not pharmaceuticals been allowed to optometry.

DR. WALKER said Dr. Rosen alluded to the fact that "even in states like New Mexico that have the drugs, not everyone uses them." He stated his belief that that proves that optometrists

are judicious in the use of the drugs; they only use them when necessary and they probably do make a lot of referrals to ophthalmologists who are readily available. In rural Alaska, he said, there certainly are cases where individuals might need immediate treatment and be unable to get it.

DR. WALKER said the education of an optometrist is similar to that of a family practice physician and dentist, and in most cases above that of a nurse practitioner and physician's assistant. In conclusion, Dr. Walker stated his belief that optometrists have the education and the credentials to use "these medications" and will be careful in using them to the best interest of their patients. He said he believes that rural Alaskans would really benefit from [the proposed legislation], in terms of not having to wait for treatment or having to take the time to travel to a larger center where an ophthalmologist may be available. He urged the committee to support HB 204.

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DR. WALKER, in response to a question from Chair Wilson, outlined the training necessary to become an optometrist: four years of undergraduate work, pre-optometry, or pre-medicine, followed by an additional four years of post graduate training in optometry school. Many optometrist elect to subsequently complete either an internship or residency, although he said that is not all that common.

[5:14:47 PM](#)

REPRESENTATIVE CISSNA noted that she has heard the subject of the bill for seven years. She asked if there was some way that the optometrists could augment their education so that the concerns of the medical community could be solved.

DR. WALKER responded that optometric education already trains individuals to use "these medications." He said it appears that it is the ophthalmology community who is showing an unwillingness to compromise. He clarified that he does not even categorize that group as being the medical community. Currently, statute requires that optometrists partake in continuing medical education, which is regulated by the state. Those optometrists that utilize pharmaceutical agents have to have specific retraining on a biannual basis in order to renew their licenses.

[5:19:02 PM](#)

REPRESENTATIVE GARDNER noted that a naturopathic doctor undergoes eight years of training. She asked Dr. Walker if he thinks they should have prescriptive rights.

DR. WALKER responded that he knows nothing about the training of a naturopathic doctor and therefore cannot speak to that. He said he thinks every professional who [prescribes] medication or performs procedures should be willing to display his/her curriculum of training. He said, "Those who have an M.D. behind their name, once they've received their training and they have their degree and their board exams behind them, really have no one to answer to other than the medical board. ... All other ... limited license practitioners must come to ... the legislature to develop regulation to delineate their scope of practice."

[5:21:01 PM](#)

GRIFF STEINER, M.D., offered his medical training history and told the committee that he is an ophthalmologist who has special training in glaucoma and corneal surgery. He said that although he has respect for Dr. Walker and the profession of optometry, he must refute a number of Dr. Walker's assertions. First, regarding Dr. Walker's claim that optometrists have the same amount of training as family medical physicians and dentists, he said that during their entire training period, physicians, dentists, and nurse practitioners administer medications to patients under the supervision of other physicians. At no time during optometrists' training are they prescribing medications under supervision, or at all. Dr. Steiner said in his practice he has rarely had to prescribe oral antibiotics. He continued:

The only times I have had to prescribe oral antibiotics is when the patient had a very dire infection, the kind that could kill them - the thing that would have to be referred. If an optometrist saw lid swelling and treated it with oral antibiotics and it was instead a diabetic infection of the sinuses, that patient would die in a matter of days. It cannot be overstated that optometrists have no practical training in prescribing medications, other than eye drops. During their training, they do not prescribe oral antibiotics or pain medications to patients in the hospital; they're not responsible for any patients in the hospital during their entire training.

DR. STEINER agreed with the prior testimony of [Dr. Cinotti] that HB 204 is dangerous because of its vagueness. If the bill were to pass, he warned, optometrists would then have precedent to apply to the federal drug enforcement agency to be allowed to prescribe drugs that are "way outside their purview." He said he thinks the bill would also be a stepping-stone in allowing optometrists to do surgical things they are also not trained to do.

DR. STEINER said the only way that optometrists are associated with operations is by doing the post-operative care for an itinerate physician who flies to Alaska from out of state, performs surgery, and leaves the patient in the care of the optometrist. He continued:

They're not trained to do this either. If we allow them to do these prescriptions, they will keep prescribing medications for patients they're not trying to take care of in the first place, and they're especially not allowed to prescribe the medications to those patients. And they'll be no supervision as this itinerate physician flies immediately back down to Seattle. ... The itinerate physician himself has said that he doesn't feel qualified to treat these medical patients, so, ... as an M.D., he does not take referrals from his optometric network. And the optometrists are too embarrassed or reluctant to refer to us, because of the arrangement with the itinerate physician, which ..., albeit not illegal, ... allows for a \$200-400 per eye payment if they refer to the itinerate physicians. They would get no money if they referred to us. And so, ... the only M.D. that they're strongly associated with feels unqualified to treat patients and refers them back to the optometrists, who then refer back and forth between optometry. We've seen patients admitted to hospitals treated by optometrists [with] medications that they're not licensed to prescribe. ... I don't think I can overstate this enough.

[HB 204 was heard and held.]

[5:27:45 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at approximately 5:30 PM.