

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**May 8, 2006**  
**1:31 p.m.**

**CALL TO ORDER**

Co-Chair Lyda Green convened the meeting at approximately [1:31:55 PM](#).

**PRESENT**

Senator Lyda Green, Co-Chair  
Senator Gary Wilken, Co-Chair  
Senator Con Bunde, Vice Chair  
Senator Fred Dyson  
Senator Bert Stedman  
Senator Lyman Hoffman  
Senator Donny Olson

**Also Attending:** REPRESENTATIVE JAY RAMRAS; JANE PIERSON, Staff to Representative Jay Ramras; PAUL LABOLLE, Staff to Representative Richard Foster

**Attending via Teleconference:** From Nome: DR. RICHARD MANDSAGER, Director, Division of Public Health, Department of Health and Social Services; From an offnet location: CARRIE HENNINGS, Manager, Driver Licensing, Division of Motor Vehicles, Department of Administration; From Kenai: DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration

**SUMMARY INFORMATION**

HB 109-SCREENING NEWBORN FOR HEARING/AUDIOLOGIST

The Committee heard from the bill's sponsor and the Department of Health and Social Services. A committee substitute was adopted and the bill reported from Committee.

HB 190-REQUIRED ID FOR PURCHASING ALCOHOL

The Committee heard from the bill's sponsor and the Division of Motor Vehicles. Three amendments were adopted and the bill reported from Committee.

#### RFP 432 - MEDICAID PROGRAM REVIEW AND CONSULTATION

The Committee met in Executive Session and made a recommendation in regards to RFP 432 and the Pacific Health Policy Group.

#hb109

CS FOR HOUSE BILL NO. 109(FIN)

"An Act relating to establishing a screening, tracking, and intervention program related to the hearing ability of newborns and infants; providing an exemption to licensure as an audiologist for certain persons performing hearing screening; relating to insurance coverage for newborn and infant hearing screening; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

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JANE PIERSON, Staff to Representative Jay Ramras, the bill's sponsor, read the sponsor statement as follows.

Each year in Alaska approximately 10,000 babies are born. 30 or 40 of these children will be born with congenital hearing defects. Hearing loss is more prevalent than any other birth defect. Studies have shown that children with a hearing impairment not detected at birth, will likely not have their impairment detected until two to three years of age. Unfortunately, studies have also show that the most critical time for speech and cognitive development is from birth to three years of age.

HB 109 will require infants to be screened for hearing loss before leaving the hospital, or within thirty-one days of being born, if not born in a hospital. HB 109 will further provide diagnostic intervention. A child who fails an initial hearing screening will be referred for re-screening. Once a child has been diagnosed with a hearing

impairment, parents will be provided by the Department of Health and Social Services with written information on the availability of services through community resources, government agencies, parent support organization affiliated with deafness, counseling and educational services, and programs offered through the Department of Health and Social Services and the Department of Education and Early Development.

Ultimately, this bill will save the state of Alaska money due to the fact that when infants are not identified with a hearing impairment and aided early, the special education costs for a child with a hearing loss may cost the state an additional \$420,000.

When hearing impaired children reach school age they become the fiscal responsibility of their respective school districts. The cost of educating a special needs student can range up to \$12,000 per year versus the Base Student Allocation amount of \$4,919 (proposed FY 06) per student. Sooner or later children identified with hearing loss become the financial responsibility of the state's education system.

Ms. Pierson encouraged the passage of the bill.

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Senator Olson asked whether a penalty would be imposed were the screening not conducted.

Ms. Pierson responded that hospitals would be required to conduct the screening unless the parents opted out of it. No penalty would be levied against a doctor.

Senator Olson understood therefore that this would be a voluntary program.

Ms. Pierson affirmed.

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Senator Olson, a medical doctor, asked whether this bill could assist children who might suffer hearing impairment after being born due to infectious diseases such as otitis media, which

affects the inner ear. In his experience, this was a more common issue than newborn hearing impairment.

Ms. Pierson deferred to the Department of Health and Social Services.

Co-Chair Green understood the bill would limit the screening to newborns. In her opinion, the bill would create "too much bureaucracy in the Department of Health and Social Services".

Co-Chair Green noted that, due to time constraints, testimony on this bill was by invitation only.

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DR. RICHARD MANDSAGER, Director, Division of Public Health, Department of Health and Social Services, testified via teleconference from Nome in support of the bill. It would assist in providing Alaska's children a brighter future.

Dr. Mandsager informed the Committee the bill would be specific to congenital hearing screening for newborns, rather than screening for acquired hearing loss later in life. However, follow-up efforts would be conducted on high-risk infants, such as those receiving critical care nursery treatment.

Dr. Mandsager stated that the increased bureaucracy issue raised by Co-Chair Green has been a frequent topic of discussion. The discussion has included such things as whether the benefits provided by the program would warrant the costs of the program. In his opinion, the bill would ensure newborn hearing screening and would allow the Department to connect parents with newborn hearing services within the first six months of a child's life. Prior to newborn hearing screening being conducted in the State, the average age of a congenital hearing loss diagnosis was between the ages of two and three. Since 80 percent of infants in the State undergo voluntary screening today, the age of diagnosis has decreased to less than one year. The goal is to connect parents with hearing loss services before their child is six months old, as the earlier parents and kids receive services, the better for the child's educational and life needs.

Dr. Mandsager concluded that this bill would present "the appropriate balance between the cost and the services and helping parents make the choices that are appropriate for them

as to what communication technology they choose for them and their family".

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Senator Olson communicated that his remarks were made in consideration of the fact that a school's special education expense for a child not diagnosed with hearing loss as an infant could amount to approximately \$420,000. He asked the percent of children diagnosed with congenital hearing loss compared to those with acquired hearing loss.

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Dr. Mandsager replied that children with mild hearing loss tend to suffer acquired hearing loss due to such things as chronic otitis media. The majority of profound hearing loss in children would typically be the result of congenital hearing issues before birth.

Senator Dyson recalled a discussion in which Dr. Mandsager had communicated that newborns were currently being screened for approximately 70 different kinds of conditions.

Dr. Mandsager stated that, in the past two years, screenings conducted on infants increased from nine to approximately 40. Additional screenings would be expected in the years ahead as technology advances.

Senator Dyson asked how much the hearing screen would cost per child.

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Dr. Mandsager expected the cost to be \$30 to \$40 per child were the screening conducted during the first month of the child's life. The "diagnostic confirmatory testing" that would be conducted on infants who failed the initial screening would be "substantially more".

Senator Dyson asked the cost of the equipment and training required for the initial screening.

Dr. Mandsager understood the "typical screening machines" utilized by hospitals and public health centers range from

\$1,500 to \$2,000. Approximately two hours of training time was required when the equipment was installed at the Alaska Native Medical Center. Since then, experienced staff nurses have trained others on a one on one basis.

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Co-Chair Wilken first heard this bill in March in the Senate Health, Education, & Social Services Committee (Senate HESS). While he was not opposed to newborn screening, the additional bureaucracy this bill would create troubled him. It might "feel good" to pass such legislation, but the question is whether it was really necessary.

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Co-Chair Wilken referred members to a handout titled "Locations of Newborn Hearing Screening Hospitals, 2003 births" [copy on file] which depicted the location of each hospital or clinic offering newborn screening in the State. The screening was widely available. Thus, his question during the Senate HESS hearing was "then ... what newborns are we not capturing?" as the hospital/clinic screening, complemented by the screening of home birth infants by midwives, left few if any children born in the State not being tested.

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Co-Chair Wilken pursued this issue and on May 5, 2006, he received a letter from the Department of Health and Social Services [copy not provided], which presented "averages and statistics that aren't particularly relevant to Alaska itself". The data mirrored information [copy not provided] he received in March from Debbie Golden, Director of Program Services for the Alaska Chapter of March of Dimes. Therefore he questioned whether "the Department has done their homework as to where we think these children are slipping through the cracks." Thus, since newborn hearing screening is already being conducted, he could not support implementing a law that would increase bureaucracy.

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Co-Chair Green also shared concern about the bill; specifically the mandatory insurance coverage requirement included in Sec. 5,

page 3 lines 9 through 24. The insurance requirement would negatively affect those who participate in small group plans or who purchase individual insurance coverage. Self-covered plans would be exempt from the requirement. She would not be supporting this bill were it advanced to the Senate floor because the State would be required to participate in any mandate adopted by the Legislature.

Co-Chair Green stated her biggest concern is the bureaucracy the bill would create in the Department of Health and Social Services, specifically as the result of reporting, tracking, and correspondence. While the Department's \$39,400 fiscal note is not substantial, she viewed such activity as being outside of the Department's role.

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Senator Stedman suggested more work be conducted on the bill.

Co-Chair Green nodded in agreement.

Co-Chair Green noted a tremendous amount of people were in support of the bill. She declared that she was "not insensitive" to the issue as her father had hearing loss and one of her grandchildren had congenital hearing problems. Nonetheless, she viewed the proposed procedure as "cumbersome".

Senator Dyson asked the bill's sponsor to identify "the problem" the bill would be "curing" since the majority of infants are currently screened.

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Senator Dyson also questioned what information would be lost were the tracking proposed in this bill not in place.

Ms. Pierson communicated that approximately 80 percent of the infants born in the State are receiving hearing screening. One of the issues the bill would address is the follow-up re-screening for a child identified with a hearing impairment. Oftentimes, parents are unsure of where to go or what to do once their child has been initially identified. The cards the State sends to such parents urging them to get their child re-screened has prompted many parents to pursue further treatment.

Co-Chair Green asked what follow-up contact is currently being conducted.

Ms. Pierson communicated that the Department currently receives federal grant money, which is used to provide information to parents following the initial screening.

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REPRESENTATIVE JAY RAMRAS, the bill's sponsor, thanked the Committee for hearing the bill. School is "difficult" for a child who suffers from a disability. Identifying hearing impairments in newborns would allow them "to pursue treatment" in some manner. The incorporation of this screening into the "birthing package" should be the standard rather than being an extra. It would result in healthier children. Hearing loss identified at birth would lessen "the burden" on the State's K-12 education process. It would be "good public policy" and the program would "pay for itself many times over" in both intangible and monetary ways.

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Senator Bunde asked whether the bill would allow "those who have the means to pay for the initial screening" to do so, rather than the program expense being borne by the State.

Ms. Pierson clarified that the initial hearing screening was already included in the cost of the birthing package.

Senator Bunde ascertained therefore that the additional expense would result from the follow up screening.

Co-Chair Green understood the follow-up screening expense would be subject to the insurance mandate specified in Sec. 5(b)(2) page 3 lines 19 through 21.

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Senator Olson explained that, absent insurance coverage, the parents of any child identified during the initial screening with a potential hearing problem, would be responsible for the expense of the follow-up care.

Co-Chair Green understood that most insurance plans would cover the treatment. She characterized "the idea that we mandate a product that's to be sold to a customer" as bad public policy.

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Co-Chair Wilken moved to adopt Version 24-LS0450\I as the working document.

Co-Chair Green identified the effective date of January 1, 2008 as the primary difference between CS FOR HB 109(FIN) and Version "I".

Co-Chair Wilken agreed with Senator Stedman that the bill required more work; however, he was in a quandary as to how to improve it. Neither the Department nor the bill's sponsor "have made a case that it's needed". Thus, no benefit would be derived from keeping the bill in Committee.

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CS HB 109(FIN) was REPORTED from Committee with three previous fiscal notes: zero fiscal note #2 dated April 11, 2005 from the Department of Commerce, Community and Economic Development, zero fiscal note #3 dated April 12, 2005 from Department of Education and Early Development, and \$39,400 fiscal note #5 dated March 7, 2006 from the Department of Health and Social Services.

[1:55:01 PM](#)

#hb190

SENATE CS FOR CS FOR HOUSE BILL NO. 190(JUD)

"An Act relating to the purchase of alcoholic beverages and to access to licensed premises; relating to civil liability for certain persons accessing licensed premises; requiring driver's licenses and identification cards to be marked if a person is restricted from consuming alcoholic beverages as a result of a conviction or condition of probation or parole and relating to fees for the marked license; and requiring the surrender and cancellation of driver's licenses under certain circumstances."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green noted that following the first hearing on this bill, several Committee members discussed their concerns with Duane Bannock, Director, Division of Motor Vehicles (DMV), Department of Administration. To that point, she asked how the remedies to the concerns would be presented.

Senator Bunde expressed he would be offering several amendments for Committee consideration.

Co-Chair Green clarified that SCS CS HB 190(JUD) Version 24-LS0617\U was before the Committee.

1:56:31 PM

PAUL LABOLLE, Staff to Representative Richard Foster, the bill's sponsor, informed the Committee the sponsor worked with Mr. Bannock to resolve several technical issues. The issues could either be addressed via the amendment process or through the adoption of a committee substitute [copy not provided], which incorporated the amendments.

Co-Chair Green preferred the amendment process.

Amendment #1: This amendment inserts new language in Sec. 2(a) page 2, line 11 following "jurisdiction" as follows.

The privilege to purchase alcoholic beverages is restricted during the period that the person is required to refrain from consuming alcoholic beverages under the sentence or condition of probation or parole.

In addition, new language is inserted following "section." in Sec. 4(h) page 2 line 29 as follows.

A cancellation under this subsection remains in effect only during the period of time that the privilege to purchase alcoholic beverages is restricted under AS 04.16.160.

Furthermore, this amendment deletes "has been" and replaces it with "is" in Sec. 4(i) page 2 line 31 and Sec. 6(a)(5) page 4 line 1.

The amendment also inserts new language following "AS 28.15.111." in Sec. 4(i) page 3 line 1 as follows.

A person who has received a marked identification card under this subsection may apply for an unmarked card when the period of restriction under AS 04.16.160 has expired.

Finally, this amendment inserts language following "AS 28.15.111" in Sec. 6(a)(5) page 4 line 4 as follows.

if the period of restriction under AS 04.16.160 is still in effect

Senator Bunde moved Amendment #1 and objected for explanation.

Mr. LaBolle stated Amendment #1 would address the timing of the revocation of driver's licenses in that a license would be "only cancelled for the duration for which the prohibition on consumption" was issued. Upon conclusion of that time, a person's driver's license would be revalidated, had the license not been "surrendered to the Court".

Co-Chair Green asked whether the entirety of sections referenced in the amendment pertained to the revocation period of the driver's license.

Mr. LaBolle affirmed; the exception being the replacement of the term "has been" with "is" for grammatical correctness.

Senator Bunde removed his objection.

There being no further objection, Amendment #1 was ADOPTED.

[1:59:14 PM](#)

Amendment #2: This amendment deletes "law or ordinance of another jurisdiction" and replaces it with "municipal ordinance" in three areas of the bill: Sec. 2(a) page 2, line 9; Sec. 2(a) page 2, line 11; and Sec. 7(g) page 4 line 8.

In addition the amendment deletes ", laws, or ordinances" and replaces it with "or a similar municipal ordinance" in Sec. 7(g) page 4 line 9.

Senator Bunde moved Amendment #2 and objected for explanation.

Mr. LaBolle explained the amendment would serve to "limit the [jurisdictional] scope to other municipal ordinances rather than all laws and ordinances of a similar nature".

Senator Bunde removed his objection.

Without further objection, Amendment #2 was ADOPTED.

[2:00:08 PM](#)

Amendment #3: This amendment deletes "ROC" and inserts "COAR" in Sec. 5(a) page 3, line 18.

In addition, the amendment deletes "ROC" is an abbreviation for "restriction on consumption." and replaces it with "COAR" is an abbreviation for "court ordered alcohol restriction." in Sec. 5(a) page 3 line 23.

Senator Bunde moved amendment #3 and objected for explanation.

Mr. LaBolle explained this amendment would change the applicable markings on a driver's license or State identification card from "ROC" (restriction on consumption) to "COAR" (court ordered alcohol restriction).

Senator Bunde removed his objection.

There being no further objection, Amendment #3 was ADOPTED.

[2:00:58 PM](#)

Co-Chair Wilken understood Mr. LaBolle had recently communicated with Mr. Bannock.

Mr. Bannock affirmed.

Co-Chair Wilken asked how Mr. Bannock "would characterize that conversation".

Mr. LaBolle stated the conversation was "probably somewhat uncomfortable for both of us".

Co-Chair Wilken asked whether Mr. Bannock might be available via teleconference, as he had expressed "significant concerns yesterday".

Co-Chair Green communicated that Mr. Bannock was unavailable. However, Carrie Hennings with DMV was available for questions.

AT EASE [2:01:45 PM](#) / [2:03:14 PM](#)

Co-Chair Wilken asked to hear DMV's position on the amended bill.

Co-Chair Green communicated that Mr. Bannock's assistant, Ms. Hennings could testify on behalf of DMV.

[2:03:34 PM](#)

Co-Chair Wilken understood Mr. Bannock had been unhappy about the conversation he recently had with Mr. LaBolle, as he deemed it "rude" and "intrusive".

Co-Chair Wilken declared that Mr. Bannock or any State director should be able to present their opinion at any time, and when such a person identifies a problem, "we should pay attention".

Co-Chair Wilken was sorry that this "not insignificant legislation" was being addressed this late in the Legislative session.

[2:04:39 PM](#)

CARRIE HENNINGS, Manager, Driver Licensing, Division of Motor Vehicles, Department of Administration, testified via teleconference from an offnet location. Mr. Bannock was in court and therefore was unavailable to testify before the Committee; however, he asked her to communicate that "the technical issues specific to DMV implementation of this bill have been resolved and we have no further objection on any of the technical issues".

Co-Chair Wilken asked whether DMV had any other issues with the bill.

Ms. Hennings responded in the negative.

Senator Stedman asked for confirmation the Department was in support of the bill.

Co-Chair Green understood the issues raised by the Department were addressed. However, "philosophical differences" might exist.

[2:05:53 PM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration, testified via teleconference from Kenai, as the court proceedings had ended. He affirmed Ms. Hennings' remarks and agreed "100 percent" with Co-Chair Green's "assessment" of the situation.

[2:06:45 PM](#)

Senator Bunde communicated that he was "very interested and concerned about the technical aspects" of issues: "policy or philosophical discussions" should be addressed by the Legislature rather than by "the bureaucracy".

Senator Bunde moved to report the bill, as amended, from Committee with individual recommendations and accompanying fiscal notes.

Co-Chair Wilken objected.

[2:07:19 PM](#)

Co-Chair Wilken suggested the bill could be reintroduced during the next Legislative session, as, while it might be a good bill, more work on it is required. "For a number of reasons", not everybody is "on board" with the bill at this time.

A roll call was taken on the motion.

IN FAVOR: Senator Hoffman, Senator Olson, Senator Bunde, and Senator Dyson

OPPOSED: Senator Stedman, Co-Chair Wilken, and Co-Chair Green

The motion PASSED (4-3)

The motion to report the bill from Committee PASSED.

SCS CS HB 190(FIN) was REPORTED from Committee with two previous fiscal notes: zero fiscal note #2 dated February 8, 2006 from the Office of Public Advocacy, Department of Administration and indeterminate fiscal note #3, dated February 9, 2006 from the Division of Motor Vehicles, Department of Administration.

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[2:08:50 PM](#)

This being the 120th day of the 121 day Second Session of the Twenty-Fourth Alaska State Legislature, Co-Chair Green and Co-Chair Wilken thanked the Committee and staff for their efforts and dedication to the process.

[2:10:06 PM](#)

^RFP 432 Executive Session

RFP 432 EXECUTIVE SESSION

[2:10:15 PM](#)

Co-Chair Green announced the Committee would conduct an Executive Session. Her motion was as follows.

I move that the Senate Finance Committee go into Executive Session under Uniform Rule 22(B)((1) and (3) for discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit and the discussion of a matter that may, by law, be required to be confidential.

I ask that the following staff remain in the room to assist the Committee: Ginger Blaisdell, Jan Price, Tina Strong, and Sheila Peterson.

There being no objection, the Committee met in Executive Session.

EXECUTIVE SESSION [2:10:38 PM](#) / [2:26:21 PM](#)

Upon the conclusion of the Executive Session, Co-Chair Green "moved the award of RFP 432 - Medicaid Program Review and

Consultation to the Pacific Health Policy Group in an amount not be exceed \$234,230".

There being no objection, the motion was APPROVED. The Pacific Health Policy Group would be notified.

Co-Chair Green noted that the staff members who were invited to participate in the Executive Session were included due to their expertise in the matter.

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**ADJOURNMENT**

Co-Chair Lyda Green adjourned the meeting at [2:27:11 PM](#).