

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

January 19, 2005

2:27 p.m.

MEMBERS PRESENT

Senator Fred Dyson, Chair
Senator Gary Wilkins, Vice Chair
Senator Lyda Green
Senator Gretchen Guess via teleconference

MEMBERS ABSENT

Senator Kim Elton
Senator Donny Olson

OTHER LEGISLATORS PRESENT

Senator Bettye Davis

COMMITTEE CALENDAR

SENATE BILL NO. 10

"An Act relating to liability for destruction of property by unemancipated minors; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 22

"An Act adding birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 10

SHORT TITLE: PARENTAL LIABILITY FOR CHILD'S DAMAGE

SPONSOR(S): SENATOR(S) GUESS, DYSON

01/11/05	(S)	PREFILE RELEASED 12/30/04
01/11/05	(S)	READ THE FIRST TIME - REFERRALS
01/11/05	(S)	HES, JUD
01/19/05	(H)	HES AT 1:30 PM SENATE FINANCE 532

BILL: SB 22

SHORT TITLE: MEDICAID COVERAGE FOR BIRTHING CENTERS
SPONSOR(s): SENATOR(s) DAVIS, DYSON

01/11/05 (S) PREFILE RELEASED 12/30/04
01/11/05 (S) READ THE FIRST TIME - REFERRALS
01/11/05 (S) HES, FIN
01/19/05 (H) HES AT 1:30 PM SENATE FINANCE 532

WITNESS REGISTER

Senator Gretchen Guess
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Supports SB 10

Sheldon Winters, lobbyist for State Farm
3000 Vintage Blvd, STE 100
Juneau, AK 99801
POSITION STATEMENT: Opposes SB 10

Crystal Kennedy
Anchorage School Board
Anchorage, AK
POSITION STATEMENT: Supports SB 10

Julie Morris
Juneau School Board
9515 Speel Way
Juneau, AK 99801
POSITION STATEMENT: Supports SB 10

Carl Rose
Association of Alaska School Boards
316 W 11th St.
Juneau, AK 99801
POSITION STATEMENT: Supports SB 10

Larry Wiggett, Lobbyist
Government Relations, Anchorage School Board
Anchorage, AK
POSITION STATEMENT: Supports SB 10

Mary Francis
Juneau School District
Juneau, AK
POSITION STATEMENT: Supports SB 10

Richard Benavedes, Staff to Senator Bettye Davis
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Supports SB 22

Karen Brown, Co-owner Geneva Woods Birthing Center
Anchorage, Alaska

POSITION STATEMENT: Supports SB 22

Laura Gore
Anchorage, Alaska

POSITION STATEMENT: Supports SB 22

Sharon Evans, Mat-Su Midwifery
Alaska Outdoor Council
PO Box 73902

Fairbanks, AK 99707-3902

POSITION STATEMENT: Supports SB 22

Judy Davidson, Mat-Su Midwifery
Alaska Outdoor Council
PO Box 73902

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POSITION STATEMENT: Supports SB 22

Jack Nielson
Department of Health and Social Services
PO Box 110601

Juneau, AK 99801-0601

POSITION STATEMENT: Neutral on SB 22

ACTION NARRATIVE

CHAIR FRED DYSON called the Senate Health, Education and Social Services Standing Committee meeting to order at [2:27:55 PM](#). Present were Senators Gary Wilken, Lyda Green, Chair Fred Dyson, and Senator Gretchen Guess participated via teleconference. Senators Kim Elton and Donny Olson were excused.

SB 10-PARENTAL LIABILITY FOR CHILD'S DAMAGE

[2:27:55 PM](#)

MR. WAYNE LEIGHTY, staff to Senator Guess, presented the bill. He said the intent of SB 10 is to hold minors who vandalize and parents financially accountable for the vandalism. It makes some changes to the existing statute regarding vandalism done by minors. The changes would be to remove the cap on damages

recoverable. Currently there is a \$15,000 cap unless the person has insurance that would cover it. In that case the cap is \$25,000. SB 10 would lift that cap. It would allow the courts to hold the parents and the minor responsible for the damages. It would require the courts to implement a payment schedule based on the party's ability to pay. It would end parent liability when the minor turns 18 at which point the minor would be responsible for the remaining damages.

CHAIR DYSON announced that Senator Guess was now online and asked her to make a statement.

SENATOR GUESS added they are amending the civil and not the criminal proceedings. In a criminal proceeding full restitution can be charged to the minor child along with jail time. Again, she said, this is an amendment for the civil proceedings. She stated the bill was heard two years ago and was changed mostly on the House side. It went from a \$10,000 cap to a \$15,000 and \$25,000 cap. The main concept was to not bankrupt parents. They tried to balance this by inserting language in Section 2 that lifts the cap and holds minors accountable and sets up reasonable payment schedules based on financial ability to pay. The parents are liable only if the court sees they are liable, then they are liable only until the child is 18, after which, the remainder of the restitution falls on the child. She asserted they tried to balance the argument of two years ago of why they can't lift the cap, and tried to broker the compromise with the language.

CHAIR DYSON asked Senator Guess why she believes this is necessary.

SENATOR GUESS stated two reasons. It sends a statement from the community to young people that says you should be fully accountable for your actions and, right now, that accountability is limited and secondly, for the impact to the community. Not all vandalism is against a schoolyard. Often it is a business, a park, or a municipality. After the cap, the remaining damages are borne by the victims. After the \$15,000 taxpayers have to pay the rest of it.

[2:34:17 PM](#)

CHAIR DYSON asked for question for Senator Guess. Hearing none he identified the witnesses and asked for Sheldon Winters to testify.

SHELDON WINTERS, lobbyist, State Farm Insurance Company, identified himself.

CHAIR DYSON asked if he represented State Farm statewide.

MR. WINTERS affirmed he did, and that he did not represent any other carriers. State Farm's primary concern is removal of the cap. He added two years ago they worked hard on the current law, with a lot of compromise, and it has only been in effect for 18 months. He asked the number of instances there have been when property owners were unable to recoup the damages. He said they know of no other area where strict liability is imposed on one person, regardless of fault, for the acts of another. He maintained it is not fair. He used an example of a parent who does everything right, but the child still goes out and makes a costly mistake. With the current law, the parent is on the hook but there is a balance with the cap. He maintained it is a reasonable limitation. He said without cap there could be dire consequences, and he cited an example of a family that has saved for college for several children. If one of them were to commit a "bad act", the family could lose all of the college money for the other children. He said the consequences could affect more than just the wrongdoer.

He advised there are all sorts of policy reasons that they don't hold people strictly liable for the conduct of someone else. He said the basic premise of third party liability insurance is that it is based on accidental occurrences. He said there is a potential effect on homeowners insurance. He stated that rates, underwriting, is based on accidental occurrences. Liability insurance was never intended to respond to vicarious liability for somebody else's intentional destructive conduct. He said it's one thing to be looked at for responsibility for negligent conduct, it's quite another to hold them liable for doing nothing wrong. He advised there is a potential affect on rates. He said give the current law time to work and see if it is effective.

SENATOR GREEN asked Mr. Winters, "Do you feel that liability of State Farm Insurance and other carriers is increased by SB 10?"

MR. WINTERS replied yes because it does away with subsection (d).

SENATOR GREEN asked, "which was the \$10,000 if you're insured?"

MR. WINTERS answered it does away with the \$15,000 and then it does away with subsection (d), and subsection (d) currently states:

(d) If a parent has an insurance policy that would compensate a claimant for civil damages described under (a) of this section, and the policy limits are in excess of \$15,000, civil damages may be recovered under (a) of this section in an amount not to exceed the policy limits or \$25,000, whichever amount is lower.

He emphasized the cap is on the parent of \$15,000; if they have applicable insurance, the cap is \$25,000.

SENATOR GREEN announced her husband is an employee of State Farm Insurance, and she asked, "what age does child have to be for the insurer to be held liable?"

MR. WINTERS said the child has to be under the age of 18.

SENATOR GREEN offered a "for instance" of, if a child injured another child, the medical care could be charged to the homeowner's policy of the offender's parents. She said she thought the child had to be under the age of 12.

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MR. WINTERS advised he did not know of any age restrictions on the policy itself.

SENATOR GREEN asked whether he thought insurance carriers would be liable for the full extend of a vandals actions.

MR. WINTERS said with these changes, "and I believe the intent is clear", if a 10 year old goes out and does \$100,000 damage, and the parents have a homeowners policy, the policy pays to the policy limit."

SENATOR GREEN asked Senator Guess if that was the intention of the bill.

SENATOR GUESS responded that was not the intention at all. The reason for removing subsection (d) was because it capped how much someone could recover. There was no intention of impacting the insurance or how much the recovery could be on the insurance. She said she is not sure what the difference between this recovery and another act would be and maybe Mr. Winters could expand on that. She said, "it was the intention to lift

the \$25,00, for example, if it was a \$100,000 bill that full restitution can be paid."

MR. WINTERS replied subsection (d) is completely removed, and that is the cap on the insurance policy. Under the current law, if there is \$100,000 in damage, the most the insurer would be liable to pay under the policy would be the \$25,000, and that section is now removed.

SENATOR GREEN said more work is needed. She stated that she knows it was the intention to make it very clear that vandals and or parents would be responsible for the damage the vandal did. She asked Mr. Winters if they have considered a change that might make this better.

MR. WINTERS answered if they clear up the intent that they could work together.

CHAIR DYSON said he was startled by Mr. Winter's comment and his implication that the common law has never said that parents are responsible for the actions of their children. He asked Mr. Winters to clarify if that is what he meant.

MR. WINTERS replied what he meant was that the common law has never implied strict liability to a person for the conduct of another person. He cited an example of negligent entrustment in an automobile liability case. "If my child has four accidents and if I still choose to lend my child my car, and he goes out and gets into a fifth accident then, under the law, I arguably could be responsible for that." He went on to say that he could be super dad and his kid could be super kid but if the kid goes out and does one thing wrong then he could be liable for it and that's the difference.

CHAIR DYSON argued common law tradition has always said that parents of minor children are responsible for their conduct and that is where responsibility lies. He commented:

Does the fact that this bill provides for the repayment program after age 18 the child assumes all of it, and I suspect there will be a payment schedule there and that you as the carrier for the parent would not be liable for any part of the payment that happens after the child reaches age 18? So it's only a portion that the parent and the child are responsible before the child reaches the age of 18 that you, as a carrier, might be responsible for. Could that be structured in a way that would help your industry have

a limited exposure because you'd only be liable for the parents' portion up till the age the child reaches majority?

2:47:50 PM

MR. WINTERS replied:

Our concern would be a 14-year-old child who commits something and the parents have no knowledge of the child's propensity to do this, and the parents have \$100,000 saved up for the other children's college. I seriously doubt, and this doesn't require the court, to set up a payment plan where that \$100,000 isn't gone by the time the child is 18. So the concern is about the assets of the parent before the child is 18.

CHAIR DYSON asked him about his earlier testimony regarding most carriers assuming responsibility for accidental actions on the part of their client. He asked:

Can you rewrite your policies so that you're only covering accidents and not the intentional, in this case, criminal actions of your policyholders?

MR. WINTERS replied:

The policies already exclude intentional conduct but it would exclude the intentional conduct of the child. The parent, who is the insured, or uninsured, is not being held liable for any intentional conduct. They're being held liable for strict liability and under the policy, the parents would be liable, even though the primary act was intentional conduct of the children, the parent didn't do anything intentional or even accidental. They are being held liable simply for being the status of a parent. So, yes it already excludes intentional conduct of the child that exclusion does not apply to the liability of the parent under this statute.

CHAIR DYSON asked Senator Guess if she wanted to reply to Mr. Winter's comments.

SENATOR GUESS asked Mr. Winters whether policies could be rewritten to deal with these cases and take into consideration new laws such as this to limit the liability of the parents. She references page 2, line 10. She stated there are two things in that section. Further:

What didn't happen in the previous law is that the court can decide that the parents aren't liable and

only the child is liable. It puts the child in with the parents in the court trial, so maybe you do have the parents that did everything right and, the court can say, 'you did everything right', and the child will be liable. You can also have parents who do look the other way, and they have never been held accountable. What I tried to do is to give the courts that discretion. So it wasn't always falling on the parents, which it is doing right now.

Secondly, it was the intent of bill that they look at the family's ability to pay so they don't bankrupt the families and they don't take all assets and all the education funds from that family and the other children. If people think that we need clarifying language or intent language to go along with that, when we worked with the drafters and Pam, from Leg Legal, was the person who drafted this, that was the direction that we set forth, so I actually think, from hearing Mr. Winters' testimony that the intent, a lot of it, is the same, I believe. I also note that it should be in your Packet, just in 2004 what the vandalism was in the Anchorage School District, and I think there were four or five schools. And so I appreciate there was work on this two years ago but I don't think we spent the time two years ago to get the policy right. We're still seeing large damages done that I think we need to address at this time.

CHAIR DYSON announced his suspicion they would not finish today and stated he wanted to take all of the testimony. He asked Mr. Winters how many homeowners policies State Farm has in this state, and how many claims for vandalism there have been against homeowner policies in this state.

MR. WINTERS offered to find out and get the information to the committee.

CHAIR DYSON commented to Mr. Winters that he has good issue, but he wanted to find out more specific information.

SENATOR GREEN said:

I do think that what Mr. Winters said has something to it, that there is probably not the incentive now, to the same extent getting insurer involved, as there would be if it were (indisc). I think it's a totally different conversation. It's interesting to read the

language though, which says, 'it is the intent of the Legislature to hold those who vandalize property financially accountable for their actions.' If we can get more of an intent language in that might be a cure for the issue.

MR. WINTERS added with the clarification from Senator Guess regarding the language, they could work together towards getting more acceptable language.

CHAIR DYSON asked Crystal Kennedy for her testimony.

[2:55:22 PM](#)

CRYSTAL KENNEDY, Anchorage School Board member and Chairman of the legislative sub-committee of the School Board, reported the issue is very important to the Anchorage School Board. She cited a report that listed \$841,058.14 worth of vandalism that occurred against the Anchorage School District from December of 2001 to August of 2004. They have only been able to recover \$1,700.

Since current legislation took effect in July of 2003, they have incurred well over \$500,000 in damages have only been able to recoup \$600. They agree with Senator Guess; it is an issue with taxpayers that the school board can't recoup the damage money. She cited support from the Anchorage Police Department, the mayor and an editorial from the Anchorage Daily News.

CHAIR DYSON asked Ms. Kennedy how many perpetrators were known.

MS. KENNEDY stated all of the known perpetrators were listed on the spreadsheet.

[2:59:01 PM](#)

CHAIR DYSON asked Ms. Kennedy whether they were unable to recover damages because the perpetrators had no assets.

MS. KENNEDY answered she could not answer the question specifically.

LARRY WIGGETT, director of government relations, interrupted to report at Bartlett High School there have been a total of \$250 collected against their damages. He believes there is a payment schedule set up but this is all the district has been able to recover.

CHAIR DYSON remarked it would be very helpful to know why there has been no recovery. He asked if the issue is that the cap was keeping them from recovery. It would be very helpful if their list were more definitive to see if the steps they were taking in the committee would help with their problem. He didn't think it would help.

MR. WIGGETT answered he would investigate and report the findings to the committee.

CHAIR DYSON alleged there were problems other places in the system.

SENATOR GREEN asked Mr. Wiggett whether it was court-ordered restitution.

MR. WIGGETT answered he did not have in depth knowledge of the situation but believes it was court-ordered.

CHAIR DYSON asked for further questions for Ms. Kennedy and hearing none, called witness Julie Morris.

[3:01:32 PM](#)

JULIE MORRIS, Juneau School Board member, said the school board supported SB 10. If the school board had to pay to fix windows, it would mean less money for textbooks or needed items for the students. Her biggest concern is they are using student money for maintenance and repair. A huge rock was thrown through the Juneau Douglas High School window and resulted in thousands of dollars in damage. The board would like to be able to pursue and recover the damages.

SENATOR GREEN asked whether schools have insurance for damage and if so, are they able to recover the cost of the damage.

MS. MORRIS answered she didn't have that information, but would get it from the superintendent.

SENATOR GREEN reiterated her question of the school's insurance and whether they could recover damages if it's a criminal act.

CHAIR DYSON asked Mr. Wiggett whether the Anchorage School District has insurance that covers against vandalism.

MR. WIGGETT replied he thought they have property insurance with a \$100,000 deductible per incident. The list given to the committee included major vandalism that occurred since December

2001, and there were other incidents with much smaller damage amounts.

CHAIR DYSON announced they would get back to the issue next week. He asked for specific information on the school's insurance, other vandalism items, what the carrier has had to pay, and the overall cost of the insurance.

SENATOR WILKEN asked Mr. Wiggett the total budget for the Anchorage School District.

MR. WIGGETT responded it was \$540 million.

SENATOR WILKEN asked Mr. Wilken whether the same juvenile set fire to the playground equipment in three different places.

MR. WIGGETT answered it was three different juveniles.

CHAIR DYSON asked for other questions. Hearing none he called Carl Rose to testify.

3:07:23 PM

CARL ROSE, executive director of the Association of Alaska School Boards, advised that he also serves on the board of directors of the Alaska Public Entities Insurance Company that insures schools. He had a written statement that he would leave with Wayne Leighty. He said SB 10 is a balanced approach with a semblance of justice. It would allow the courts to weigh the circumstances of the crime, and to look at the family situation and render a fair but accountable method of recovery. He said he thinks that insurance companies are always in support of segregation.

He cited the case of Fort Yukon losing their school due to faulty wiring. They pursued segregation to recover some of the money from faulty construction. He supports the bill and the intent.

SENATOR GUESS advised Chair Dyson she would work on the issue of third party liability and what removing subsection (d) would do regarding third party liability.

CHAIR DYSON stated this committee is HESS, responsible for education. They need more answers and he would not send problems to the Judiciary Committee until they have more answers.

He recognized Mary Francis and invited her to speak.

[3:11:40 PM](#)

MARY FRANCIS, executive director of the Counsel of School Administrators, said she represents and works with all the school administrators and school business officials in the state. She had a resolution for the committee to consider. She announced that Fairbanks spent over \$70,000 on vandalism in FY 2003 and over \$60,000 in FY 2004. In Anchorage they typically budget over \$300,000 for vandalism, primarily for repair costs, which does not include personnel clean up costs. Mat-Su budgets \$50,000 for repairs and Juneau budgets \$40,000. The schools are required to spend 70 percent of the budget on instruction. Superintendents have informed her that the costs of repairs are rarely recovered and very few perpetrators are caught.

CHAIR DYSON asked her to find out how many schools have had their recovery limited by the imposed cap because the problem of recovery is what needs to be addressed and the cap doesn't seem to be the issue. He informed the witnesses that he would like to know how many cases went against homeowner policies, how many where recovery was limited, and whether other recovery problems might be identified. He asked Senator Guess if she minded holding the bill over until next week.

SENATOR GUESS answered no.

CHAIR DYSON commented they could be clearer on the language that limits the insurance company liability previous to the perpetrator reaching maturity, and tailor it so that the child doing the damage carries the majority of the responsibility after maturity.

CHAIR DYSON closed the hearing on SB 10 and held the bill in committee.

[3:17:15 PM](#)

SB 22-MEDICAID COVERAGE FOR BIRTHING CENTERS

RICHARD BENAVIDES, staff to Senator Davis, advised that Senator Davis is the primary sponsor of SB 22. He said the bill would add birthing centers to the definition of health facility in statute so that Medicaid could reimburse them. It also would create a cost savings to the state when it comes to facility reimbursement. He continued:

According to a check that we did last year, the average cost of a natural birth from four different

hospitals in Anchorage, Fairbanks, and Juneau is approximately \$3,667. And conversely, the facility fees for three different birthing centers averages approximately \$1,400. So there is a savings of approximately 3 percent.

CHAIR DYSON interrupted to clarify the costs, and also that Mr. Benavides was just talking about the facility charges.

MR. BENAVIDES answered yes, but the bill gives families that are covered by Medicaid the added option of using a birthing center for delivery. He maintained that birthing centers have long been recognized as providing a positive, safe, friendly, and family oriented experience. He said they feel it would be a win-win situation.

CHAIR DYSON asked specifically:

Nothing we are doing here would change who is eligible for the Medicaid, it only, and by implication anyone who is Medicaid eligible is going to pay one or the other. So, it's not increasing the population of the people who would be getting Medicaid reimbursement for their birthing services, it's only adding another (which you represent is often better) and cheaper option. It has been represented to me that some people who are Medicaid eligible, when they are making their choices, when they realize that the birthing center option can't get reimbursed, and they have limited funds, feel they are being forced to choose the hospital option because of this problem that you are trying to solve. Is that correct?

MR. BENAVIDES affirmed that Chair Dyson understood the bill.

SENATOR GREEN asked where the fiscal note was.

CHAIR DYSON said the fiscal note was zero.

LAURA GORE identified herself as someone who has been affiliated with birth centers in Anchorage for approximately 10 years. She stated that a lot of their clients have to choose hospitals due to finances although it is not what they want. Over the years she has seen an increase in people who can't afford to use the birthing center. She stated that operating a birthing center takes a certain amount of staff and they require reimbursement to keep operating.

[3:24:45 PM](#)

CHAIR DYSON asked for questions.

KAREN BROWN, co-owner of the Geneva Woods Birth Center affirmed that they are seeking birth center reimbursements so clients could have more choices.

[3:25:26 PM](#)

SHARON EVANS, Mat-Su Wifery, offered her support for the bill. She reported that currently Medicaid pays facility fees in 12 states. She maintained that birth center facility fees are substantially lower than hospital facility fees. She said birth centers offer safe, cost effective alternatives to the escalating maternity care fee seen throughout nation. If SB 22 were adopted, the state would allow needy families to have access to the same options for birth as families with insurance. She maintained that by adopting SB 22, the state would save a large amount of Medicaid funds.

SENATOR GREEN questioned whether the federal government participates in states where Medicaid is available.

SHARON EVANS replied each state pays on it's own.

[3:27:18 PM](#)

JUDY DAVIDSON, owner/operator of Mat-Su Midwifery, thanked the legislators for the excellent midwifery standards in Alaska. Birth centers have proven to be cost effective and moms are at lower risks when attended by the same midwife. Many insurance companies recognize the lower cost of the care and pay 100 percent of birth center fees while hospital fees are normally 80 percent covered.

SENATOR GREEN said she read a HESS report summary regarding number of births in Alaska over the last few years. Home delivery was going up and birthing centers were going down. "Do you know why that is," she asked.

MS. DAVIDSON answered they haven't seen that in her area. In her experience, more than three-fourths of their clients are birth center deliveries and one-fourth is home delivery. She said home deliveries are traditionally about 1 percent of the population. In Alaska, since they now have seven birth centers, rates should go up.

SENATOR GREEN said she read there was a trend away from birth center births and more toward home deliveries. She asked if that was possibly because of rising health care costs.

MS. GORE said she has seen two birth centers in Anchorage that closed down due to financial reasons. Both facilities did a fair amount of deliveries.

[3:30:55 PM](#)

JACK NIELSON, Department of Health and Social Services representative, stated the department is neutral on the bill but they had a few items to consider. The bill adds birthing centers to the list of health services that Medicaid is required to pay by statute to be established based on reasonable costs related to patient care incurred by the facility. The bill doesn't seem to add birthing centers as a Medicaid service authorized by state law to be offered by the program. That list of authorized services is at the end of Alaska Statute 47.07.030. If the authorization to cover birthing centers were in all three it would make it absolutely clear that they can cover using Medicaid and it would help in dealing with a potential federal issue that they might have.

There is a question whether birthing centers are an allowable Medicaid service that the federal government will participate in financially. Although some states have obtained federal participation in the past, the federal criteria are not clear. There is need to define the federal guidelines. The type of federal approval that is gained could also guide the methodology to calculate payment rates for the birthing centers. Until they have written approval from the federal agency, they wouldn't know for sure the answer to some of the federal type questions, he said.

[3:34:03 PM](#)

In 2004 there were 10,000 births in Alaska, 50 percent of which were Medicaid. Overall, 2 percent were in birthing centers. He said other factors would include that birthing center fees are lower than hospital payments. He referred to a departmental independent study showing at least a 22 percent savings when a person chooses a birthing center. They should also consider costs from transferring a patient from a birthing center to a hospital, if it's needed. The department believes there would be no overall cost increase.

CHAIR DYSON asked Mr. Nielson for his comments in writing. Chair Dyson announced they would take SB 22 up again once the costs

were researched more thoroughly. He encouraged the sponsor to work with Mr. Nielson to get contingency language regarding failure of the federal government to fund the charges.

[3:37:15 PM](#)

CHAIR DYSON asked Mr. Nielson whether the department had completed the regulations for birthing centers.

MR. NIELSON advised there are some regulations set but he was not qualified to answer.

SENATOR DAVIS asked Mr. Nielson whether it would be a cost savings if the federal government picked up the funds.

MR. NIELSON answered the state would be paying 10 percent of the bill rather than 50 percent. Again, he said, the independent study showed 22 percent savings. The federal match for Medicaid for 2006 is around 50 percent.

CHAIR DYSON held SB 22 in committee.

There being no further business to come before the committee, Chair Dyson adjourned the meeting at [3:40:22 PM](#).