

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 7, 2006

1:32 p.m.

MEMBERS PRESENT

Senator Con Bunde, Chair
Senator Ralph Seekins, Vice Chair
Senator Ben Stevens
Senator Johnny Ellis
Senator Bettye Davis

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 136

"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

MOVED CSSSSB 136(L&C) OUT OF COMMITTEE

SENATE BILL NO. 260

"An Act extending the date by which the Task Force on Workers' Compensation shall report its findings and the termination date of that task force; and providing for an effective date."

MOVED SB 260 OUT OF COMMITTEE

SENATE BILL NO. 244

"An Act prohibiting unfair discrimination against an acupuncturist; amending the definition of 'provider' as it relates to authorized collective negotiations by physicians affecting the rights of providers under health benefit plans; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 136

SHORT TITLE: UNEMPLOYMENT COMPENSATION BENEFITS

SPONSOR(s): SENATOR(s) ELLIS

03/08/05	(S)	READ THE FIRST TIME - REFERRALS
03/08/05	(S)	L&C, FIN
05/01/05	(S)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS

05/01/05 (S) L&C, FIN
01/19/06 (S) L&C AT 1:45 PM BELTZ 211
01/19/06 (S) Heard & Held
01/19/06 (S) MINUTE(L&C)
02/07/06 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 260

SHORT TITLE: EXTEND TASK FORCE ON WORKERS' COMP
SPONSOR(s): SENATOR(s) SEEKINS

02/01/06 (S) READ THE FIRST TIME - REFERRALS
02/01/06 (S) L&C
02/07/06 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 244

SHORT TITLE: NO DISCRIMINATION AGAINST ACUPUNCTURIST
SPONSOR(s): SENATOR(s) WAGONER

01/19/06 (S) READ THE FIRST TIME - REFERRALS
01/19/06 (S) L&C, HES
02/07/06 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

TOM NELSON, Director
Division of Employment Security
Department of Labor & Workforce
Development
PO Box 21149
Juneau, AK 99802-1149
POSITION STATEMENT: Supported SB 136.

COMMISSIONER GREG O'CLARAY
Department of Labor & Workforce
Development
PO Box 21149
Juneau, AK 99802-1149
POSITION STATEMENT: Supported SB 136.

SENATOR THOMAS WAGONER
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of SB 244.

SUZANNE COHEN, Licensed Acupuncturist
725 5th Street
Juneau AK 99801

POSITION STATEMENT: Supported SB 244.

LEAH PAGENKOPF, LPT
Juneau AK 99801

POSITION STATEMENT: Supported SB 244.

VALERIE DELAUNE, licensed acupuncturist
Juneau AK 99801

POSITION STATEMENT: Supported SB 244.

RANDE LUCAS, President
Acupuncture and Oriental Medicine Association of Anchorage
Anchorage AK

POSITION STATEMENT: Supported SB 244.

COURTNEY BEDDOW
Alaska Center of Natural Medicine
Kenai AK

POSITION STATEMENT: Supported SB 244.

ACTION NARRATIVE

CHAIR CON BUNDE called the Senate Labor and Commerce Standing Committee meeting to order at [1:32:15 PM](#). Present were Senators Bettye Davis, Ralph Seekins, Johnny Ellis, Ben Stevens and Chair Con Bunde.

[1:34:01 PM](#)

SSSB 136-UNEMPLOYMENT COMPENSATION BENEFITS

CHAIR CON BUNDE announced SSSB 136 to be up for consideration.

SENATOR JOHNNY ELLIS moved to adopt CSSSSB 136(L&C), version F, as the working document. There were no objections and it was so ordered.

CHAIR BUNDE said the only change is an addition of verbiage "actively seeking work", which he thought would address what he perceived as "the rocking chair problem." It might make some people become a little more proactive in seeking work.

TOM NELSON, Director, Division of Employment Security, Department of Labor and Workforce Development (DOLWD), explained that SB 136 allows the department to better register and connect job seekers promptly with the labor market. The Job Center Network would help workers who might have barriers to employment to get quickly reemployed.

CHAIR BUNDE asked him to give a background on the computerization of the job search.

MR. NELSON replied that currently the division uses worker profiling and reemployment services. This helps them identify through a series of indicators - such as employment history and unemployment claims over time - those persons most likely to exhaust their benefits before they are able to get reemployed again. The change in SB 136 would allow the division to lower the bar and reconnect more workers to the labor market and allow employers to connect with those workers.

[1:37:01 PM](#)

CHAIR BUNDE asked if this prevents people who aren't serious about getting a job from pestering someone to just sign their card saying they actually looked for a job.

MR. NELSON replied that is correct. The old work search concept really doesn't work well for employers, because it just required an employer to check a card indicating someone had looked for a job. It didn't indicate how serious about employment they were. Now people will be connected via the proposed electronic labor exchange system, which will be better able to register and refer people to work.

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CHAIR BUNDE asked if a person is dispatched via computer to apply for a job and he refuses to comply, are his benefits cut off.

MR. NELSON replied yes; however, the appeals process for special circumstances still apply.

[1:39:26 PM](#)

COMMISSIONER GREG O'CLARAY, Department of Labor and Workforce Development (DOLWD), said the amendment in the CS is important. The department is not trying to put people into jobs they are not qualified for, but it is concerned about connecting unemployed workers with job opportunities. Currently, their 24 job centers have 3,200 job orders in the state.

CHAIR BUNDE asked how many people are on unemployment insurance (UI) right now?

COMMISSIONER O'CLARAY replied about 27,000 people statewide.

CHAIR BUNDE asked if the CS affects union dispatch.

COMMISSIONER O'CLARAY replied no; the unions do a much better job of actually getting their people lined up for employment than other organizations and they have had the exemption from the law for many years. The exemption actually takes the workload off the job centers.

CHAIR BUNDE noted no new fiscal note for this change.

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SENATOR JOHNNY ELLIS moved to pass CS SSSB 136(L&C) from committee with individual recommendations and accompanying fiscal note. Senators Ben Stevens, Bettye Davis, Johnny Ellis, Ralph Seekins and Chair Bunde voted yea and CS SSSB 136(L&C) moved from committee.

1:44:13 PM

SB 260-EXTEND TASK FORCE ON WORKERS' COMP

CHAIR CON BUNDE announced SB 260 to be up for consideration.

SENATOR RALPH SEEKINS, sponsor, explained that SB 260 extends the Task Force on Worker's Compensation for another year so that it can finish its work.

SENATOR SEEKINS moved to pass SB 260 from committee with individual recommendations and zero fiscal note. Senators Ben Stevens, Bettye Davis, Ralph Seekins, Johnny Ellis and Chair Con Bunde voted yea and SB 260 moved from committee.

1:46:31 PM

SB 244-NO DISCRIMINATION AGAINST ACUPUNCTURIST

CHAIR CON BUNDE announced SB 244 to be up for consideration.

SENATOR THOMAS WAGONER, sponsor, said that people are looking for other ways to receive medical services and this adds acupuncturists to the list of health care providers that cannot be unfairly discriminated against by insurance companies that offer group policies. Used in conjunction with conventional western medicine, acupuncture has proven to provide significant cost savings while improving patients' health. A 1993 Swedish study showed an estimated \$26,000 per patient was saved when acupuncture was part of their treatment. A study was done on patients scheduled for knee surgery that showed an estimated \$9,000 in savings per patient. The World Health Organization has

said that acupuncture treats over 43 different conditions and helps avoid surgery. He related how other studies have proven how effective acupuncture is and that in Miami Dade County, drug offenders are given the choice of acupuncture or jail.

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SUZANNE COHEN, Licensed Acupuncturist, supported SB 244 and described the education that a licensed acupuncturist goes through saying, "It is not a series of weekend seminars; it's a three to four-year masters degree program." About 60 schools in the United States are accredited to educate people in oriental medicine. After graduation, the National Certification Commission for Acupuncture and Oriental Medicine does an exam and monitors people who have become certified. It mandates continuing education of 60 hours every four years at which time there are licensing renewals. The State of Alaska, as well as most other states, mandates having a national certification. Other states have further requirements.

In 1995, the same bill came before the legislature and it languished in committee. A lot has happened in those 10 years such as the FDA used to categorize acupuncture needles as experimental devices. Now they are regulated along with scalpels, syringes, and other tools of the medical trade. The National Institute for Health has endorsed acupuncture for over 13 health conditions from addiction to stroke rehabilitation and osteoarthritis.

MS. COHEN said that now Alaska Blue Cross/Blue Shield has plans that cover acupuncture and over 69 licensed acupuncturists live in Alaska.

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She said the Federal Acupuncture Coverage Act (HB 818) currently in Congress would cover federal employees and those receiving Medicare. She added that this bill has a zero fiscal note while it expands treatment options. It is safe and effective.

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CHAIR BUNDE asked about treatment for stroke.

MS. COHEN replied that administering acupuncture as soon as possible after a stroke using scalp points is most effective. It increases greater mobility and speech quicker and it stays that way.

SENATOR BUNDE asked who would oppose the bill.

MS. COHEN replied that insurance companies might oppose it as they did 10 years ago.

1:54:25 PM

SENATOR ELLIS mentioned that health problems associated with nicotine use are a huge health cost driver for state and other businesses. He asked if acupuncture works in smoking cessation.

MS. COHEN replied yes and related that it was used effectively in a program in Oregon where they had a choice of getting acupuncture or going to jail and at Gastineau Human Services in Juneau. It was a very effective way for minimizing costs for smoking cessation, alcoholism and crack addiction, especially when used with other modalities of treatment. There is less recidivism with people who are treated with acupuncture and counseling.

CHAIR BUNDE asked what the success rate is for smoking cessation with acupuncture.

MS. COHEN replied that while she didn't have statistics from studies, that anecdotally it worked very well.

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LEAH PAGENKOPF, Juneau physical therapist, testified that she was a huge proponent for acupuncture, because she is often frustrated by what she can offer patients for pain relief and control. When she recommends acupuncture to a patient, the first question out of their mouth every time is, "Does insurance pay for it?" She has to say no and that's usually the end of that conversation. She is amazed at how effective it is for pain control with no side effects, whereas narcotics are all habit-forming and anti-inflammatories create stomach problems and high blood pressure.

1:57:57 PM

VALERIE DELAUNE, Juneau acupuncturist, said acupuncture works well in conjunction with other therapies. No one modality can do everything and many insurance companies cover it now because they figured out that it saves money. She, personally, has saved insurance companies many thousands of dollars by preventing someone that was slated to have surgery for perhaps a herniated disc by getting them to a point where they were pain free and didn't need surgery. Acupuncture is the number-one requested service by patients wanting their insurance companies to cover. She said that the Alaska Electrical Health and Welfare Fund

covers acupuncture at 90 percent per visit with no limit on the number of visits - but only for pain. Blue Cross covers it in its Dimensions Plan, Alaska Heritage Plus and several small companies in Juneau have bought this plan as well as others. One federal plan covers it and that is the Mail Handlers Plan, which other employees can select. The Internal Revenue Service recognizes that health care reimbursement accounts can be used for acupuncture.

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RANDE LUCAS, President, Acupuncture and Oriental Medicine Association of Anchorage, supported SB 244. She is a licensed acupuncturist and has also been a Registered Nurse (RN), specializing in cardiac care, for over 20 years. She supported the testimony of Ms. Cohen and Ms. DeLaune. She related that she has frequently worked with patients who have acute and chronic conditions. Often their medical doctors have told them that nothing else can be done. After her treatment, patients have less pain and improved quality of life. She said this bill would eliminate discrimination acupuncturists experience when insurance companies state that acupuncture is covered only when performed by an MD or not covered at all.

[2:06:28 PM](#)

COURTNEY BEDDOW, Owner, Alaska Center of Natural Medicine, supported SB 244 for all the reasons stated by previous speakers. She emphasized the Workers Compensation studies are some of the most cited as far as reducing costs by allowing employees to receive these benefits. Given some social issues like over-dependency on narcotics, increased cost of health care, it's important that SB 244 is passed so that the consumers of medical services will actually have that choice.

MS. BEDDOW said this would allow acupuncturists to be better team players in an integrated medical field. Currently, Providence Hospital is starting an integrated medical department that will be bringing in acupuncture for its cancer patients. Others are beginning this approach as well. She agreed that insurance companies are beginning to see that acupuncture does decrease medical costs and consumers are spending \$32 million per year out of pocket on it.

[2:12:02 PM](#)

CHAIR BUNDE remarked that he hadn't availed himself of the service, but wanted to know how expensive this pain management is.

MS. BEDDOW replied using 15-minute units would result in approximately \$40 to \$160 per hour.

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MS. DELAUNE mentioned that acupuncturists are licensed by the State of Alaska and certain educational requirements have to be met before they can be licensed, but it is the only health care profession that is not on the state's list of providers that cannot be discriminated against. She pointed out that 10 years ago, they would have gotten resistance from the western medical profession, but an news article she read recently stated that now over 85 percent of western medical colleges have elective courses in eastern medicine and she gets a lot of referrals from doctors.

SENATOR BUNDE said he was surprised that he heard no opposition to this issue and stated that he would hold SB 244 for one week from today. With that he adjourned the meeting at [2:15:22 PM](#).