

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

March 13, 2007

3:04 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Bob Roses, Vice Chair
Representative Anna Fairclough
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

Representative Mark Neuman
Representative Paul Seaton

OTHER LEGISLATORS PRESENT

Senator Bettye Davis
Representative John Coghill

COMMITTEE CALENDAR

OVERVIEW: CITIZEN REVIEW PANEL OF THE OFFICE OF CHILDREN'S SERVICES

- HEARD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 100

"An Act relating to exempting certain air ambulance services from insurance regulation and requiring certain air ambulance services to provide services."

- HEARD AND HELD

HOUSE CONCURRENT RESOLUTION NO. 1
Relating to public health and a health compact.

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 100

SHORT TITLE: AIR AMBULANCE SERVICES

SPONSOR(s): REPRESENTATIVE(S) COGHILL

01/16/07	(H)	READ THE FIRST TIME - REFERRALS
01/16/07	(H)	HES, L&C
02/15/07	(H)	SPONSOR SUBSTITUTE INTRODUCED
02/15/07	(H)	READ THE FIRST TIME - REFERRALS
02/15/07	(H)	HES, L&C
02/22/07	(H)	HES AT 3:00 PM CAPITOL 106
02/22/07	(H)	<Bill Hearing Canceled>
03/01/07	(H)	HES AT 3:00 PM CAPITOL 106
03/01/07	(H)	Heard & Held
03/01/07	(H)	MINUTE(HES)
03/13/07	(H)	HES AT 3:00 PM CAPITOL 106

BILL: HCR 1

SHORT TITLE: PUBLIC HEALTH AND HEALTH COMPACT
 SPONSOR(S): REPRESENTATIVE(S) CISSNA

01/22/07	(H)	READ THE FIRST TIME - REFERRALS
01/22/07	(H)	HES
03/13/07	(H)	HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

FRED VAN WALLINGA, Chair
 Citizen Review Panel
 for the Office of Children's Services
 Department of Health & Social Services
 Willow, Alaska
 POSITION STATEMENT: Provided the presentation by the Citizen
 Review Panel.

SUSAN HEUER, Member
 Citizen Review Panel
 for the Office of Children's Services
 Department of Health & Social Services
 Anchorage, Alaska
 POSITION STATEMENT: Testified during the presentation by the
 Citizen Review Panel.

SENATOR BETTYE DAVIS, Member
 Alaska State Legislature
 Juneau, Alaska
 POSITION STATEMENT: Testified during the presentation by the
 Citizen Review Panel.

KARLEEN JACKSON, Commissioner
 Department of Health & Social Services

Juneau, Alaska

POSITION STATEMENT: Testified as the commissioner of the Department of Health & Social Services.

KAREN LIDSTER, Staff

to Representative John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding the amendments to SSHB 100.

IRIS MATTHEWS, Staff

to Representative Berta Gardner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on SSHB 100.

ART WARBELOW, President

Warbelow's Air Ventures, Inc.
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SSHB 100.

PAUL HARRIS, General Manager

Guardian Flight, Inc.
Fairbanks, Alaska

POSITION STATEMENT: Testified during the hearing on SSHB 100.

ERIC STERLING, Owner

Guardian Flight, Inc.
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SSHB 100.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:04:13 PM](#). Representatives Wilson, Roses, Fairclough, and Gardner were present at the call to order. Representative Cissna arrived as the meeting was in progress.

OVERVIEW: DIVISION OF CHILDRENS SERVICES, CITIZEN REVIEW PANEL

[3:04:50 PM](#)

CHAIR WILSON announced that the first order of business would be a presentation by the Citizen Review Panel for the Office of

Children's Services (OCS), Department of Health & Social Services (DHSS).

[3:05:27 PM](#)

FRED VAN WALLINGA, Chair, Citizen Review Panel ("panel"), asked each volunteer Panel Review Member to stand and introduce themselves to the committee.

[3:07:30 PM](#)

CHAIR WILSON asked about the origin of the Citizen Review Panel.

MR. VAN WALLINGA answered that, in 1996, the federal government mandated the oversight of children's services by a citizens review panel in each state. The panels are funded by the states and are directed to observe the policies and procedures of children's services offices, and to ensure that every state is in compliance with regulatory procedures. The Alaska panel has been most active in the last two and one-half years, and closely reviews areas of concern that are brought to its attention. In addition, the panel writes an annual review that is submitted to the deputy commissioner of OCS, and to the legislature. The panel also publishes its findings on a website for the public.

[3:09:47 PM](#)

MR. VAN WALLINGA explained that the panel is the only group in Alaska mandated by the federal government and funded by the state. Volunteer members are selected from all areas of the state for unlimited terms. He also pointed out that travel and written reviews demand much of the member's time.

[3:11:01 PM](#)

CHAIR WILSON asked how many hours members have worked during the past year.

MR. VAN WALLINGA responded that thousands of volunteer hours are devoted to the duties of the panel.

[3:11:50 PM](#)

CHAIR WILSON informed the committee that OCS will have an opportunity to comment on the panel's report during its presentation at a later date.

3:12:03 PM

SUSAN HEUER, Member, Citizen Review Panel, relayed that the federal mandate to review the policies and procedures of OCS is a large job to be completed by eight volunteers. In 2006, the panel began its work in the Matanuska-Susitna (Mat-Su) valley by beginning a site review among service providers. Contacts were made with the troopers, the child advocacy centers, children's services contractors, the schools, the Anchorage Police Department (APD), and the Department of Juvenile Justice (DJJ). The panel then issued its annual report to the federal government and to the legislature. As a result of the panel's site review report, the commissioner of DHSS hired an outside auditor to provide an external audit. The additional report was issued last year on the panel's findings; however, the report has not been made available to the panel. Ms. Heuer expressed the panel's desire to review the OCS report. She explained that the review panel traveled to Juneau with the following goals: reviewing the OCS external report, reporting its findings to this committee, and voicing its concerns to OCS regarding the breakdown of children's services in the Mat-Su valley.

3:16:03 PM

MS. HEUER further explained that the panel recently received notification that OCS employees in the Wasilla and Mat-Su areas have filed a grievance against OCS. However, following a lengthy meeting with OCS department heads on 3/12/07, these concerns were put to rest. The panel, she said, is now confident that the department is responding to issues and is in accord with what the panel has reported. The department agreed to release its report for the panel's review, and the panel is confident that the department will act on its promises. The panel will continue to closely monitor the situation in the Mat-Su valley.

3:19:06 PM

MS. HEUER further informed the committee that the panel also met with the Tribal/State Collaboration Group (T/SCG) which is working with OCS to assist Native children whose parents or guardians are on welfare. The tribes and OCS will be working together and the panel will assist in this effort. She stated that fifty-nine percent of the children in state custody are Native. Ms. Heuer said that she is encouraged by the many people working on this problem. The bureaucracies that have not spoken meaningfully on this topic are beginning to have

dialogue, and successful models are being created in the state for other areas to follow. She opined that, although funds are available, many children in the state suffer in difficult situations.

[3:22:07 PM](#)

MS. HEUER relayed that the Alaska National Indian Child Welfare Act Association (ICWA) is presently working well with OCS, and will serve as a model for agencies throughout the state. Ms. Heuer said that the panel will issue a new report in June, and expects to report significant changes. She expressed her belief that OCS will be open with the changes that are needed. The panel's two year goal is to improve tribal relationships and foster parent relationships with OCS. To accomplish this panel members will travel across the state to identify the problems in rural areas.

[3:23:53 PM](#)

REPRESENTATIVE CISSNA expressed her concern that the panel, as late as yesterday, did not have adequate communication with OCS. It is also troubling, she said, to hear how the panel seems to be the leading agency searching for solutions to problems within OCS. She asked what efforts were made to communicate with the department.

[3:25:09 PM](#)

MR. VAN WALLINGA replied that the panel traveled to Juneau to present its findings and he said that he felt angry due to the lack of communication with OCS. As an administrator, he was frustrated that progress was minimal and that excuses were being made. When the OCS commissioner and deputy commissioner met with the panel, a new atmosphere of accord became apparent. The department presented a clear plan of how improvements will be made. The panel will hold the department accountable for the implementation of the plan, and include in its annual report progress, or the lack of progress. The panel represents the people of Alaska and its mandate is to oversee the service to children that is provided by the state, in a confidential manner.

[3:28:34 PM](#)

MR. VAN WALLINGA stated that the panel's major concern continues to be facilitating better communication and partnership between

OCS and the tribes of Alaska. The panel recommends improving communication by having the deputy commissioner visit the outlying villages, not just the hub communities. In addition, caseworkers and families in the rural areas need support. Also, consistent full reporting from OCS is vital. Further, the panel recommends continuity in the interpretation of laws across the state. Mr. Van Wallinga concluded by saying that the panel recognizes that OCS does have successful outcomes.

[3:30:48 PM](#)

REPRESENTATIVE CISSNA observed that there is a disconnect between the panel and OCS.

MR. VAN WALLINGA responded that the panel was invited to a senior management meeting and that was helpful in improving communication. He also suggested that panel members can accompany OCS officials to villages for further support. Working closely on that level, and shoulder to shoulder, would be an important tool to improve communication between the panel and OCS.

[3:32:58 PM](#)

CHAIR WILSON asked why some villages are working better with OCS than others.

MR. VAN WALLINGA stressed that it is just the communication factor. The nature of a bureaucracy blocks communication and that is why the deputy commissioners must travel to the Bush. In the Tribal/State caucus members speak of the differences between villages that are 20 minutes outside of a regional hub such as Barrow.

[3:35:07 PM](#)

REPRESENTATIVE GARDNER spoke of her experience as a Guardian ad Litem (GAL), and asked members to imagine what it is like to be a family, in this type of system, that is not working well. Even as frustrating as it is for the caseworker and the agencies, it is even more difficult for the families.

MR. VAN WALLINGA said that, in the past, the deputy commissioner put out a policy simply to return phone calls. But, unfortunately, officials do not always return phone calls.

REPRESENTATIVE GARDNER added that recruitment and retention of foster families is difficult and that returning phone calls becomes crucial.

MR. VAN WALLINGA also noted that foster families are not paid in a timely manner.

[3:37:50 PM](#)

REPRESENTATIVE FAIRCLOUGH asked whether the audit referred to was an internal, or external, audit and the dates thereof.

MR. VAN WALLINGA answered that the external audit completion date was in November, 2006, and the panel requested to see the audit in January, 2007.

[3:39:29 PM](#)

SENATOR BETTYE DAVIS, Alaska State Legislature, stated that minority children are over represented in the statistics of children in OCS custody. She stressed the importance of keeping children out of the system and pointed out that the report does not address that.

[3:40:40 PM](#)

MS. HEUER replied that OCS must collaborate with partner agencies, such as, tribes, GALs, therapists, and educators, both before and after children come into custody. Many children may not come into OCS custody if the community network around them is more supportive.

[3:42:03 PM](#)

SENATOR DAVIS added that other minority children are also over represented. She invited the panel chair to meet with her for recommendations to address the problem.

MR. VAN WALLINGA opined that there are too many children in custody period.

[3:43:10 PM](#)

CHAIR WILSON stated that it is important to put money into prevention. She added that the appointment of Karleen Jackson as the commissioner of DHSS will provide continuity for the department.

3:44:49 PM

REPRESENTATIVE GARDNER expressed her concern about the slow process necessary to return a child to his/her home.

MR. VAN WALLINGA opined that there is no answer to that problem at this time; however, the panel will focus on this issue in the near future.

REPRESENTATIVE GARDNER recalled that, as a court-appointed special advocate (CASA), she advocated for a boy who was placed out of state at 7 years of age. When he returned, at age 14, his father was dead, and he did not know his land. She feels that he was forgotten when he was sent to Utah.

3:47:36 PM

REPRESENTATIVE ROSES expressed his belief that the DHSS commissioner is willing to address problems in her department with openness, candor, and sincerity. He assured the panel that the department will be held accountable to follow through on its promises.

3:49:36 PM

REPRESENTATIVE FAIRCLOUGH recognized the panel members for their service.

3:50:19 PM

KARLEEN JACKSON, Commissioner, Department of Health & Social Services (DHSS), stated that "this is a new day." She said that the audit report will be available to the committee and the panel in two weeks. She explained why the external review was commissioned, and how that data is to be used. Commissioner Jackson said that the department should be held accountable and pledged to be honest on the progress and attainment of goals. She expects to see changes and improvement over the next four years and described her meeting with the panel as beneficial to all parties.

3:53:51 PM

REPRESENTATIVE ROSES reiterated the importance of the timeliness of reports and described how people become disenfranchised easily when delays occur.

3:55:15 PM

REPRESENTATIVE CISSNA expressed her hope that the volunteers on the panel will be appreciated for their efforts.

COMMISSIONER JACKSON observed that the deputy commissioners have begun to meet more often with the panel. She stated that the panel members are a valuable resource to her department and she embraces the offer of the members to travel to villages with the deputy commissioners. Commissioner Jackson concluded by saying that her department will work with the panel in its role as a review board, and also as a partner in improving services to children.

HB 100-AIR AMBULANCE SERVICES

3:57:58 PM

CHAIR WILSON announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 100, "An Act relating to exempting certain air ambulance services from insurance regulation and requiring certain air ambulance services to provide services."

3:58:50 PM

KAREN LIDSTER, Staff to Representative John Coghill, Alaska State Legislature, sponsor, offered to answer questions regarding the amendments to SSHB 100.

4:00:12 PM

REPRESENTATIVE ROSES moved to adopt Amendment 1, 25-LS0373\E.1, Bailey, 3/13/07, which read:

Page 1, line 7, following "person.":

Insert "In this section, "air ambulance service" means an organization certified by the department under AS 18.08.082 to provide medically assisted transportation, by air, to persons who are ill or injured."

Page 1, line 9, following "service":

Insert ", as defined in AS 18.08.095,"

CHAIR WILSON objected.

4:01:41 PM

MS. LIDSTER informed the committee that the definition of air ambulance service was suggested by Shelly Owens of the Emergency Medical Service (EMS) unit.

4:02:13 PM

CHAIR WILSON removed her objection. There being no further objection, Amendment 1 was adopted.

4:02:23 PM

REPRESENTATIVE GARDNER moved Amendment 2, 25-LS0373\E.2, Bailey, 3/13/07, which read:

Page 1, line 1, following "**regulation**":

Insert "**, limiting the duration of air ambulance service subscriptions,**"

Page 1, line 5, following "**services.**":

Insert "(a)"

Page 1, following line 7:

Insert a new subsection to read:

"(b) An air ambulance service may not issue a subscription for a period greater than two years."

REPRESENTATIVE ROSES objected.

4:02:30 PM

REPRESENTATIVE GARDNER stated that the purpose of Amendment 2 is to minimize the risk exposure, for individuals who are not sophisticated insurance consumers, by limiting the length of the subscription to two years. She added that subscriptions for air ambulance services are not regulated.

4:03:58 PM

REPRESENTATIVE ROSES asked how limiting the subscription to two years will help the consumer. The risk to the consumer is that the service that they have paid for may not be available.

CHAIR WILSON noted that the current subscription limit is for one year.

REPRESENTATIVE GARDNER explained that the limit prohibits a flat rate subscription for a life-time membership.

[4:05:01 PM](#)

CHAIR WILSON corrected her statement and said that the amendment specifies [not] "for a period greater than two years."

REPRESENTATIVE ROSES clarified that the subscriptions would be limited to a maximum of two years, and the original bill did not have a time limit.

[4:05:55 PM](#)

REPRESENTATIVE CISSNA noted that a consumer living in rural Alaska may be at fish camp or elsewhere during part of the year. Often they may not have the logistical means to receive mail or to maintain telephone connections. She suggested that a longer term would benefit consumers and the business selling the service.

[4:08:34 PM](#)

CHAIR WILSON pointed out that an air ambulance service can not sell a membership to a subscriber unless it has been in business in Alaska for two years.

CHAIR WILSON stated that Representative Cissna's comments pertain to a different issue that can be set aside for later consideration.

REPRESENTATIVE CISSNA reiterated that, from the consumer's point of view, it would be difficult to subscribe for only two years. Consumers need to get the best kind of service available and may have a difficult time renewing every two years. Representative Cissna offered an amendment to Amendment 2 which replaces "two" with "five" years.

REPRESENTATIVE GARDNER objected for discussion purposes. She opined that most of the consumers, who will be served by SSHB 100, have seasonal work and travel patterns and will, thereby, be available for renewal within a two year period.

REPRESENTATIVE ROSES expressed his doubt about the intent of SSHB 100 and emphasized that this subscription is not an insurance policy. Consumers do not have the protection of

insurance regulation and are subscribing, with good faith, that the seller will continue to be in business for the duration of the contract. It is more comfortable to consider that a business will still be available in two, rather than five, years. He opposed the amendment to Amendment 2.

[4:12:35 PM](#)

REPRESENTATIVE CISSNA withdrew her amendment to Amendment 2.

[4:12:45 PM](#)

REPRESENTATIVE ROSES removed his objection to Amendment 2. There being no further objection, Amendment 2 was adopted.

[4:13:06 PM](#)

REPRESENTATIVE GARDNER offered Amendment 3, labeled 25-LS0373\E.3, Bailey, 3/13/07, which read:

Page 1, line 1, following "**regulation**":

Insert "**, prohibiting sale of air ambulance services to persons already covered,**"

Page 1, line 5, following "**services.**":

Insert "(a)"

Page 1, following line 7:

Insert a new subsection to read:

"(b) An air ambulance service may not sell a subscription to a person who has full coverage for air ambulance services from another source, including the Indian Health Service, Medicaid, or private insurance."

REPRESENTATIVE ROSES objected.

REPRESENTATIVE GARDNER explained that Amendment 3 will protect the consumer who already has full coverage insurance benefits for air ambulance services. She added that it will be up to the company selling the subscription to make that determination.

[4:14:21 PM](#)

REPRESENTATIVE ROSES confirmed that the burden of responsibility is on the person selling the subscription.

REPRESENTATIVE GARDNER noted her agreement.

[4:14:50 PM](#)

CHAIR WILSON asked whether consumers always know the extent of their insurance coverage.

REPRESENTATIVE GARDNER responded that consumers and the subscription sellers are responsible for that determination.

[4:16:03 PM](#)

REPRESENTATIVE FAIRCLOUGH observed that SSHB 100 will regulate an insurance product that should be governed under the insurance laws in the state. She referred to previous testimony by [director, Division of Insurance, Department of Commerce, Community & Economic Development] Hall and expressed her belief that this committee should not be attempting to address this issue.

REPRESENTATIVE GARDNER responded that the state has determined that the subscriptions are not an insurance product. She quoted Ms. Hall, who said "the sales of memberships are not insurance".

[4:17:56 PM](#)

CHAIR WILSON stated that SSHB 100 will be held for further clarification of this question.

[4:18:16 PM](#)

MS. LIDSTER stated her agreement with Ms. Hall's testimony. She said that SSHB 100 takes air ambulance services out from under the insurance code, and allows them to sell memberships. The memberships are not subject to the conditions and code regulations in that statute. She said that small businesses cannot bear the burden of the bonding and audit requirements of the insurance code. Ms. Lidster added that other states have taken this action to encourage service in underserved regions.

CHAIR WILSON said the state has not acknowledged that.

[4:19:40 PM](#)

REPRESENTATIVE ROSES encouraged the committee to hear additional discussion on this bill and to continue with the public testimony.

4:20:10 PM

REPRESENTATIVE GARDNER continued to say that if the bill passes and the insurance regulations are removed, Amendment 3 will protect consumers who do not need air ambulance service memberships.

CHAIR WILSON opined that there are many people who do not have insurance and they could subscribe to this service. Many people in rural areas could utilize this service in the case of a Medivac. Chair Wilson shared that she owns a subscription to a service.

REPRESENTATIVE GARDNER clarified that Amendment 3 applies only to consumers with 100 percent coverage.

4:23:00 PM

REPRESENTATIVE ROSES expressed his understanding of the intent of the bill and the amendment. He then asked for the consequence of selling a policy to a consumer with full coverage.

4:23:33 PM

MS. LIDSTER explained that a complaint from a consumer would be referred to the consumer protection agency.

4:24:53 PM

REPRESENTATIVE ROSES further observed that the consumer protection agency would intervene if someone bought a subscription and the service was not provided, but not if a subscription was sold to someone in error. He recommended tabling the bill.

4:25:40 PM

REPRESENTATIVE GARDNER deferred the question to her aide.

4:26:08 PM

IRIS MATTHEWS, staff to Representative Berta Gardner, Alaska State Legislature, informed the committee that the answer to this question has not been determined by the Division of

Insurance, Department of Commerce, Community & Economic Development (DCCED).

[4:27:05 PM](#)

REPRESENTATIVE GARDNER requested moving forward on the amendment and referring further questions to the next committee.

[4:27:37 PM](#)

REPRESENTATIVE FAIRCLOUGH expressed her support for the amendment; however, she reiterated her concern about whether the sale of this service should be regulated under the insurance statutes. She also requested further testimony from the director of the Division of Insurance regarding the impact of this legislation.

[4:29:14 PM](#)

REPRESENTATIVE ROSES asked whether the intent is to make the service not part of an insurance policy. He opined that the amendment directly connects the service to insurance.

REPRESENTATIVE FAIRCLOUGH added that there will be a confidentiality issue regarding the release of information on the consumer's existing coverage.

[4:30:22 PM](#)

REPRESENTATIVE GARDNER stated her indecision about the final passage of the bill. However, she opined that a consumer could sign a release to allow the subscription provider access to confidential information.

REPRESENTATIVE FAIRCLOUGH expressed her doubt that a release will satisfy regulations under the Health Insurance Portability and Accountability Act (HIPPA).

CHAIR WILSON opined that a signed waiver is sufficient.

REPRESENTATIVE GARDNER expressed her belief that an insurance policy is not subject to HIPPA.

[4:32:08 PM](#)

CHAIR WILSON announced that the committee will finish with this amendment and take public testimony.

[4:32:33 PM](#)

REPRESENTATIVE ROSES moved to table Amendment 3. There being no further discussion, Amendment 3 was tabled.

[4:33:37 PM](#)

ART WARBELOW, President, Warbelow's Air Ventures, Inc., informed the committee that his business is the oldest certified air support service in Fairbanks, and that he is opposed to SSHB 100. His concern is the increase in costs of gearing up to compete in a membership program. The small operators will not be able to compete at the state level. This bill will reduce competition and determine success by who has the best marketing and salesmanship versus the best medical service. Mr. Warbelow said that the memberships will increase costs to consumers and decrease the quality of patient care. He referred to previous testimony by the representative from Guardian Flight, Inc., and noted that Guardian has forecasted sales of memberships greatly exceeding the amount of the deductibles paid normally by consumers. The result is that air ambulance providers are well compensated and take large write-offs for uncollectible service. His primary concern is that the memberships are a insurance and have been illegally sold in the state for the past six years. He read from a related article in the "The Fairbanks Daily News-Miner" dated 2/1/01, and concluded by saying that it is problematic that a law is posed for passage to support a company that has been operating outside of regulation.

[4:40:12 PM](#)

REPRESENTATIVE GARDNER requested that Mr. Warbelow provide the committee with a copy of the news article.

[4:40:35 PM](#)

CHAIR WILSON asked whether Mr. Warbelow reports non-payments to a collection agency.

MR. WARBELOW answered that the law requires that the services attempt to collect; however, one-third of the bills are never paid.

[4:42:44 PM](#)

REPRESENTATIVE ROSES referred to previous testimony and to the 100,000 subscriptions that Guardian expects to sell. This, he said, appears to cover the amount of uncollectible fares for one year. Representative Roses asked Mr. Harris whether the sales would enable Guardian to lower the rates for service.

PAUL HARRIS, General Manager, Guardian Flight, Inc., stated that the funds would be used for community service; for example, additional first responder and emergency medical training.

REPRESENTATIVE ROSES further asked for Mr. Harris' opinion of Amendment 3.

MR. HARRIS responded that Amendment 3 will require his company to rely on the consumer to ascertain whether he/she has full coverage or not. It could be unenforceable, and will eliminate some people who need this service. Mr. Harris gave the example of a pregnant patient who is covered by Medicaid until the delivery of her child. He added that the Indian Health Service also has gaps in coverage.

[4:46:35 PM](#)

REPRESENTATIVE ROSES further asked whether Amendment 3 reduces Guardian's ability to sell 100,000 subscriptions.

MR. HARRIS said yes, and he will provide estimates for the committee.

[4:47:35 PM](#)

ERIC STERLING, owner, Guardian Flight, Inc., informed the committee that everyone has the possibility of being denied coverage for a Medivac, especially when covered by Medicare, Medicaid, and Blue Cross. Dr. Sterling continued to say that regulations require a flight service to attempt to collect from insurance and the patient. That was the basis for supporting legislation to enable the sale of subscriptions. Guardian has not sold memberships; however, it honors certificates sold by Critical Care Inc. He noted that this legislation is the third attempt to legalize the sale of memberships and stressed that is a benefit to the consumer.

[4:51:54 PM](#)

CHAIR WILSON asked whether Guardian would refund a subscription fee if it was unable to provide transportation due to unavailability, location, or mechanical problems.

DR. STERLING answered yes. He stressed that the cost of a Medivac is always reviewed by the insurance company and many times coverage is denied, adjusted or negotiated.

[4:53:22 PM](#)

REPRESENTATIVE ROSES asked whether Dr. Sterling is a board member of the non-profit that sells the memberships.

DR. STERLING answered yes. However, Guardian has not received money for uncompensated care.

[4:54:15 PM](#)

REPRESENTATIVE GARDNER asked for clarification of the reasons for supporting this legislation.

[4:54:41 PM](#)

DR. STERLING explained that, in 2001, Linda Hall, representing the Division of Insurance, DCCED, advised him that to sell memberships, Guardian would need to test the law, or change the law through the legislature.

[4:55:27 PM](#)

CHAIR WILSON acknowledged that she had misunderstood Linda Hall's testimony.

[4:55:38 PM](#)

REPRESENTATIVE GARDNER confirmed that Guardian is a for-profit business and is prohibited from selling memberships; however, a non profit may sell memberships.

DR. STERLING replied that the non profit is an educational and research organization. Guardian donates to the non profit in the form of Medivac services.

REPRESENTATIVE GARDNER stated that Guardian wants to be able to sell the memberships directly.

DR. STERLING said yes. He said that Guardian's donation to the non profit this year is estimated to be \$4.5 million in uncompensated care.

[4:57:40 PM](#)

CHAIR WILSON announced that SSHB 100 would be held over.

HCR 1-PUBLIC HEALTH AND HEALTH COMPACT

CHAIR WILSON announced that the final order of business would be HOUSE CONCURRENT RESOLUTION NO. 1, Relating to public health and a health compact.

[4:59:31 PM](#)

REPRESENTATIVE SHARON CISSNA, Alaska State Legislature, sponsor, presented HCR 1. She informed the committee that HCR 1 is unique, and points to the fact that Alaska has many negative health indicators. In addition, \$1,996,000,000 is spent annually addressing health issues. Representative Cissna said that this resolution seeks to ask the governor, and the legislature, to invite the people of Alaska to celebrate their own personal health, and to begin a statewide conversation about personal health.

[5:02:04 PM](#)

CHAIR WILSON announced that HCR 1 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at [5:02:04 PM](#).