

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

April 3, 2007

3:07 p.m.

**MEMBERS PRESENT**

Representative Peggy Wilson, Chair  
Representative Bob Roses, Vice Chair  
Representative Anna Fairclough  
Representative Mark Neuman  
Representative Paul Seaton  
Representative Sharon Cissna  
Representative Berta Gardner

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE JOINT RESOLUTION NO. 1

Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

- MOVED SJR 1 OUT OF COMMITTEE

HOUSE BILL NO. 181

"An Act relating to traffic offenses and traffic offenses committed in a school zone; and providing for an effective date."

- MOVED CSHB 181(HES) OUT OF COMMITTEE

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 BILL NO. 207

"An Act relating to questionnaires and surveys administered in the public schools."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: SJR 1

SHORT TITLE: MEDICAL ASSISTANCE FOR CHILDREN

SPONSOR(s): SENATOR(s) DAVIS

02/07/07 (S) READ THE FIRST TIME - REFERRALS  
02/07/07 (S) HES, FIN  
02/19/07 (S) HES AT 1:30 PM BUTROVICH 205  
02/19/07 (S) Bill Postponed To 2/26/07  
02/26/07 (S) HES AT 1:30 PM BUTROVICH 205  
02/26/07 (S) Moved SJR 1 Out of Committee  
02/26/07 (S) MINUTE(HES)  
02/28/07 (S) HES RPT 5DP  
02/28/07 (S) DP: DAVIS, ELTON, THOMAS, COWDERY,  
DYSON  
03/05/07 (S) FIN REFERRAL WAIVED  
03/14/07 (S) TRANSMITTED TO (H)  
03/14/07 (S) VERSION: SJR 1  
03/16/07 (H) READ THE FIRST TIME - REFERRALS  
03/16/07 (H) HES, FIN  
03/31/07 (H) HES AT 12:30 AM CAPITOL 106  
03/31/07 (H) Scheduled But Not Heard  
04/03/07 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 181

SHORT TITLE: TRAFFIC OFFENSES: FINES/SCHOOL ZONES

SPONSOR(s): REPRESENTATIVE(s) WILSON

03/07/07 (H) READ THE FIRST TIME - REFERRALS  
03/07/07 (H) HES, JUD  
03/22/07 (H) HES AT 3:00 PM CAPITOL 106  
03/22/07 (H) Heard & Held  
03/22/07 (H) MINUTE(HES)  
03/27/07 (H) HES AT 3:00 PM CAPITOL 106  
03/27/07 (H) Heard & Held  
03/27/07 (H) MINUTE(HES)  
04/03/07 (H) HES AT 3:00 PM CAPITOL 106

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
03/13/07	(H)	Heard & Held
03/13/07	(H)	MINUTE(HES)
04/03/07	(H)	HES AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

RICHARD BENAVIDES, Staff  
to Senator Bettye Davis  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Presented SJR 1 on behalf of Senator Bettye Davis, sponsor.

ROBERT MYERS, Intern  
to Representative Peggy Wilson  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 181, on behalf of Representative Peggy Wilson, prime sponsor.

MARY SIROKY, Legislative Liaison  
Office of the Commissioner  
Department of Transportation & Public Facilities (DOT&PF)  
Juneau, Alaska

POSITION STATEMENT: Introduced DOT&PF staff during the hearing on HB 181.

KURTIS SMITH, Traffic and Safety Engineer  
Division of Design & Engineering Services  
Department of Transportation & Public Facilities (DOT&PF)  
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 181.

DENNIS COOK, Transportation Coordinator  
Fairbanks North Star Borough School District  
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 181.

LT. RODNEY DIAL, Deputy Commander  
A Detachment  
Division of Alaska State Troopers  
Department of Public Safety  
Ketchikan, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 181.

KAREN LIDSTER, Staff  
to Representative John Coghill  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Re-introduced SSHB 100, as amended, on behalf of Representative John Coghill, prime sponsor.

LINDA HALL, Director  
Anchorage Office  
Division of Insurance  
Department of Commerce, Community, & Economic Development  
(DCCED)  
Anchorage, Alaska

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

#### **ACTION NARRATIVE**

**CHAIR PEGGY WILSON** called the House Health, Education and Social Services Standing Committee meeting to order at [3:07:09 PM](#). Representatives Wilson, Seaton, Gardner, Roses, Fairclough, and Neuman were present at the call to order. Representative Cissna arrived as the meeting was in progress.

#### SJR 1-MEDICAL ASSISTANCE FOR CHILDREN

[3:07:15 PM](#)

CHAIR WILSON announced that the first order of business would be SENATE JOINT RESOLUTION NO. 1, Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

[3:07:44 PM](#)

RICHARD BENAVIDES, staff to Senator Bettye Davis, presented SJR 1, on behalf of the prime sponsor, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

SJR 1, Medical Assistance for Children states that the Alaska State Legislature urges our Congressional delegation to work diligently to achieve a timely reauthorization of the State Children's Health Insurance Program and to continue federal medical assistance percentages (or FMAP) for the Denali KidCare program.

Denali KidCare is Alaska's version of the state Children's Health Insurance program of SCHIP which was created in 1997 and is slated for reauthorization this year. It has been and continues to be a successful federal-state partnership, now covering over 4 million low-income children and enjoying bipartisan support. However, in the upcoming federal fiscal year, 17-18 states, among them Alaska, are projected to have insufficient federal SCHIP funding to sustain their existing SCHIP programs.

According to various estimates by the Centers for Medicare and Medicaid Services, the Congressional Research Service and other independent analysts, these states will face an estimated \$800 to \$950 million in total funding shortfalls in 2007. Here in Alaska that shortfall could total over \$12 million.

Without additional federal funding to avert these shortfalls, Alaska, along with other states may have to reduce their SCHIP enrollment, placing health insurance coverage nationally for over 500,000 low-income children at risk. States may also be forced to enact harmful changes to their SCHIP programs, such as curtailing benefits, increasing beneficiary cost-sharing or reducing provider payments.

Congress has acted in the past to address SCHIP shortfalls successfully and can do so again.

To the end, with you permission I'd like to read the opening paragraph of the update in your packets from Families USA published on March 29th:

"Before adjourning for their April recess, both the House and Senate passed their budget resolutions. Both chambers included a commitment of \$50 billion for SCHIP. The \$50 billion will go a long way toward meeting our goal of providing health coverage to the 9 million children in this country without health insurance. It shows that Congress places a high priority on reauthorizing SCHIP and on expanding coverage for children as we enter into the next phase of the debate over reauthorization."

We ask your support of SJR 1 to add the Alaska State Legislature to the many voices urging our delegation and the rest of Congress to enact legislation immediately that provides additional SCHIP funding to ensure that all states have sufficient federal funding to sustain their existing SCHIP programs in FY 2007.

[3:10:26 PM](#)

REPRESENTATIVE GARDNER asked whether SJR 1 differs from the house companion resolution.

MR. BENAVIDES opined that there is no difference.

[3:10:42 PM](#)

REPRESENTATIVE GARDNER moved to report SJR 1, 25-LS0476\A, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SJR 1 was reported out of House Health, Education and Social Services Standing Committee.

[3:11:01 PM](#)

The committee took an at-ease from 3:10 p.m. to 3:11 p.m.

HB 181-TRAFFIC OFFENSES: FINES/SCHOOL ZONES

[3:11:44 PM](#)

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 181, "An Act relating to traffic offenses and traffic offenses committed in a school zone; and providing for an effective date." [Before the committee was CSHB 181, Version 25-LS0613\L, Luckhaupt, 3/20/07.]

3:11:53 PM

ROBERT MYERS, Intern to Representative Peggy Wilson, Alaska State Legislature, addressed questions that were raised during the bill's first hearing. He clarified that the large penalties assessed by the bill are designed to clearly define unacceptable behavior. Mr. Myers pointed out that, in 1998, the legislature passed double traffic fines in construction zones to protect construction workers and last year, similar legislation was passed to protect the public in highway safety corridors. Thus, this legislation is needed to protect school children just as much as construction workers and the general public. In addition, he explained that pressuring local agencies for increased enforcement of existing laws places an undue burden on police forces and the enforcement of laws remains in the domain of local municipalities and the Alaska State Troopers.

MR. MYERS continued to explain that data from 2002 through 2004, shows that there was a 33 percent reduction in construction zone accidents; however, overall accidents rose 18 percent. He opined that this data tends to support the effectiveness of the double traffic fines in construction zones. He concluded by saying that accidents in school zones increased by 110 percent during the same time period.

3:14:38 PM

REPRESENTATIVE GARDNER asked how many of the school zone accidents involved children.

MR. MYERS responded that the data does not specify.

3:15:07 PM

REPRESENTATIVE ROSES agreed with the intent of the bill; however, he said that he has a concern about the difficulty in collecting the fines. He expressed his hope that this may serve as a deterrent and that whatever can be done to slow people down in school zones is worth a try.

3:16:37 PM

MR. MYERS replied that the problem of collecting traffic fines will exist whether this legislation passes or not. Research during the drafting of the bill showed that non-payment of traffic violations is most prevalent in Anchorage. He opined

that the collection problem does not detract from the merits of HB 181.

3:17:38 PM

REPRESENTATIVE NEUMAN asked whether camera monitoring can be used to enforce the school speed zones.

MR. MYERS assured the committee that camera surveillance and ticketing can be set-up; however, the Alaska Supreme Court ruled that surveillance is a violation of privacy rights.

REPRESENTATIVE NEUMAN opined that violations may be challenged when the fine is \$1,000. He then asked for an explanation of Sec. 5, that annuls 13 AAC 02.325(d) and 13 AAC 03.325.(d).

MR. MYERS explained that Sec. 5 replaces the old definition of a school zone with the new definition in Sec. 4. He said that the old definition uses the presence of a crosswalk to determine a school speed zone. The new definition determines that a school zone is marked by speed limit signs and the fines are effective only during the times indicated by those signs. For example, double fines will not be in effect at 10:00 p.m. in July.

3:21:06 PM

CHAIR WILSON informed the committee that the Department of Transportation & Public Facilities (DOT&PF) requested the clarification of signage for school zones.

3:21:38 PM

REPRESENTATIVE NEUMAN expressed his understanding that a sign that states "School Zone" indicates the applicability of the double fines.

MR. MYERS explained that a driver would only be subjected to double fines if there is a sign that states "School Zone" and states a speed limit and a time frame, or "When Children Present."

3:22:29 PM

REPRESENTATIVE FAIRCLOUGH asked whether DOT&PF has been consulted on this bill.

MR. MYERS affirmed that DOT&PF was consulted on the school zone definition.

REPRESENTATIVE FAIRCLOUGH asked whether there is a fiscal note for the cost of new signage.

MR. MYERS advised that there would not be a need for new signs.

REPRESENTATIVE FAIRCLOUGH questioned Mr. Myers about the time limits that need to be added to the existing signs.

MR. MYERS answered that information is already on the posted signs.

REPRESENTATIVE FAIRCLOUGH recalled that at her local school there are flashing lights that indicate the school speed zone, but there is no time designation.

MR. MYERS explained that the school speed zone is only in effect when the lights are flashing.

REPRESENTATIVE FAIRCLOUGH remarked:

The lights are only flashing on a collector street, which would be a street that's designated as a particular traffic volume. But the more dangerous accidents happen closer to the school where there is no flashing light, there's only a free-standing sign that says "School Zone" going in, I think they're like, neon yellow right now, going in, but there's no designation. So, if there's no time that you are going to add to the sign, ... it's 24/7 that we're going to enforce it from the police department. ... There's after school activities, there's basketball on the week-ends. ... A school zone time, as I understand it, is the hours of operation, 30 minutes before and 30 minutes after, at least at an elementary school....

[3:25:10 PM](#)

MR. MYERS deferred the question to the legislative liaison from DOT&PF.

REPRESENTATIVE FAIRCLOUGH further asked whether the sponsor has garnered comments from the police departments around the state. She stated her interest in knowing if the police departments believe that the bill will be easy to implement.

MR. MYERS assured the committee that the sponsor consulted with the Department of Public Safety, and its issues with HB 181 were addressed in the Committee Substitute (CS). He noted that there are no laws being created; the bill merely alters the penalties for those already in force.

[3:26:43 PM](#)

REPRESENTATIVE GARDNER asked for the difference between "annulling" a statute and "repealing" a statute.

MR. MYERS said that annulled is the correct term for changes in the administrative code.

[3:27:16 PM](#)

MARY SIROKY, Legislative Liaison, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), introduced Kurtis Smith.

[3:27:48 PM](#)

KURTIS SMITH, Traffic and Safety Engineer, Division of Design & Engineering Services, Department of Transportation & Public Facilities (DOT&PF), asked for clarification of the question.

REPRESENTATIVE FAIRCLOUGH restated her question regarding the lack of a time designation on the signs in the school zone of her local school.

[3:28:54 PM](#)

MR. SMITH answered that DOT&PF will not require additional signage. There are three ways for signs to indicate when school speed zones are in effect: flashing lights; "When Children are Present"; and by day of week and time of day.

REPRESENTATIVE FAIRCLOUGH asked whether law enforcement could issue a double fine ticket during week-end activities.

MR. SMITH explained that the "When Children are Present" sign is problematic for law enforcement. He expressed his understanding that the law could be enforced on week-ends and after school hours.

[3:30:01 PM](#)

REPRESENTATIVE GARDNER asked whether there is a traffic safety problem at schools.

MR. SMITH responded that the roads can always be safer; however, DOT&PF annual safety reviews do not identify school zones as problem areas. He opined that compliance with traffic laws in school zones is reportedly better than in other places.

[3:30:56 PM](#)

REPRESENTATIVE GARDNER remarked:

So, if we were to accept that we could do something to make them safer, or that there was any change needed, do you think that doubling fines would be the first way you'd go for it?

MR. SMITH answered:

I think enforcement is the most important thing. ... Fines are already higher in school zones and ... enforcement, I think, is the key.

[3:31:42 PM](#)

MR. MYERS clarified that present law elevates the fines in school zones for speeding only, not for other traffic offenses.

CHAIR WILSON asked what the difference would be between speeding and traffic offenses.

MR. MYERS said that other traffic offenses include running stop signs and unsafe passing.

[3:32:28 PM](#)

DENNIS COOK, Transportation Coordinator, Fairbanks North Star Borough School District, stated his support for HB 181. He informed the committee that his office receives many complaints about vehicles speeding in school zones. He opined that the bill will increase safety for children walking to school and home during the months of inclement weather and darkness. In his personal experience he has seen vehicles speeding in school zones. He said that double fines are effective in slowing vehicles in construction zones. Mr. Cook thanked the committee for looking closely at HB 181.

[3:34:05 PM](#)

REPRESENTATIVE FAIRCLOUGH asked whether the \$1,000 fine is an arbitrary amount or the maximum set by the court system.

[3:34:43 PM](#)

CHAIR WILSON responded that the fine is not to exceed \$1,000; and the judge would decide on the exact amount.

[3:35:00 PM](#)

MR. MYERS explained that a traffic fine is set by a bail schedule established by the Alaska Supreme Court. The current maximum fine for speeding is \$300. The bill will increase the maximum possible fine for speeding to \$1,000. Therefore, the amount of the doubled fines will not be limited by the current ceiling of \$300.

REPRESENTATIVE FAIRCLOUGH verified that there is a formula that uses the speed of the vehicle to calculate the fine.

[3:36:23 PM](#)

REPRESENTATIVE GARDNER asked Mr. Cook whether enhanced and improved enforcement of existing speed limits would improve the safety in school zones.

MR. COOK said yes. Speaking of his experience along the Parks Highway, he opined that the double fines are an effective deterrent in construction zones.

[3:37:17 PM](#)

REPRESENTATIVE NEUMAN observed that the fine also includes double points against a driver's license and if a driver has two school zone speeding tickets within two years, the license is revoked.

MR. MYERS agreed. He added that the first time a license is revoked for traffic points, it is lost for 30 days.

[3:38:07 PM](#)

LT. RODNEY DIAL, Deputy Commander, A Detachment, Division of Alaska State Troopers, Department of Public Safety, recited the

schedule of points assessed toward the suspension or loss of a license.

[3:38:56 PM](#)

REPRESENTATIVE SEATON asked how often the state troopers patrol the school zones.

LT. DIAL answered that coverage varies upon the area. In Ketchikan, traffic offenses in school zones are low; however, a significant amount of federal support for extra highway safety patrols can be used for enforcement in school traffic zones. He informed the committee that the percentage of patrols is community specific.

[3:39:59 PM](#)

REPRESENTATIVE SEATON asked whether the public's awareness of more coverage by law enforcement results in better compliance.

LT. DIAL answered yes. For example, he said that the troopers advertise around the holidays about [increased] DUI enforcement and it is effective.

[3:40:35 PM](#)

REPRESENTATIVE GARDNER asked Lt. Dial for his approach to improving school zone safety.

LT. DIAL responded that he would dedicate officers to patrol school zones, during school hours, on a random basis.

[3:41:11 PM](#)

REPRESENTATIVE NEUMAN asked whether increased fines would increase enforcement.

LT. DIAL replied that the amount of the fine is irrelevant to the enforcement decision. Troopers base enforcement on the greatest need; however, increased fines may have an effect on compliance.

[3:41:58 PM](#)

REPRESENTATIVE GARDNER remarked:

... Kurt Smith, who was with the traffic, traffic and safety engineer with the Department of [Transportation & Public Facilities] said, "fines are already higher in school zones, enforcement is the key." Is that something that you'd agree with?

LT. DIAL agreed.

[3:42:24 PM](#)

CHAIR WILSON asked whether doubling fines in other traffic areas is effective.

LT. DIAL responded that doubling fines may act as a deterrent in highway safety traffic corridors where there is sufficient advertising and signage to make drivers aware of the additional cost of a violation.

CHAIR WILSON concluded that a difference will not be made without new signs.

LT. DIAL said:

I think what I'm trying to say is that if the public's not aware of it, they just wind up with a citation that's a lot higher. I can tell you that my experience as a patrol trooper, people are not even aware of the differences, in many cases, between municipalities in the state. For example, Anchorage Police Department tends to have fines that are double those of the state troopers ... if it's clearly communicated I believe it will have more of an effect.

[3:43:57 PM](#)

CHAIR WILSON closed public testimony.

[3:44:33 PM](#)

REPRESENTATIVE SEATON offered Conceptual Amendment 1 that read:

Citations may be issued utilizing automated photo radar or similar technology if authorized by local ordinance.

[3:44:58 PM](#)

REPRESENTATIVE FAIRCLOUGH objected.

[3:45:10 PM](#)

REPRESENTATIVE SEATON said that DOT&PF and the troopers agree that enforcement is the key. He opined that when people expect enforcement, the public is more compliant and the awareness of enforcement by radar will encourage compliance and promote safety for school children.

[3:46:27 PM](#)

REPRESENTATIVE NEUMAN recalled that DOT&PF concluded that school zones are safe, and that Lt. Dial testified that law enforcement is placed where it is most needed. He said he did not support the amendment.

[3:47:25 PM](#)

REPRESENTATIVE FAIRCLOUGH relayed that Anchorage has experience with photo radar as a means of enforcement. The Anchorage assembly implemented a photo radar program in school zones; however, there was a subsequent ballot initiative and the city overwhelmingly repealed the ordinance. The City of Anchorage wanted a police officer, not a camera, on site to enforce traffic violations. She said that photo radar did make it easier to cite violators, although public opinion was that the program was implemented to raise revenue.

[3:49:53 PM](#)

REPRESENTATIVE FAIRCLOUGH removed her objection.

[3:50:03 PM](#)

CHAIR WILSON announced that, there being no further objection, Amendment 1 was adopted.

[3:50:13 PM](#)

REPRESENTATIVE FAIRCLOUGH said that she agreed that enforcement is the issue and the success of the program depends upon citizens' awareness of the double fine zone. She offered Conceptual Amendment 2 which read:

Signs will be added to inform the public that double fines are enforced in a particular area.

[3:50:49 PM](#)

CHAIR WILSON objected for discussion.

[3:50:57 PM](#)

REPRESENTATIVE FAIRCLOUGH stated that, even though there will be capital costs, it is important to have appropriate signage to raise the education and awareness levels of the public.

[3:51:18 PM](#)

REPRESENTATIVE NEUMAN noted that the amendment does not include the limit of \$1,000.

CHAIR WILSON said, "That follows with the rest of the bill."

[3:51:38 PM](#)

REPRESENTATIVE FAIRCLOUGH pointed out that, in Sec. 1, the bill speaks to double fines. She recalled testimony that explained that the fine is calculated by a formula based on the speed of the vehicle. She suggested that the signs should be similar to those posted in highway traffic safety corridors.

[3:52:21 PM](#)

REPRESENTATIVE NEUMAN asked whether signs will be posted at every school in Alaska.

[3:52:34 PM](#)

MR. MYERS informed the committee that DOT&PF guidelines, copies of which are included in the committee packet, determine where signs need to be placed. He noted that some rural areas are not counted as school zones.

[3:53:26 PM](#)

REPRESENTATIVE GARDNER suggested that the signs need to indicate double fines and double points in order to be a deterrent.

[3:53:47 PM](#)

REPRESENTATIVE FAIRCLOUGH acknowledged that Representative Gardner made a valid point; however, she encouraged the use of existing and consistent signage.

[3:54:19 PM](#)

REPRESENTATIVE ROSES observed that the signs indicate double penalties.

[3:54:39 PM](#)

REPRESENTATIVE SEATON offered Conceptual Amendment 1 to Conceptual Amendment 2 that adds:

... and if automatic technology is authorized the signs shall so indicate.

[3:55:36 PM](#)

CHAIR WILSON objected for discussion.

[3:55:43 PM](#)

REPRESENTATIVE FAIRCLOUGH stated that the use of technology is a local community or municipal choice. If a local community wishes to utilize photo radar, the community could choose to add an appropriate sign.

[3:56:58 PM](#)

A roll call vote was taken. Representatives Neuman, Seaton, Cissna, and Roses voted in favor of Amendment 1 to Conceptual Amendment 2. Representatives Gardner, Fairclough, and Wilson voted against it. Therefore, Amendment 1 to Conceptual Amendment 2 was adopted by a vote of 4-3.

[3:58:15 PM](#)

CHAIR WILSON removed her objection to Conceptual Amendment 2, as amended. There being no further objection, Conceptual Amendment 2, as amended, was adopted.

[3:58:27 PM](#)

REPRESENTATIVE FAIRCLOUGH asked about the effect of the new signage on local communities regarding the use of photo radar enforcement.

[3:59:25 PM](#)

CHAIR WILSON observed that the amendment will require a fiscal note.

[3:59:47 PM](#)

MR. SMITH opined that double fine signs will be installed initially, and later, as appropriate, the local jurisdiction would add a separate plate to notify drivers of radar enforcement.

[4:00:33 PM](#)

REPRESENTATIVE ROSES stated his understanding that DOT&PF is only responsible for signage on state roads.

[4:00:49 PM](#)

MR. SMITH answered that DOT&PF is responsible for signs on state roads and on new projects.

REPRESENTATIVE ROSES asked whether DOT&PF will have the responsibility to install signs for school zones on state roads, or on all roads, in response to this legislation.

MR. SMITH opined that DOT&PF's responsibility would be for state roads.

[4:01:28 PM](#)

REPRESENTATIVE FAIRCLOUGH re-stated the intent of the amendment. She said:

The Department of Transportation, on a state road, would go through, at their earliest convenience, to implement this law and place a sign that showed a double penalty. ... And that we would follow up, then, with how we would enforce the "and portion"....

[4:01:59 PM](#)

REPRESENTATIVE NEUMAN agreed with Representative Fairclough, and then said that the amendment to the amendment would add that the photo radar sign would be placed by the local communities.

[4:02:19 PM](#)

CHAIR WILSON stated:

... that's on the record, that, that, if the community chose to do that, then that would be their responsibility to make sure there was adequate signage. And, obviously, that wouldn't be permanent, because that's not always there, those things can be moved, and so ....

[4:02:38 PM](#)

REPRESENTATIVE SEATON advised that if a municipality authorizes the use of radar, then it would be noted on the school zone sign. A community may set this type of enforcement up on a temporary or permanent basis, and the sign should reflect the presence of radar enforcement. He opined that the amendment clearly states that a local ordinance is needed to allow such technology.

[4:04:36 PM](#)

REPRESENTATIVE GARDNER stated the need for a [revised] fiscal note.

[4:04:40 PM](#)

REPRESENTATIVE SEATON moved to report CSHB 181, Version 25-LS0613\L, Luckhaupt, 3/20/07, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[4:05:05 PM](#)

REPRESENTATIVE NEUMAN objected and recalled that the representative from DOT&PF testified that school zones are generally safe, and that the trooper testified that enforcement is the key. He stressed that school zones should be made safe; however, this is not the approach.

REPRESENTATIVE GARDNER stated her objection, for the same reasons as Representative Neuman, and also due to the lack of documentation supporting the bill. She said that testimony supporting the bill was limited to one member of the public and agency support is absent. Representative Gardner said that she felt that the bill is unnecessary.

4:07:13 PM

REPRESENTATIVE FAIRCLOUGH spoke in favor of moving the bill, having explained the previous reservation she had about the \$1,000 maximum. She said that she felt the amendments will aid in educating the public and that the judiciary committee can further refine the bill, if necessary. Representative Fairclough referred to a letter of support from the Alaska Peace Officers Association, and other testimony supporting the bill. She expressed her belief that education will provide more of a deterrent than an individual's receipt of a costly ticket.

4:09:20 PM

REPRESENTATIVE CISSNA stated that the amendment that requires the radar enforcement issue to be addressed at the local level is important. She recalled that this is not a new idea; however, as long as it is a local choice to use this, it may be helpful.

4:10:52 PM

CHAIR WILSON observed that, although enforcement may be the key, sometimes law officers are not available. She opined that the threat of double fines can make a difference.

4:11:44 PM

REPRESENTATIVE ROSES stated his support for the bill, even though the fine increase may not change behavior.

4:12:08 PM

A roll call vote was taken. Representatives Cissna, Roses, Fairclough, Seaton, and Wilson voted in favor of reporting CSHB 181, Version 25-LS0613\L, Luckhaupt, 3/20/07, as amended, from committee. Representatives Gardner and Neuman voted against it. Therefore, CSHB 181(HES) was reported out of the House Health, Education and Social Services Standing Committee by a vote of 5-2.

4:13:08 PM

The committee took an at-ease from 4:13 p.m. to 4:14 p.m.

HB 100-AIR AMBULANCE SERVICES

4:14:27 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."

4:14:47 PM

KAREN LIDSTER, staff to Representative John Coghill, Alaska State Legislature, prime sponsor, informed the committee that there is a CS for SSHB 100, the legislation to exempt air ambulance services from insurance regulations under AS 21.03. Two amendments were passed at the previous hearing; Amendment 1 gave the definition of an air ambulance service and Amendment 2 limited the subscription period to not greater than two years. Ms. Lidster introduced Linda Hall to answer questions regarding the insurance code.

4:16:23 PM

LINDA HALL, Director, Anchorage Office, Division of Insurance, Department of Commerce, Community, & Economic Development (DCCED), stated that she was available to answer questions.

4:16:52 PM

REPRESENTATIVE FAIRCLOUGH asked whether the amendments to SSHB 100 are de facto insurance regulation. She pointed out that, if passed, the Division of Insurance will be responsible for complaints and compliance relating to this legislation.

MS. HALL answered that an agency is always needed to enforce any statute and to provide opinions thereof; however, the enforcing agency for this issue may not need to be the Division of Insurance. She recalled that the bill relates to consumer protection, and her conversation with Clyde (Ed) Sniffen, Jr., Senior Assistant Attorney General, Commercial/Fair Business Section, Department of Law (DOL), who heads the consumer protection unit, indicated that if there is no other state agency that has oversight, the consumer protection unit will take on the responsibility for oversight. The consumer protection unit of DOL investigates reports of unfair or deceptive conduct, or sales practices, and fraud. Ms. Hall advised that the terms of subscriptions sold, and related

issues, will fall under the jurisdiction of the consumer protection unit.

[4:19:59 PM](#)

REPRESENTATIVE GARDNER asked whether the sale of product memberships, by air ambulance services and through a non profit organization, is selling insurance.

MS. HALL said that is correct.

[4:20:34 PM](#)

REPRESENTATIVE NEUMAN said:

... like here in the [bill] title it says "requiring certain air ambulance services to provide services", so this states, that's actually saying that the state is telling a private industry that you have to do this?

MS. LIDSTER answered:

Representative Neuman, it is not telling air ambulance services that they have to do this, it also states that there are designations on qualifying as an air ambulance service, but they do not have to offer these memberships. No, sir.

[4:21:43 PM](#)

CHAIR WILSON offered that the service is optional.

REPRESENTATIVE NEUMAN repeated his statement:

... it says requiring air ambulance services to provide those services. It's ... confusing there.

MS. LIDSTER remarked:

The question would be that the requirement is that you cannot deny ... medical service in an emergency to, to someone whether or not they have a subscription or membership with you, that was the requirement there.

[4:22:27 PM](#)

REPRESENTATIVE FAIRCLOUGH expressed her belief that this is an insurance product that needs to be regulated. She read the title and asked Ms. Hall to explain why this is not insurance.

MS. HALL explained that Title 21.03 gives the Division of Insurance a list of items that are specifically excluded from the definition of insurance. For example; certain kinds of service contracts, that are low cost products and not a serious source of financial harm to a consumer. The Division of Insurance regulates home warranties, but not a service contract for a toaster. Ms. Hall stated that a public policy decision needs to be made to determine whether the legislature wants subscription services, such as mentioned in SSHB 100, to be sold in the state. If so, policy will need to be written instructing the Division of Insurance on how they are to be regulated. Ms. Hall described division requirements that are imposed on an insurance company such as; deposits in the bank, proof of capital and surplus, annual audits, and tri-annual financial exams. She opined that air ambulance companies would not qualify; therefore, an unique and new regulatory mechanism may need to be created. Ms. Hall stated her support for this bill, but that she does not believe that the Division of Insurance should regulate these subscriptions as insurance.

[4:26:40 PM](#)

CHAIR WILSON described her experience with Medivacs, as a nurse, and opined that this type of coverage for a person could be a comfort.

[4:28:03 PM](#)

REPRESENTATIVE GARDNER remarked:

... I just want to be certain I absolutely understand. Basically, it is an insurance product that they're selling, and they've been selling it illegally, but we've chosen to be somewhat sympathetic to ... and not pursue it, and instead what we're going to do is legislatively say the product isn't insurance and make it a consumer protection issue. So it would be monitored and the interests of Alaskans would be protected by Ed Sniffen and the people in his department.

MS. HALL said that there are differing opinions within the division about whether this product is insurance. Although the

question surfaced years ago, and the division has advised consumers that the product is insurance, a formal legal opinion from DOL has not been solicited. She declined to say whether the product is insurance.

[4:29:42 PM](#)

REPRESENTATIVE CISSNA expressed her belief that life in small communities is becoming more expensive and residents are leaving because of that. How the state deals with health care costs is possibly the single most important issue of livability in rural areas. She opined that regulation should only occur when the need arises; to do otherwise will shape the products available to the public from the private sector. Representative Cissna then said:

We need a future for experimentation in bringing down health care costs. We need to put the safety pieces in place, I agree, but not before we have a problem and ... I'm with this bill.

[4:32:30 PM](#)

MS. HALL stated that the one of the considerations on this issue is that resources are based on consumer complaints. She noted that there has never been a complaint about Medivac services in Alaska or 27 other states; this is indicative of a product that has not created an issue.

[4:33:36 PM](#)

REPRESENTATIVE ROSES clarified that this bill states that if a subscription is sold for air ambulance services, the state is saying that you are not selling an insurance policy, regardless of the statement in the bill title. He asked:

If I came to you and I wanted to, if I came to the state and wanted to get a business license to run an air ambulance service, am I be required to have certain insurance for my company in place when I go to get that license and operate within the parameters of the state? Worker's compensation insurance, liability insurance, so on and so on.

MS. HALL responded yes. She added that previous testimony spoke to the clear requirements of insurance.

REPRESENTATIVE ROSES then asked:

As the commissioner for the department that regulates insurance, if I were to read this and it says this is an act relating to the exempting [of] air ambulance services from insurance regulations, does that mean I don't have to have any insurance any more?

MS. HALL replied, "I would not read it that way ... I clearly would not support that."

[4:35:13 PM](#)

REPRESENTATIVE ROSES repeated his question and said:

... I just want it on the record that it's not the intent of this individual sitting here that's voting on this bill, that that's what this means.

MS. HALL agreed that it is important to establish legislative intent.

[4:35:51 PM](#)

REPRESENTATIVE SEATON asked whether amendments to the bill have been adopted.

CHAIR WILSON confirmed that Amendments 1 and 2 have been adopted.

4:36:20 PM

REPRESENTATIVE GARDNER offered Amendment 3, that 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."

[4:36:32 PM](#)

CHAIR WILSON objected for discussion.

[4:36:39 PM](#)

REPRESENTATIVE GARDNER said that many people have health insurance that will cover the cost of an air ambulance. Therefore, the sale of a subscription for additional coverage would be taking advantage of the buyer. Amendment 3 will prevent the sale of a subscription to persons already covered.

[4:37:06 PM](#)

CHAIR WILSON offered Amendment 1 to Amendment 3 that adds to line 11 "or" between "Health Service" and "Medicaid", and strikes out "or private insurance". She opined that private insurance may not totally cover the cost of air ambulance transportation.

[4:37:54 PM](#)

REPRESENTATIVE GARDNER said:

The sentence actually reads, "An air ambulance service may not sell a subscription to a person who has full coverage for air ambulance services from another source." So, if you have private insurance that may pick up part of it, then you could still buy this policy....

[4:38:40 PM](#)

REPRESENTATIVE ROSES remarked:

As a person that has about three coverage's, I maybe don't have 100 percent insurance ... we continue to keep talking about how this isn't insurance, but this amendment ties it directly to insurance ... you keep arguing that it's [not] an insurance policy but you want to those exempt people that have insurance from buying it if you're already covered...

[4:39:21 PM](#)

REPRESENTATIVE CISSNA stated her personal desire for "emotional insurance" rather than to look at this as a commercial insurance product. She said that an individual living in a rural area may want to keep his/her bases covered regarding transportation sources and should be able to choose to purchase what he/she wants. Representative Cissna recalled that her constituents on Prince of Wales Island complained about their lack of choice. She opined that this is an issue of choice.

[4:40:56 PM](#)

CHAIR WILSON added that, even with 100 percent coverage, insurance may not allow full payment because the air ambulance charges are beyond the allowable cost limit for the service.

[4:41:41 PM](#)

REPRESENTATIVE ROSES noted that the need for air ambulance services is not limited to rural areas. He recalled that witnesses have stated that the bill will have a direct negative impact on their businesses. He cautioned that the amendment ties the bill to insurance, and may not stand a legal challenge.

[4:43:13 PM](#)

CHAIR WILSON commented that for three years this has been an issue, and no one has gone out of business. The sponsors are trying to help people in rural areas.

[4:43:45 PM](#)

REPRESENTATIVE SEATON opined that requiring the air ambulance service to determine an individual's private insurance coverage is extremely problematic. He stated his support for the amendment to the amendment.

[4:45:09 PM](#)

There being no further objection, Amendment 1 to Amendment 3 was adopted.

[4:45:23 PM](#)

REPRESENTATIVE SEATON asked whether "prohibiting the sale of air ambulance services to persons already covered" pertains to the

sale of membership subscriptions service only and not to air ambulance services in general.

[4:46:22 PM](#)

CHAIR WILSON suggested that the same terminology as read in line 11 could be added to the amendment.

REPRESENTATIVE GARDNER observed that adding verbiage to the title would be cumbersome.

[4:47:10 PM](#)

REPRESENTATIVE CISSNA stated her objection and said that people have the right to choice.

[4:47:32 PM](#)

MS. LIDSTER commented that, to insure the intent of the amendment, the title may need to reflect Representative Gardner's addition.

CHAIR WILSON suggested the addition of the word "certain" in front of "persons."

REPRESENTATIVE GARDNER disagreed. She stated that her intent is to prevent a situation similar to one where a person sells an elderly person a new roof that they do not need.

[4:49:31 PM](#)

REPRESENTATIVE ROSES asked whether the intent is to [prohibit] air ambulance services or the subscription services.

REPRESENTATIVE GARDNER replied, "The sale of subscription services."

[4:50:04 PM](#)

REPRESENTATIVE GARDNER then offered Amendment 2 to Amendment 3, that inserted the word "subscription" between "ambulance" and "services".

There being no objection, Amendment 2 to Amendment 3 was adopted.

[4:50:43 PM](#)

REPRESENTATIVE CISSNA expressed her concern that decisions are being made without the perspective of the people who will be using this service.

[4:51:39 PM](#)

CHAIR WILSON removed her objection to Amendment 3, as amended.

[4:51:59 PM](#)

CHAIR WILSON announced that Amendment 3, as amended, is before the committee.

[4:52:47 PM](#)

REPRESENTATIVE CISSNA sustained her objection.

[4:52:54 PM](#)

A roll call vote was taken. Representatives Gardner, Roses, Fairclough, Neuman, and Seaton voted in favor of Amendment 3, as amended. Representatives Cissna and Wilson voted against it. Therefore, the Amendment 3, as amended, passed by a vote of 5-2.

[4:53:59 PM](#)

REPRESENTATIVE SEATON noted that the Division of Insurance questioned whether the legislature wants to make a policy decision on the sale of subscriptions in Alaska and the regulation thereof. He recalled the testimony offered opposing this bill, and other testimony that spoke to a huge marketing scheme of air ambulance services subscriptions that would generate \$2.5 million for one company. He stated that the existing system of air ambulance services is working in Alaska and a competitive marketing venture is not necessary. In addition, he opined that testimony did not convince him that patient care would be improved by the passage of SSHB 100. Representative Seaton said he will not support this bill.

[4:56:37 PM](#)

REPRESENTATIVE ROSES stated his concern about the testimony of an individual whose air ambulance company serves 75 percent of the state. He described how medical care may be delayed while a patient waits for his subscribed service, and observed that this bill will not provide an added level of comfort or confidence to

subscribers. Representative Roses said that the value of the bill goes to the one business that wants to sell subscriptions. He stated his opposition to the bill.

[4:58:41 PM](#)

CHAIR WILSON described how difficult Medivac transportation can be with the current services that are available. She expressed her disappointment at the opposition to SSHB 100.

[5:00:11 PM](#)

REPRESENTATIVE CISSNA stated that the cost of health care in the United States and in rural Alaska is a problem. Communities need to have to find ways to economize; in fact, in the Yukon Flats area, health care professionals are flying in on a regular basis. The number of emergencies is being reduced by this preventive health care. Economic solutions that allow people to live in their villages, in a healthy way are called for. She said that unhealthy products are being flown in to these villages instead of bringing in health care. Representative Cissna stressed that the bill should be given a chance to work.

[5:03:38 PM](#)

The committee took an at-ease from 5:03 p.m. to 5:04 p.m.

[5:04:29 PM](#)

CHAIR WILSON cancelled the hearing on HB 207.

[5:04:47 PM](#)

REPRESENTATIVE ROSES observed that SSHB 100 does not state that if a subscription is purchased that the Medivac flight is paid for. He then remarked:

All I heard the person that spoke of subscriptions [say] ... "Well we would cover, we wouldn't go after them for ... the co-pay." [They] didn't say they wouldn't be going after payment. Nor anywhere in here does it, do we have a sample of what the subscription would look like if somebody sold it. How do we know we're not letting them sell a membership and then they're going to have to go after them to collect the fees anyway. There's no guarantee of that in this bill.

5:05:39 PM

CHAIR WILSON announced that SSHB 100 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 5:05 p.m.