

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 6, 2007

1:31 p.m.

MEMBERS PRESENT§

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Lyman Hoffman
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 84

"An Act relating to the burning capability of cigarettes being sold or offered for sale, or possessed for sale; relating to compliance certifications by tobacco product manufacturers, a directory of tobacco product manufacturers, the affixing of stamps to cigarette packages, and cigarette tax stamps; and providing for an effective date."

MOVED CSSB 84(L&C) OUT OF COMMITTEE

SENATE BILL NO. 93

"An Act relating to licensed professional counselors; and relating to the unlicensed use of the title 'professional counselor.'"

HEARD AND HELD

SENATE BILL NO. 68

"An Act requiring motor vehicle insurers to provide to the commissioner of administration a database listing vehicle insurance policy information that will allow the commissioner to verify whether mandatory motor vehicle insurance has been obtained, limiting access to the database, establishing methods for proving that mandatory motor vehicle insurance is in place, allowing the additional penalties of suspending registration and vehicle impoundment and forfeiture for failure to have mandatory motor vehicle insurance, and authorizing hearings after suspension of registration for failure to have mandatory motor vehicle insurance."

MOVED CSSB 68(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 84

SHORT TITLE: TESTING & PACKAGING OF CIGARETTES

SPONSOR(s): SENATOR(s) OLSON

02/14/07 (S) READ THE FIRST TIME - REFERRALS
02/14/07 (S) L&C, JUD, FIN
02/27/07 (S) L&C AT 1:30 PM BELTZ 211
02/27/07 (S) Heard & Held
02/27/07 (S) MINUTE(L&C)
03/06/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 93

SHORT TITLE: PROFESSIONAL COUNSELORS

SPONSOR(s): SENATOR(s) DAVIS

02/22/07 (S) READ THE FIRST TIME - REFERRALS
02/22/07 (S) L&C
03/06/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 68

SHORT TITLE: MOTOR VEHICLE INSURANCE

SPONSOR(s): SENATOR(s) FRENCH

01/26/07 (S) READ THE FIRST TIME - REFERRALS
01/26/07 (S) L&C, TRA, FIN
02/08/07 (S) L&C AT 1:30 PM BELTZ 211
02/08/07 (S) Heard & Held
02/08/07 (S) MINUTE(L&C)
02/27/07 (S) L&C AT 1:30 PM BELTZ 211
02/27/07 (S) Heard & Held
02/27/07 (S) MINUTE(L&C)
03/06/07 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

DANA OWEN

Staff to Senator Ellis

Alaska State Capitol

Juneau, AK 99801-1182

POSITION STATEMENT: Commented on CSSB 84(L&C).

JOANNA BALES, Manager

Tobacco Tax Program

Department of Revenue (DOR)

POSITION STATEMENT: Commented on CSSB 84(L&C).

TOM OBERMEYER
Staff to Senator Davis
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Commented on SB 93 for the sponsor.

KERRY TURNBOW, Co-chair
Board of Licensed Professional Counselors
Anchorage AK

POSITION STATEMENT: Supported SB 93.

ANNE HENRY (Retired)
Board of Licensed Professional Counselors
Anchorage AK

POSITION STATEMENT: Supported SB 93.

SHAWNEE OLSON, Member
Board of Professional Counselors
Homer AK

POSITION STATEMENT: Supported SB 93.

PAMELA WATTS, Administrator
Juneau Alliance for Mental Health Inc.
Juneau AK

POSITION STATEMENT: Supported SB 93.

DUANE BANNOCK, Director
Division of Motor Vehicles
Department of Administration (DOA)
Juneau AK

POSITION STATEMENT: Commented on SB 68.

KAREY HENNINGS, Manager
Driver Licensing, Division of Motor Vehicles
Department of Administration (DOA)
Juneau AK

POSITION STATEMENT: Commented on SB 68.

JEFFERY TROUTT, Deputy Director
Division of Insurance
Department of Commerce, Community & Economic Development
Juneau, AK

POSITION STATEMENT: Commented on SB 68.

CAPTAIN BILL MILLER

Anchorage Police Department
Anchorage AK
POSITION STATEMENT: Commented on SB 68.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [1:31:37 PM](#). Present at the call to order were Senators Stevens, Bunde and Ellis.

SB 84-TESTING & PACKAGING OF CIGARETTES

CHAIR ELLIS announced SB 84, version M, to be up for consideration.

DANA OWEN, staff to Senator Ellis, said SB 84, version K, has one change from version M. At the request of the Department of Revenue, sections 2 - 5 that had been dropped from the original bill were reinserted. This would keep the department from having to maintain two different lists of cigarettes that are eligible to be sold in the state and to reduce confusion amongst the retailers of cigarettes.

[1:33:54 PM](#)

SENATOR BUNDE said he was concerned about the importation of smokeless tobacco and circumventing some of existing law and he asked if the title was broad enough.

JOANNA BALES, Manager, Tobacco Tax Program, Department of Revenue (DOR), said she didn't have a copy of the CS in front of her and didn't know if the title had been changed.

CHAIR ELLIS commented that the title had been tightened up in the previous version - M.

MR. OWEN explained that version K reinstates the original title language by inserting on line 2 starting at "relating to" through "tax stamps;" on line 4.

[1:36:07 PM](#)

CHAIR ELLIS said he would hold the bill until later in the meeting and asked that Ms. Bales be sent a copy so Senator Bunde's question could be addressed.

[1:36:48 PM](#)

SENATORS DAVIS and HOFFMAN joined the committee.

SB 93-PROFESSIONAL COUNSELORS

CHAIR ELLIS announced SB 93 to be up for consideration.

TOM OBERMEYER, staff to Senator Davis, sponsor of SB 93, said that it is "An act relating to the licensed professional counselors and to unlicensed use of the title 'professional counselor.'" It amends two sections of the Alaska statutes concerning professional licenses and insurance as regards licensed professional counselors (LPC). Section 1 better protects the public from unlicensed individuals misusing these titles and misrepresenting themselves as having the same qualifications of licensed professional counselors who must complete formal educational requirements with a Master's degree or higher, pass a licensed qualifying exam and complete lengthy supervised practice for not less than two years.

Section 2 amends AS 21.36.090(d), the insurance provisions that prohibit discrimination against licensed service providers under a group insurance policy if that service is within the scope of the provider's occupational license by adding 'licensed professional counselors' to the long list of providers in this category. It also increases access to needed services for some who formerly were excluded because licensed professional counselors were not included with other health care professionals in the non-discrimination clause of this statute.

MR. OBERMEYER said that licensed professional counselors make up one-third of all mental health professionals in the State of Alaska and represent about the same proportion of all counselors working in state-funded mental health and substance abuse treatment facilities.

The last legislature approved a statutory change to allow licensed professional counselors to practice psychotherapy and make Title 47 civil commitment evaluations. SB 93 helps insure third-party billing parity for licensed professional counselors while also allowing them to be included with other health care professionals in this area. Again, it better protects and serves the public and has a zero fiscal note.

[1:40:05 PM](#)

KERRY TURNBOW, Co-chair, Board of Licensed Professional Counselors, said he is a practicing clinician in Fairbanks and supported the sponsor statement. Adding "licensed professional counselor" helps protect the public from misrepresentation and potentially adding to the number of poor or unethical practices.

It will also allow LPCs to do third-party billing to insurance companies. It was probably an omission in the first place.

1:41:55 PM

ANNE HENRY, retired member of the Board of Licensed Professional Counselors, explained that LPCs had always been doing psychotherapy, but some insurance companies were refusing to reimburse for it because that service was restricted to use by psychologists. She pointed out that no one else was practicing when their statute was passed years ago and that psychotherapy is now a generic term that everyone across the country uses for the kind of work they do.

1:43:30 PM

SENATOR STEVENS asked what other mental health professionals are currently covered by insurance.

MS. HENRY replied that several major companies in Alaska already cover and reimburse for LPCs - Aetna, Premera Blue Cross/Blue Shield, Signa, Tri-Care - and the federal government has just recently approved all reimbursement for LPCs. Only a few small companies don't reimburse for their services.

SENATOR STEVENS asked who is normally covered.

MS. HENRY replied that providers covered for reimbursement are: psychiatrists, medical doctors, physician assistant, dentist, osteopath, optometrist, chiropractor, nurse midwife.... The mental health professionals would be psychologists, psychological associates, clinical social workers and professional counselors.

SENATOR STEVENS said this kind of closes a loop hole that insurance companies have avoided payment for.

MS. HENRY responded that was correct.

SHAWNEE OLSON, Board of Professional Counselors, supported the previous testimony and SB 93. She said she runs a small practice in Homer and that when people see "professional" they expect licensure and reimbursement.

1:47:45 PM

PAMELA WATTS, Administrator, Juneau Alliance for Mental Health Inc., supported previous testimony. One of the benefits of passing this bill is it would help employers of mental health professionals with recruitment and retention, because insurance

will pay for the services. The fact that the Department of Veterans Affairs recently started to recognize professional counselors for reimbursement is also a huge step in the recognition of the value of professional counselors.

[1:49:29 PM](#)

SENATOR STEVENS asked if people pretending to be counselors has been a problem in the past.

MS. WATTS replied people call themselves all kinds of counselors - credit counselor and car sales counselor for instance. It is difficult for some people to know who they are actually receiving services from. They may assume a person is a mental health professional when, in fact, they aren't.

CHAIR ELLIS thanked her for testifying and said the director of the Division of Occupational Licensing would want to testify and held SB 93 for a future hearing.

SB 84-TESTING & PACKAGING OF CIGARETTES

CHAIR ELLIS announced SB 84 to be back before the committee. The proposed CS had been faxed to Ms. Bales and asked if she had a chance to consider Senator Bunde's question about the title.

MS. BALES confirmed that she had received it and suggested that the title is broad enough for changes to Articles 5 and 6 of the cigarette and tobacco products excise tax statutes. Article 5 is the cigarette directory and Article 6 is the cigarette tax stamp. However, she suggested confirming that with Legislative Legal.

SENATOR BUNDE said the question had been answered to his satisfaction.

[1:53:21 PM](#)

SENATOR STEVENS moved to adopt CSSB 84, version K. There were no objections and it was so ordered.

[1:54:03 PM](#)

SENATOR STEVENS moved to pass CSSB 84(L&C), version K, from committee with individual recommendations and attached fiscal notes. There were no objections and it was so ordered.

SB 68-MOTOR VEHICLE INSURANCE

CHAIR ELLIS announced SB 68 to be up for consideration. He asked the sponsor to walk the committee through the new proposed committee substitute (CS).

1:57:56 PM

SENATOR FRENCH, sponsor of SB 68, said a new CS was identified as version L. He said it narrows Section 5 by specifying that the department shall adopt an online system for verifying mandatory insurance. The previous version had language that allowed for any type of electronic verification. Research and discussion with knowledgeable folks found that the online method is the most widely supported. Proof of insurance is still in the bill when registering and reregistering a vehicle as well as the provision allowing municipalities to impound vehicles that don't have insurance. He stated:

The bill is written to provide an event-based verification system for insurance and that means the state shall verify that you have mandatory insurance during points of contact. A point of contact, for example, is when you go to see DMV to register your car or when a peace officer runs your plate.

He said the packet includes a report from an industry group known as the Insurance Industry Committee on Motor Vehicle Administration (IICMVA). It concludes that this nationwide regulatory body supports an event-based online verification system. These systems and methods have garnered industry support because they are compatible with industry computer programs. Also included in the packet is information on VeriSol, an existing company that provides this service. The DMV brought it to his attention as a method being adopted by other states. It was designed by insurance industry folks in a way that makes data integration simple and efficient. VeriSol is currently being implemented by Wyoming, Texas, Florida and Oklahoma. It sounds as though the amount of work involved with starting up a VeriSol system involved hours and not a massive overhaul.

1:59:04 PM

SENATOR HOFFMAN asked how soon an uninsured person has to get the insurance if they are identified as not having insurance by a police officer.

SENATOR FRENCH replied the way the bill is currently written, a police officer can impound a car if one has no insurance. It's up to the police officer to let the person go home on a promise

of getting insurance or impounding the car to force the issue - depending on the circumstances.

[1:59:53 PM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration (DOA), deferred to Karey Hennings to comment on the proposed CS.

KAREY HENNING, Manager, Driver Licensing, Division of Motor Vehicles, Department of Administration (DOA), said the CS "is right in line with what the division would like to see."

SENATOR BUNDE noted the new fiscal note of \$290,000 a year and asked if that was the projected cost of implementing the bill.

MR. BANNOCK explained that he used a formula that a couple of other states have used for determining the cost of an online verification program - using the number of vehicles in Alaska.

[2:02:02 PM](#)

SENATOR BUNDE asked how it would work in reality if a policeman could stop someone and finds he doesn't have insurance and it's his responsibility to decide whether to impound the vehicle or not.

CAPTAIN BILL MILLER, Anchorage Police Department, responded that it is easier for him to give directions in absolutes, but an officer has the good judgment to make such a call in the field.

[2:04:45 PM](#)

SENATOR HOFFMAN asked if there are impoundment areas in Kotzebue and Nome.

CAPTAIN MILLER replied that he didn't know and he hadn't talked to police officers from that area on this issue.

SENATOR FRENCH pointed out that in this far-flung state it's a good idea to begin to move in the direction of computerization and this is a step in that direction. This measure would make it easier for officers to have a way to verify whether folks have insurance on their cars.

SENATOR BUNDE asked if insurance companies have to do more work because of the uninsured drivers and therefore this would impact insurance rates for the good drivers.

JEFFERY TROUTT, Deputy Director, Division of Insurance, Department of Commerce, Community & Economic Development, said he didn't know, but promised to get him information on it. He said the true expert on this is Sarah McNair Grove and she was at a conference.

[2:07:51 PM](#)

SENATOR STEVENS asked how dependable online insurance verification is.

MR. TROUTT replied it is being used in other states, but it has some problems. "I'm sure it's one of those things - it's only as good as the data that they have...for keeping a real time data base. The technology continues to get better."

CHAIR ELLIS asked him to get that information.

SENATOR STEVENS moved to adopt CS for SB 68, version L. There were no objections and it was so ordered.

[2:10:15 PM](#)

CHAIR ELLIS asked the sponsor to pitch his bill again.

SENATOR FRENCH went to the bad data issue and said it's important to keep on the proof of insurance card provision on the books in case of a computer malfunction. The issue is if the department is ready at this point to move forward to a whole new system.

SENATOR STEVENS said he felt it makes sense to keep the cards as a transition measure.

SENATOR FRENCH concurred.

CHAIR ELLIS asked if the committee wanted to act today.

SENATOR DAVIS moved to pass CSSB 68(L&C), version L, from committee with individual recommendations.

SENATOR BUNDE objected. He thought it would be expensive for the state to implement and it could raise insurance rates for the apparent gain. He thought if this bill were law, it would encourage companies to insure on a monthly basis.

[2:18:36 PM](#)

SENATOR STEVENS said by law he has to carry the proof of insurance card in his car and asked what if he is stopped and

the computer indicates he is insured, but he has forgotten to put the card in his car.

SENATOR FRENCH replied that the bill is written so that either form of proof is sufficient.

SENATOR BUNDE said he thought the police officer would believe the computer over a card.

2:20:22 PM

A roll call vote was taken. Senators Hoffman, Davis, Stevens and Ellis voted yea; Senator Bunde voted nay; and CSSB 68(L&C) passed from committee.

There being no further business to come before the committee, Chair Ellis adjourned the meeting at 2:20:54 PM.