

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

April 10, 2012

3:02 p.m.

**MEMBERS PRESENT**

Representative Wes Keller, Chair  
Representative Alan Dick, Vice Chair  
Representative Bob Herron  
Representative Paul Seaton  
Representative Beth Kerttula  
Representative Bob Miller

**MEMBERS ABSENT**

Representative Charisse Millett

**COMMITTEE CALENDAR**

SENATE BILL NO. 74

"An Act requiring insurance coverage for autism spectrum disorders, describing the method for establishing a covered treatment plan for those disorders, and defining the covered treatment for those disorders; and providing for an effective date."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 98(JUD)

"An Act relating to biometric information."

- MOVED HCS CSSB 98(HSS) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 74

SHORT TITLE: INS. COVERAGE: AUTISM SPECTRUM DISORDER

SPONSOR(s): SENATOR(s) ELLIS

01/28/11	(S)	READ THE FIRST TIME - REFERRALS
01/28/11	(S)	HSS, L&C
03/30/11	(S)	HSS AT 1:30 PM BUTROVICH 205
03/30/11	(S)	Moved SB 74 Out of Committee
03/30/11	(S)	MINUTE(HSS)
04/01/11	(S)	HSS RPT 4DP 1AM
04/01/11	(S)	DP: DAVIS, MEYER, ELLIS, EGAN

04/01/11 (S) AM: DYSON  
 04/12/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)  
 04/12/11 (S) Scheduled But Not Heard  
 04/14/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)  
 04/14/11 (S) Moved SB 74 Out of Committee  
 04/14/11 (S) MINUTE(L&C)  
 04/15/11 (S) L&C RPT 4DP 1DNP  
 04/15/11 (S) DP: EGAN, DAVIS, PASKVAN, MENARD  
 04/15/11 (S) DNP: GIESSEL  
 02/23/12 (S) TRANSMITTED TO (H)  
 02/23/12 (S) VERSION: SB 74  
 02/24/12 (H) READ THE FIRST TIME - REFERRALS  
 02/24/12 (H) HSS, L&C  
 04/10/12 (H) HSS AT 3:00 PM CAPITOL 106

BILL: SB 98

SHORT TITLE: BIOMETRIC INFORMATION FOR ID

SPONSOR(S): SENATOR(S) WIELECHOWSKI

03/11/11 (S) READ THE FIRST TIME - REFERRALS  
 03/11/11 (S) STA, JUD  
 03/15/11 (S) STA AT 9:00 AM BUTROVICH 205  
 03/15/11 (S) Heard & Held  
 03/15/11 (S) MINUTE(STA)  
 03/17/11 (S) STA AT 9:00 AM BUTROVICH 205  
 03/17/11 (S) Moved CSSB 98(STA) Out of Committee  
 03/17/11 (S) MINUTE(STA)  
 03/18/11 (S) STA RPT CS 4DP SAME TITLE  
 03/18/11 (S) DP: WIELECHOWSKI, GIESSEL, MEYER,  
 PASKVAN  
 03/21/11 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/21/11 (S) Heard & Held  
 03/21/11 (S) MINUTE(JUD)  
 03/28/11 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/28/11 (S) Heard & Held  
 03/28/11 (S) MINUTE(JUD)  
 04/06/11 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 04/06/11 (S) Heard & Held  
 04/06/11 (S) MINUTE(JUD)  
 04/15/11 (S) JUD AT 1:30 PM BUTROVICH 205  
 04/15/11 (S) Moved CSSB 98(JUD) Out of Committee  
 04/15/11 (S) MINUTE(JUD)  
 04/16/11 (S) JUD RPT CS 2DP 1DNP 1NR SAME TITLE  
 04/16/11 (S) DP: COGHILL, WIELECHOWSKI  
 04/16/11 (S) DNP: PASKVAN  
 04/16/11 (S) NR: FRENCH  
 04/16/11 (S) TRANSMITTED TO (H)

04/16/11 (S) VERSION: CSSB 98(JUD)  
04/17/11 (H) READ THE FIRST TIME - REFERRALS  
04/17/11 (H) HSS, JUD  
03/27/12 (H) HSS AT 3:00 PM CAPITOL 106  
03/27/12 (H) Heard & Held  
03/27/12 (H) MINUTE(HSS)  
04/10/12 (H) HSS AT 3:00 PM CAPITOL 106

**WITNESS REGISTER**

SENATOR JOHNNY ELLIS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 74 as the prime sponsor of the bill.

REPRESENTATIVE DAN SADDLER  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified as a sponsor of SB 74.

LORRI UNUMB, Vice President  
State Government Affairs  
Autism Speaks  
Charleston, South Carolina

**POSITION STATEMENT:** Presented a PowerPoint titled "Insurance Coverage for Autism in Alaska."

TONJA UPDIKE, Board Member  
Governor's Council on Disabilities & Special Education  
Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 74.

MILLIE RYAN, Executive Director  
Governor's Council on Disabilities & Special Education  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 74.

BREEANN DAVIS  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 74.

CHRISTINE POTTER, President  
Alaska Nurse Practitioners Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 74.

AL TAMAGNI

National Federation of Independent Business (NFIB)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 74.

ALLY BAKER

(No address provided)

**POSITION STATEMENT:** Testified in support of SB 74.

KATIE KING

(No address provided)

**POSITION STATEMENT:** Testified during discussion of SB 74.

LINDA HALL, Director

Anchorage Office

Division of Insurance

Department of Commerce, Community & Economic Development

Anchorage, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 74.

SHEELA TALLMAN

Premera Blue Cross Blue Shield

Seattle, Washington

**POSITION STATEMENT:** Testified during discussion of SB 74.

SENATOR BILL WIELECHOWSKI

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Testified during discussion of SB 98, as the prime sponsor of the bill.

SAM GOTTSTEIN, Staff

Senator Bill Wielechowski

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Explained the changes to SB 98, on behalf of the prime sponsor, Senator Wielechowski.

## **ACTION NARRATIVE**

[3:02:21 PM](#)

**CHAIR WES KELLER** called the House Health and Social Services Standing Committee meeting to order at 3:02 p.m. Representatives Keller, Kerttula, Herron, and Miller were

present at the call to order. Representatives Dick and Seaton arrived as the meeting was in progress.

**SB 74-INS. COVERAGE: AUTISM SPECTRUM DISORDER**

[3:02:49 PM](#)

CHAIR KELLER announced that the first order of business would be SENATE BILL NO. 74, "An Act requiring insurance coverage for autism spectrum disorders, describing the method for establishing a covered treatment plan for those disorders, and defining the covered treatment for those disorders; and providing for an effective date."

SENATOR JOHNNY ELLIS, Alaska State Legislature, stated that proposed SB 74 required "insurance coverage of medically necessary, evidence based treatments of autism spectrum disorders (ASD) for individuals under the age of 21, as prescribed by a licensed physician or psychologist." He clarified that these were not experimental treatments, but were medically necessary treatments which included speech, language, physical, and occupational therapies and behavioral interventions recognized by the U.S. Surgeon General, the National Institute of Child Health, and the American Academy of Pediatrics as effective forms of medical treatment. He declared that autism was treatable, and that the efficacy of behavioral interventions for the treatment of ASDs was well established. He stated that intensive behavioral therapy had been shown to increase IQ, language skills, academic performance, and sociality, and reduce long term medical costs. He reported that nearly half of those receiving medically necessary early intervention and treatment did not require lifelong services and support, while half of these children were able to achieve normal functioning after two to three years of treatment. He pointed out that an increase to functionality would significantly reduce the fiscal impact on the State of Alaska. He noted that the Governor's Council on Disabilities and Special Education were strong supporters of the proposed bill, and had reported that autism insurance coverage would save \$208,500 per child in avoided special education costs, with a lifetime savings of just over \$1 million per child. He declared that, without treatment, an autistic individual would cost the state about \$3.2 million, which included lost productivity and adult care.

[3:07:09 PM](#)

SENATOR ELLIS declared that the proposed bill would only slightly increase insurance premiums. He shared that the cost would be about 0.39 percent of insured premiums, or about \$1.34 per month for each policy holder. He noted five other states which were good indicators of the actual cost, as claims data for two years of implementation of this demonstrated that premiums were lower than predicted, with an average cost to each member of 31 cents per month at the end of the second year. He pointed to other insurance mandates that had passed with bipartisan support, which included prostate cancer screening and well-baby examinations. He declared that the proposed bill would help children, save marriages, and keep families together.

[3:10:04 PM](#)

REPRESENTATIVE DAN SADDLER, Alaska State Legislature, shared the personal story of his autistic son, who was finally diagnosed when he was six and one half years of age. After researching autism, he and his wife had agreed that applied behavioral analysis (ABA) was the only evidence based, scientifically founded treatment for autism. He listed the therapies and consultations outside Alaska, as there were few providers in the state. He shared that they had borrowed from family, refinanced their house, used their insurance to its maximum extent, and spent "many scores of thousands of dollars out of pocket." He said that an attempt at enrolling his son in the public schools in Anchorage had not been successful, as his son did not receive the necessary intense applied behavioral analysis services. He shared that his son and his wife had moved to Connecticut for almost two years of high quality, intense ABA services, but were now back in Eagle River, where his son was enrolled at an ABA school. He declared that his family's experience illustrated the benefits of ABA, as his son was now able to talk, read, "do math as well as a Saddler can," and receive benefit from school. He shared that, although his family had not broken apart, there were scars, which was a common experience for families with special needs children. He declared that the proposed bill would help eliminate the huge upheavals in life by providing good service for children at a young age. This would improve their prospects for a meaningful life with the maximum progress in life, save the State of Alaska a lot of money from social services and care, and keep families together. He pointed out that the increased cost of premiums would be covered by the reductions in educational and medical expenses. He noted that insurance pools the risks and shares the costs of illnesses. He declared his support of the proposed bill, and although it may not be the best solution, it was a solution that was available

today. He summarized that "every year there is no action, more children slip into darkness."

3:14:17 PM

CHAIR KELLER commented that, although the upcoming testimonies would reveal challenges and problems with the proposed legislation, it was not insensitive to the issue.

REPRESENTATIVE HERRON expressed his agreement to the sensitivity of the issue, and asked if Representative Saddler was aware of the autism coverage incentive program being offered in Michigan.

REPRESENTATIVE SADDLER expressed his desire for more information.

REPRESENTATIVE HERRON, pointing out that the proposed bill was a health issue and an insurance issue, asked about forwarding it to the House Labor and Commerce Standing Committee.

REPRESENTATIVE SADDLER stated that the House Health and Social Services Standing Committee was a good committee to discuss the issues and concerns, and that the House Labor and Commerce Standing Committee would be an appropriate committee to discuss the fiscal ramifications of the proposed bill.

3:17:00 PM

LORRI UNUMB, Vice President, State Government Affairs, Autism Speaks, shared that she had an eleven year old son with autism, and that she had formerly worked as an attorney with the U.S. Department of Justice, and a Professor of Law at George Washington University. She declared that she decided to advocate full time on behalf of individuals with autism when she recognized the "inequity in the insurance arena." She noted that she had written an academic textbook, "Autism and the Law," and that she also taught a law school course on the subject. She clarified that autism was a medical condition, with diagnosis and treatment by a medical doctor. It cannot be cured, but it can be treated. She reported that more than 50 percent of the time, treatment allowed that children could enter the first grade indistinguishable from their peers, which resulted in huge savings in special educational costs.

MS. UNUMB directed attention to slide 3, "ABA Therapy Is Not Experimental," and stated that the most commonly prescribed treatment was applied behavior analysis (ABA) therapy which,

although it had been used for decades in treatment, was often deemed an experimental treatment by insurance companies.

3:18:57 PM

MS. UNUMB moved on to slide 7, "Autism Prevalence on the Rise," which depicted the exponential increase to the rate of autism over 35 years. She declared that statistics showed that 1 in 88 children were diagnosed with autism. She emphasized that, unless treatments were initiated immediately, the State of Alaska would be hit "with a huge autism tsunami in terms of special educational costs." She pointed out that the cost would also include group homes, or institutionalization, with an average per person cost of \$3 million for children who did not receive treatment. She declared that, without private health insurance coverage, there would not be the treatment.

3:20:16 PM

MS. UNUMB identified that slide 10, "States with Autism Insurance Reform," listed the 29 states with meaningful autism insurance legislation. She mentioned that Michigan had just passed an autism insurance bill. She reported that both liberal and conservative states had already passed legislation. She mentioned that opponents of this legislation had said that this would be very expensive, would cause companies to go out of business, and that the cost of insurance was a problem. She acknowledged that the cost of insurance was a problem, but that the cost to add the benefit was "incredibly minimal," and that the cost of claims data was even lower than the actuarial cost predictions. She directed attention to page 14 of the handout, "Insurance Coverage for Autism in Alaska," [Included in members' handouts] which listed the premium costs in five of the earliest states to adopt autism legislation. The first year of implementation of autism legislation increased the per member per month insurance cost by an average of 15 cents, and the second year the average cost increase was 31 cents. She declared that most everyone was willing to pay an additional 31 cents each month "so that all the children with autism could get the treatment that they need, especially when it's such a fiscally responsible thing for the state to do."

3:23:05 PM

MS. UNUMB furnished slide 12, "South Carolina State Employee Plan," and stated that the original projection of cost to the state had been \$18.9 million, revised down to \$10 million, with

an actual cost of \$856,371 in the first year, and \$2,042,392 in the second year, which was 44 cents per member per month.

[3:23:59 PM](#)

MS. UNUMB directed attention to the handout "Health Coverage of Alaska Population" [Included in members' packets] and said that the proposed legislation would affect 15 percent of the state population. She pointed out that the state could not regulate the 34 percent of self-insured. She declared that the military insurance in Alaska, TRICARE, which covered 11 percent of the state, had already voluntarily adopted this same coverage. She offered an analogy for using the too few available life jackets to save as many people as possible from a sinking ferry, as opposed to holding on to the lifejackets because there were not enough to save everyone. She declared that the proposed bill was that lifejacket to many families. Directing attention to slide 24, "Self-Funded ERISA Plans that cover Autism Treatments," she pointed to a list of self-insured companies, not subject to state law, that had voluntarily added an autism benefit when the state had required the benefit.

[3:26:47 PM](#)

MS. UNUMB declared that the argument that this proposed legislation targeted small businesses was misleading, as it applied to all businesses that the state could regulate. She urged immediate action on the proposed legislation, as any delay could mean the difference to a child for a life time of institutionalization or a meaningful lifetime.

[3:27:41 PM](#)

REPRESENTATIVE HERRON asked if the Michigan autism legislation model fit with this legislation.

MS. UNUMB, in response, explained that Michigan had created a state autism fund which reimbursed the insurance companies for any additional costs from the coverage.

REPRESENTATIVE HERRON asked what was the response by the insurance companies.

MS. UNUMB replied that the insurance companies were thrilled.

[3:29:14 PM](#)

CHAIR KELLER expressed his agreement that the fund concept seemed so logical. He asked about any ramifications from the federal Patient Protection and Affordable Care Act (PPACA). He offered his belief that insurance mandates would be paid by each state, without any federal match.

[3:29:51 PM](#)

MS. UNUMB directed attention to slide 30, "Impact of Federal Health Care Reform," and clarified that PPACA stated that a state would be "on the hook" for any benefits which the state required unless those benefits were included in the federal essential benefits package.

MS. UNUMB indicated slide 31, "federal Health Care Reform: The Essential Benefits Package (pre-amendment) which listed the essential benefits in PPACA, as it was going through Congress. When Autism Speaks reviewed the list, it was unclear if autism benefits were included, so language had been added, "including behavioral health treatments," to ensure that autism treatments were covered. She moved on to slide 33, "Federal Health Care Reform: The Essential Benefits Package (as enacted)," which included behavioral health treatment, as well as rehabilitative and habilitative services. She emphasized that proposed SB 74 would be included in the federal PPACA essential benefits package, and should not include any obligation for the state to defray excess costs.

[3:31:57 PM](#)

CHAIR KELLER offered his belief that, as the outcome of PPACA was an unknown, it was "an unsettled segment." He opined that ABA should be included in special education funding, and asked if other states had done anything toward this line of funding.

[3:32:51 PM](#)

MS. UNUMB explained that the federal Individuals with Disabilities Education Act (IDEA) required that all public schools accommodate children with disabilities, which included autism. She pointed out that it did not require treatment for the underlying disability. She informed the committee that prior to IDEA, schools could "shut their doors to children with disabilities," and that the intent of the legislation was for schools to accommodate the disability, but not provide the treatment. She declared that, if a family had health insurance, it was the responsibility of the insurance company to contribute

to the treatment cost. She said that although some schools used the principles of ABA in education, that lower threshold did not meet the medical necessity threshold.

[3:35:00 PM](#)

MS. UNUMB, in response to Chair Keller, said that the revision to the Diagnostic and Statistical Manual (DSM) was due to be released in the near future. She offered her belief that it would include a re-shaping of the autism spectrum; although there was no intent to narrow the diagnosis, there was a concern that this would be the effect.

[3:35:30 PM](#)

CHAIR KELLER clarified that the DSM was under consideration by the American Psychiatric Association, and was due for release in May 2013. He offered his belief that "we could do a more intelligent bill just a little bit later."

MS. UNUMB replied that many states have had to grapple with this, but that the definitions for the diagnoses would still affect the same category of children.

[3:36:46 PM](#)

TONJA UPDIKE, Board Member, Governor's Council on Disabilities & Special Education, offered a personal story her autistic child. She declared that the early intervention program, the speech therapist, and the occupational therapist had made great strides with his development, but that, although he was now able to speak, he was still not able to spontaneously converse. She shared that the insurance benefits from her husband's job did not cover a lot of her son's therapies. She emphasized that the early age services for her son made a huge difference in his development. She declared that the situation was very stressful for a family, and that it was necessary to remember the impact on the family and the children. She shared her dream for her son to be an independent member of the community.

[3:40:19 PM](#)

MILLIE RYAN, Executive Director, Governor's Council on Disabilities & Special Education, stated that the Council strongly supported SB 74. She reported that the Council had developed a five year autism plan "focused on universal screening, expanded diagnostic capacity, enhanced information

and referral resources, work force development, and funding." She summarized that the Council considered that parents, health insurance, education, and the state all had roles to ensure that children with autism received necessary services in a timely manner. She declared that proposed SB 74 would make a major, positive difference.

[3:41:44 PM](#)

BREEANN DAVIS shared a personal story of her son with autism, the burden this placed on her family, neighborhood, schools, and community, and the difficulties of constant supervision. She declared that although ABA therapy was considered a proven, best practice therapy, it was out of their financial reach. She stated that her insurance would pay for medications and other therapies, but would not pay for ABA. She declared that ABA offered her son the best chance for a full life. She urged passage of the proposed bill. She pointed out that, for a family struggling to get through each hour, the postponement of legislation until the next year "feels like a death sentence."

[3:45:09 PM](#)

CHRISTINE POTTER, President, Alaska Nurse Practitioners Association, reported that the association was discussing the introduction of an amendment to include advance nurse practitioners as providers.

[3:45:58 PM](#)

AL TAMAGNI, National Federation of Independent Business (NFIB), asked why small businesses, which represented 14-17 percent of the insured in Alaska, were being singled out to pay for this program. He offered his belief that large corporations did not have to pay for this, as they were self-insured. He suggested a need to review what was fair and equitable, and that the best possible solution would be to set up the program under Medicaid, as the cost would be equally spread.

[3:49:24 PM](#)

CHAIR KELLER asked if NFIB would accept for all the autism coverage to be in a "blind pool" with the cost of the coverage shared among everyone.

MR. TAMAGNI replied that NFIB would assist in drafting this legislation.

CHAIR KELLER said that the state could then put money into the fund.

[3:50:41 PM](#)

REPRESENTATIVE SEATON asked if NFIB would support the proposed bill if the State of Alaska also included this benefit for its employees.

MR. TAMAGNI replied that NFIB would be more interested in "taking a look at it to where all entities participate in that pool." He suggested that the money be deposited into a separate pool or trust entity for Medicaid.

[3:52:29 PM](#)

REPRESENTATIVE SEATON asked to clarify whether all the NFIB members qualified for Medicaid, or if NFIB only supported a universal health care system that included Medicaid for everyone.

MR. TAMAGNI replied that universal contributions to Medicaid coverage for autism would be an idea.

REPRESENTATIVE SEATON, in response to Chair Keller, explained that he was attempting to clarify the NFIB proposal. He offered his belief that not all NFIB members would qualify for Medicaid. He questioned whether Mr. Tamagni was proposing a universal health care system, which he deemed to be a much larger issue than was proposed in the current legislation.

[3:53:50 PM](#)

REPRESENTATIVE KERTTULA asked to clarify that insurance coverage for autism was only for those that you insured, and did not include everyone with autism.

MR. TAMAGNI expressed his agreement.

[3:54:26 PM](#)

ALLY BAKER, sharing that there was autism in her family, stated her support for proposed SB 74. She reported that her son had been diagnosed with autism, and she had only recently been able to obtain health insurance to include her son, and received approval for Medicaid benefits for him, as well. She declared

that the diagnosis process was extremely difficult. She stated that her son had appeared to be normal until he was enrolled in pre-school, and then he was not able to function in that social setting. She explained that he had high functioning autism, but that he lacked social skills and empathy, with a different comprehension of social situations. She shared of her struggle and challenges to find autism services, even with double insurance coverage. She reported that he was now enrolled in an integrated pre-school, and he was being taught how to interact socially. She directed attention to the Centers for Disease Control and Prevention (CDC) estimate that 1 in 54 boys had autism. She stated that "it would cost people the price of a gumball a month to insure that these services that can, that are proven to teach our kids the skills that they need to have productive and good quality lives." She asked that the supporters in the audience for proposed SB 74 stand up. [Approximately 35 people stood up]

[3:59:19 PM](#)

KATIE KING said that she was very appreciative of her family support, that her mom, in Seattle, was her biggest supporter.

[3:59:58 PM](#)

LINDA HALL, Director, Anchorage Office, Division of Insurance, Department of Commerce, Community & Economic Development, referred to the pie chart of "Health Coverage of Alaska Population" [Included in members' packets]. She declared that any insurance mandate only applied to the 15 percent of the insured programs which were state regulated, although many of the self-insured programs would offer the mandated benefits. She noted that Alaska had 15 insurance mandates, which did not apply to Medicare, Medicaid, military, or Indian Health Service. She reported that, generally, any ERISA (Employee Retirement and Income Security Act of 1974) self-insured plan was not included under the authority of the State. She expressed her concern for any unrealistic expectations.

MS. HALL agreed that many entities which were not required to offer a mandate often did so after it was adopted. In response to Chair Keller, she said that nothing would prevent pool coverage by insurance carriers.

[4:04:12 PM](#)

REPRESENTATIVE KERTTULA asked if the proposed autism coverage mandate would be handled in the same manner as the other 15 mandates.

MS. HALL replied that some were mandatory offers, which meant that although it had to be offered by an insurance company, it was not included in all coverage.

REPRESENTATIVE KERTTULA asked how many insurance pools there were in the state.

MS. HALL explained that ACHIA (Alaska Comprehensive Health Insurance Association), the high risk pool, was funded by assessments on insurers. She detailed that 50 percent of the contribution was deductible by the insurance companies from the premium tax, so, in effect the state was paying.

REPRESENTATIVE KERTTULA, noting that this was the only pool in Alaska, offered her belief that it seemed unlikely for a pool idea to be worked out during the short remainder of the legislative session. She suggested starting with the mandate, and then reviewing the need for a pool at a later date.

MS. HALL expressed her agreement that anything was possible.

[4:06:29 PM](#)

SHEELA TALLMAN, Premera Blue Cross Blue Shield, expressed policy concerns for the proposed legislation previously outlined in a letter dated April 6, 2012 [Included in members' packets]. She stated a concern for the challenges of autism, and declared a need to balance the interests of the families with autistic members and the other insured members that Premera served. She declared that autistic diagnosis received the same comprehensive medical coverage provided to all the members, which included mental health services, and rehabilitation services: physical, occupational, and speech therapy. She pointed out that federal health care reform allowed that children diagnosed with autism were guaranteed access to private medical insurance without any pre-existing condition exclusions. She pointed out that the proposed legislation did not extend to State of Alaska employee health insurance, the Indian Health Services, Medicare, Medicaid, self-insured groups, or the federal employee benefit plan. She declared that the proposed bill imposed an expensive mandate only on private insurance coverage, about 15 percent of Alaska residents. She declared that the self-funded plans had the option to include this benefit. She reminded the committee

that the subsidized cost for any new mandate passed by a state had to be paid by the state unless it was included as a part of essential health benefits, as determined by the federal health care reform. She noted that it was still unclear as to what was included in essential health benefits and behavioral health services. She reported that almost 47,000 Alaskans would be subsidized by the federal government when the insurance exchange was implemented in 2019, and the State of Alaska would be financially responsible for covering the autism costs for these individuals, in addition to any cost increase for Medicaid expansion.

[4:10:41 PM](#)

MS. TALLMAN pointed out that Washington State and Oregon had considered similar autism mandates, and that neither had passed the mandate, primarily due to the estimated cost impact to the state employee plan. She agreed that earlier identification for autism would lead to better outcomes, although it would impact medical service utilization and cost. She declared the necessity to evaluate both the short and long term costs of the proposed bill.

[4:12:10 PM](#)

MS. TALLMAN, in response to Representative Herron, said that she had read a little bit about the Michigan incentive plan and that it was a valid concept to be reviewed. She agreed that the idea should be explored for better understanding, offering that Premera would work on any future legislation.

[4:13:41 PM](#)

REPRESENTATIVE KERTTULA pointed to an apparent disagreement between Ms. Tallman and Ms. Unumb about the possible state requirements from the federal law.

MS. TALLMAN expressed her agreement that the federal law could change.

REPRESENTATIVE KERTTULA asked about the difference in the reported cost of "per member per month" from Ms. Tallman and Ms. Unumb.

MS. TALLMAN said that the Premera analysis focused on its specific membership and its current plans and premiums. She

said that some of the other actuarial analyses looked at a broader market.

REPRESENTATIVE KERTTULA asked what the Premera analysis had determined to be a "per member per month" cost.

MS. TALLMAN replied that she did not have that specific information, but that analysis had estimated it to be about 3 percent, specifically on the individual and small group purchasers.

[4:15:13 PM](#)

CHAIR KELLER stated that the bill would be held over.

**SB 98-BIOMETRIC INFORMATION FOR ID**

[4:16:18 PM](#)

CHAIR KELLER announced that the final order of business would be CS FOR SENATE BILL NO. 98(JUD), "An Act relating to biometric information."

[4:17:35 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, said that the proposed bill would protect Alaskans right to privacy, and would provide reasonable protections to Alaskans for the increased use of biometric technology.

[4:18:42 PM](#)

REPRESENTATIVE DICK moved to adopt the proposed House committee substitute (HCS) for CSSB 98, Version 27-LS066\L, Bannister, 4/9/12, as the working draft. There being no objection, Version L was before the committee.

[4:19:08 PM](#)

SAM GOTTSTEIN, Staff, Senator Bill Wielechowski, Alaska State Legislature, directed attention to the "Explanation of Changes of SB 98 From Version R to Version L," [Included in members' packets]. He referenced that the changes on page 1, line 14 through page 2, line 1, had cleaned up language under AS 18.14.010 (b) to make it clear that an individual may revoke or amend consent if the original purpose for which the consent was

given ceases to exist. He stated that there was no substantive change.

[4:19:44 PM](#)

MR. GOTTSTEIN explained that the change on page 2, line 10, removed the alternative identification section of the bill to give the legislature more time to further examine this issue and avoid potential unintended consequences.

MR. GOTTSTEIN recounted that the changes on page 2, lines 12 and 17, removed language that would have given individuals the right to have their biometric information destroyed with a request in writing to maintain the efficacy of biometric verification.

[4:20:36 PM](#)

MR. GOTTSTEIN moved on to explain that page 2, line 21, removed language banning the use of biometric information for marketing purposes or for general surveillance to avoid being overly restrictive and allow for more consumer choice.

[4:20:57 PM](#)

MR. GOTTSTEIN stated that page 2, line 29, changed the word "knowingly" to "intentionally" to provide a higher standard of proof in civil suits to help avoid frivolous lawsuits.

[4:21:11 PM](#)

MR. GOTTSTEIN shared that page 3, line 1, removed subsection (b) from the right of action section to hold government accountable in civil court if there were violations.

[4:21:23 PM](#)

MR. GOTTSTEIN discussed that page 3, lines 11 and 12, added language to clarify that this legislation would not apply to photographs. Directing attention to page 3, lines 16 and 21, he said that these removed references to facial mapping and facial recognition to ensure that the definition of biometric data and information was not overly broad.

[4:21:52 PM](#)

MR. GOTTSTEIN summarized that page 3, lines 17 and 22, added language defining a biometric to include "other physical

characteristics of an individual" and the recognition of these characteristics in order to expand the definition of biometric data and information so that it will maintain relevancy.

[4:22:27 PM](#)

REPRESENTATIVE SEATON asked if the biometric data would be stored for an unlimited length of time.

MR. GOTTSTEIN, in response, said that the intent was for the time limit to be outlined explicitly when authorization was granted.

REPRESENTATIVE SEATON asked if it was stated in the proposed bill that collection of the data was for a specific time frame.

MR. GOTTSTEIN, in response, directed attention to page 1, line 13, which read "...and how long the biometric information will be kept."

[4:24:11 PM](#)

REPRESENTATIVE SEATON directed attention to page 2, line 21 - 23, and asked what this meant.

[4:25:25 PM](#)

MR. GOTTSTEIN, in response, offered his belief that AS 18.15.050 would allow a company to authorize its own security and fraud protection plans.

REPRESENTATIVE SEATON asked to clarify that the intention was to not authorize the collector to retain the information after it was supposed to be disposed.

MR. GOTTSTEIN expressed his agreement.

[4:26:30 PM](#)

REPRESENTATIVE SEATON pointed to page 2, lines 2 - 5, and asked to clarify that the information could not be shared except for the original purpose of the collection.

MR. GOTTSTEIN expressed his agreement.

REPRESENTATIVE SEATON asked for an amendment to clarify that this was only for the purpose of the original biometric collection.

[4:27:43 PM](#)

MR. GOTTSTEIN directed attention to page 2, lines 6 and 7, which clarified that "this section may only be made for the original purpose for which the information was collected."

REPRESENTATIVE SEATON replied that this satisfied his concern.

[4:28:13 PM](#)

CHAIR KELLER, directing attention to page 3, lines 4 - 6, proposed removal of this exemption, as it was covered in the following paragraph.

[4:29:37 PM](#)

SENATOR WIELECHOWSKI offered his belief that the State of Alaska had previously requested this exemption.

CHAIR KELLER offered his belief that it was already covered.

[4:30:30 PM](#)

REPRESENTATIVE KERTTULA suggested leaving it as is, as removal would limit its use by this law, so that it would not be authorized. In response to Chair Keller, she said that removal of paragraph (1) could also remove the authorization.

[4:32:04 PM](#)

CHAIR KELLER agreed to delay any more discussion for the removal until the proposed bill was addressed in the House Judiciary Standing Committee.

REPRESENTATIVE DICK expressed his support for removal of paragraph (1).

[4:32:40 PM](#)

CHAIR KELLER, explaining that Conceptual Amendment 1 would be inserted on page 2, line 31, read [original punctuation provided]:

**Insert:**

Sec. 18.14.070. Right of action. An individual may bring a civil action against a person who intentionally violates this chapter. A person who violates this chapter is liable to the individual for actual damages and a penalty of \$5,000, except that, if the violation resulted in profit or monetary gain to the person, the penalty is \$100,000. **Penalties may be awarded up to the amount specified.**

CHAIR KELLER stated that this would leave it to the discretion of the judge.

SENATOR WIELECHOWSKI said that he had no objection to this conceptual amendment.

CHAIR KELLER moved to adopt Conceptual Amendment 1. There being no objection, it was so ordered.

[4:34:35 PM](#)

REPRESENTATIVE SEATON moved to report HCS CSSB 98, Version 27-LS066\L, Bannister, 4/9/12, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 98(HSS) was reported from the House Health and Social Services Standing Committee.

[4:35:17 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:35 p.m.