

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 17, 2012

3:18 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Mike Chenault
Representative Steve Thompson
Representative Lindsey Holmes
Representative Bob Miller

MEMBERS ABSENT

Representative Craig Johnson, Vice Chair
Representative Dan Saddler

COMMITTEE CALENDAR

HOUSE BILL NO. 266

"An Act relating to the practice of naturopathy; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 314

"An Act extending the time period for which the Alaska Railroad Corporation may lease land without reserving the right to terminate the lease; and providing for an effective date."

- MOVED HB 314 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 266

SHORT TITLE: PRACTICE OF NATUROPATHY

SPONSOR(S): REPRESENTATIVE(S) MUNOZ, TUCK, THOMPSON

01/17/12	(H)	PREFILE RELEASED 1/13/12
01/17/12	(H)	READ THE FIRST TIME - REFERRALS
01/17/12	(H)	L&C
02/08/12	(H)	L&C AT 3:15 PM BARNES 124
02/08/12	(H)	Heard & Held
02/08/12	(H)	MINUTE(L&C)
02/17/12	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 314

SHORT TITLE: ALASKA RAILROAD LAND LEASES

SPONSOR(S): LABOR & COMMERCE

02/06/12 (H) READ THE FIRST TIME - REFERRALS
02/06/12 (H) L&C
02/17/12 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

CHRISTOPHER CLARK, Staff
Representative Cathy Munoz
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

WARD B. HURLBURT, M.D., Chief Medical Officer;
Director, Division of Public Health
Department of Health and Social Services (DHSS)
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

KRISTEN COX, Naturopathic Doctor (ND)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

MARY ALICE MCKEEN
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 266.

REBECCA VAN DE WATER, Certified Nurse Midwife (CNM);
Adult Nurse Practitioner (ANP);
Midwifery Director, Juneau Family Health and Birth Center
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

ASHLEY MAY, Naturopathic Doctor (ND)
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 266.

DIANE CRYER
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 266.

SCOTT LUPER, Naturopathic Doctor (ND)
Chief Medical Officer
Alaska Center for Natural Medicine

Fairbanks, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

BILL KELLEY, Medical Doctor (MD)

Soldotna, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

KATY SHERIDAN, Medical Doctor (MD)

Soldotna, Alaska

POSITION STATEMENT: Testified during the discussion HB 266.

MARY ANN FOLAND, Medical Doctor (MD);

President, Alaska State Medical Association (ASMA)

Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion HB 266.

JIM JORDAN, Executive Director

Alaska State Medical Association (ASMA)

Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

ANNA LATHAM, Staff

Representative Kurt Olson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 314 on behalf of the sponsor, the House Labor and Commerce Committee, Representative Kurt Olson, Chair.

JON COOK, Chair

Real Estate Committee; Member, Board of Directors (BOD)

Alaska Railroad Corporation (ARRC)

Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion HB 314.

ACTION NARRATIVE

[3:18:06 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Miller, Thompson, Chenault, and Olson were present at the call to order. Representatives Holmes arrived as the meeting was in progress.

HB 266-PRACTICE OF NATUROPATHY

[3:18:29 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 266, "An Act relating to the practice of naturopathy; and providing for an effective date."

[3:19:02 PM](#)

CHRISTOPHER CLARK, Staff, Representative Cathy Munoz, Alaska State Legislature, on behalf of Representative Munoz, stated that HB 266 is intended to place into statute existing regulations for naturopaths to make it clear that legislative intent for the language. He related that the sponsor is holding ongoing discussions with various groups to address concerns of physicians, particularly with respect to prescription drugs, while still preserving what NDs can currently prescribe in their practice.

[3:20:42 PM](#)

WARD B. HURLBURT, M.D., Chief Medical Officer; Director, Division of Public Health, Department of Health and Social Services (DHSS), stated that he had an opportunity to speak to Dr. Jasper. He related his understanding that the naturopathic doctors (NDs) intent is not to expand or change the scope of naturopathic practice, but merely to clarify their practice. He has learned that while the allopathic profession considers drugs and medicines as one and the same, but from the naturopath's perspective medicines refer to more naturally occurring substances whereas drugs are more apt to be ones that are synthesized. He suggested that some of the conflicts in the bill may be due to definitional semantics. He expressed concern that this bill would expand the practice of NDs to allow writing prescriptions, even though it limits the ND to natural substances. He explained that about 25 to 50 percent of medications normally provided through a prescription are derived from plants.

[3:23:21 PM](#)

DR. HURLBURT pointed out that pharmaceutical companies invest a substantial amount on funguses, molds, and natural substances to treat cancer and other diseases. He expressed concern that use of drugs derived from funguses and molds can be risky. He also expressed concern that the expanded prescription rights for drugs that have historically been available over the counter could increase costs for payors. He explained that 200 milligrams (mg) of Advil is normally available over the counter

and is not covered by payors, whereas the 800 mg strength is covered. He recalled that Dr. Jasper gave an example of capsicum, which is a tincture from the cayenne pepper used to treat congestion although he cautioned that he is not an expert in naturopathic medicines. He related his understanding that this derivative has become less available to NDs since a prescription is currently being required. He acknowledged he did not know the details, but the pharmacist in the health care service for the Medicaid program identified that the manufacturer of the capsicum tincture decided to require a prescription. Thus he did not think the prescription requirement was mandated by the Food and Drug Administration (FDA). He said he did not see any problem with the intent to clarify the naturopathic practices since NDs have been licensed since the 1980s. He offered his belief that the initial language in the bill would have expanded the practice in a way that would also increase health care costs.

[3:27:02 PM](#)

KRISTEN COX, Naturopathic Doctor (ND), provided a brief background of her education and training. She explained that she came to Juneau in 1985 as an AmeriCorps volunteer, but left to attend naturopathic medical school. She spent one year in Fairbanks for her residency at the Holistic Medical Clinic prior to moving to Juneau. She has practiced safely under the current statutes and regulations for the past ten years. She reported that she has provided safe, effective, and affordable care to over 564 patients. She acknowledged the issues with respect to naturopathy surround language and definition.

CHAIR OLSON agreed.

[3:28:33 PM](#)

DR. COX recalled earlier testimony that the allopathic medicine has origins in natural and botanical sources. She pointed out medical doctors (MDs) are familiar with medicines that are considered drugs, but that does not necessarily mean the only medicine is drug related. She offered that NDs are experts in non-drug medicine, including botanical extracts and other medicines derived from natural substances. She said agreed drugs can be toxic and dangerous, but that does not mean that NDs should not be able to use the medicines. The NDs are extensively trained and are the only practitioners adequately skilled to dispense botanical preparations. She related that MDs do not use naturopathic botanical preparations and she does

not want to dispense allopathic medicinal types of synthetic prescription drugs. She identified one issue is that some of the botanical therapies arbitrarily require a prescription.

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DR. COX stated that HB 266 would not expand the ND's practice. She referred to an article she recently read in the Washington Post which indicates by 2015 an estimated shortage of 30,000 general practitioners (GPs). She suggested one reason the shortage exists is because in the U.S. the potential earnings for general practitioners is about half of the earnings of specialists, such as cardiologists. She offered her belief that NDs willingly go into general practice, since they proudly identify themselves as general practitioners. Additionally, the NDs enter practice knowing their potential earnings will be substantially less than MDs; however, NDs still provide valuable services to people in communities who want alternatives to conventional medicine. She highlighted that some people cannot afford to see a medical doctor so they gravitate to NDs. She further offered that NDs are in a unique position to triage those patients and also care for those who have irrational fears about medical doctors. She remarked that patients trust NDs to advise them if they need additional care, such as emergency room treatment or treatment by allopathic doctor.

[3:32:07 PM](#)

DR. COX expressed frustration that she must testify in order to preserve her limited scope of practice as an ND. She offered her belief that passing this bill would help ensure continued access to health care options for patients and to increase patient wellness and focus on prevention. She said, "I guarantee you increasing access to naturopathic health care will decrease health care costs and also free up time of the very busy medical doctors to see their more seriously ill patients." She suggested that members may be interested in a free presentation on careers in Alaska's health care industry to learn about the demand for trained health care workers in Alaska to be held this weekend at the Bill Ray Center.

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CHAIR OLSON asked for the types of drugs she prescribes or dispenses.

DR. COX responded that this is hard to answer since her practice has not been terribly affected by the recent issues, but expressed concern that the naturopath's scope of practice has been diminished. She related that the legend for some prescriptions is somewhat arbitrary. She pointed out that professional product manufacturers can place a label on their product in an effort to market the product to MDs. She stated NDs could lose the ability to dispense natural medicines if the requirement is the medicine is restricted by prescription by MDs. She commented other NDs in Alaska have been affected by the changes.

[3:34:46 PM](#)

CHAIR OLSON related his understanding that the FDA is the agency that restricts drugs.

DR. COX said she did not know. She was unsure of who determines which products have a legend. She stated that it seemed to her that it was somewhat arbitrary based on the manufacturer. She said that NDs rely on manufacturers for high quality products and these companies do not sell over the counter to patients, but distribute products to practitioners. The manufacturer decides whether the product will be restricted or if drug stores can sell them. She reported that Ron's Apothecary used to honor her prescriptions for natural substances that he would compound, but at some point he stopped honoring them. She asked whether an herbal compounded prescription for eczema should require a prescription. She related that according to the compounded pharmacist it does. She said she did not think her access to the compound should be restricted simply because the statute says that NDs may not write a prescription. She explained that these are herbal compounded products. She suggested the restriction is arbitrary and in doing so potentially eliminates a gigantic scope of NDs' practice.

[3:37:06 PM](#)

REPRESENTATIVE HOLMES commented she is struggling to figure out what NDs can and cannot do. Clearly, the definition in law and in statute is not working since NDs are being denied the ability to provide certain medicines NDs have always provided. She said that she does not want to adopt new statutes only to find they aren't any clearer and the changes don't provide relief. She said, "I understand it's really frustrating and if someone were coming after my livelihood I would feel the same way." She

emphasized that the committee wants to specifically identify what is allowable and dispel any ambiguity.

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DR. COX said she appreciated the committee's efforts. She acknowledged that the law is an antiquated law. The NDs have not been successful in their efforts to revise their statutes. She suggested the approach the NDs took was to model in statute what has been in effect in regulation for 18 years. The NDs thought taking this approach would be the least oppositional approach to take since redefining the entire naturopathic statute would be far more complicated.

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REPRESENTATIVE MILLER related that allopathic doctors have been practicing medicine for years and other doctors have also practiced naturopathic medicine for years. However, it seems as though suddenly a new interpretation by pharmacists has arisen. He offered his belief that hearing pharmacists' testimony is crucial.

CHAIR OLSON agreed and offered to invite the FDA to participate at a future meeting.

[3:41:26 PM](#)

MARY ALICE MCKEEN stated that she is an attorney and has been licensed to practice law since 1978, but works as an administrative judge for the federal government. However, she said she is testifying today solely as a private citizen. She and her husband, David Ottesen, also own Rainbow Foods, which is a natural foods store located about a block from the Capitol Building. She said she is testifying in support of HB 266, and urged members to adopt the bill. She thanked members for wrestling with the subject because this is a problem that only legislators can solve. In 1986, the legislature made a policy decision to license naturopaths so people could obtain care from naturopathic doctors. She detailed that to receive a license in Alaska, NDs either gain licensure through an ND license issued to them in another jurisdiction, or they must pass a nationwide naturopathic exam. She offered her belief that all NDs in Alaska are licensed in another jurisdiction. In order to receive a license, a naturopath must obtain 55 hours of training in pharmacology, 1,639 hours of training in basic clinical science, 132 hours of training in therapeutic nutrition in

naturopathic medical school. She commented that therapeutic nutrition is an elective in medical schools. She emphasized that the legislature realized that NDs are trained professionals and the legislature previously made the policy decision to allow them to practice. She stressed that this as an important context to keep in mind while deliberating the issue. The division interpreted the naturopathic [statute] and passed [regulations] outlining what NDs could do since the statute indicated that the NDs could not issue prescription drugs. Naturopaths differentiate between the terms prescription medicine and prescription drug. She said that this is clearly authorized by [statute] since it defines prescription drug. She said, "Prescription drug does not include a device or herbal or homeopathic remedy in a form that is not a controlled substance." She agreed that double negatives make this language more difficult to understand, but she interpreted this to mean that if the prescription drug is in a form that is a controlled substance the naturopaths cannot prescribe it.

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MS. MCKEEN highlighted that the FDA clearly defines controlled substances. She characterized that the definition of controlled substance as a very clear term, noting it identifies what is a controlled substance and what is not one. She offered her belief the division's current interpretation is that the NDs cannot prescribe or recommend their patients use natural substances is an invalid interpretation of the regulation. She suggested that patients could grind up their own capsicum or produce butyric acid, which is found in butter. However, if the patients want something standardized they cannot get it. She offered her belief that is not the distinction that the legislature and the department made in their definition of prescription drug. She reminded members the [statute] says that NDs cannot prescribe controlled substances. She offered her belief patients should not be limited to grinding their own medicine, but should be able to get these substances prescribed. She was unsure what would increase the costs. She reiterated that some substances are prescription medicine and some are not. This bill would not increase overall medical costs since NDs charge substantially less than medical doctors charge.

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MS. MCKEEN shared with members that her husband, Dave Ottesen, is continually asked for medical advice since he owns a natural food store; however, he does not give medical advice. This

illustrates her point that some people will not go to a conventional doctor but will go to others for medical advice, including a naturopath. She stated that her husband suggests those not wishing to see an MD might prefer to see a naturopath, with limited prescriptive authority who may be able to help them. She recalled prior testimony that naturopaths also can refer patients to medical doctors. She asked members to solve this current problem and to implement the policy decision the legislature adopted in 1986, which the NDs have been operating under. She summarized that NDs have had limited prescriptive authority for natural substances, but not to prescribe controlled substances. She offered her belief that NDs have been able to prescribe natural substances until recently.

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REPRESENTATIVE MILLER expressed his appreciation in hearing someone who interprets statutes testify before the committee. He asked whether she thought, from the perspective of an administrative law judge, that HB 266 will clearly accomplish the clarification for naturopaths.

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MS. MCKEEN said she was not sure if the question is whether HB 266, in the original form would address the issues clearly. She pointed out she works on federal fisheries and issues of this nature would not come before her in her judicial capacity, in fact, she would not testify on any matter that might come before her. She then offered her belief that HB 266 would improve the situation. However, she was unsure whether an ND could prescribe butyric acid under the definition in law.

REPRESENTATIVE MILLER said he is also unsure.

MS. MCKEEN stated that she thought the bill seemed reasonably clear overall. She offered her belief it is almost impossible to pass something with little question.

[3:51:15 PM](#)

REPRESENTATIVE MILLER said he hoped adopting current regulation into statutes will clarify prescription authority for NDs.

MS. MCKEEN answered that she thought the bill would improve the practice of naturopathy materially. She recalled that the division previously testified that the statute trumps the

regulation, but she disagreed with that interpretation, since licensed naturopaths should be able to rely on regulations. She offered his belief the bill would solve the problem the division holds that the regulation conflicts with the current statute. She did not think the bill would eliminate every single question of interpretation, but it would make the regulation conform to the statute. She suggested that that it creates a bad situation when the department does not hold that the regulation conforms to statute.

MS. MCKEEN, in response to Chair Olson, answered she would be happy to look at draft language or further testify. She emphasized that she has a deep personal interest in this bill, but she has not been involved in the discussions.

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CHAIR OLSON asked to place on the record that he is not an expert. He said he appreciated her help.

[3:54:37 PM](#)

REBECCA VAN DE WATER, Certified Nurse Midwife (CNM);, Adult Nurse Practitioner (ANP); Midwifery Director, Juneau Family Health and Birth Center, stated that she is also a naturopathic doctor's client and regularly refers her patients to NDs. She said she hoped that some verbiage would make it abundantly clear what NDs can do since she relies on them to fill in the gaps of her own care. She stated that she was trained at Yale University to prescribe medicine and in some instances to work with natural herbal homeopathic remedies and plant-based medicines; however, she will not work with things she is not trained to use. Thus she relies on NDs to be the experts. She reiterated that she hoped the committee could find a way to keep their scope as broad and appropriate as possible.

[3:55:55 PM](#)

ASHLEY MAY, Naturopathic Doctor (ND), stated that this bill is critical for the stability of naturopathic medicine in Alaska. He characterized NDs as primary care providers that provide safe and effective care. He emphasized that he has only practiced naturopathy for two and one-half years in Alaska, which he found can be frustrating since Alaska is a limited-scope state in terms of naturopathy, while Washington state allows naturopaths a broader scope of practice. He testified that it has been harder and harder to obtain products he normally has been able

to get. He predicted that passing HB 266 would help attract other NDs to Alaska. He also advised that NDs have a proven, safe, track record in Alaska. He asked to lend his support for HB 266.

[3:57:58 PM](#)

CHAIR OLSON asked what types of medicines he prescribes.

DR. MAY answered that his practice is primarily a family practice. He dispenses multi-vitamins, fish oil, vitamin D, natural thyroid, and adrenal extracts. He characterized these substances as safe and effective medicines and that he does not prescribe heavy narcotics or pain medications. He emphasized that family practice entails a wide scope of medicines.

DIANE CRYER stated that she is a patient of naturopathic medicine. She recommended the committee pass HB 266 since it will clarify the practice of naturopathy and allow NDs to continue to perform as they have previously been able to do in Alaska. She also stated that NDs are filling a niche for patients. She said that limiting NDs not only adds to the frustration for NDs, medical doctors, and patients.

SCOTT LUPER, Naturopathic Doctor (ND), Chief Medical Officer, Alaska Center for Natural Medicine, stated that he has practiced in Alaska since 2000. He related a scenario in which in which a patient came to see him for ulcerative colitis. He offered he has often treated this condition by using sodium butyric acid, which he has been able to obtain from Key Pharmacy in a concentrated form, along with applicators. He related the treatment will usually stop bleeding in one to two weeks. He said that he was not able to purchase the butyric acid from Key Pharmacy since the pharmacy had been instructed by the Alaska Board of Pharmacy not dispense to the drug to NDs since it required a prescription. He was unsure of how that happened; however, the BOP did verify that they had contacted pharmacies.

DR. LUPER reiterated earlier testimony that one remedy would be to adopt the naturopath's regulation into statutes. He agreed the solution seems odd since the weight of law for regulations is equal to statutes. He described his practice as one that includes treating cancer patients, often working with a local oncologist to prescribe intravenous therapy (IV) treatments to mitigate the effects of chemotherapy or enhance the IV's effects. Additionally, he has also used vitamin C to treat ovarian cancer. He indicated that it has been more difficult to

obtain the IVs. He named several pharmacies, including Key Pharmacy, who will not sell to him. He suggested that this bill will help and by allowing NDs to continue to practice safely and help patients. He related that the NDs he knows love Alaska, even though they cannot fully practice their profession based on their education. He said, "Unless this law passes we're going to have the other hand tied behind our back - at least two or three fingers - and keep us from doing things we've done safely for 18 years here in Alaska, particularly with cancer patients, particularly with the IV nutrients, and sodium butyric." He expressed concern with the concept of developing a list of medicines since medical science moves and shifts. Thus any list would soon be out of date.

[4:05:31 PM](#)

BILL KELLEY, Medical Doctor (MD), stated that he is an allopathic primary care physician who has worked in Alaska for about 20 years. He stated he has found the testimony helpful. He said in his community, that the allopathic physicians have a great deal of respect for NDs for the reasons just mentioned. He guessed if MDs and NDs sat down, little dispute would arise as to which medicines can be prescribed. He heard testimony to indicate a hope that this bill would not change the scope of practice by NDs. He said, "My concern is the devil is in the details in terms of semantics." He acknowledged that he did not have a solution, but was worried since most allopathic medicines historically are derived from botanical sources. He pointed out cancer drugs, including Taxol, which is extracted from the bark of the Pacific yew tree. He said the proposed statute literally would allow NDs to prescribe Taxol. He said he realized this statement may be ludicrous, but it captures his concern. He supposed the FDA needs to be involved in terms of assisting the committee with the semantics; however, he offered his belief that the bill as currently written might allow for a significant increase in the scope of practice for NDs.

[4:07:53 PM](#)

KATY SHERIDAN, Medical Doctor (MD), stated that she has practiced family medicine for 16 years. She echoed what Dr. Kelley just said, noting she also has a great respect for complementary medicine and is open for her patients to have the choice to select whatever care is best for them. She expressed concern that this bill may open the opportunity for NDs to prescribe outside their scope of practice, noting her belief that most would not do so. She acknowledged the problem of

working outside the scope of their practice also happens in allopathic medicine. She agreed with earlier testimony that the words should be clearer. She noted a number of medications are derived from natural plants that are incredibly potent medications, including powerful cardiac medicines. She suggested the committee revise the language to help protect patients.

REPRESENTATIVE MILLER said the committee would welcome suggested language. He offered his belief that people are in agreement that the language needs to be worked on for clarity.

[4:11:10 PM](#)

MARY ANN FOLAND, Medical Doctor (MD); President, Alaska State Medical Association (ASMA), offered some concerns about the bill. She related that she is a family practice physician who has practiced in Alaska since 1977. She said she is the past president of the Alaska Academy of Family Physicians (AAFP). She identified the primary concern of both groups is the health of all Alaskans. She cautioned members to not misinterpret the lack of letters and calls as disinterest in this bill. She emphasized that the physicians have been following this issue intently since this issue has the potential to have tremendous and irreversible impact on patient safety. She stated that the MDs have been working with the legislature to help clarify the issue and reach a compromise.

DR. FOLAND said this is not an issue of turf protection. The intent is not to change the scope, but is to clarify the scope of practice of NDs. She stated that in prior years on similar bills, the ASMA has presented testimony and data to support the significant differences in training and supervised clinical experience between physicians and naturopaths. She said that is the basis for concern with respect to the scope of practice for NDs. She highlighted that the goal of the bill to preserve the status quo seems so simple; however it is not as straight forward as it seems. She explained that the division apparently has some details pertaining to current prescriptive practices of some NDs. She offered her belief the reality of the bill is that the language would expand prescriptive privileges beyond what is currently legal and beyond nebulous limits.

MS. FOLAND offered that the legislature has the opportunity to clarify and define those limits. She suggested that the phrase, "any natural substance" is vague. She related that she asked registered pharmacists which prescriptions this would include

and they responded that the list is far too expansive to list. She reported that it would include substances already mentioned, such as hormones, birth control pills, insulin, warfarin or Coumadin, steroids, antibiotics, chemotherapy agents, biologics, morphine and countless other drugs. She agreed it would be helpful to get a list of medicines the ND's wish to prescribe so the ASMA could evaluate them. She said the MDs she asked about the requested vitamin B12, vitamin C, saline, capsicum previously mentioned and they offered that those would be just fine. However, medications listed by the FDA as prescription drugs are defined by requiring a prescription by a licensed physician would not be okay. It has never been the intent of ASMA or the AAFP to shut down practices of NDs, but rather to clarify what is allowed and what is not allowed.

[4:15:25 PM](#)

DR. FOLAND encouraged members to carefully consider this measure carefully and set appropriate limits. In response to a prior question, she enthusiastically supported having an entity without a conflict of interest make a distinction between a list of prescription drugs and a dietary supplement, an herbal supplement, and an over-the-counter homeopathic supplement. She identified the FDA as that entity since it is charged to review prescription drugs for safety and efficacy and dietary supplements for manufacturing and marketing standards.

[4:16:29 PM](#)

REPRESENTATIVE THOMPSON inquired as to whether as to the number of lawsuits for NDs for miss prescriptions since they have practiced in Alaska for 18 years. He further asked how many malpractice suits have been brought against MDs in the state.

DR. FOLAND said she did not know.

[4:17:14 PM](#)

JIM JORDAN, Executive Director, Alaska State Medical Association, (ASMA), suggested contacting the Alaska State Medical Board to obtain any cases against physicians since MDs must report any settlement to the board.

CHAIR OLSON related the committee would be interested in the numbers and years, without names.

DR. JORDAN answered that names are included. He was unsure of any reporting required of NDs.

[4:18:23 PM](#)

REPRESENTATIVE MILLER asked if the committee were to create a list, whether they knew of any organization that could review substances - new and old - and respond in a timely fashion as to which ones are appropriate medicines for NDs or should be reserved as allopathic drugs.

DR. FOLAND answered that the FDA's purpose is to review drugs.

[4:19:58 PM](#)

DR. JORDAN offered to provide background information on the FDA's regulatory process. As a starting point, he suggested using the definitions existing in the FDA laws. He reported the FDA has definitions for the four basic categories, pointing out the FDA considers anything not a food that impacts the body is considered a drug. He listed the categories as prescription drugs, listed or legend drugs, over-the-counter drugs, homeopathic drugs, and dietary supplements. He elaborated that the definition of dietary supplements includes herbal remedies, herbal supplements, vitamins, botanicals, and other items. He emphasized that it is important to have clear delineation. He offered his belief that there is no single definitive list prepared by the FDA. However, the FDA publishes a document known as the "orange book," which is an electronic list of approved drug products with therapeutic equivalency evaluation. He reported that the current edition is the 32nd edition, which is 1298 pages long and is updated daily. The orange book only includes the current prescription drugs being marketed. In order to get a definitive list it would be necessary to examine all of the prior lists. He suggested this as a pathway to take. Additionally, he recommended consistent definitions in statutes such as the statutes for pharmacies to avoid any disconnect between the two.

[4:23:03 PM](#)

CHAIR OLSON stated that public testimony would be held open.

[4:23:26 PM](#)

MS. MCKEEN, in response to a question by Representative Thompson, answered that the main insurance company for

naturopaths is the NCMIC, [which was originally the National Chiropractic Mutual Insurance Company]. She referred to a letter from their litigation consultant, a naturopath, wrote that they have provided liability insurance for NDs since 2001. Since that time one professional liability claim was filed, but the case resulted in the plaintiff dismissing the lawsuit. She restated that since 2001 there has only been one claim brought against NDs, but it was dismissed since it was found to have no validity.

[HB 266 was held over.]

[4:24:38 PM](#)

The committee took an at-ease from 4:24 p.m. to 4:26 p.m.

HB 314-ALASKA RAILROAD LAND LEASES

[4:26:16 PM](#)

CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 314, "An Act extending the time period for which the Alaska Railroad Corporation may lease land without reserving the right to terminate the lease; and providing for an effective date."

[4:26:29 PM](#)

ANNA LATHAM, Staff, Representative Kurt Olson, on behalf of the sponsor, the House Labor and Commerce Committee, introduced herself.

MS. LATHAM stated that HB 314 would extend the maximum Alaska Railroad Corporation (ARRC) property lease term from 55 to 95 years. She provided a brief overview of the ARC, such that the state has owned the Alaska railroad since 1985. It has been incorporated and operates as though it is a private business. The corporation generates revenues through real-estate holdings, year-round passenger service and freight service. Historically, railroads have owned large parcels of land which they lease to generate revenue. The railroad industry has been cyclical so revenue generated from property leases have helped to carry railroads through economic downturns.

MS. LATHAM related that the ARRC leases approximately 2,000 of the 36,000 acres it owns and the corporation currently holds 260 long-term leases. She reported that 38 percent of the 36,000

acres is devoted to right-of-way, 12 percent is used for operations, and the remaining 50 percent is available for lease. As a state-owned entity, the ARRC is mandated to foster economic development statewide and in communities along the Railbelt. An extension of lease terms for up to 95 years would assist the ARRC in meeting this directive. She explained that longer leases encourage high-value building construction by assuring developers and financiers the developments will retain their value for future buyers. Quality developments retain their value for a longer period of time and have a higher resale value, which is good for the railroad, the state, and for leaseholders.

MS. LATHAM cautioned that this does not mean the standard lease will be 95 years, but the bill will give the ARRC Board of Directors the option of extending a lease for up to 95 years at their discretion. She highlighted that this bill has received widespread support and members' packets contain letters of support from the Municipality of Anchorage (MOA), the cities of Valdez, Seward and Whittier, and from various leaseholders and developers throughout the Railbelt. She noted that the sponsor has not received any opposition to this bill.

[4:29:06 PM](#)

JON COOK, Chair, Real Estate Committee; Member, Board of Directors (BOD), Alaska Railroad Corporation (ARRC), stated that the genesis of the bill was explained by Ms. Latham. He said that this bill was requested by existing tenants and potential developers who indicated they would be interested in developing projects on ARRC leased property if the 95-year lease term was available. He explained that the 95-year leases would give the tenants an opportunity to remarket the properties to ensure that the owners the long-term leases are as close to fee simple as one can get. He advised that another reason to extend the lease terms is that the underwriting standards for obtaining loans has tightened up pretty dramatically since 2008. Therefore, 55 years for very large project is insufficient. He suggested if HB 314 passes the 95-year leases would not be the norm, but would be an exception reserved for new, large development, or existing businesses that plan to invest substantial amount of capital in the property.

[4:31:14 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 314.

4:31:44 PM

REPRESENTATIVE HOLMES moved to report HB 314 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 314 was reported from the House Labor and Commerce Standing Committee.

4:32:19 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:32 p.m.