

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 29, 2012

4:04 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Craig Johnson, Vice Chair
Representative Mike Chenault
Representative Dan Saddler
Representative Steve Thompson
Representative Lindsey Holmes
Representative Bob Miller

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 292,

"An Act relating to property exemptions for retirement plans; relating to pleadings, orders, liability, and notices under the Uniform Probate Code; relating to the Alaska Principal and Income Act; relating to the Alaska Uniform Transfers to Minors Act; relating to the disposition of human remains; relating to insurable interests for life insurance policies; relating to transfers of individual retirement plans; relating to the community property of married persons; and amending Rule 301(a), Alaska Rules of Evidence."

- HEARD & HELD

HOUSE BILL NO. 266

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 292

SHORT TITLE: PRINCIP.& INC/PROBATE/UTMA/RETIREMT/ETC.

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

01/20/12 (H) READ THE FIRST TIME - REFERRALS

01/20/12 (H) L&C, JUD, FIN
02/29/12 (H) L&C AT 3:15 PM BARNES 124

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
02/17/12 (H) Heard & Held
02/17/12 (H) MINUTE(L&C)
02/29/12 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

JANE PIERSON, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a brief overview of HB 292, on behalf of the prime sponsor, Representative Steve Thompson.

DAVE SHAFTEL, Attorney
Shaftel Law Offices, LLC
Anchorage, Alaska

POSITION STATEMENT: Testified and presented a sectional analysis of HB 292.

DOUG BLATTMACHR, President; Chief Executive Officer
Alaska Trust Company
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 292.

DANIEL YOUNG, Naturopathic Doctor
Chugiak, Alaska

POSITION STATEMENT: Testified in support of HB 266.

JANE MADISON
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 266.

MARY MINER, Naturopathic Doctor

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 266.

DAVID OTTESEN

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 266.

TIM PETERSON, Allopathic Doctor

Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 266.

ACTION NARRATIVE

[4:04:33 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 4:04 p.m. Representatives Johnson, Saddler, Thompson, Holmes, Chenault, and Olson were present at the call to order. Representative Miller arrived as the meeting was in progress.

HB 292-PRINCIP.& INC/PROBATE/UTMA/RETIREMT/ETC.

[4:05:28 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 292, "An Act relating to property exemptions for retirement plans; relating to pleadings, orders, liability, and notices under the Uniform Probate Code; relating to the Alaska Principal and Income Act; relating to the Alaska Uniform Transfers to Minors Act; relating to the disposition of human remains; relating to insurable interests for life insurance policies; relating to transfers of individual retirement plans; relating to the community property of married persons; and amending Rule 301(a), Alaska Rules of Evidence."

[4:05:58 PM](#)

JANE PIERSON, Staff, Representative Steve Thompson, Alaska State Legislature, on behalf of the bill's sponsor, Representative Thompson, stated that HB 292 is a trust bill and she then read the title of the bill. She indicated that Dave Shaftel would walk the committee through the bill.

[4:07:28 PM](#)

DAVE SHAFTEL, Attorney, Shaftel Law Offices, LLC, stated that he is an attorney in private practice who works in the area of estate and estate and trust administration. He related he is also a member of an informal group of lawyers and trust officers who have worked with the legislature for approximately 14 years on estate law to make recommendations to improve this area of Alaska's law. He highlighted that Alaska is considered a leader in estate law, such that many states have copied Alaska's laws. He characterized this area of law as a dynamic one across the U.S. Estates affect nearly everyone so improving estate laws will help all Alaskans. This is a particularly good and thorough bill that covers a number of "bread and butter" subjects, which are the types of things that affect many families.

[4:09:17 PM](#)

MR. SHAFTEL provided a section by section analysis of the bill. He stated that Section 1 pertains to asset protection for inherited retirement plans. He explained that retirement plans are protected from an employee's creditors by federal and state law. Under federal law, the bankruptcy courts have extended this protection to the beneficiaries of a retirement plan. He related a scenario in which in which a husband has an individual retirement account (IRA) or retirement interest and passes away and names his wife as beneficiary. Thus the wife's interest in the plan would be protected from her creditors.

MR. SHAFTEL stated that this represents the majority rule in bankruptcy courts. There are 12 jurisdictions which have enacted this type of protection under their bankruptcy codes, including Arizona, Florida, and Texas.

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MR. SHAFTEL turned to proposed Section 2, which is a conforming amendment for Section 28, while Section 3 offers definitional changes relating to the provision just described. The changes in Section 4 pertain to settlement agreements and representation for settlement agreements. He explained that practical problems arise in reaching settlement agreements in non-judicial settlement proceedings or in court. He characterized Alaska's statute as a good statute. This would allow someone with similar interests, such as a parent, to represent his/her minor children in a settlement agreement. The problem was that while it is clear it pertains to judicial proceedings, questions arose

as to whether the provision pertained to out of court settlements.

[4:12:05 PM](#)

REPRESENTATIVE SADDLER referred back to the example for Section 1, which outlines that the surviving spouse's interest in an Individual Retirement Account (IRA) would be protected. He asked for clarification on how this provision would affect children who were partial beneficiaries of an IRA. He pointed out this is the case for his wife and children.

MR. SHAFTEL answered that the protection would apply to each beneficiary.

[4:13:08 PM](#)

MR. SHAFTEL turned again to settlement agreements. He stated that Section 4 and Section 5 will make it clear that this type of representation would apply to settlement agreements made outside a judicial setting. He gave an example in which a trustee renders an accounting, noting in such instances the mother can approve the accounting for herself and her minor children. He explained that this provision is binding on the minor children since the interest of children is same as the mother's interest. He pointed out that this provision is a clarification provision of AS 13.06.120.

[4:13:59 PM](#)

REPRESENTATIVE SADDLER asked for further clarification on same interest or equivalent monetary interest.

MR. SHAFTEL answered that the interest does not need to be the same monetary interest. He referred to the same scenario, but related in this instance, 50 percent of the IRA was designated for the surviving spouse, and 10 percent to the surviving five children, three of whom are minors. If the will was challenged, the spouse could agree to it for herself and for the three minor children. He related that the children would essentially have the same interest as the mother. Thus the mother would protect her share as well as the children's' shares.

REPRESENTATIVE SADDLER related his understanding that it would be the same class of interest as a creditor.

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MR. SHAFTEL stated that proposed Sections 6-8 pertains to a type of trust modification referred to as decanting, which has developed nationwide in order modify an irrevocable trust to correct errors and to adjust for changed circumstances and new laws. In 1998, Alaska enacted its decanting statute under AS 13.36.157. At that time, Alaska was the third state to enact that type of law, which was modeled after New York's statute. Since that time, then 13 other states have enacted decanting statutes and three others have pending changes. This has become a popular way to handle irrevocable trusts. In 2011, New York substantially revised its law. The proposed changes in HB 292 amendment closely tracks the New York provisions with certain procedural changes to accommodate references to our law.

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MR. SHAFTEL referred to the proposed Sections 9-25, which pertain to the Uniform Alaska Principal and Interest Act (UAPIA). He provided a brief history, noting that in 2003, Alaska updated their UAPIA act. One of the main changes made was to create a unitrust approach for determining the income of the trust. Often, many trusts provide for income to be paid to the spouse and after his/her death, will pay the remainder of the estate to surviving children in equal shares. This approach has created a tension between the surviving spouse and the children since the surviving spouse often is interested in investing the estate's assets to produce income, while the children prefer to have assets invested to produce equity growth. Therefore, while the spouse would often want to invest in bonds, the children would prefer to invest in stocks. The unitrust concept was developed to alleviate that tension. Under a unitrust, instead of paying income the trust would require payment of a percentage of assets, such as four percent of the assets that exists at the beginning of the year. Thus if stocks provided the best investment, the family could invest in equities and sell four percent of them each year. After the unitrust concept was enacted, over time the IRS has enacted regulations related to the unitrust. The unitrust concept is one that has been used nationwide. He said a Philadelphia attorney who is a specialist in this area of estate law, has recommended changes to update Alaska's unitrust laws. The changes would allow a trustee to choose a unitrust rate without going to court. The unitrust rate does not have to be set at four percent, but is flexible and could range from three to five percent. These changes provide a better definition of income and an ordering of income among the types of income and

principal, such as capital gains, ordinary income, and return of principal. Additionally, this also provides a smoothing period of up to five years for determining the amount of assets. This helps avoid fluctuations by using a five-year average of the value of the assets in the trust and applies that percentage to the average. This provision would also clarify the unitrust method can apply to retirement benefits, as well. He offered his belief that these changes will facilitate the use of the unitrust concept for Alaska's residents.

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REPRESENTATIVE HOLMES asked whether it is fair to say that this would make the trust law a little more like how foundations are run, which is a percent of market value calculation to be used.

MR. SHAFTEL answered yes.

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REPRESENTATIVE SADDLER questioned whether this would resolve the growth versus income issue just raised. He pointed out that the children may still want long-term growth investments and the spouse may want bonds for short-term return on investment.

MR. SHAFTEL offered to clarify this aspect more fully. He explained that in 2003, Alaska's law was changed to address the growth versus income aspects. He agreed the changes he just described did not focus on this issue. He offered to illustrate the basic changes by relating a scenario in which an existing trust would distribute income to his wife. After she dies, the trust would pay the remainder of the assets to his three children. He highlighted that this trust could be converted to a unitrust. Thus, instead of having the tension between investing for income or equity growth, the trustee would be given direction, for example, to pay five percent each year of the value of assets to his spouse. Thus, the changes would allow the trustee to invest to maximize the best total return, which is also called a total return unitrust. He offered his belief his spouse will be satisfied so long as she receives the five percent annually. Of course, she would hope the trust funds will be invested to maximize the best total return.

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REPRESENTATIVE SADDLER clarified the three to five percent election is based on the corpus and not the proceeds.

MR. SHAFTEL agreed.

[4:24:31 PM](#)

MR. SHAFTEL turned to proposed Sections 26-28, which he said was initially suggested by a legislator and relates to the Uniform Transfer to Minors Act (UTMA). He pointed out that every state has an UTMA. He described a UTMA as an informal method of creating a trust. A person could go to bank or brokerage firm to create an account and make gifts to the account. Over time, the UTMA can build up and become substantial assets. The law dictated that if the deposits were gifts, when the child reaches age 21, he/she is entitled to the fund, but up until then a custodian is named to the account. The custodian may be the person who contributed to the UTMA or it may be someone else. The custodian can also spend the money on behalf of the child. He pointed out that problems have developed since some of these accounts represent very substantial assets. When a child reaches the age of 21, he/she may not be ready for the assets due to maturity problems or the child may not have the experience to handle substantial funds since it may derail him/her from attending college or developing a career. Additionally, a drug or alcohol problem may exist that would only be exacerbated if he/she receives substantial funds.

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MR. SHAFTEL explained that this issue has arisen nationwide. Under the IRS code, the child must be given the right to compel for distribution at age 21; however, if the child agrees, and often that is the case, under existing law the age can be extended to age 25. He pointed out there isn't any reason the age cannot be extended beyond 21 or 25. This statute allows the custodian to give notice to the child to extend the trust up until the age of 30. The child has the right at age 21 to compel a distribution, but if the child agrees it will be extended to age 30. He offered his belief that often a child will recognize he/she is not quite ready to manage the funds. He reiterated that the custodian has a fiduciary duty to manage the funds for the benefit of the child.

[4:28:22 PM](#)

REPRESENTATIVE SADDLER asked whether there is an outside age limit.

MR. SHAFTEL answered no, but the longer the extension the more likely the child will not agree to an extension. He stated that there could be a series of these extensions. In practice the wisest proposal would be to propose a reasonable extension, then when the child reaches that age, to propose another extension. He reminded members that the beneficiary is considered an adult at 18 and the assets are his/her property.

[4:29:38 PM](#)

REPRESENTATIVE CHENAULT asked whether the child would have the ability to receive the funds at any time. He also understood that the agreement would allow the custodian to extend the timeframe.

MR. SHAFTEL answered that once assets are deposited to the account the custodian would manage the funds for the minor that the child has right to demand the assets until the child reaches age 18, or if the UTMA represents a gift at age 21. However, if the custodian approaches the child at age 21 and proposes an extension to age 25, which is agreed to by the child, the child would not have access to the assets until he/she reached age 25. He cautioned that the custodian has a fiduciary responsibility to the child, so if the child needed funds for college and the custodian refused, the custodian would be in violation of his/her fiduciary duties. In that instance the child could petition the court for remedy; however, the child cannot just demand assets at will. He reiterated that the custodian cannot act unreasonably.

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REPRESENTATIVE CHENAULT related his understanding that the child would have access to the funds unless he/she agrees to extend the UTMA to ages 25 or 30.

MR. SHAFTEL agreed.

[4:32:37 PM](#)

MR. SHAFTEL referred to Section 29 to the decedent remains. Alaska does not presently have statutory authority with respect to who may control the disposition of a decedent's remains, which is an issue that was identified during the estate planning sessions. Significant disputes have arisen, which not only affect the decedent, his/her family, but also the funeral businesses. He explained that his group would like to make it

clear who has the power to make these decisions and to protect funeral businesses from any liability. Thus Section 29 provides authority for a person to sign a form to clarify who has the authority to make final decisions. If a person has not signed a form, this provision contains a priority list identifying who can make any decisions on behalf of a decedent.

[4:34:45 PM](#)

REPRESENTATIVE CHENAULT asked for clarification of who is first and last on the priority list just mentioned.

MR. SHAFTEL referred to page 24, to the proposed AS 13.75.020 of HB 275, which outlines the order of those who may control disposition of a decedent's remains, beginning with the designee, followed by the person serving as personal representative, the spouse, and sole adult child. He related that the proposed statute lists a total of eight priorities.

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REPRESENTATIVE SADDLER asked whether a personal representative is different class than executor of the estate.

MR. SHAFTEL answered that most wills will identify the personal representative, who is the person to handle the probate as the manager of the will. In further response to Representative Saddler, he agreed that this person is also the executor of the estate.

[4:36:39 PM](#)

MR. SHAFTEL referred to Section 30 to insurable interests. He explained that in order to buy a life insurance policy on someone's life, the person must have an insurable interest. A person cannot randomly buy life insurance policies for others. In 2005, a federal court case in Virginia, Chawla, ex rel Giesinger V. Transamerica Occidental Life Ins. Co., 2005 WL 405405 (E.D. Va. 2005) raised questions as to whether a trustee of a life insurance trust had an insurable interest and could buy insurance on the settlor's life. Additionally, it raised questions about partnerships and limited liability corporations (LLCs). The Uniform Law Commission studied the matter and made amendments to the Uniform Trust Code. This section, Section 30, would incorporate these amendments to make it clear that a trustee or general partner or manager may buy an insurance

policy on a family member if the beneficiaries are people who would have insurable interest.

[4:38:52 PM](#)

REPRESENTATIVE JOHNSON moved to adopt the proposed committee substitute (CS) for HB 292, labeled 27-LS1232\B, Bannister, 2/22/12, as the working document.

CHAIR OLSON objected for purpose of discussion. There being no objection, Version B was before the committee.

[4:39:56 PM](#)

MR. SHAFTEL referred to Section 31, which pertains to transfers of individual retirement account (IRA) interests. He explained that lifetime estate planning often involves making gifts, sales, or other transfers of property to family members or trusts for their benefit. He offered his belief that this has become more popular as the estate and gift tax laws have changed. This provision would allow the transfer of IRA interest to a grantor trust for the benefit of the employee participant's family members. He related that no adverse tax consequences would occur and would allow the participant of an IRA to voluntarily transfer his or her IRA, and any growth of the IRA, out of transferors' gross estate for federal estate tax purposes.

[4:41:29 PM](#)

REPRESENTATIVE SADDLER asked whether this would allow people to transfer their IRA during their lifetime.

MR. SHAFTEL answered yes. He expanded on this, noting adverse tax consequences would occur if it was done to other than a grantor trust. He highlighted that this provision will likely be used on irrevocable trusts, with respect to transfers or contributions by the settlor of the trust, without any income tax consequences.

[4:42:24 PM](#)

REPRESENTATIVE SADDLER asked if other states allow transfers of IRA interests.

MR. SHAFTEL answered no. He stated that this is probably the first time this provision would be enacted nationwide.

REPRESENTATIVE SADDLER questioned the IRS implications.

MR. SHAFTEL answered prior to estates using this provision that the parties would likely apply to IRS for a private letter ruling.

[4:43:00 PM](#)

MR. SHAFTEL turned to proposed Section 32-36, which pertains to community property law. In 1998, Alaska was the tenth state to enact an optional community property system, which consists of primarily western states, including Washington, California, Nevada, Arizona, New Mexico, Texas, Louisiana, as well as Wisconsin. He explained that the community property concept is a sharing concept between spouses, with each spouse owning 50 percent of the property, with very attractive income tax implications. When the first spouse dies, both halves of the community property receive an adjustment, which allows the surviving spouse to sell property without paying capital gains tax. He explained that implementation and clarification provisions are needed. He explained that community property is unique in every state. This bill clarifies that property which spouses agree is owned as community property is community property regardless of the form of title to the property. Thus the property will be community property even if the title is only in one spouse's name, so long as the husband and wife have agreed that property is community property. This bill clarifies this and the clarification is important for title companies and banks. Another clarification and one he believes has been needed pertains to the right of survivorship. In instances in which title to community property is in a form that provides for survivorship ownership between the spouses then it is presumed to have been made with the consent of both spouses. He said that another situation commonly encountered is property with beneficiary designations. If one spouse executes a beneficiary designation it is only effective for that spouse's half interest unless the other spouse consents in writing. He pointed out that various family designations are presumed to have been made although these can be overcome by surviving spouse's testimony.

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MR. SHAFTEL said it was necessary to clarify the statute of limitations when transfers were made improperly by one spouse of community property without the consent of the other and to provide remedies for those improper transfers. He characterized

this as a "clean up" bill that helps implement elective community property.

[4:46:52 PM](#)

REPRESENTATIVE SADDLER referred to Section 40. He remarked he had not seen the standard for two-thirds majority often included in a bill. He then referred to the legal memo from Terry Bannister, Legislative Legal Services attorney, with respect to the single subject rule for bills. He asked for clarification with respect to the violation of the single subject rule.

MR. SHAFTEL acknowledged that he was aware of the letter. He concluded that the legislative attorney's job is to point out possible issues. He said he has discussed the letter with the attorney. He offered his belief that all of these proposed changes are under Title 13 and while a possible issue may occur that it would probably arise by someone who wanted to challenge a part of the bill. He observed that it is unclear how the Alaska Supreme Court would rule in such a case. He offered there is a practical reason to keep these changes in one bill and to not have numerous bills before the legislature that pertain to estate law.

CHAIR OLSON remarked that he planned to hold the bill over for that reason and is working with Ms. Bannister on this issue.

[4:49:19 PM](#)

DOUG BLATTMACHR, President; Chief Executive Officer, Alaska Trust Company, stated that Alaska Trust Company supports the bill.

[4:50:04 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 292.

[HB 292 was held over.]

The committee took an at-ease from 4:50 p.m. to 4:52 p.m.

HB 266-PRACTICE OF NATUROPATHY

[4:52:00 PM](#)

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

[4:52:24 PM](#)

DANIEL YOUNG, Naturopathic Doctor, stated that he has practiced naturopathy for 24 years, with 17 years practice in Eagle River. He said he is a vice president of the Alaska Association of Naturopathic Physicians and would like to testify in support of HB 266. He explained that to become licensed in Alaska, a naturopathic doctor must have attended a four-year graduate level naturopathic medical school and be accredited by the Council on Naturopathic Medical Education (CNME). He related that the CNME is a member of the Association of Specialized and Professional Accreditors. This body is regulated by the U.S. Department of Education oversees accreditation of allopathic medical doctors (M.D.), osteopathic (D.O.), and naturopathic (N.D.) medical education. He stated that NDs are required to pass rigorous board exams which include pharmacology, and pharmacotherapeutics modules. He stated that NDs are also educated in all the same basic sciences as a medical doctor. However, NDs also study holistic and nontoxic approaches to therapy with a strong emphasis on disease prevention and optimizing wellness. Just as medical or osteopathic doctors are considered to be the experts in their fields so are NDs experts in the practice of natural medicine. He highlighted that NDs have practiced in Alaska for 26 years with an impeccable safety record. He emphasized that NDs provide excellent patient care and anyone who says otherwise is mistaken. He provided that NDs study; pharmacology - how drugs work in the body and pharmacotherapeutics - how to use drugs therapeutically. Additionally, NDs also study pharmacognosy - the study of medicines derived from natural sources, which more than prepares them to use natural substances in their practices. Further, the required pharmacology board exam ensure entry-level competency. Although the current law prohibits prescribing drugs, NDs are well trained to use natural substances, whether they are prescription or nonprescription substances. The current statutes and regulations that explain prescription authority have had the due force of law. He characterized the statute as one that allows NDs to function safely within its tenets. He acknowledged that Dr. Jasper has provided the history of the NDs statutes and regulations. He said that over recent years the NDs have attempted to modify the law.

[4:55:20 PM](#)

JANE MADISON stated that she is an interested resident. She testified in support of HB 266. She has listened to testimony and has heard patients in support of naturopath medicine as the only answer to their health care and wellness. She has also heard medical doctors say that NDs are not well trained and should not be allowed to practice health care. She believed both of these extreme positions are incorrect. Over the past few years she experienced a very serious medical issue and has become very familiar with NDs and MDs. She offered her belief that both have place in health care for Alaskans. She said she was diagnosed with a variety of endocrine issues. She was treated by an excellent physician assistant, whom she described as a wonderful family practitioner, endocrinologist, and a knowledgeable internist, all of whom helped some. All her providers have been medical professionals who appeared to genuinely care and were excellent medical detectives. They all gave her case a great deal of time and attention. However, none could bring her back to normal. In fact, an endocrinologist actually told her that her condition was very serious and they did not have tests or treatment for it. A physician's assistant told her she may have to accept the fact that she may never be well again. She consulted an ND, who quickly determined her endocrine system needed a little boost. She was given one nonprescription pill per day and was monitored with monthly blood tests for a year. Within one month she was back to normal, even though she had spent several years of suffering. She offered her belief that MDs are not knowledgeable about what NDs offer patients and Alaska's regulations limit NDs' practices. She agreed that NDs should have minimum educational requirements prior to licensure in Alaska and they should also have oversight by a state licensing board, as well as submit to continuing education requirements. She stressed that they should be regulated, recognized, and encouraged to practice alongside traditional medical community. She said she hoped this bill will help this happen. She suggested cost savings could be saved if NDs were given the same prescription authority as physician assistants since many patients first visit an ND and must also visits a physician assistant or medical doctor to get a prescription. She stressed this required the necessity for patients to incur two office visits. Thus cost savings could result in insurance billings. She encouraged both sides of wellness and medicine to work together and recognize the NDs are professionals, as well.

CHAIR OLSON thanked Ms. Madison and related that there will be a town hall meeting next week.

4:59:22 PM

MARY MINER, Naturopathic Doctor, stated she works as an ND in Fairbanks. She graduated from Bastyr University as a naturopathic doctor in 1983 and has been in practice for 28 years. She said she has held licenses in Washington, Connecticut, and Alaska. She testified in support of HB 266. She said that she is placed in an awkward position when she must tell patients she cannot treat them with therapies they know work for them since she is now cut off from access to them. She also cannot refer her patients to traditional medical doctors who do not have familiarity with ND remedies which are outside the MD's training. She urged members to pass this bill.

5:00:49 PM

DAVID OTTESEN, stated he is testifying as a consumer, but is also the owner of Rainbow Foods. He related that this is the fourth year he has testified on some form of bill concerning the practice of naturopathy. He said he hopes this year something will come of it. He related his understanding that in prior years the naturopathy bills have involved an expansion of the scope of practice for NDs commensurate with training they receive. However, this year the NDS are just asking to be able to practice as they have for the past 25 years. He pointed out the testimony from patients and consumers of medical care who have expressed their satisfaction with naturopathic care. He characterized naturopathy as high quality, effective care. He emphasized that there has not been a shred of testimony of any harm from NDs. Further, he has heard lots of assertions from doctors and the Alaska Medical Association (AMA) that "the sky will fall if anything like this passes." He found that statement ridiculous. This year NDs are asking to be able to perform services they have provided over the past 25 years. He thinks it is entirely reasonable to request this consideration. He characterized this situation as a travesty if something can't be done because the current situation is intolerable. These NDs have been practicing in Alaska for many years, but their practices are threatened and they may need to leave the state if something isn't done about the current situation. He urged members to pass the bill because NDs provide low-cost, effective care. He concluded that as a consumer should have that choice and it is a freedom of choice issue.

CHAIR OLSON stated that considerable progress has been made on the bill.

5:03:41 PM

TIM PETERSON, Medical Doctor, stated that he is an allopathic doctor and has practiced emergency room medicine and family medicine in Juneau since 1989. He emphasized the first two years of training NDs receive is identical to that of allopathic medical doctors. He respects NDs' diagnostic skills. He commented on the type of people who opt to see naturopaths. He offered his belief that people who visit NDs tend to be savvy consumers. He said they sometimes pay their own fees and often must fight with insurance for coverage. He characterized those who seek naturopaths as good consumers. He suggested that they see NDs as a matter of choice because it works out better for them. He has had a condition and disease in which his fingers turned white. His colleagues wanted to give him an expensive drug that required liver function tests, but he was not quite ready for that type of testing. He visited a Harvard-trained naturopath in Juneau and was very satisfied with the results.

DR. PETERSON said as a matter of choice and collegiality he supports this bill. He has never seen anyone visit the emergency room with side effects or illnesses as a result of seeing naturopaths. He said in this town the NDs and MDs work together. "These are not outliers," he said. He acknowledged that some of his colleagues would disagree and that the medical association tends to be a little conservative as well as a little reactive. He recalled that he testified five or six years ago against the chiropractors' efforts to give prescription drugs since he did not feel it was appropriate. However, he believes NDs should continue to practice, which is appropriate. He characterized NDs as an asset and potentially a money-saving option for patients, rather than for patients to incur the extra expense of an emergency room visit with him.

[HB 266 was held over.]

5:05:46 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:05 p.m.