

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

February 15, 2011

1:33 p.m.

**MEMBERS PRESENT**

Senator Dennis Egan, Chair  
Senator Joe Paskvan, Vice Chair  
Senator Bettye Davis  
Senator Cathy Giessel  
Senator Linda Menard

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 38

"An Act establishing a one-time occupational death benefit for peace officers and firefighters."

- MOVED SB 38 OUT OF COMMITTEE

SENATE BILL NO. 67

"An Act establishing the commercial charter fisheries revolving loan fund, the mariculture revolving loan fund, and the Alaska microloan revolving loan fund and relating to those funds and loans from those funds; and providing for an effective date."

- MOVED CSSB 67(L&C) OUT OF COMMITTEE

SENATE BILL NO. 70

"An Act establishing the Alaska Health Benefit Exchange; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 38

SHORT TITLE: POLICE & FIREFIGHTER DEATH BENEFITS

SPONSOR(s): SENATOR(s) MEYER

01/19/11           (S)           PREFILE RELEASED 1/14/11  
01/19/11           (S)           READ THE FIRST TIME - REFERRALS

01/19/11 (S) L&C, FIN  
02/10/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
02/10/11 (S) Heard & Held  
02/10/11 (S) MINUTE(L&C)  
02/15/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 67

SHORT TITLE: LOAN FUNDS:CHARTERS/MARICULTURE/MICROLOAN  
SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/24/11 (S) READ THE FIRST TIME - REFERRALS  
01/24/11 (S) L&C, FIN  
02/10/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
02/10/11 (S) Heard & Held  
02/10/11 (S) MINUTE(L&C)  
02/15/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 70

SHORT TITLE: ALASKA HEALTH BENEFIT EXCHANGE  
SPONSOR(s): FRENCH

01/26/11 (S) READ THE FIRST TIME - REFERRALS  
01/26/11 (S) L&C, FIN  
02/08/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)  
02/08/11 (S) Heard & Held  
02/08/11 (S) MINUTE(L&C)  
02/15/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

DANA OWEN

Staff to Senator Egan  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Explained the changes in CSSB 67 (L&C) version M.

SEAN RUDDY, Vice President  
Alaska Shellfish Growers Association  
Anchorage, AK

**POSITION STATEMENT:** Supported SB 67.

PAUL FUHS  
Pac Alaska  
Anchorage, AK

**POSITION STATEMENT:** Supported SB 67.

WANETTA AYERS, Director  
Division of Economic Development  
Department of Commerce, Community and Economic Development  
(DCCED)

**POSITION STATEMENT:** Available to answer questions on SB 67.

ANDY MODEROW  
Staff to Senator Hollis French  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Presented SB 70 for the sponsor.

RON KREHER, Acting Director  
Division of Public Assistance  
Department of Health and Social Services (DHSS)

**POSITION STATEMENT:** Answered questions regarding SB 70.

LINDA HALL, Director  
Division of Insurance  
Department of Commerce, Community and Economic Development  
(DCCED)

**POSITION STATEMENT:** Answered questions regarding SB 70.

GREG LOUDON, Chairman  
Legislative Committee  
Alaska Association of Health Underwriters

**POSITION STATEMENT:** Willing to work on SB 70.

SENATOR HOLLIS FRENCH  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Sponsor of SB 70.

#### **ACTION NARRATIVE**

[1:33:08 PM](#)

**CHAIR DENNIS EGAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:33 p.m. Present at the call to order were Senators Giessel, Davis, Paskvan, and Egan.

#### **SB 38-POLICE & FIREFIGHTER DEATH BENEFITS**

[1:34:20 PM](#)

**CHAIR EGAN** announced SB 38 to be up for consideration. He said public testimony was closed. There were no questions.

SENATOR PASKVAN moved to report SB 38 from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

[1:35:18 PM](#)

At ease from 1:35 to 1:36.

**SB 67-LOAN FUNDS:CHARTERS/MARICULTURE/MICROLOAN**

[1:36:35 PM](#)

CHAIR EGAN announced SB 67 to be up for consideration and that it was requested by the Governor.

DANA OWEN, staff to Senator Egan, presented CSSB 67(L&C), labeled 26-GS1728\M. He said there were a lot of conforming drafting changes, because bills from the governor are generally drafted by the Department of Law which uses a slightly different drafting manual than legislative drafters. The substance isn't different, but some of the language is. He said the substantive changes start with the title on page 1, and explained that because the microloan provisions were passed in another bill those provisions were deleted from this bill. On page 1, line 13, "grant" was added to the list; that also happens on page 5, line 13.

On page 7, the department asked to include language about a vessel "determined to be integral to the operation of the farm" that makes these loans available for purchasing a boat for a mariculture site. Using these loans for boats was specifically prohibited before. The microloan provisions were deleted in addition to transitional language.

[1:39:59 PM](#)

SENATOR PASKVAN moved to adopt the committee substitute (CS), version M. There were no objections and it was so ordered.

SEAN RUDDY, member, Kachemak Shellfish Growers Co-op, and Vice President Alaska Shellfish Growers Association, Anchorage, said he is an oyster farmer in Halibut Cove in Kachemak Bay. He has been an oyster farmer for eight years and he said it takes a lot of cash to get up and rolling. If he didn't have some family backing, he would have had to give up by now. It takes many years to turn a product; you get a portion of your product in two years and you don't get any profit for those years. A boat is a significant portion of his investment aside from all the other operating costs of equipment and fees and he was happy to

see that included. He said getting turned down for a loan is almost a formality and just a waste of the bank's time; so he was disappointed to see that language.

MR. RUDDY said oyster farming is a "great green industry." You don't put any feed in the water; you just put the oysters in, keep them clean, and keep moving them around. So, there is a lot of work to do. But it's renewable and they can conceivably keep doing it for many years.

SENATOR PASKVAN asked how long before he had sufficient cash inflow to meet the annual outflow.

MR. RUDDY replied he is still paying a crew because he has had to take other jobs to get the capital he needs to operate. This will be the summer that he will take over more of the work. He originally started with plan of doing it all himself, but needed to have money to keep the operation going.

SENATOR PASKVAN asked what he thought about the six-year provision before paying back the loan.

MR. RUDDY responded that his operation was on year eight and he was "still just squeaking by," but he saw how it could be done in six years if everything was lined up properly. He explained you only get a percentage of your first crop back in two years. It takes a while to build up a farm to the point where it is constantly producing. For the first three years or so he had problems getting seed, but now there are more in-state nurseries and more seed is available.

SENATOR PASKVAN said he applauded his optimism.

[1:45:48 PM](#)

CHAIR EGAN asked how long it takes an oyster to mature under ideal conditions so he is making a profit.

MR. RUDDY answered under ideal conditions, you might get a quarter of the oysters back in two years, but all the oysters in the same crop might take different times to mature. It might take as many as four or five years for some to mature.

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PAUL FUHS, Pac Alaska, Anchorage, supported SB 67. He said this company has about 35 acres of state land under lease for the purpose of geoduck farming. { This is a new industry that started seven or eight years ago when they just weren't sure it would

work. So considering a bill like this earlier might have been premature.

MR. FUHS displayed some of the first harvest in the form of frozen product explaining they were farmed geoducks that are six or seven years old. So, the term of the loan in the bill fits the biology of this animal. He said they planted about 250,000 seeds so far, but to get up to the level similar to what British Columbia or Washington State was doing, they would need to plant a half million to one million animals per year.

He described the economic potential of this industry saying they are not just talking about the farm itself, but involve people in the community at many levels like buying the seed in Seward, flying it down to Ketchikan, hiring a local diver and a boat to go out and plant them, hiring divers to harvest them, and buying fuel. They also use the local fish processing plant in the off-season, so that keeps those workers working over the winter when salmon isn't being processed. That makes it a little easier for those companies to manage their processing crew and helps them hold on to their workers. Then the product gets put on an airplane and it gets shipped to Anchorage where it gets put on the international flights to Japan and China, the main markets.

MR. FUHS said he appreciated the Governor and the Department of Commerce for bringing this bill forward and this committee for hearing it. They support this bill in its current form and would use the provisions to help them purchase more seed and expand the farms. There are additional expenses on the front end; for instance they are paying about \$10,000 a year to the state in lease fees and of course, there is no revenue from that until further down the road. So, a program like this would really help. Once the business is up and running, it would not be needed.

CHAIR EGAN asked if there is more acreage available for farming.

MR. FUHS answered yes; there is quite a bit. You have to look for the right substrate conditions. It has to be soft enough for the animals to dig in and they siphon 85-90 gallons of water a day. The area needs good water flow. Southeast has a lot of good areas and to meet the best interest findings, one has to show the farm is not interfering with the commercial dive fishery or with any other users.

SENATOR PASKVAN asked why the wrapping was from Cabela's.

MR. FUHS explained that was just the bag they used to get the frozen product to Juneau and the animals are normally shipped alive.

SENATOR GIESSEL asked if these geoducks are indigenous to Alaska.

MR. FUHS answered yes; no other species is allowed in. So they take the brood stock, harvest them and send them to the hatchery in Seward. The hatchery in Seward warms the water causing the stock to spawn. It raises them to a certain size and sends them down to Pac Alaska. Alaska is too cold for oysters to reproduce here, he explained, and that is why importing spat is allowed.

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SENATOR GIESSEL asked if there is an Alaskan market for geoducks or is it all exported.

MR. FUHS replied there is a small Alaskan market. It is used in sushi and is called "mirugai." Some people make a stew.

WANETTA AYERS, Director, Division of Economic Development, Department of Commerce, Community and Economic Development (DCCED), offered to answer questions regarding SB 67. There were no questions.

[1:56:09 PM](#)

SENATOR PASKVAN moved to report CSSB 67(L&C), version M, from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[1:56:36 PM](#)

At ease from 1:56 to 1:57 p.m.

### **SB 70-ALASKA HEALTH BENEFIT EXCHANGE**

[1:57:42 PM](#)

CHAIR EGAN announced SB 70 to be up for consideration.

ANDY MODEROW, staff to Senator Hollis French, sponsor of SB 70, showed the front page of the "Massachusetts Health Connector" website at [www.mahealthconnector.org](http://www.mahealthconnector.org) that he would refer to during his presentation. It was established in 2006 as a part of their reform effort and it would give the committee some insight into how an exchange could function in Alaska.

MR. MODEROW explained at first there are different categories to click on depending on whether one is an individual, an employee or an employer. He clicked on the individual and family button, and noted that "exemptions from the mandate option" was a choice and explained that although Massachusetts established its exchange before federal health care reform, they did have a requirement to obtain coverage. Just like the Massachusetts Connector, SB 70 sets up the mechanism which would exempt individuals from the federal requirement to have coverage if an affordable product is not available to them.

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The "start now" button brings up the question: How big is the group you are applying with? For the purpose of this experiment he said he would use the size of three and that page informs you that in Massachusetts if you have household income below \$54,936 you might be eligible for subsidized health care. The Massachusetts reform offers subsidies up to about 300 percent of the federal poverty level, but under federal reform, subsidies will be offered up to 400 percent. These will be in the form of tax credits. So the household income which would qualify for the subsidies (for a family of three) would be \$74,000. For today's purpose he assumed the test family does not qualify.

The website says that the open enrollment period is closing today. These are the windows of times for people to enroll in a health insurance policy within the connector. They open and close so that people don't wait until they get sick to purchase coverage. SB 70 has the same provision. The next page asks for zip code, the type of coverage, and birth dates for purposes of calculating premiums.

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Once those are entered, three broad categories of policies appear for review. After choosing the "view all plans" option, one sees the lowest cost up to the highest cost premiums within the chosen category. The low cost plan is \$680 per month for three people. You can further narrow down your search and choose what premium costs you want to pay. If you are concerned about your deductible, you can choose between none, \$250, and \$500 or \$2-4000. A grid across the top shows things like annual deductible, the price of a doctor visit, and emergency room visits. He pointed out that like SB 70, Massachusetts also has a telephone call center if someone needs help.

MR. MODEROW then selected three plans from three different private health insurers to compare, and that went on for a

number of pages. Enrollees can find out if a certain doctor is provided within an insurer's network, for instance. In particular, he pointed out the "special considerations" box that, for example, lets one see if the plan provides limited doctors and limited hospitals. This page had a little warning for a consumer to make him aware that money is saved by selecting this plan. He emphasized that the purpose of this legislation and this effort is not to choose plans for people, but to help them be aware of what they are choosing.

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He pointed out the extensive details of plans that are available for side-by-side comparison. The "NCQA rating" [National Committee for Quality Assurance] is an insurance report card, which lets the consumer know how the carrier has been performing. After choosing a plan, (he chose the bronze medium plan), the next page provides a summary of the selection. Next one can confirm their choices.

MR. MODEROW explained in SB 70, section (a) 11 (page 4, lines 18-24) determines eligibility for state and local medical assistance programs such as Medicaid and Denali Kid Care. Section (a) 12 provides for a calculator which tells someone how much they are eligible for in benefits.

The legislative also provides for free choice vouchers for employers to provide payment assistance to an employee without sponsoring an entire plan. They can offer their employees \$100 towards the premiums of a plan and give it to them in this form which will then be spent within the connector.

This bill also sets up the "SHOP" program which would help create a new pool for small employers and connects small businesses with large tax incentives to sponsor a plan of their own. For those wanting to do their own experimenting on the website, Mr. Moderow included the zip code he used of 02043.

SENATOR PASKVAN asked if he had compared the cost of these plans with any available in Alaska.

MR. MODEROW answered no, and that Massachusetts has a very different set up for the price of premiums than Alaska does. So, he didn't do a side-by-side on that front, but other websites in Alaska sponsored by private insurers do that - usually with their own options.

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MR. MODEROW continued with an overview of the fiscal notes attached to SB 70. There is a \$5-million set-up cost for the exchange and a \$2.1-million annual operating cost. He said the state is eligible to receive federal grants to set up the health exchange program. A \$1-million dollar planning grant is available to the state until Friday. After that there are two additional levels of grants that pay for the set up costs.

As far as operating costs, SB 70 allows for grants from state, local or other entities, and also allows the exchange to charge assessments or user fees to health care insurers or otherwise generate funding necessary to support its operations. The fiscal note at this time assumes the operation costs will come out of the general fund, but that language could be changed by the committee.

MR. MODEROW emphasized that Senator French would be pleased to work with the committee on amendments.

CHAIR EGAN turned the gavel over to Senator Paskvan.

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RON KREHER, Acting Director, Division of Public Assistance, Department of Health and Social Services (DHSS), said he wanted to address the fiscal note that is based on an assumption that the health information exchange will be passing information to the Division of Public Assistance after it does an initial determination of eligibility for Medicaid and Denali Kid Care recipients. The fiscal note is intended to provide the funding necessary to build the interface required for this exchange of information. The assumption is that this will be a straight-forward file exchange and developers of the health information exchange have make sure that the business requirements they recover are transferable to the division's eligibility information system so a case can be set up in their system. He also noted that an on-line form could be developed, but this would have additional costs.

SENATOR PASKVAN asked if it would be useful for Alaskans to have the system in place.

MR. KREHER replied that it would be another access point for low income Alaskans, people who might not know they are even eligible for Medicaid or Denali Kid Care, until they go through the Exchange.

SENATOR GIESSEL asked if the fiscal note is \$460,000.

MR. KREHER confirmed that it is.

SENATOR GIESSEL asked if the data would download into the DHSS data system, which is called MMIS.

MR. KREHER responded that they are referring to the Division of Public Assistance Eligibility Information System, which is the platform they use to determine eligibility for specific public assistance cases such as Medicaid and DKC. But the MMIS is a larger data base that tracks coverage that is outside the Division of Public Assistance. It is currently being enhanced. He assumed that MMIS would drive off of their eligibility information system and should track information - amounts or payments, coverage and costs - about Medicaid DKC-eligible folks.

SENATOR GIESSEL said she knows that MMIS needs to be made more robust, and asked how more data would be manageable within this system.

MR. KREHER replied he is not the right person to answer that question.

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LINDA HALL, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), said the exchange would be housed in the DCCED.

SENATOR MENARD joined the committee.

MS. HALL said there are two fiscal notes; because the exchange language is in Title 21, which is the Insurance Code, there is a zero fiscal note from her and the commissioner to describe what the bill does and why the fiscal note is zero, which is because they don't really have any involvement in the actual exchange itself. Since the exchange will be housed in the DCCED there is another fiscal note of roughly \$1.6 million from the department. That is the estimate for the required resources to meet the core functions of the exchange including a staff of 12 people - an executive director and assistants, web people, and costs for board meetings. They estimated monthly two-day meetings, at least originally, to get an exchange up and running, up to and including a grant to navigators which is provided in the bill itself. Program receipts are the funding source. The federal bill contains a provision that the exchange be self-funding by January 1, 2015. It can charge insurers user

fees that she assumed could then be passed on to consumers as part of premiums.

SENATOR DAVIS asked if the state is applying for the federal \$1-million grant for start-up costs of the exchange.

MS. HALL answered the planning grant can't be used for the operation of the exchange, and once it is up and running it would become self funding.

SENATOR DAVIS asked if she feels comfortable that the state has the money available to establish the exchange without getting the \$1 million grant from the federal government.

MS. HALL replied that review is still going on as to whether Alaska will apply for the planning grant.

SENATOR PASKVAN asked if there are other monies at risk if the \$1 million is not applied for by Friday.

MS. HALL answered yes; establishment grants are available to establish the exchange, not to fund the board and employees, which would be an ongoing expense.

SENATOR PASKVAN asked how much in grant funds are at risk if planning funds are not applied for.

MS. HALL answered no dollar amount is put on those. States can apply for funds in two stages, one is the early stage where planning hasn't been done and those can only be applied for every six months. Phase two is more like a three-year funding that would allow the exchange to be up and running; when and how much depends on where one is in the planning process. She was not aware of any maximum limits set on those funds and explained that they are dependent upon the type of exchange the state decides to develop, the government structure that exists, and what the governing body thinks the exchange should do.

SENATOR PASKVAN asked who would best be able to advise this committee by Friday what the risk is if the initial application isn't in by then.

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MS. HALL answered she didn't think anyone else was in a better position to advise the committee. She suggested contacting the Department of Law or the Governor's Office.

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SENATOR GIESSEL said she added up the four fiscal notes attached to SB 70 and that they totaled \$5 million.

SENATOR PASKVAN asked if those are the state monies at risk if the federal monies are not applied for and received.

MS. HALL responded that the Department of Administration's \$3 million fiscal note is for hardware, software and bandwidth development and that would be an implementation cost potentially covered by an establishment grant. She wouldn't speak to the Division of Public Assistance note, but she thought it was an implementation grant also. The DCCED fiscal note is ongoing, and by federal law that is supposed to become self supporting through user fees.

SENATOR PASKVAN reiterated that if the state does not apply for the \$1 million grant funds by Friday, then another potential \$5 million in development money is at risk?

MS. HALL answered that she wasn't sure that the DCCED would have development costs, because those are considered operational fees. What is potentially at risk is the hardware and software development. But without applying for the grant, she could not be certain.

SENATOR PASKVAN asked if it is fair to say it is closer to \$3 million than \$5 million, based on the information she now knows.

MS. HALL answered yes.

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SENATOR DAVIS asked Ms. Hall what would be her recommendation at this time, or if has she made a recommendation, as to the \$1 million if the deadline is Friday.

MS. HALL replied that is a policy decision that is being reviewed. Her department has not taken a position on this bill. They still have concerns and are willing to work with the sponsor on this version of an exchange. She is not making a recommendation of any kind. Policy is made by the governor.

CHAIR EGAN asked if the policy decision would be made before Friday.

MS. HALL answered that was her understanding.

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SENATOR GIESSEL said she enjoyed poking around on an actual exchange website. She noted this exchange is not about health care, but about buying an insurance product. But the composition of the board that the bill proposes has a lot of emphasis on health care providers. That got her wondering where the actuarial expertise would be, and she looked at the Alaska Comprehensive Health Insurance Association (ACHIA) that currently provides health care insurance for high risk people who don't qualify for other types of insurance. That board's composition is much more focused on finance and insurance expertise. She wondered if Ms. Hall could comment on the analogy between this proposed insurance exchange and the ACHIA board that has been functioning effectively for quite a while.

MS. HALL responded that ACHIA is under Title 21 and operates differently than the exchange under this bill. Her division approves ACHIA's plan of operation and the board members. She agreed with Senator Giessel about the exchange being an Amazon.com of the health insurance world. Ms. Hall stated that she has looked at legislation being proposed in a number of states, and there are more people on this board than most. She didn't think health care providers necessarily understand health care insurance. Consumers would be purchasing a product that is not significantly different from what is available today; it's just a different place to buy it.

SENATOR GIESSEL also observed that the board has no representative from the Division of Public Assistance, and she thought that would be an important addition to it. She also noted that language on page 12, line 23, says that the exchange board would also promulgate regulations - pertaining to insurance - that would be sold through the exchange - and that seems duplicative of what the Division of Insurance (DOI) does.

MS. HALL said she was surprised at that language as well and while her division can adopt regulations, she didn't know a lot about other boards' authority, but ACHIA does not adopt regulations.

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SENATOR GIESSEL said if the committee wanted to follow it through, language on page 13, line 16, talks about the exchange adopting regulations and page 15 defines the qualified health plan that this exchange board would be approving and providing regulations for. Under SB 70, the exchange board would actually

be certifying health benefit plans - again duplicating what the Division of Insurance does already.

MS. HALL responded that one of her visions of operating the exchange would be that the board would use the resources of the DOI, because that evaluation is best done by insurance experts.

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SENATOR DAVIS asked why Ms. Hall had not stated her concerns to the committee at an earlier meeting.

MS. HALL said she has had one meeting with the sponsor and has discussed some of her concerns with him, and that she is still in the process of working him.

SENATOR DAVIS said people with ACHIA are currently providing a good service, but under the new regulations they might go away. She asked Ms. Hall if that was true, what department would run the exchange.

MS. HALL said she believed ACHIA would go away. The federal law says that as of January 1, 2014, preexisting conditions can no longer be used to deny coverage. Once that is in place, there will be no reason to have a high risk pool. She explained that right now Alaska has two high risk pools - federal money given to an entity that ACHIA also manages known as ACHIA fed, a preexisting insurance plan that about half the states have. Unfortunately, health insurance in Alaska is very expensive and even though the new ACHIA federal plan is based on the standard rate, only 28 people in Alaska are in that plan. She stated the price of insurance in Alaska is still not affordable and the underlying cause of it is not being tackled. She noted the ACHIA federal plan has been effective since July 1, 2010.

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SENATOR DAVIS asked if the state doesn't establish its own exchange that the federal government will do it for us.

MS. HALL answered yes.

SENATOR DAVIS responded, "It looks like that is where we're headed then."

[2:46:21 PM](#)

GREG LOUDON, Chairman, Legislative Committee, Alaska Association of Health Underwriters, said he has been tasked with managing the association's position regarding an exchange. They had been

working on this issue for about one year already and are aware that if Alaska doesn't set up an exchange the federal government will do it. In short, the state has to show substantial progress in setting up an exchange by January 1, 2013. The million-dollar grant that has been referred to is for planning. SB 70 appears to be fully formed and appears to go past planning, already resembles the Massachusetts exchange. Federal officials in Washington, D.C. have said that Massachusetts is at one end of the budget spectrum and Utah is at the other.

MR. LOUDON explained that the Massachusetts exchange employs 45 people with an annual budget of \$45 million and Utah has two employees with a budget of \$2 million. Their philosophies are dramatically different and he hoped to see a detailed work product about what perspective the state wants to take.

SENATOR PASKVAN asked how many other states have insurance exchanges in place.

MR. LOUDON replied that 14 or 15 states are in the process, but only Utah and Massachusetts have them now. California has had two that failed, but is putting another one together.

SENATOR PASKVAN asked how many people the Alaska exchange would cover.

MR. LOUDON replied the regulators would like to cover all those who are not currently covered, which would be about 300,000 individuals.

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SENATOR PASKVAN asked if the exchange would cover more people than are currently covered in Massachusetts.

MR. LOUDON replied that Massachusetts has more people, so that is not accurate.

[2:52:50 PM](#)

SENATOR FRENCH, sponsor of SB 70, said he wants to work with the committee on this complex legislation, and that he wants an exchange that works for this unique state.

SENATOR PASKVAN recapped that Ms. Hall had concerns but was in touch with Senator French's office.

SENATOR MENARD emphasized talking with Ms. Hall should be a priority for Senator French so that this legislation can be moved on.

SENATOR FRENCH said he appreciated the comments and would have a frank dialogue with Ms. Hall.

SB 70 was held in committee.

2:55:30 PM

There being no further business to come before the committee, Senator Paskvan adjourned the meeting at 2:55 p.m.