

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

April 13, 2013

8:32 a.m.

**MEMBERS PRESENT**

Senator Bert Stedman, Chair  
Senator Peter Micciche, Vice Chair  
Senator Kevin Meyer  
Senator Pete Kelly

**MEMBERS ABSENT**

Senator Johnny Ellis

**COMMITTEE CALENDAR**

CS FOR HOUSE JOINT RESOLUTION NO. 14(HSS)  
Requesting the United States Congress, the Governor, and the state's congressional delegation to take actions necessary to delay implementation of the Patient Protection and Affordable Care Act.

- MOVED SCS CSHJR 14(HSS) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 14

SHORT TITLE: DELAY IMPLEMENTING AFFORDABLE CARE ACT

SPONSOR(S): REPRESENTATIVE(S) STOLTZE

03/22/13	(H)	READ THE FIRST TIME - REFERRALS
03/22/13	(H)	HSS
04/02/13	(H)	HSS AT 3:00 PM CAPITOL 106
04/02/13	(H)	Moved CSHJR 14(HSS) Out of Committee
04/02/13	(H)	MINUTE(HSS)
04/04/13	(H)	HSS RPT CS(HSS) NT 3DP 1DNP 2NR
04/04/13	(H)	DP: KELLER, REINBOLD, HIGGINS
04/04/13	(H)	DNP: TARR
04/04/13	(H)	NR: NAGEAK, PRUITT
04/09/13	(H)	TRANSMITTED TO (S)
04/09/13	(H)	VERSION: CSHJR 14(HSS)
04/10/13	(S)	READ THE FIRST TIME - REFERRALS
04/10/13	(S)	HSS
04/13/13	(S)	HSS AT 8:30 AM BUTROVICH 205

## **WITNESS REGISTER**

DARWIN PETERSON, Staff  
Senator Bert Stedman

**POSITION STATEMENT:** Explained the proposed changes in the Senate CS for HJR 14.

DARRELL BREESE, Staff  
Representative Bill Stoltze  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Introduced HJR 14 on behalf of the sponsor.

MARK REGAN, Attorney  
Disability Law Center of Alaska  
Anchorage, AK

**POSITION STATEMENT:** Raised questions about the factual validity of some of the clauses in HJR 14.

ROBERT HEINRICH, Member  
Anchorage Chamber of Commerce  
Anchorage, AK

**POSITION STATEMENT:** Testified in support of the concept of HJR 14 and the removal of the clauses proposed in the Senate CS.

DENNIS DEWITT, Lobbyist  
National Federation of Independent Businesses  
Juneau, AK

**POSITION STATEMENT:** Stated support of HJR 14.

BILL STRUER, Commissioner  
Department of Health and Social Services (DHSS)  
Juneau, AK

**POSITION STATEMENT:** Testified that HJR 14 and the Department of Health and Social Services are moving slowly with respect to the Affordable Care Act.

## **ACTION NARRATIVE**

[8:32:28 AM](#)

**CHAIR BERT STEDMAN** called the Senate Health and Social Services Standing Committee meeting to order at 8:32 a.m. Present at the call to order were Senators Micciche, Kelly, and Chair Stedman. Senator Meyer arrived soon thereafter.

### **HJR 14-DELAY IMPLEMENTING AFFORDABLE CARE ACT**

8:32:50 AM

CHAIR STEDMAN announced the consideration of HJR 14, requesting the United States Congress, the Governor, and the state's congressional delegation to take actions necessary to delay implementation of the Patient Protection and Affordable Care Act. [CSHJR 14(HSS) was before the committee.] He noted that this was the first hearing of the resolution and the intent was to adopt the Senate committee substitute, receive an introduction, take public testimony and look to the will of the committee.

SENATOR MICCICHE moved to adopt the Senate committee substitute (CS) for CS for HJR 14, labeled 28-LS0187\C, as the working document.

CHAIR STEDMAN objected for purposes of an explanation.

8:33:46 AM

DARWIN PETERSON, Staff, Senator Bert Stedman, explained that version C makes four changes, all of which remove language. First, on page 1, the phrases "the President of the United States and the Democratic majority in" and "voting mainly along party lines," were removed from the first whereas clause. The purpose for this was to remove partisan language. Second, on page 4, following line 6, an entire whereas clause was deleted. It stated, "the Obama Administration admits that tens of millions of Americans are at risk of losing their health care coverage." Third, on page 5, following line 1, the last two whereas clauses were removed. They stated, "the Patient Protection and Affordable Care Act expands Medicaid without any significant reform, leaving the state to assume an unsustainable financial burden" and "the required expansion of Medicaid under the Patient Protection and Affordable Care Act will cause the number of Alaskans covered by the program to increase by at least 30 percent." The purpose of removing these two clauses is that the legislature would be taking a position on Medicaid expansion and the governor intends to conduct a cost-benefit analysis over the interim and make a decision later.

CHAIR STEDMAN removed his objection.

8:35:51 AM

SENATOR KELLY asked if there was feedback from the sponsor.

MR. PETERSON said the sponsor concurs with the changes.

CHAIR STEDMAN found no further objection; [therefore, version C was before the committee.]

[8:36:45 AM](#)

DARRELL BREESE, Staff, Representative Bill Stoltze, sponsor of HJR 14, confirmed that the sponsor worked with Senator Stedman's office on the changes in the current CS.

He explained that the resolution is a call for the federal government to do some cost analysis, not repeal the Act. The sponsor wants business to move forward knowing the actual costs before implementation.

He noted support for the resolution by the National Federation of Independent Businesses.

He highlighted several whereas clauses in the Act. The largest insurance companies in Alaska stated that they expect premiums to increase between 30 to 80 percent for individual policy holders due to the Act. The average cost increase for individual health insurance would increase by \$2,500 per year. There are 21 new taxes which will incur costs. He noted that big business will remove employees from full-time status to avoid paying increased costs. The estimate is that 30 percent of small businesses nationwide will remove employees from their rolls. It is also estimated that 8 to 10 percent of people receiving insurance now will lose it altogether. The total cost of the Act has increased by more than three times the original cost to \$2.6 trillion a year and is still being evaluated. He concluded that the resolution requests the Obama administration to clarify the costs of the Act.

[8:41:54 AM](#)

SENATOR MEYER joined the committee.

CHAIR STEDMAN noted the zero fiscal note. He opened public testimony.

[8:42:20 AM](#)

MARK REGAN, Attorney, Disability Law Center of Alaska, raised questions about the factual validity of HJR 14. He drew attention to the statement that says Garden Restaurants has transferred nearly 75 percent of the chain's employees from full time to part time status in an attempt to limit the number of employees for whom health insurance would be mandated under the Act. He maintained that there were problems with that statement and it was based on an Associated Press story from 2012 that

wasn't accurate. He explained that the chain already has 75 percent of its employees in part time status and was only testing the possibility of converting full time employees, but decided not to do so. He proposed that the committee doesn't know if that is the only factual error in the resolution, so it would be a bad idea for the committee to pass it.

[8:45:27 AM](#)

ROBERT HEINRICH, Member, Anchorage Chamber of Commerce, testified in support of the concept of HJR 14 and the removal of the clauses proposed in the Senate CS. He opined that it was premature to discuss the impact of the Medicaid expansion at this point.

DENNIS DEWITT, Lobbyist, National Federation of Independent Businesses, stated support of HJR 14.

[8:47:43 AM](#)

BILL STRUER, Commissioner, Department of Health and Social Services (DHSS), stated that HJR 14 is headed in the same direction as the department with respect to the Affordable Care Act, which is to move slowly. He didn't see any way that the state wouldn't see increased costs with the implementation of the program. There are already significant problems with access to Medicaid and Medicare.

He offered his belief that the clauses that were removed are fundamentally accurate. The Medicaid population will increase by 30 percent. He said Mr. Breese's comments are accurate and it will be a challenge and expensive.

[8:50:14 AM](#)

CHAIR STEDMAN asked about page 2, line 31, the reference to the Garden Restaurants.

MR. BREESE said the information was based on another AP article from October 9, 2012, not the one the caller mentioned. He noted he hasn't researched farther than that.

CHAIR STEDMAN suggested asking the sponsor to check the accuracy of that article and to offer an amendment on the floor, if needed.

[8:51:54 AM](#)

MR. BREESE said the clause goes to the heart of the resolution. He noted the information related to the Act is changing daily. He agreed to research the aforementioned issue.

SENATOR KELLY asked the sponsor's staff to get the information requested and remove the anecdotal information.

SENATOR MICCICHE agreed with the suggestion.

SENATOR KELLY suggested saying "nationwide businesses are considering."

CHAIR STEDMAN found no further questions or discussion and asked the will of the committee.

[8:53:56 AM](#)

SENATOR MICCICHE moved to report [Senate] CS for CS for HJR 14, version C, from committee with individual recommendations and attached fiscal note.

CHAIR STEDMAN announced that without objection SCS CSHJR 14(HSS) moved from the Senate Health and Social Services Standing Committee.

[8:54:34 AM](#)

There being no further business to come before the committee, Chair Stedman adjourned the meeting at 8:54 p.m.