

HOUSE FINANCE COMMITTEE
April 7, 2016
1:52 p.m.

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CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 1:52 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Representative Paul Seaton, Sponsor; Taneeka Hansen, Staff,
Representative Paul Seaton; Brodie Anderson, Staff,
Representative Steve Thompson; Representative Jim Colver,
Sponsor; Mike Lesmann, Special Assistant to the
Commissioner, Department of Transportation and Public
Facilities. Janey Hovenden, Director, Division of
Corporations, Business and Professional Licensing,
Department of Commerce, Community and Economic Development.

SUMMARY

HB 230 NAMING ARCTIC MAN WAY

HB 230 was REPORTED out of committee with a "no recommendation" recommendation and with one previously published zero fiscal note: FN1 (DOT).

HB 237 INTERSTATE MEDICAL LICENSURE COMPACT

HB 237 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the meeting agenda.

#hb237

HOUSE BILL NO. 237

"An Act relating to an interstate compact on medical licensure; amending the duties of the State Medical Board; and relating to the Department of Public Safety's authority to conduct national criminal history record checks of physicians."

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REPRESENTATIVE PAUL SEATON, SPONSOR, appreciated the opportunity to present the bill. He relayed that the bill would make Alaska a party to the Interstate Medical Licensure Compact, which would expedite licensing to bring qualified physicians to Alaska. He shared that it was currently a 14 to 18-week licensure process. He had heard from new doctors who were from Alaska and licensed in other states who wanted to return to practice in Alaska. The individuals had been waiting over six months and still had not received their Alaskan license and were considering jobs outside of Alaska due to the delay. He noted that the department [Department of Commerce, Community and Economic Development (DCCED)] was attempting to speed up some of the processes. He spoke to the importance of getting doctors into Alaska on a quicker basis due to the state's need for physicians. He cited turnover as an issue. He explained that licensure under the compact had a higher criteria and required fingerprinting, background checks, and other. A state seeking to be a member of the compact had to agree to the qualifications; the state could have additional qualifications and under the compact a physician would receive a provisional license until they fulfilled the state's additional requirements. When a person received a license under the compact they would then have the ability to apply for work in any other states within the compact.

Individuals had to pay the full fees to the state and would receive a license to practice very quickly in any of the states under the compact.

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Representative Kawasaki could see the need and benefits for the state. He asked for verification that becoming one of the 13 states with the licensure compact should make it easier for Alaska state examiners to qualify a person registered in another state.

Representative Seaton replied in the affirmative. He detailed that a person who had satisfied the compact criteria for licensure could get a license to practice in any of the other compact states. He furthered that Alaska's physicians who met the criteria could also obtain licenses more quickly in other states as well.

Representative Kawasaki pointed to the fiscal note that appeared to be "hefty." He observed that the fund source was receipt supported services. He believed that once the compact was in place it would actually cost less for the agency to administer.

Representative Seaton deferred the question to his staff.

TANEEKA HANSEN, STAFF, REPRESENTATIVE PAUL SEATON, replied that the largest portion of the fiscal note was due to the background checks, which were a requirement of the compact. She relayed that currently background checks and fingerprinting were not required for Alaskan physicians. The bill had a specific authorization for physicians applying for an expedited license through the compact to undergo the background checks; the bulk of the fiscal note included the fingerprinting fee. Additional funds in the note were related to travel and designating a person to be in communication with the commission. She explained that under the compact, two commissioners would come from Alaska to participate on the Interstate Commission; they would be current members or staff of the medical board. She added that there would be additional travel and needs to coordinate with the commission.

Representative Kawasaki asked if the State of Alaska would be made aware if a physician in the compact had been

sanctioned in another state. He wondered how it would impact licensure.

Ms. Hansen replied that there were compact provisions listed in the bill that outlined disciplinary actions. She detailed that if there was a disciplinary sanction taken against any expedited license in another state, the other states were automatically notified by the state's medical board and the individual's state license would be suspended until a review was conducted. Alaska's current statutes included a provision for suspending a license upon notification or proof of another state action upon the license until a hearing could be held.

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Representative Guttenberg shared a story about a dentist from New Zealand who could not obtain a license in Alaska. He thought it appeared that an individual had to live in another state or have a percentage of their practice in another state before they could transfer the license. He furthered that the individual could not have merely obtained a license in California and transferred the license to Alaska; the requirements for residency were still in place. He asked how the bill related to international compacts. He wondered if the residency issue still played a role.

Ms. Hansen answered that there was a section that addressed the definition of the designation of a state of principal licensure, which was a baseline requirement for compact eligibility. She detailed that an individual was required to designate a compact state as their state of principal licensure. Requirements included that the state be the individual's primary residency, a minimum of 25 percent of the practice of medicine occurred, and the location of the individual's employer. She elaborated that if no state qualified under the requirements, the state had to be designated as a state of residence for the purpose of federal income tax. Individuals would have to meet the qualifications in one of the 12 compact states (13 states if Alaska joined the compact).

Representative Guttenberg asked for verification that international doctors could not come in and receive a license. He surmised that the individuals would be required

to have residency in another state. He asked about the time requirement.

Ms. Hansen answered that the compact did not outline a requirement for the length of residency. She noted that the information may be outlined in the commission bylaws. She did not know the current standards for an individual Alaska license for an international physician coming into the state. She explained that currently physicians not living in Alaska could apply for a license in Alaska; they had to apply for a license in each state they wanted to practice.

Representative Seaton noted that the primary reason for the bill was to save individuals who wanted to practice in multiple states from applying for a license separately in each of the locations. He furthered that expedited licenses were electronically issued. He explained that currently getting a license in Alaska was only done on paper - it was not as efficient as it could be. He added that the department was trying to expedite things by the end of the year - some renewals were done electronically. The state was behind the curve on electronic verification and submission of background information.

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Vice-Chair Saddler asked about the current process a physician licensed in another state undertook to get a license in Alaska. He asked how long the process took.

Representative Seaton replied that the current licensing process for first-time licenses in Alaska was done on paper and required all of the background information. The normal timeframe was 14 to 16 weeks; however, with staff cuts the length of time had been somewhat extended in recent years.

Vice-Chair Saddler asked how much it cost to apply for and receive a state license.

Representative Seaton answered that the charge for a state license through the compact was whatever the state charged. He explained that an individual did not receive a price break by applying electronically for the expedited license. The process provided an expedited way to obtain a license and saved applicants from going through paperwork for each state they wanted to practice in.

Vice-Chair Saddler asked if it was common for physicians to want to be licensed in multiple states.

Representative Seaton did not have numerical data on hand; however, he provided an example of eye surgeons traveling from the Pacific Northwest to do surgeries once a week in Anchorage.

Ms. Hansen elaborated that the licensure compact had been adopted by many rural states where physicians traveled between small communities or those taking advantage of telemedicine, which required the physician to be licensed in the state they were practicing.

Representative Wilson thanked the sponsor for the bill. She relayed that she had helped three or four physicians in the past year with the process that had taken three or four months. She added that a physician could have been practicing for 30 years and they were still required to have their original transcripts and residency - some of the items did not exist any longer because a person had been practicing for so long. She discussed that the Fairbanks hospital cancer center only had one specialist in several different areas, which meant if someone went on vacation the hospital had to bring a physician up to fill in for that two-week period. She believed the bill would make the process go much quicker for individuals in states participating in the compact.

Ms. Hansen replied that theoretically the answer was yes. She detailed that the bylaws were currently being written by the Interstate Commission. How long it would take for states to be notified had not yet been seen in practice. She furthered that if a physician had an expedited license in one state all they needed to do was notify the commission that they would like to be licensed in another state. A state was directed to issue a license as soon as it received the fees and notification. She concluded that the process should be much faster.

Representative Wilson did not believe there would be thousands more doctors applying for a license because it was easier. She remarked that the fiscal note specified the need for an additional employee [within DCCED]. She believed that in reality after the bill was implemented the process would be much easier. She reasoned that there would be less paperwork.

Representative Seaton deferred the question to DCCED.

Representative Wilson wondered if the bill would require all physicians in Alaska - Alaskan residents included - to adhere to the fingerprinting requirement.

Representative Seaton answered in the negative. Individuals would not be subject to the fingerprinting requirement unless they wanted to obtain an expedited license for another state. The bill did not change Alaska requirements for its licenses. He furthered that if a physician in Alaska wanted to obtain an expedited license for another state they would have to satisfy the background check and fingerprint requirements for the compact.

Representative Wilson shared that a doctor had participated in the Iditarod, but had almost been unable to participate because it took so long to get his replacement physicians licensed. She believed the bill would make more doctors want to come to Alaska.

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Representative Munoz believed the bill went hand-in-hand with the Medicaid reform bill currently before the legislature - especially as it related to telemedicine. She thanked the sponsor for bringing the bill forward.

Vice-Chair Saddler asked if the primary purpose of the compact was to expedite licenses and increase the ease of cross-state licensure.

Ms. Hansen answered that it was primary purpose, but it also allowed states in the compact to maintain a database. She detailed that the exchange of information about disciplinary actions would be up to date and easily accessed by all states. The Federation of State Medical Boards kept track of licenses for participating states; therefore, Alaska was able to obtain some of the primary documents through the coordinated database. The compact database provided additional detail with all licensure information, which would enable easier confirmations.

Vice-Chair Saddler remarked that there was a federalized system and each state had the power to set its standards for any profession. He believed the bill presumed that any

state's medical license was as appropriately set as any other. He surmised that any physician licensed in any one of the states should be quickly able to practice in any other state within the compact. He asked if there were any states that had extraordinarily high standards for extended residencies, education, or training.

Representative Seaton responded that the assumption was not that every state had the criteria, just like Alaska did not require a fingerprint or background check. The compact allowed the doctors within Alaska to also qualify for the compact if they applied and provided the additional required criteria; at that point they could easily obtain licenses in other states. People understood that the compact had a uniform group of criteria, which were higher than required in a number of states, and that anyone satisfying the universally high criteria would be able to get a license and practice medicine in Alaska with an expedited license.

Vice-Chair Saddler asked for verification that the bill only applied to medical physicians and not nurses, optometrists, ophthalmologists, or other.

Representative Seaton replied in the affirmative.

Representative Gara relayed that he had not heard about any opposition or controversy related to the bill. He noted that the state medical board and Alaska State Hospital and Nursing Home Association (ASHNHA) had supported the bill. He was happy to move the bill forward.

Representative Wilson asked why the bill would require another staff because she believed it would make things much easier.

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Representative Seaton deferred the question to the department.

JANEY HOVENDEN, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, replied that the bill represented an additional pathway to licensure. She continued that the bill only applied to individuals who met the higher criteria [required by the compact]. The old

pathway would still have to remain in place because not all physicians would qualify for the higher criteria (e.g. a person could have no disciplinary records). The new system would be housed with the executive administrator who would track the licenses and handle the fingerprinting cards that the other pathway did not have. The position [listed in the fiscal note] was an Office Assistant I (range 10) that would assist the executive administrator with the specialized program. The position would handle communication with the commission, travel arrangements, and other.

Representative Gara believed the costs would be funded with a fee charged to doctors for use of the service. Ms. Hovenden answered in the affirmative. The fee would be charged to physicians who selected to use the specific pathway to licensure.

Representative Guttenberg noted that he had often heard that due to the competitive nature of the field in Alaska, other doctors were keeping doctors out. He asked how the bill would deal with that process. He provided an example of a highly skilled and qualified doctor in another state. He wondered if the medical board had an approval or denial basis. Alternatively, he wondered if the person would receive a license because they qualified through the compact.

Ms. Hovenden answered that if a person qualified through the compact and had no discipline on their record there were no additional requirements.

Vice-Chair Saddler asked for verification that the bill enacted the entirety of the charter for the compact (beginning in Section 6 of the legislation).

Representative Seaton replied that it was his understanding. He noted that the bylaws were currently being worked out by the commission and would not be enacted by the bill.

Vice-Chair Saddler understood that the fees for the license application and fingerprinting would be borne by the applicants. He remarked that any interstate compact required some staff support. He asked if the fiscal note reflected any portion of the compact's shared maintenance and management costs.

Ms. Hansen replied that the issue would be decided more clearly in the bylaws. The compact did authorize an assessment on the member states; however, in conversation with current commissioners in the compact, the indication was that they planned to raise the needed revenue through a licensure fee. She detailed that it would essentially be a registration fee for doctors using the compact system. She added that until the bylaws were written it was possible that the cost would be an assessment on member states. She relayed that the commission was comprised of two members from each medical board.

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Vice-Chair Saddler asked if the department had detail on how many physicians licensed in Alaska also had medical licenses in other states. Ms. Hovenden replied that the department did not track that information.

HB 237 was HEARD and HELD in committee for further consideration.

#hb230

HOUSE BILL NO. 230

"An Act designating Pipeline Road 34-ALP-3 as Arctic Man Way."

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Vice-Chair Saddler MOVED to ADOPT the proposed committee substitute for HB 230, Work Draft 29-LS1135\W (Bruce, 3/25/16). There being NO OBJECTION, it was so ordered.

BRODIE ANDERSON, STAFF, REPRESENTATIVE STEVE THOMPSON, explained the changes in the Committee Substitute (CS). The CS removed the identifying pipeline road marker number reference and inserted the old name for the road: "Old Isabel Camp Access Road." He detailed that Department of Transportation and Public Facilities (DOT) and the Department of Natural Resources (DNR) were amenable to the change.

Representative Wilson asked if the road covered by the bill was a state-owned.

Mr. Anderson deferred the question to the bill sponsor.

Representative Kawasaki asked for the history of the road name and who Isabel was. He spoke to a recent platting board issue in Fairbanks related to whether Terminal Road should be renamed to Citizen's Way to reflect that the road lead to the borough chambers area of town. He explained that there was a historic reason why the name had not been changed.

Mr. Anderson deferred to DOT or the bill sponsor. He relayed that the name change had been requested by property owners to use the pipeline road marker reference rather than its old name. He believed the property owners had requested a better designating name.

REPRESENTATIVE JIM COLVER, SPONSOR, spoke to the bill. He relayed that on the pipeline drawings and in the original version of the bill, the access route to what once was the Isabel Pass camp was designated 34-ALP-3 (a design designation included on a drawing). He relayed that the road ran across general state land. He detailed that the Arctic Man held an event down the road. He explained that in the area that had been called Isabel Pass there was a pad, which once contained trailers and buildings the Alyeska Pipeline Service Company had used to build the pipeline. The site was currently the location of one of the largest events in Alaska; attendees at the Arctic Man event were estimated at 13,000 in 2015 and 15,000 in the current year. He elaborated that the race included a combination of skiing and snow machines where speeds reached up to 80 miles per hour. He noted that the governor had participated as a forerunner on the race in 2014.

Representative Colver explained that the reason for the proposal to change the name was mostly to commemorate that it was the event location. He elaborated that there was not really any signage indicating the location; part of the purpose was to point to the location of the event. He believed the name change was appropriate due to the popularity of the event. The name in the bill had been worked out with Alyeska Pipeline Service Company; the company had wanted the Old Isabel Camp Access Road included in the bill. He relayed that Arctic Man had agreed to cover the cost of the sign and had committed to pay \$800 to \$1,000 for installation; he did not expect DOT to do the work. The department had initially included a fiscal note

of \$200, which had been zeroed out by the House Transportation Committee; the Arctic Man Classic organization would provide funding and resources to install a new road sign - up to \$1,000. He relayed that Mr. Howard Thies (Arctic Man president), had testified on record that they would replace the sign in the event it was ever knocked down. He spoke to the unique nature of the event; there was no other race like it in the world. He asked members to support the legislation.

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Representative Wilson wondered whether it was a state road. She relayed that if it was not a state road, a statute was not required. She explained that if it was not a state road they could work with the property owner to put the sign up - she was unsure whether the owner was the Alyeska Pipeline Service Company or the state.

MIKE LESMANN, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, relayed that the road was not maintained by DOT. The department believed the road was on DNR land with an easement to Alyeska.

Representative Wilson did not believe a statutory change was necessary. She relayed that she lived on a road that was not owned by the state - they had to go through the borough to change the street name. She wondered if there was currently anything preventing Arctic Man from making and posting a sign on its own. She explained that once it was in statute it would become DOT's responsibility.

Mr. Lesmann replied that he did not know.

Representative Wilson reiterated that if the road name was put in statute it would become a DOT issue. Alternatively, if the road was on private property, they could request DNR to install the sign, but if it came down, no one would be responsible for putting it back up.

Co-Chair Thompson did not know what the regulations were for putting up a sign along a state road. He explained that the bill ensured that the state had been amenable to having a sign put up in the state right-of-way along the Richardson Highway.

Representative Wilson explained that road service area commissioners could not put up a sign that falls down; the borough would not allow it. She explained that it would be a public road and would have to abide by those rules. She elaborated that if the entity had permission from the property owner it was much easier to hang the sign that way. She was trying to simplify the situation if statute was not needed.

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Representative Colver answered that the road was on state property; it was not about the sign it was about the event. He furthered that the sign had a safety implication. He elaborated that without the road-sign people had gotten lost in the area; ambulances responded to the area when needed [and needed to be able to find their way]. He explained that there had recently been an unfortunate incident involving an avalanche. He reiterated that it was state land and was appropriate for the state to designate right-of-way. He reasoned that if the sign went away, the sign went away; but the statute memorialized that Arctic Man took place in that location. He stated that pipeline camps came and went; likewise, Arctic Man may come and go. He restated that it was state land and it was appropriate to designate the road a certain name.

Representative Wilson explained that she did not have a problem with the sign. She elaborated that her concern was about the proper process and procedure. She detailed that it was helpful to know if another person in the future wanted to put a sign on a road in the area. She believed it would be easier if the designation was not in statute. She did not have a problem renaming the road. She wondered if because the road did not belong to DOT that Arctic Man could merely ask DNR for permission to post a sign. She thought that may be easier and less costly. She noted that the state was required to post certain kinds of signs (which were more expensive) as opposed to a sign purchased on the internet.

Representative Kawasaki had never known the road to be Old Isabel Camp Access Road or anything else. He had always just known the location as where Arctic Man was held. He asked if the current name had historical meaning or value.

Representative Colver answered that it had been designated as Old Isabel Camp Access Road on Alyeska Pipeline Service Company maps. The legislation would enable a person to look back to see that what the road had previously been named.

Representative Kawasaki spoke to his concern about historical meaning. He remarked that the current name was historically speaking not extremely old - it was from the pipeline era.

Representative Guttenberg did not understand the reason for putting the name in statute. He relayed that in his former district he had to threaten DOT that he was going to personally put up a sign if the department failed to do so. He stated that "in my neighborhood we put up road signs." He continued that when the state put in a subdivision, legislation did not name the roads or streets. He discussed that legislation was expensive. He remarked that the name change in the bill was a \$200 issue. He would have merely bought a sign and installed it. He elaborated that a sign shop could make a sign that would be indistinguishable from a state sign. He asked about the precedence the bill was setting. He asked about Alyeska Pipeline Service Company's position. He would understand memorializing a highway after a group such as the Purple Heart Highway. He emphasized that the bill would name a street in statute. He wondered about other streets named by statute. He thought the commissioner could have merely checked the request off and put the sign up.

Mr. Lesmann replied that he could not answer the question. He deferred to the Department of Law or Legislative Legal Services.

Co-Chair Thompson relayed that to change the name of a street in Fairbanks it was necessary to go through the entire process with the city council; it had to be identified on maps for public safety (i.e. police, fire, and ambulance). He explained that inside the borough the name change had to go through a process. He explained that current bill went through the same process - if there was an accident and someone needed to find the location it would show up on a map. He believed it was important to get the information in the state's ledgers.

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Vice-Chair Saddler suspected that an Arctic Man Way sign may be a target of opportunity. He thought it would be a souvenir for people to capture as part of their time spent at the Arctic Man event. He wondered about the potential for the sign to be stolen or vandalized. He wondered who would be responsible if so.

Co-Chair Thompson relayed that Mr. Thies had provided a letter to the committee stating that the Arctic Man organization would pay for and replace the sign if it was vandalized or stolen.

Representative Edgmon spoke in support of the bill. He reasoned that it was about naming a particular highway, but more importantly it was about formally designating an event - that was important to thousands of Alaskans - in state statute. He added that other infrastructure items throughout the state were enshrined in statute time and time again. He believed it was a worthy designation. He was ready to move on to more weighty matters before the committee.

Co-Chair Thompson OPENED and CLOSED public testimony.

Vice-Chair Saddler highlighted the zero fiscal note from DOT.

Representative Wilson asked for verification that Alyeska did not currently have a sign posted at the location.

Co-Chair Thompson replied that there was currently a numbered highway marker sign posted. He relayed that his office had spoken with Alyeska and DOT along with Representative Colver's office. He explained that because of various problems, Alyeska wanted the numbered marker reference removed from the bill so its designation of the location would not be included. All parties had agreed to the proposed change.

Representative Wilson assumed that the numbers would remain posted on the highway along with the new sign.

Co-Chair Thompson confirmed that the numbers would still remain.

Vice-Chair Saddler voiced his concern that the sign could be stolen. He hoped the Arctic Man organization would commit to replacing the sign as often as necessary.

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Representative Pruitt referred to a letter from Mr. Thies dated February 8, 2016 (copy on file). The letter stated that Arctic Man would "provide funding and resources to install a new road sign estimated by DOT to cost \$800-\$1000. Please pass this legislation." He echoed Vice-Chair Saddler's comments that the letter did not specify the organization would pay for and reinstall a new sign that if it was damaged or stolen. He relayed that he had looked through statutes during the meeting and had been surprised so many things were named.

Representative Colver would provide the committee with a copy of Mr. Thies's testimony to the House Transportation Committee. He relayed that Mr. Thies had testified that the organization would replace the sign. He added that the Arctic Man event was currently underway. He noted that Mr. Thies had been the northern director for DOT.

Co-Chair Thompson noted that Mr. Thies had been the director of maintenance and operations for DOT.

Vice-Chair Saddler MOVED to REPORT HB 230 out of committee with individual recommendations and the accompanying fiscal note.

Representative Wilson OBJECTED. She emphasized that the bill would require DOT to do work on the issue. She explained that whether or not someone had specified that they would replace the sign, it would be another thing for DOT. She was concerned that there were many other events that happened. She understood that Mr. Thies would keep his word as long as he was with the organization. She remarked that the state was not going to sue someone over a sign. She WITHDREW her OBJECTION.

HB 230 was REPORTED out of committee with a "no recommendation" recommendation and with one previously published zero fiscal note: FN1 (DOT).

Co-Chair Thompson discussed the agenda for the following meeting.

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ADJOURNMENT

2:48:27 PM

The meeting was adjourned at 2:48 p.m.