

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 2, 2015
1:30 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Cathy Giessel, Vice Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Johnny Ellis

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 44

"An Act relating to the religious exemptions in the Public Employment Relations Act and the Alaska Railroad Corporation Act."

- MOVED SB 44 OUT OF COMMITTEE

SENATE BILL NO. 69

"An Act relating to the Board of Chiropractic Examiners and the practice of chiropractic."

- HEARD & HELD

SENATE BILL NO. 18

"An Act exempting a health care sharing ministry from regulation as an insurer."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 18

SHORT TITLE: HEALTH CARE SHARE MINISTRY NOT INSURANCE

SPONSOR(S): SENATOR(S) COGHILL

01/21/15 (S) PREFILE RELEASED 1/16/15

01/21/15 (S) READ THE FIRST TIME - REFERRALS
01/21/15 (S) HSS, L&C
02/18/15 (S) HSS AT 1:30 PM BUTROVICH 205
02/18/15 (S) Heard & Held
02/18/15 (S) MINUTE(HSS)
03/11/15 (S) HSS AT 1:30 PM BUTROVICH 205
03/11/15 (S) Moved SB 18 Out of Committee
03/11/15 (S) MINUTE(HSS)
03/13/15 (S) HSS RPT 4DP 1NR
03/13/15 (S) DP: STEDMAN, GIESSEL, KELLY, STOLTZE
03/13/15 (S) NR: ELLIS
04/02/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 69

SHORT TITLE: BD OF CHIROPRACTIC EXAMINERS; PRACTICE
SPONSOR(s): SENATOR(s) STOLTZE

03/06/15 (S) READ THE FIRST TIME - REFERRALS
03/06/15 (S) L&C, FIN
04/02/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 44

SHORT TITLE: RELIGIOUS UNION EXEMPTION: PERA & AKRR
SPONSOR(s): SENATOR(s) GIESSEL

02/09/15 (S) READ THE FIRST TIME - REFERRALS
02/09/15 (S) L&C, JUD
03/10/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/10/15 (S) Heard & Held
03/10/15 (S) MINUTE(L&C)
04/02/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

FORREST WOLFE, Staff
Senator Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions related to SB 44.

SENATOR BILL STOLTZE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 69.

BRANDON BREFCZYNSKI, Staff

Senator Bill Stoltze
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a sectional analysis for SB 69:

FRED PARADY, Deputy Commissioner
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Explained the DCCED fiscal note for SB 69.

SHARI RYAN, Executive Administrator
Alaska Chiropractic Society
Anchorage, Alaska

POSITION STATEMENT: introduced herself.

PATRICIA CONNERS ALLEN, D.C., Chair
Board of Trustees
University of Western States
Portland, Oregon

POSITION STATEMENT: Testified in support of SB 69.

EDWARD J. BARRINGTON, D.C., Member
Board of Chiropractic Examiners
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 69.

JAMES F. HESTON, Member
Board of Chiropractic Examiners
Homer, Alaska

POSITION STATEMENT: Provided supporting testimony for SB 69.

TODD CURZIE D.C., President
Alaska Chiropractic Society
Homer, Alaska

POSITION STATEMENT: Testified in support of SB 69 on behalf of the ACS.

JORDAN SHILLING, Staff
Senator John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 18 on behalf of the sponsor.

LORI WING-HEIER, Director
Division of Insurance
Department of Commerce, Community and Economic Development

POSITION STATEMENT: Answered questions and explained the fiscal note for SB 18.

JOEL NOBLE

Alliance of Health Care Sharing Ministries and Samaritan Ministries,
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 18.

JENNIFER MEYHOFF

Alaska Association of Health Underwriters
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 18.

ACTION NARRATIVE

[1:30:19 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Meyer, Ellis, Stevens, Giessel, and Chair Costello.

SB 44-RELIGIOUS UNION EXEMPTION: PERA & AKRR

[1:30:53 PM](#)

CHAIR COSTELLO announced the consideration of SB 44. "An Act relating to the religious exemptions in the Public Employment Relations Act and the Alaska Railroad Corporation Act." She noted that this was the second hearing and public testimony was closed.

[1:31:50 PM](#)

FORREST WOLFE, Staff, Senator Cathy Giessel offered to answer questions related to SB 44.

SENATOR STEVENS summarized his understanding that the bill allows an employee to select the charity to which his/her union dues equivalent will be contributed.

MR. WOLFE agreed with the description. Currently the union collects the fees and in lieu of them going to the union they are contributed to a charitable organization of the union's choosing. The bill allows the employee to select where the funds are contributed.

SENATOR STEVENS offered his understanding that under this exemption the employee would pay dues but not be a member of the bargaining unit.

MR. WOLFE confirmed that was correct.

[1:33:36 PM](#)

SENATOR COSTELLO found no further questions and asked the will of the committee.

[1:33:46 PM](#)

SENATOR GIESSEL motioned to report SB 44, labeled 29-LS0061\W, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO announced that without objection, SB 44 is reported from the Senate Labor and Commerce Standing Committee.

[1:34:09 PM](#)

At ease

SB 69-BD OF CHIROPRACTIC EXAMINERS; PRACTICE

[1:35:57 PM](#)

CHAIR COSTELLO reconvened the meeting and announced the consideration of SB 69. "An Act relating to the Board of Chiropractic Examiners and the practice of chiropractic." She noted that this was the first hearing.

[1:36:25 PM](#)

SENATOR BILL STOLTZE, sponsor of SB 69, introduced SB 69 speaking to the following sponsor statement:

Healthcare and wellness have developed and progressed over the years, and patient preferences have changed along with them. In some cases, state laws have not kept up with this progress. Senate Bill 69 endeavors to update and clarify the statutes guiding chiropractic care in Alaska.

SB 69 addresses training and utilization of chiropractic clinical assistants and interns; strengthens current law allowing chiropractors to perform school physicals; revises penalties for fraudulent practices; and updates definitions and modernizes terminology.

SB 69 makes timely changes to our statutes guiding chiropractic care, resulting in chiropractic physicians being able to treat patients more efficiently and affordably.

[1:41:57 PM](#)

SENATOR GIESSEL pointed out that in addition to physicians, nurse practitioners and physician assistants are qualified to perform pre-participation sports physicals. She questioned whether the education statutes needed to be updated to include chiropractors for performing those physicals.

SENATOR STOLTZE admitted he didn't know.

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CHAIR COSTELLO asked for a sectional analysis.

[1:43:48 PM](#)

BRANDON BREFCZYNSKI, Staff, Senator Bill Stoltze, provided the following sectional analysis for SB 69:

Section 1: Amends AS 08.20.055 by adding new language allowing the board to adopt regulations for chiropractic interns and preceptors, chiropractic clinical assistants, and performance of patient examinations.

Section 2: Amends AS 08.20.100(b) clarifying how chiropractors can accept referrals, allowing chiropractors to perform school physicals, and allowing the employment of certified chiropractic clinical assistants, interns, and preceptors.

Section 3: Adds new subsection to AS 08.20.100 exempting from this section chiropractic interns under certain conditions.

Section 4: Amends AS 08.20.160 regarding the requirements for temporary permits.

Section 5: Adds new section to AS 08.20 regarding chiropractic clinical assistants.

Section 6: Amends 08.20.185 to modernize terminology.

Section 7: Amends AS 08.20.200 by updating penalties for unlicensed practice.

1:46:31 PM

SENATOR GIESSEL noted that her question was answered; AS 14.30.070 and 14.30.120 identify chiropractors as being able to perform physical examinations for students and education programs.

CHAIR COSTELLO asked what chiropractors are not qualified to diagnose.

SENATOR STOLTZE deferred the question.

SENATOR COSTELLO asked if the bill provides further clarification that chiropractors are able to perform pre-participation physicals because that's not universally understood.

SENATOR STOLTZE replied that's one reason, and he hopes to hear from one of the organizations.

CHAIR COSTELLO requested a general statewide overview of which schools districts do and do not accept physicals from chiropractors.

SENATOR STOLTZE agreed to provide the information.

CHAIR COSTELLO asked Mr. Parady to review the fiscal note.

1:50:09 PM

FRED PARADY, Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED), said SB 69 adds new licensure requirements for chiropractic assistants and will require additional administrative procedures to authorize chiropractic interns and preceptors. The fiscal note requests one part time licensing examiner for up to 14 hours per week to manage the estimated additional 200 plus chiropractic assistants and new intern preceptor approval processes.

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are entirely receipt supported so the fiscal note includes no undesignated general funds. He noted that the estimated cost of \$750 per license likely will be lower based on FY2014 data that shows the 314 licensees paid \$450 per license.

Responding to an earlier question, he relayed that when he worked for the North Slope Borough School District, chiropractors performed pre-performance sports physicals.

CHAIR COSTELLO asked if public health nurses are able to do sports physicals.

SENATOR GIESSEL answered no.

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CHAIR COSTELLO opened public testimony.

[1:53:40 PM](#)

SHARI RYAN, Executive Administrator, Alaska Chiropractic Society, introduced herself.

CHAIR COSTELLO asked about the difference in training for a medical doctor and a chiropractic doctor.

MS. RYAN replied the educational requirements are comparable and she would follow up with specifics.

SENATOR STEVENS asked about chiropractic clinical assistants and interns.

MS. RYAN explained that a chiropractic clinical assistant does therapy and assists the chiropractor. Their training ranges from a two year program at the Palmer College of Chiropractic to online programs. A chiropractic intern has completed the required training and education and wants on-the-job training supervised by a preceptor.

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CHAIR COSTELLO asked how many chiropractors are performing school physicals across the state.

MS. RYAN offered to follow up with the information.

CHAIR COSTELLO asked what a physical costs.

MS. RYAN offered to follow up with the information.

SENATOR MEYER asked if other states allow chiropractors to perform pre-participation sports physicals.

MS. RYAN replied 35 states allow that.

[1:57:47 PM](#)

PATRICIA CONNERS ALLEN, D.C., Chair, Board of Trustees, University of Western States, said she has practiced chiropractic medicine in Juneau since 1984 and previously served on the Board of Chiropractic Examiners. She explained that the bill allows the Board of Examiners to establish a process so that chiropractic interns can come to Alaska and be supervised by a preceptor doctor.

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EDWARD J. BARRINGTON, D.C., representing himself, reported that he serves on the Board of Chiropractic Examiners and is chair of two committees in the Alaska Chiropractic Society. He explained that chiropractors practice in primary care and their training and diagnostic capabilities exceeds their practice statute. SB 69 will update the statutes to bring the law closer to the current training and education of chiropractic physicians. It also clarifies that chiropractic physicians are able to perform pre-participation sports physicals. The Alaska School Athletic Association (ASAA) has requested that the statute specifically include the pre-participation language. Chiropractors are currently authorized to perform physicals on children before they enter school and to keep them out of sports activities. It makes sense that they should also be authorized to perform pre-participation sports physicals.

SB 69 will also help regulate the training and certification of chiropractic clinical assistants. Medical assistants are trained and often work in chiropractic offices but they are not under the auspices of the Board of Chiropractic Examiners. The bill also provides a name change for the peer review committee.

[2:05:39 PM](#)

JAMES F. HESTON, member, Board of Chiropractic Examiners, described SB 69 as basic housekeeping that has been discussed for years. However, the \$700 licensing fee described in the fiscal note misrepresents the intention, which was simply to get statutory authority to adopt regulations to regulate chiropractic assistants. The board would like to use a national certification program provided through an organization such as the Federation of Chiropractic Licensing Boards for training, testing, and two-year certification. He noted that the board had yet to vote to support this in a resolution but it was likely.

CHAIR COSTELLO said she didn't intend to move the bill today so there was time for the resolution to pass before the committee took any action.

[2:07:37 PM](#)

TODD CURZIE D.C., President, Alaska Chiropractic Society (ACS), stated that ACS coordinates continuing education and training for its members, many of whom are also active in other national organizations. ACS supports SB 69 as a responsible way to modernize chiropractic practices and protect the public.

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CHAIR COSTELLO announced that she would keep public testimony open and hold SB 69 for further consideration.

SB 18-HEALTH CARE SHARE MINISTRY NOT INSURANCE

[2:09:43 PM](#)

CHAIR COSTELLO announced the consideration of SB 18. "An Act exempting a health care sharing ministry from regulation as an insurer." She noted this was the first hearing.

[2:10:05 PM](#)

JORDAN SHILLING, Staff, Senator John Coghill stated that SB 18 has two main purposes: 1) to define health care sharing ministries and 2) to exempt them from insurance statutes because they are charitable organizations. Health care sharing is a payment arrangement for health care among persons of similar beliefs. It is administered by a nonprofit corporation.

He noted the three largest sharing ministries are Christian Health Care Ministries, which was established in 1990, MediShare, established in 1993, and Samaritan Ministries, established in 1994. All three are biblically based and have membership requirements, such as living a Christian lifestyle and abstaining from tobacco.

MR. SHILLING continued to explain that health care sharing ministries are different from regular insurance. Insurance is the transfer of risk from one entity to another in exchange for a guaranteed payment. The sharing ministries are 501(c)(3)s and no member is required by law to pay anyone's medical bills. They don't assume or transfer risk, pool money or use actuaries, and they don't purchase reinsurance policies. They are a group of people who come together voluntarily and agree to share costs.

He stated that most states do not consider sharing ministries a form of insurance, including the Alaska Division of Insurance. There are about 3,400 Alaskans in sharing ministries. He noted 30 states have passed laws similar to SB 18. If the state were

to regulate these sharing ministries as insurance companies, they would likely cease to exist.

SENATOR MEYER asked Ms. Wing-Heier her opinion of the bill and what it attempts to do from an insurance perspective.

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LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), said the decision to join a health care sharing ministry is a personal commitment by an individual who trusts an organization to assume the responsibility to pay their medical bills. About 3,500 people participate in health care sharing ministries in Alaska. She explained that sharing ministries were specifically carved-out of the Affordable Care Act (ACA) as long as they were in existence in 1999. The bill codifies that this is ongoing in the state and that previous administrations have not taken exception to it.

CHAIR COSTELLO asked for an explanation of the DCCED fiscal note.

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MS. WING-HEIER said the Division of Insurance submitted a zero fiscal note because the bill maintains the status quo. It will not impact the current organization or work load of the division; health care ministries are not taxed currently and won't be in the future.

SENATOR MEYER asked how a group qualifies for this exemption.

MS. WING-HEIER replied the organization is set up as a 501(c)(3) nonprofit. She deferred further explanation to the sponsor.

[2:18:11 PM](#)

JOEL NOBLE, Alliance of Health Care Sharing Ministries and Samaritan Ministries, explained that this is one of the accepted exemptions within the Affordable Care Act for not having individual insurance. Some of the qualifying standards include being in existence before December 31, 1999 and providing an annual audit upon request.

SENATOR MEYER asked the significance of the 1999 date.

MR. NOBLE surmised that it was to keep false actors from starting for the sake of getting out from under the individual mandate of the AFA. The date was set based on the starting dates

of the three national ministries. About 50 Mennonite churches also qualify.

SENATOR MEYER continued to question the date since the Affordable Care Act passed in 2010.

MR. NOBLE said the date came from the U.S. Senate Committee on Finance and he wasn't sure what the thinking was.

CHAIR COSTELLO asked how health care sharing ministries work.

MR. NOBLE explained that they are member-to-member sharing entities based on the Amish model of community help, but applied to medical needs. He used his membership in Samaritan Ministries as an example. Each month the ministry newsletter includes the name and address of a member along with their medical need. Depending on the need, other members are assigned the same name. He and the other members each send a check to the injured party that is equivalent to the monthly cost of membership. Those checks total the amount of the bill and the injured party uses them to pay their medical costs. He also related that when his kids were born, he received a number of checks from ministry members and he cashed them to pay the hospital and doctors.

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JENNIFER MEYHOFF, Alaska Association of Health Underwriters (AHU), said this professional organization represents over 100 licensed health insurance brokers, agents, consultants, and benefits specialists. They help individuals and employers purchase, administer and utilize their individual and group health insurance coverage. She said AHU is concerned with consumer protection and integrity of the health care and insurance markets in Alaska. As such, the lack of Division of Insurance oversight of the exemption under SB 18 is very troubling. AHU understands that this is not insurance, but it looks and feels like insurance to the 3,500 consumers in Alaska. She questioned what would happen in the event of a \$1 million claim or a prescription drug need in excess of \$30 thousand per month. The bill doesn't address this and other important consumer protections, which is why the Alaska Association of Health Underwriters opposes SB 18.

[2:26:37 PM](#)

SENATOR COSTELLO closed public testimony and held SB 18 in committee for further consideration.

[2:26:58 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:26 p.m.