

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 27, 2018

3:04 p.m.

MEMBERS PRESENT

Representative Ivy Spohnholz, Chair
Representative Bryce Edgmon, Vice Chair
Representative Sam Kito
Representative Geran Tarr
Representative David Eastman
Representative Jennifer Johnston
Representative Colleen Sullivan-Leonard

MEMBERS ABSENT

Representative Matt Claman (alternate)
Representative Dan Saddler (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 313

"An Act relating to payments to providers and covered persons and recovery of payments by health care insurers."

- HEARD & HELD

HOUSE BILL NO. 296

"An Act creating the Alaska marijuana use prevention youth services grant program; creating the Alaska marijuana use prevention, education, and treatment fund; relating to the duties of the Alaska Children's Trust Board; creating the marijuana use education and treatment program; and relating to the duties of the Department of Health and Social Services."

- MOVED HB 296 OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 268

"An Act relating to the prescription of opioids; relating to the Department of Health and Social Services; relating to the practice of dentistry; relating to the practice of medicine; relating to the practice of podiatry; relating to the practice of osteopathy; relating to the practice of nursing; and relating to the practice of optometry."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 313

SHORT TITLE: RECOVERY OF PAYMENT BY INSURANCE PROVIDER

SPONSOR(s): REPRESENTATIVE(s) GRENN

01/26/18	(H)	READ THE FIRST TIME - REFERRALS
01/26/18	(H)	HSS, L&C
02/06/18	(H)	HSS AT 3:00 PM CAPITOL 106
02/06/18	(H)	Scheduled but Not Heard
02/08/18	(H)	HSS AT 3:00 PM CAPITOL 106
02/08/18	(H)	<Bill Hearing Canceled>
02/27/18	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 296

SHORT TITLE: YOUTH MARIJUANA PREVENTION PROGRAMS/FUND

SPONSOR(s): REPRESENTATIVE(s) CLAMAN

01/19/18	(H)	READ THE FIRST TIME - REFERRALS
01/19/18	(H)	HSS, FIN
02/08/18	(H)	HSS AT 3:00 PM CAPITOL 106
02/08/18	(H)	Heard & Held
02/08/18	(H)	MINUTE (HSS)
02/27/18	(H)	HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE JASON GRENN

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 313 as the sponsor of the bill.

SHEA SIEGERT, Staff

Representative Jason Grenn

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 313 on behalf of the bill sponsor, Representative Grenn.

DEBORAH RIESER, Owner

Spectrum Medical Billing Services

Anchorage, Alaska

POSITION STATEMENT: Testified during discussion of HB 313.

REPRESENTATIVE MATT CLAMAN

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 296 as the sponsor of the bill.

SARA PERMAN, Staff
Representative Matt Claman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 296 on behalf of the bill sponsor, Representative Claman.

ALANA HUMPHREY, CEO
Boys and Girls Club of Southcentral Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified during discussion of HB 296.

TERRANCE ROBBINS
Southeast Prevention Services
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 296.

THOMAS AZZARELLA, Director
Alaska Afterschool Network
Alaska Children's Trust
Anchorage, Alaska

POSITION STATEMENT: Testified during discussion of HB 296.

ELIZA MUSE, Public Health Specialist
Division of Public Health
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Answered questions during discussion of HB 296.

ACTION NARRATIVE

[3:04:10 PM](#)

CHAIR IVY SPOHNHOLZ called the House Health and Social Services Standing Committee meeting to order at 3:04 p.m. Representatives Spohnholz, Tarr, Sullivan-Leonard, Johnston, Eastman, and Edgmon were present at the call to order. Representative Kito arrived as the meeting was in progress.

HB 313-RECOVERY OF PAYMENT BY INSURANCE PROVIDER

3:04:46 PM

CHAIR SPOHNHOLZ announced that the first order of business would be HOUSE BILL NO. 313, "An Act relating to payments to providers and covered persons and recovery of payments by health care insurers."

3:05:23 PM

REPRESENTATIVE JASON GRENN, Alaska State Legislature, paraphrased from the Sponsor Statement, which read:

32 states have implemented a statute of limitations for the ability of insurance companies to retroactively recoup indemnities from health care providers. A common practice of many health insurance companies is to perform an audit to make sure the claims paid to them were accurate, a practice that any business trying to become more efficient would perform. Currently in Alaska there is no maximum number of years that limits insurance companies to retroactively recouping indemnities due to our lack of a statute like the one presented in HB 313.

HB 313 simply implements a statute of limitations of 18 months on health insurance companies to recoup mistakenly paid amounts from health care providers in Alaska. HB 313 provides exceptions to this limitation in instances of: a fraudulently submitted claim, a duplicate claim, in the instances of misrepresented or wrongly identified services by the health care provider, a claim that is subject to adjustment by another health care insurer, or any payment or claim that is the subject of legal action. These exceptions are the only instances under which the statute of limitation is flexible for or voided.

HB 313 is not only a bill that focusses on the efficiency of Health Insurers, but most importantly is legislation that ensures that a financial burden may not be passed onto the customer unexpectedly at any time after their visit to the doctor. With the lack of a statute of limitation in this area there exists an inherent liability that can be passed on to any Alaskan at essentially any time.

House Bill 313, serves as a simple fix for a large risk that resides in the current statutes surrounding our health billing structure. HB 313, takes care of patients, doctors, and all health care providers. I humbly ask for your support in this piece of legislation that has proven to be a simple fix to our outdated precedence.

[3:07:47 PM](#)

REPRESENTATIVE EDGMON moved to adopt the proposed committee substitute (CS) for HB 313, labeled 30-LS0852\J, Wallace, 2/14/18, as the working draft.

CHAIR SPOHNHOLZ objected for discussion.

[3:08:11 PM](#)

SHEA SIEGERT, Staff, Representative Jason Grenn, Alaska State Legislature, explained that the proposed committee substitute (CS), Version J, added Section 3 to the proposed bill which would amend AS 39.90 to be subject to the provisions in AS 21.54.020(d) and AS 21.54.050(d). He reported that this change would only affect a small number of plans in the State of Alaska, in this instance. In response to Chair Spohnholz, he explained that AS 39 dealt with the state employee insurance plans, provided through Alaska Care, and the insurance companies which had contracted with the state for state employee benefit; whereas, AS 21 dealt with all the other plans for an insurance company doing business in Alaska.

[3:09:42 PM](#)

REPRESENTATIVE EASTMAN asked about the anticipated timeline for a claim before it became the subject of the legal action mentioned in the proposed bill.

MR. SIEGERT deferred to the Department of Administration. He reported that the administrative code, 3AAC 26.10, stated that "health care insurers shall give a written notice to a health care provider, a health care facility, or a consumer at least 30 calendar days before insurer seeks recovery for overpayment. The notice must include adequate information. ... The health care insurer may not initiate recovery of an overpayment more than 365 days after the date of the original payment was made to a health care provider, a health care facility." He stated that the intent of the proposed bill was to make this change through

administrative code, and it would only affect AS 21. He replied to Representative Eastman that he would have to "check with our legal team on that."

[3:11:41 PM](#)

REPRESENTATIVE EASTMAN directed attention to the proposed committee substitute, Version J, and asked if this referenced a health care insurer seeking recovery from a provider.

[3:11:55 PM](#)

MR. SIEGERT replied, "yes."

[3:11:58 PM](#)

REPRESENTATIVE EASTMAN mused that, should the provider not want to pay, there was an incentive to wait out the health care insurer for 18 months, and then use the statute as a defense. He asked if there was any way to prevent this situation.

MR. SIEGERT explained that the intent of the proposed bill was "to give notice of the initial search of the recovery of funds before that 18 months, and so after they give the initial request for more funds, we would expect that they would do so in a timely process." He offered his belief "that would have to do with regulations put forth by the regulating body."

[3:13:15 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked about the ramifications if this was not completed within the 18 months.

MR. SIEGERT replied that there would not be the option to seek recovery of those funds.

[3:13:31 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked if there were any exceptions.

MR. SIEGERT reported that there were five exceptions: for fraudulent claims, for payments of duplicate claims, for health care services identified in a claim that were not actually delivered by the health care provider, for payments or claims subject to adjustment by another health care insurer, and for a payment or claim that was subject of legal action.

[3:14:12 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked for the reason to 18 months, instead of 24 or 36 months.

MR. SIEGERT replied that the sponsor had contacted multiple people and reviewed other states. He shared that currently three states had a six-month provision, twelve states had a twelve-month provision, and seven states had an eighteen-month provision. He opined that this was the most fair and adequate timeline after all payments and transactions had been made and the insurance company was conducting an audit of the business transactions.

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CHAIR SPOHNHOLZ mused that this appeared to be the outside limit of regulation allowed.

MR. SIEGERT added that eight states allowed twenty-four months, Connecticut allowed sixty months, and Florida allowed thirty months.

CHAIR SPOHNHOLZ commented that this was "the sweet spot in the middle."

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CHAIR SPOHNHOLZ removed her objection. There being no further objection, Version J was adopted as the working document.

[3:16:58 PM](#)

The committee took a brief at-ease.

[3:17:21 PM](#)

CHAIR SPOHNHOLZ brought the committee back to order and opened public testimony on HB 313.

[3:17:44 PM](#)

DEBORAH RIESER, Owner, Spectrum Medical Billing Services, explained that she offered medical billing services to about 100 providers, the bulk of which were small practices. She paraphrased from a letter she had submitted to the committee,

dated January 31, 2018, [Included in members' packets] which read:

I'm writing in response to House Bill 313, to change the Statute AS 21.54.020(d) from an unlimited amount of time a medical insurance company (Payer) can request a refund from HealthCare providers.

Currently, Alaska is 1 of 3 states that have an unlimited timeframe a Payer can request a refund from a provider. I've had a handful of experiences the last few years that prompted me to look at Alaska Statutes. Currently, most payers require the Providers to submit claims within a certain period. Most are 1 year from the date of service, and some are 6 months, or 90 days from the date of service. In turn, the Payers can request a refund from anytime in the future if they did not process the claims correctly. Here are a couple examples that happened to Providers I provider services to:

2016 - EBMS request a refund for 5 dates of service in 2013 as they continued to pay after the patients plan terminated. The provider had to repay approx. \$1,200.00. Thankfully the patient had a secondary insurance that we could appeal for a payment.

2016 - Cigna requesting a refund for 2014 claims they paid in error as the patient was not eligible.

2017 - Cigna requesting a refund for 2015 claims paid in error.

2018 - EBMS requesting a refund for 2015 claims that were paid after the patient was no longer eligible.

2018 - Cigna requesting a refund for claims paid in 2016.

All of the above examples are not from fraudulent claims but the Payer should have some processed the claims correctly the first time. Now the financial burden is on the Provider to refund the Payer. In turn the patient, if still in Alaska, will be responsible for these charges.

I am for limiting the timeframe a Payer can request a refund. The Providers only have a sometimes small timeframe they can submit charges to a Payer. The Payer should be expected to process the charges against the policies of the patient within a timeframe as well.

[3:20:46 PM](#)

CHAIR SPOHNHOLZ reiterated that although there was a limited amount of time to file a claim, there was not a limited amount of time to collect on an over payment of a claim, which appeared to be a one-sided relationship.

MS. REISER expressed her agreement.

[3:21:11 PM](#)

CHAIR SPOHNHOLZ announced that HB 313 would be held over.

HB 296-YOUTH MARIJUANA PREVENTION PROGRAMS/FUND

[3:21:27 PM](#)

CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 296, "An Act creating the Alaska marijuana use prevention youth services grant program; creating the Alaska marijuana use prevention, education, and treatment fund; relating to the duties of the Alaska Children's Trust Board; creating the marijuana use education and treatment program; and relating to the duties of the Department of Health and Social Services."

CHAIR SPOHNHOLZ relayed that she was Chair of the Board of the Alaska Children's Trust which was detailed in the proposed bill, and she passed the gavel to Representative Tarr.

[3:22:16 PM](#)

REPRESENTATIVE MATT CLAMAN, Alaska State Legislature, paraphrased from the Sponsor Statement [Included in members' packets], which read:

In 2014, Alaskans legalized the use and possession of marijuana in the state. Ballot measure 2 gave the state the ability to tax and regulate the production, sale, and use of marijuana. In 2015 the Alaska

Legislature decided to implement a \$50/ounce tax on marijuana sales. Since the measure went into effect in early 2015 the state has collected more than \$6 million dollars in tax revenue.

HB 296 creates the Alaska marijuana use prevention, education, and treatment fund. Under current statute, fifty percent of the tax revenue generated from marijuana sales is designated to go to the recidivism reduction fund established within the general fund. The remaining fifty percent goes directly into the general fund. Under HB 296, the remaining fifty percent would be allocated into the new fund.

Under HB 296, fifty percent of the new fund may be allocated to the Department of Health and Social Services (DHSS) for a comprehensive marijuana use education and treatment program, and the remainder of the funds will go to the newly established Alaska marijuana use prevention youth services grant program which is administered by the Alaska Children's Trust Board.

The program implemented by DHSS will focus on statewide misuse prevention and education on the effects of marijuana and the Alaska marijuana laws. It also funds substance abuse screening and treatment as well as monitoring public perception. Separately, the Alaska Children's Trust Board will administer the Alaska marijuana use prevention youth services grant program, giving grants to non-profit out-of-school programs that provide youth marijuana use prevention and reduction curriculums.

It is the intent that the Legislature treat marijuana much like alcohol and tobacco and invest in prevention, education, and treatment services in youths and adults to reduce long-term associated costs. House Bill 296 creates statewide programs as well as the funding structure to do so.

[3:23:06 PM](#)

SARA PERMAN, Staff, Representative Matt Claman, Alaska State Legislature, paraphrased from the Sectional Summary [Included in members' packets], which read:

Section 1

Adds new sections to AS 17.38:

Creates the Alaska marijuana use prevention youth services grant program and designates that it is administered by the Alaska Children's Trust (ACT) Board. The program provides funds and training to statewide and community based programs that focus on reducing the number of youth trying marijuana for the first time, and the number of youth consistently using marijuana as well as reducing youth access to marijuana and exposure to impaired driving. The programs selected by the Board must be either 501c(3) or federally recognized tribes, a municipal or state government, or a school. The ACT Board is charged with adopting regulations to carry out the grant program including application requirements and reporting criteria.

17.38.410

Creates the Alaska marijuana use prevention, education, and treatment fund. The fund is part of the general account and may be added to by appropriation or donation. The legislature appropriates the 50% of the marijuana sales tax revenue that is not used for recidivism reduction fund toward the fund. Twenty-five percent (25%) of the fund goes toward the Alaska marijuana use prevention, education, and treatment program administered by the ACT Board and the remaining twenty-five percent (25%) goes toward the marijuana use education and treatment program administered by the Department of Health and Social Services.

Section 2

Amends AS 37.14.230(a)

Updates the responsibilities of the Alaska Children's Trust Board the administration of the Alaska marijuana use prevention, education, and treatment program.

Section 3

Amends AS 43.61.010(c):

Designates that the 50 percent of the marijuana sales tax revenue that is not being used for the recidivism reduction fund may be appropriated to the Alaska marijuana use prevention, education, and treatment fund.

Section 4

Amends 43.61.010(d):

Updates language to distinguish recidivism reduction fund in place of 'fund'.

Sec 45.25.115: "Good cause: burden of proof". Adds detailed description of "good cause" and notice requirements for termination of franchise. Adds requirements that the manufacturer provide dealer with reasonable performance goals.

Section 5

Amends AS 44.29.020(a):

Updates the responsibilities of the Department of Health and Social Services (DHSS) to include the administration of a comprehensive marijuana use education and treatment program which must include a misuse prevention component, a public education campaign, surveys of Alaskan populations about attitudes and perceptions towards marijuana use, monitoring of public health status related to marijuana usages, and a substance abuse screening, intervention and treatment component. To the extent possible, the Department should administer the program by grant or contract.

[3:24:34 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked about the intent of the initial tax on marijuana. She offered her understanding that the tax would be distributed into the general fund and into treatment; whereas, this would now be divided into another 25 percent. She asked for a review regarding the intent for the initial tax.

[3:25:09 PM](#)

REPRESENTATIVE CLAMAN explained that the original legislation passed by the legislature had created a recidivism reduction fund for 50 percent of the tax even though that was not part of the ballot initiative. He stated that the remainder of the tax was "open-ended in that legislation."

REPRESENTATIVE SULLIVAN-LEONARD expressed her concern for the intent of the ballot measure, as well as the tax, as to how those funds would be dispersed. She offered her belief that

this would lead to "everybody wanting a little piece of that pie."

[3:26:15 PM](#)

REPRESENTATIVE KITO offered his belief that the revenue from the marijuana initiative would be used to balance some of the fiscal issues in the state.

REPRESENTATIVE CLAMAN replied that the use of the funds for prevention was a way to actually save the state money.

[3:27:14 PM](#)

REPRESENTATIVE JOHNSTON asked if consideration had been given to a stepped-up approach, as the Alaska Children's Trust would be a grant-based program and it was not yet known for the number or types of grants.

REPRESENTATIVE CLAMAN replied that, as this proposed bill was not viewed as an appropriations bill, that appropriation decision would be left to the discretion of the legislature.

[3:28:36 PM](#)

MS. PERMAN pointed out that the funding was subject to appropriation from the legislature, and she offered her belief that the appropriation could be "up to 50 percent."

[3:29:17 PM](#)

ALANA HUMPHREY, CEO, Boys and Girls Club of Southcentral Alaska, reported that the Boys and Girls clubs in Alaska collectively served more than 20,000 youth through club membership and community outreach at 45 club sites in 26 Alaska communities during the out of school hours. She stated that the clubs recognized the importance of resources to provide primary and secondary prevention programs in the hours between 3 p.m. and 6 p.m. and during the day in the summer, which was the most dangerous time for youths and teens. It was during these unsupervised times that kids were far more likely to engage in risky behaviors, including marijuana, tobacco, and alcohol use. She stated that it was well documented for these time-tested quality standards based on the principles of youth development and child safety. She added that they ensured that the programs and activities were sensitive to the needs of the youth and community. She reported that the staff worked closely with

community leaders to "carve a culturally relevant path for success to the youth" and that a great deal of care was given to address the specific needs of each community of kids. She reported that, even with surveys showing a decline in tobacco, alcohol, and other drug use, there were still far too many young people with a decreased perception of the risk related to use of these. She offered her belief that keeping kids safe from drugs, alcohol, marijuana and tobacco use was a shared community goal, and that there was still much to be done to ensure this safety and success. She reported that an increase to resources, such as those indicated in the proposed bill, could increase the service hours, programming, and mentorships in afterschool programs. She declared support for proposed HB 296.

[3:32:17 PM](#)

TERRANCE ROBBINS, Southeast Prevention Services, shared that he was a former program director for a drug-free communities program grant. He said these program funds cannot be used to support after school programming, and even the local taxes did not provide enough funding for marijuana prevention. He reported that the use of marijuana by local youth was twice that of cigarettes in Ketchikan. He pointed out that the marijuana control board enforcement team was limited and was not capable of a good compliance check program at retail stores. He shared that treatment options and beds for substance use disorders in Alaska were limited and very expensive. He opined that a great use of the marijuana tax dollars would be for prevention efforts, instead of treatment later.

[3:34:19 PM](#)

REPRESENTATIVE SPOHNHOLZ commented that there was a very serious opioid problem in the state with a lot of young people starting to use opioids. She declared that the reduction of even a few overdoses from opioids was positive. She pointed out that this program helped to fill in the hole for drug free community grants which did not allow afterschool funding. She acknowledged that this afterschool time was a very risky time.

[3:36:38 PM](#)

REPRESENTATIVE TARR opened public testimony on HB 296.

[3:37:16 PM](#)

THOMAS AZZARELLA, Director, Alaska Afterschool Network, Alaska Children's Trust, reported that for every application using federal funding, there were two applications going unfunded. He stated that there were an increased number of communities actively pursuing afterschool as a strategy to reduce risk behaviors and to create a comprehensive approach for addressing opioid and substance use. He emphasized that there was a need for the funding, as there was an increased number of communities turning toward the afterschool programs.

[3:38:39 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked for more information about the Matanuska-Susitna area.

MR. AZZARELLA explained that the Matanuska-Susitna Health Foundation, as well as the United Way and the school district, had been organizing for a comprehensive way to approach substance use and had noted that afterschool was a critical piece. He reported that the Matanuska-Susitna Health Foundation was working to model the Youth in Iceland program which had helped that country have the lowest youth substance rates in Europe, a result of youth engagement during out of school time with afterschool sports and programming.

[3:40:40 PM](#)

REPRESENTATIVE EASTMAN reflected on passage of the marijuana initiative, with the idea "that marijuana ought to be treated more like alcohol in terms of regulation." He asked how the alcohol taxes were currently treated and what was the difference with those taxes recommended in the proposed bill.

[3:42:00 PM](#)

ELIZA MUSE, Public Health Specialist, Division of Public Health, Department of Health and Social Services, explained that the proposed fund was modeled similar to the alcohol and drug funds, which were funded through the alcohol tax, and offered services through the Division of Behavioral Health.

[3:42:34 PM](#)

REPRESENTATIVE EASTMAN noted that this proposed bill recommended that 100 percent of the marijuana taxes be allocated, with none going to the general fund. He asked if this was the case with alcohol taxes.

MS. MUSE said that she did not know but would research it.

[3:43:09 PM](#)

REPRESENTATIVE KITO, expressing his concern that there was no longer an active afterschool program in Juneau, asked how the money would be distributed for prevention programs into the smaller rural communities.

[3:43:51 PM](#)

MR. AZZARELLA directed attention to an on-line map which highlighted afterschool programs. He said that they were able to be flexible and give grants based on community needs. He acknowledged that current grant funding moved toward the larger urban centers. He expressed hope that the Alaska Children's Trust, as facilitator of the grant fund, could ensure a greater rural equity and support community-based solutions to address the greater needs.

[3:45:53 PM](#)

REPRESENTATIVE KITO asked for clarification that there were not current plans for rural programs, although there was hope in the future.

MR. AZZARELLA replied that there were currently afterschool programs in lots of rural communities, and that they would be looking to expand services already provided. He stated that a lack of funding in rural communities had often prevented the services. He stated that a hope for the new fund would be for "areas of highest need."

REPRESENTATIVE KITO reflected that the map indicated "quite a deficit of programs in the interior of the state, except for Fairbanks." He acknowledged that there were programs in Juneau, but no other programs in northern Southeast Alaska. He suggested that there should be a concerted effort that this money be used in communities that did not have afterschool programs. He expressed his concern that there was not a strategy or a goal to expand that outreach, other "than a hope and a prayer."

MR. AZZARELLA stated that there were programs in Southeast Alaska communities, noting that the aforementioned map was the first inventory. He reported that the map allowed for better

understanding of the program locations. He offered a definition for program: to be meeting three or more times each week for at least one and one-half hour each session. He said the duration and frequency of the programs was critical. He reported that, as oftentimes the program was a teacher staying after school and having an open classroom, there was a desire to enhance and expand the activities to keep kids engaged.

[3:49:51 PM](#)

REPRESENTATIVE TARR, explaining the tax revenue for alcohol, reported that the Department of Revenue's tax division deposited all alcohol beverage tax revenue into the general fund, and the Department of Administration separately accounted for 50 percent of the tax collected and deposited into the alcohol and drug abuse treatment and prevention fund. She shared that the fund had been created in 2002 for alcohol and drug abuse treatment programs.

[3:50:34 PM](#)

REPRESENTATIVE TARR closed public testimony on HB 296.

[3:51:04 PM](#)

REPRESENTATIVE EDGMON moved to report HB 296, Version 30-LS0537\I, out of committee with individual recommendations and the accompanying zero fiscal notes.

[3:51:31 PM](#)

REPRESENTATIVE EASTMAN objected. He reminded the committee about the early discussions during the initiative campaign to tax and regulate marijuana. He offered his belief that many people supported this initiative with the understanding that some of these taxes from regulation would go to the general fund. He opined that this current argument to instead send these funds to prevention of marijuana use and treatment could have resulted in a different election outcome. He stated that he did not support this proposal as it was currently stated.

[3:52:40 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD also objected and said that we were not yet ready for this. She stated that the use of the alcohol tax as funding for treatment had been overextended. She said that this was setting a precedent for any other imposed tax

that the funds would go toward treatment or afterschool programs. She reported that there were grants for afterschool programs that could come from the private sector or from the health care facilities, instead of using this tax to "trickle down into those programs." She suggested that there could be an expectation for unlimited funding on the receiving end.

[3:54:02 PM](#)

REPRESENTATIVE JOHNSTON stated that she was "mixed on this bill." She stated that she would support any funding for after school activities, as it was important to keep kids busy. She supported that it was an "appropriation up to" and that she would support moving the bill forward.

[3:54:58 PM](#)

REPRESENTATIVE KITO expressed his concern for the lack of programs in rural communities but stated his support for moving the bill out of committee.

[3:55:16 PM](#)

REPRESENTATIVE EDGMON spoke in support of the proposed bill. He shared that his memory of the debates during the marijuana initiative differed significantly from those of "the two members from the Mat-Su Valley." He stated that he remembered that a lot of the money was going toward education and "keeping kids away from marijuana." He declared that he "couldn't think of a more nobler purpose than this money going to this fund." He reiterated that his viewpoint was "highly in contrast with what I just heard a bit ago." He stated his support of the proposed bill.

[3:55:59 PM](#)

REPRESENTATIVE TARR declared that she was "more on the activities side of things," than just on the education. She expressed her hope that the available dollars would keep kids busy "from 6 a.m. to 6 p.m. and then they could eat and go to bed, and then they won't have any time to get in trouble." She stated her support for moving the bill out of committee.

[3:56:28 PM](#)

REPRESENTATIVE EASTMAN maintained his objection.

[3:56:36 PM](#)

A roll call vote was taken. Representatives Tarr, Kito, Edgmon, and Johnston voted in favor of HB 296. Representatives Eastman and Sullivan-Leonard voted against it. Therefore, HB 296 was reported out of the House Health and Social Services Standing Committee by a vote of 4 yeas - 2 nays.

[3:57:10 PM](#)

The committee took an at-ease from 3:57 p.m. to 4:01 p.m.

[4:01:44 PM](#)

REPRESENTATIVE TARR said that HB 268 would be not be heard.

[4:02:00 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:02 p.m.