

SENATE FINANCE COMMITTEE

April 12, 2018

9:24 a.m.

9:24:15 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:24 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Donny Olson
Senator Gary Stevens
Senator Natasha von Imhof

MEMBERS ABSENT

None

ALSO PRESENT

Heather Carpenter, Staff, Senator Pete Kelly; Senator Pete Kelly, Sponsor; Jeremy Price, State Director, Americans for Prosperity; Alyson Curry, Legislative Liaison, Planned Parenthood Votes Alaska; Monica Windom, Director, Division of Public Assistance, Department of Health and Social Services; Jon Sherwood, Deputy Commissioner, Department of Health and Social Services; Don Etheridge, AFL-CIO, Juneau; Barbara Huff Tuckness, Director of Government and Legislative Affairs, Teamsters Local 959, Juneau; Heidi Drygas, Commissioner, Department of Labor and Workforce Development; Marie Marx, Director, Division of Workers Compensation, Department of Labor and Workforce Development.

PRESENT VIA TELECONFERENCE

Mike Coons, President, Alaska Chapter, Association of Mature American Citizens, Palmer; Laura Bonner, Self, Anchorage.

SUMMARY

SB 185 REEMPLOYMENT OF RETIRED TEACHERS and ADMIN

SB 185 was SCHEDULED but not HEARD.

SB 193 MED. ASSISTANCE WORK REQUIREMENT

SB 193 was HEARD and HELD in committee for further consideration.

CSHB 79(FIN)

OMNIBUS WORKERS' COMPENSATION

CSHB 79(FIN) was HEARD and HELD in committee for further consideration.

#sb193

SENATE BILL NO. 193

"An Act requiring the Department of Health and Social Services to apply for a waiver to establish work requirements for certain adults who are eligible for the state medical assistance program."

9:25:40 AM

HEATHER CARPENTER, STAFF, SENATOR PETE KELLY, introduced the bill. She stated that a Section 11.15 was a broad waiver, and it was a way to "bend the rules" of what was currently required. She shared that there had been a change in policy to accept waivers that test the hypothesis that requiring work or community engagement as a condition of eligibility would result in more beneficiaries being employed, or engaging in other productive community engagement. Thus producing increased health and wellbeing. She shared that President Trump signed an executive order called, "Reducing Poverty in America by Promoting Opportunity and Economic Mobility." She shared that the executive order had a strong focus on work requirements for work capable people. She stated that the Medicaid program was established to help the most vulnerable Alaskans, and it must continue to do so; however, the safety net program should not be used to hold people down indefinitely. She asserted that the legislation sought to use the Medicaid program to lift individuals to a better quality of life by requiring twenty hours of work activity, volunteering, or

subsistence activities each week. The legislation included several protections that would exempt individuals from the work requirement including children; certain parents and caretakers; individuals with certain medical conditions; individuals enrolled in an education or training program; and people who were pregnant. She stated that the bill would impact approximately 25,095 Medicaid enrollees, or approximately 10.5 percent of the total enrollment.

[9:29:55 AM](#)

Ms. Carpenter discussed the Sectional Analysis (copy on file):

Section 1:

Amends AS 47.07.036 to direct the DHSS to apply for a section 1115 waiver of the Social Security Act to establish a work requirement for adults in the Medicaid program who not meet the criteria to be exempted.

The waiver must include the following:

(1) Requires an able-bodied Medicaid recipient to participate in work activities for a minimum of 20 hours each week. Actively seeking employment, participating in an education or training program, volunteering, engaging in subsistence activities, or caregiving also are counted towards the 20-hour requirement.

(2) If a Medicaid recipient is also receiving benefits under Alaska Temporary Assistance Program and in compliance with the work requirements listed under AS 47.27.035, then they automatically meet the work requirement for Medicaid.

(3) Exempt Medicaid recipients who are:

a. Children or elderly (Under 18 years old and over 65 years old)

b. The parent or caretaker of a dependent child of up to 12 months of age and the

parent or caretaker is providing home care for the child

c. The parent or caretaker of a child experiencing a disability and the parent or caretaker is providing home care for the children

d. The caretaker of a relative who is experiencing a disability and requires 24-hour care

e. The parent or caretaker of a child under six years of age and the parent or caretaker demonstrated that appropriate child care is not available

f. Unable to work for medical reasons, as determined by a licensed medical professional

g. Pregnant

h. Currently receiving unemployment insurance benefits

i. Participating in a tribal work program

(4) Temporary exemptions for:

a. Experiencing a family hardship outside of the control of the parent or caretaker

b. A victim of domestic violence

(5) Ensure that the work requirement does not impact a Medicaid recipient from obtaining substance abuse treatment

(6) A notification to all Medicaid receipts once the waiver is approved, and a 90 day notice of non-compliance with the work requirement before benefits are terminated.

[9:34:04 AM](#)

Senator Stevens wondered how people would be notified of the available scholarships. Ms. Carpenter replied that the state had a rich history within the Department of Labor and Workforce Development (DOLWF). She noted that there were various financial resources through that department. She shared that there was a Medicaid reform bill in 2016 that asked that the department inform individuals on Medicaid of education options or work availability. She stated that the department had a process outlined through the fiscal note.

Senator Stevens assumed that the department would provide what was available.

Senator von Imhof noted that the Sectional Analysis included the phrase, "these parameters align with the current Temporary Assistance for Needy Families (TANF) program." She wondered how the requirements and exemptions aligned with TANF. Ms. Carpenter replied that they were almost completely aligned. She noted that there may be one provision that was not included.

Senator von Imhof wondered whether Department of Health and Social Services (DHSS) had an existing program to monitor hours for Medicaid recipients. Ms. Carpenter replied that the department had work requirements in place for both food stamps and the temporary assistance program, but the federal government had never allowed a work requirement for Medicaid.

Senator von Imhof felt that the tracking process was in place, so the current practices could be built upon. Ms. Carpenter agreed.

Co-Chair Hoffman appreciated the inclusion of subsistence. He wondered how to document subsistence. Ms. Carpenter replied that there had not been a system for documenting the subsistence. She stated that the waiver allowed for flexibility to work with the tribes.

Co-Chair Hoffman remarked that it should be tracked with minimal paperwork, because those living the subsistence life rarely had detail to paperwork.

[9:40:20 AM](#)

Senator Olson wondered whether only 10 percent of the enrollees would be affected by the legislation. Ms.

Carpenter replied that the number with exemptions was 25,095 individuals, which was 10.5 percent of the current program.

Senator Olson wondered whether there was similar implementation in any other states, and queried the success in those states. Ms. Carpenter replied that it was a brand new program. She stated that Kentucky had a waiver approved, but there was current litigation around that waiver.

Vice-Chair Bishop asked for more discussion with DLWD

SENATOR PETE KELLY, SPONSOR, discussed the bill.

[9:44:20 AM](#)

JEREMY PRICE, STATE DIRECTOR, AMERICANS FOR PROSPERITY, spoke in favor of the bill. He stated that Kaiser Family Foundation put Medicaid enrollment at 1 in 5 in the nation; and 25 million Americans were within the population of able bodied adults that were part of the expansion population. He noted that Alaska was headed for some serious problems, because there were no limits on enrollment in Medicaid. There was a desire to preserve the program for those that need it the most. He felt that government assistance should be a "hand up" and not a "hand out", except for those that truly need the program. He noted that New York, Maine, Alabama, Georgia, and Kansas enacted welfare reform with a focus on food stamps. He stated that after enacting work requirements for food stamps, there was a massive reduction in welfare assistance and increased employment for low skilled workers. He stressed that there was clear and convincing evidence that worklessness led to depression, and depression led to bad things. He felt that there was a link to mental and physical health.

Senator Micciche stressed that there may be opportunities missed without development expectations.

Co-Chair Hoffman requested a brief description of Americans for Prosperity. Mr. Price replied that Americans for Prosperity was an organization dedicated to removing barriers of opportunities for Alaskans and Americans. He stated that they advocated for lowering regulations; making it easier for people to start small businesses; and

lowering taxes; empowering individuals to develop their own future and economic fortune.

Co-Chair Hoffman queried the number of members from rural Alaska in Americans for Prosperity. Mr. Price responded that he did not have that number.

Senator von Imhof noted that one of the possible challenges was that folks may earn income to rise above eligibility limits, yet may not earn enough to pay for insurance coverage. She queried ideas to address that transition time. Mr. Price replied in the negative.

Senator von Imhof noted that Americans for Prosperity was a strong think tank, and had money to research important issues with nationwide stakeholders to discuss the impacts of a particular issue. She urged examination of the program. Mr. Price agreed.

[9:52:45 AM](#)

ALYSON CURRY, LEGISLATIVE LIAISON, PLANNED PARENTHOOD VOTES ALASKA, testified against the bill. She stated that, in Alaska, over one quarter of the Planned Parenthood patients were Medicaid beneficiaries; and over 80 percent were women. She stressed that everyone had access to needed health care, regardless of their income. She stated that the enrollment restrictions in SB 193 would decrease access to health care in the state, and would have disproportionate impact on women. She stated that Medicaid covered one in five women of reproductive age, and was the source of coverage for nearly one-half of women giving birth. She stressed that many women faced barriers to work, like transportation, housing, and education. She remarked that, in rural Alaska, the work requirements would essentially prevent many women from accessing basic preventative health care. She remarked that restricting women from preventative care, such as contraception, was bad for women's health and bad for the state's budget. She remarked that the state saved seven dollars for every one dollar it invested in family planning, because it was cheaper to invest in contraceptive coverage than to pay for costs associated with unintended pregnancies. She felt that the bill would remove many women from Medicaid who were attempting to avoid pregnancy, but then require the state to cover the cost of their unintended pregnancy after losing access to publicly funding family planning. She

announced that research had shown that punitive work requirement did not actually decrease poverty, and in some cases could push families deeper into poverty. She felt that the bill would cut Alaskans off from the care they depend on without improving their economic stability. She noted that the numerous fiscal notes made it clear that it would do so at significant cost to the state.

Vice-Chair Bishop queried the definition of "punitive." Ms. Curry replied that it was punitive to kick someone off of Medicaid because they were either unable to find work or unable to work.

Vice-Chair Bishop did not feel that twenty hours was not "out of line." He asked that they meet to discuss further exemptions. Ms. Curry agreed.

[9:57:05 AM](#)

Senator Micciche noted that the bill also allowed volunteer opportunities. He wondered if there was a problem with requiring someone to participate in valuable social activities. Ms. Curry replied that she found great value in giving back to the community, but felt it was a fallacy to believe that the people who were currently on Medicaid did not have a desire to contribute to their community. She did not see how requiring 20 hours of volunteer work rather than seeking employment would increase someone's economic standing.

Senator Micciche felt that the bill provided multiple ways for people to contribute. He noted that the government must be there for those that could not work. He remarked that there were individuals who were displaced to receive services, because healthy individuals were receiving services. He wondered whether services should be prioritized in a way that recognized someone's inability to work above asking for a reasonable contribution from those who were capable of working. Ms. Curry replied that she felt that those that were able to contribute to the community already contributed to the community in their own capacity. She stressed that Planned Parenthood had a hard line stance that everyone deserves access to health care. She felt that the bill focused on the Medicaid expansion population.

Senator Micciche felt that the bill did not address the expansion population, because that population was already working. He stressed that the focus was on another population in the eligibility categories.

Senator von Imhof felt that Medicaid eligibility for some populations was not health based, but income based. She remarked that a recipient could be healthy, but at a certain level of income to qualify for Medicaid. She noted the extraordinary number of exemptions that would target the Planned Parenthood population. She queried concerns about a tribal work program versus the Medicaid work program. Ms. Curry replied that she could not answer that question.

[10:02:48 AM](#)

MIKE COONS, PRESIDENT, ALASKA CHAPTER, ASSOCIATION OF MATURE AMERICAN CITIZENS, PALMER (via teleconference), spoke in support of the bill. He stated that the welfare reform had laid the ground work to get more Americans back to work, while protecting and strengthening the safety for the truly needy. He felt that federal agencies must take advantage of the opportunity to roll back harmful "Obamacare" policies to trap families in dependency, and cost taxpayers billions.

Co-Chair MacKinnon CLOSED public testimony.

Senator Stevens hoped to provide educational opportunities for the recipients.

Co-Chair MacKinnon believed that health was important, and services were available for some who could not provide for themselves. She wondered whether benefits were increased to someone with a child.

[10:07:40 AM](#)

MONICA WINDOM, DIRECTOR, DIVISION OF PUBLIC ASSISTANCE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, introduced herself.

Co-Chair MacKinnon wondered whether benefits were increased to someone with a child. Ms. Windom replied that the benefit would not increase.

Co-Chair MacKinnon wondered how many pregnancies in Alaska were covered by Medicaid.

10:08:22 AM

JON SHERWOOD, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, replied that he did not have the exact number. He stated that, historically, Medicaid covered approximately 50 percent of pregnancies.

Co-Chair MacKinnon stated that she already had the number. She announced that 50 percent of all live births were covered by Medicaid. She noted that the bill would affect program growth in other areas such as food stamps.

Senator Micciche noted that the federal poverty line was affected by a child, so it would affect the benefit.

Co-Chair MacKinnon stressed that the child would qualify for Medicaid.

Ms. Carpenter announced that the bill was not only directed the expansion population. She stated that the CMS guidance letter specifically addressed, "able bodied enrollees in Medicaid." She agreed that it included the expansion population, but was not entirely the expansion population. She agreed to have conversations off the record. She shared that she had stories of people who were told that they were too disabled to work, but felt that it was disingenuous. She announced that she was excited to see what the Trump administration would present for work requirements, and changing the welfare programs. She felt that work was an amazing opportunity to prosper and grow.

SB 193 was HEARD and HELD in committee for further consideration.

#hb79

CS FOR HOUSE BILL NO. 79(FIN)

"An Act relating to workers' compensation; relating to the second injury fund; relating to service fees and civil penalties for the workers' safety programs and the workers' compensation program; relating to the liability of business entities and certain persons for payment of workers' compensation benefits and civil penalties; relating to civil penalties for

underinsuring or failing to insure or provide security for workers' compensation liability; relating to preauthorization and timely payment for medical treatment and services provided to injured employees; relating to incorporation of reference materials in workers' compensation regulations; relating to proceedings before the Alaska Workers' Compensation Board; relating to the authorization of the workers' compensation benefits guaranty fund to claim a lien; excluding independent contractors from workers' compensation coverage; establishing the circumstances under which certain nonemployee executive corporate officers and members of limited liability companies may obtain workers' compensation coverage; relating to the duties of injured employees to report income or work; relating to misclassification of employees and deceptive leasing; defining 'employee'; relating to the Alaska Workers' Compensation Board's approval of attorney fees in a settlement agreement; and providing for an effective date."

[10:12:20 AM](#)

AT EASE

[10:18:55 AM](#)

RECONVENED

[10:19:55 AM](#)

Co-Chair MacKinnon stated that there was a letter from her husband in the packet, and the testifier was her niece. She wanted to ensure that there was not an appearance of impropriety.

[10:21:30 AM](#)

LAURA BONNER, SELF, ANCHORAGE (via teleconference), spoke in support of the bill.

[10:23:15 AM](#)

DON ETHERIDGE, AFL-CIO, JUNEAU, spoke in support of the legislation.

[10:25:32 AM](#)

BARBARA HUFF TUCKNESS, DIRECTOR OF GOVERNMENT AND LEGISLATIVE AFFAIRS, TEAMSTERS LOCAL 959, JUNEAU, testified in support of the bill.

Co-Chair MacKinnon CLOSED public testimony.

[10:28:53 AM](#)

HEIDI DRYGAS, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, stated that the bill should be considered an efficiencies bill. The bill would assist the department's ability to administer the workers compensation system. The bill focused mainly on efficiencies and modernizing the current system that had not been significantly reformed in more than ten years. She stated that the bill had been well vetted and been through several committees.

MARIE MARX, DIRECTOR, DIVISION OF WORKERS COMPENSATION, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, discussed the presentation, "Workers' Compensation: HB 79 Senate Finance Committee April 10, 2018" (copy on file).

Ms. Marx highlighted slide 2, "What is Workers' Compensation?":

A system of insurance that protects workers and employers from some of the losses caused by on-the-job accidents and job-related illnesses

Ms. Marx displayed slide 3, "The 'Grand Bargain'":

An employer provides prompt, necessary medical and wage loss benefits to an injured worker for a work-related injury.

In exchange, the injured worker receives limited benefits and gives up the right to sue the employer.

[10:30:45 AM](#)

Ms. Marx highlighted slide 4. She stated that the Worker's Compensation Act guided the division's administration, and more specifically guided the mission of the Worker's Compensation Act. The mission was to ensure the quick, efficient, fair, and predictable delivery of benefits to injured workers at a reasonable cost to employers. She

stressed that any effort of the division was always balancing those five pillars.

Ms. Marx discussed slide 5, "HB 79: Workers' Compensation Efficiencies Bill":

- Speed up dispute resolution
- Improve the delivery of medical care to injured workers
- Strengthen provisions to prevent workers' compensation fraud by employers and employees
- Reduce administrative costs
- Ensure adequate funding for the administration of the workers' compensation and workers' safety programs

Ms. Marx addressed slide 6, "SPEED UP DISPUTE RESOLUTION: SECS. 8-10, 19-21, 39":

Current law

A party requests hearing on claim

Non-attorneys may represent parties

Board must approve attorney fees in settlement agreement

Division petitions Board to assess a civil penalty against uninsured employer

HB 79

Board will schedule a hearing shortly after claim is filed (Secs. 19, 21)

Any person authorized by regulation of the Board (Sec. 20)

Board does not need to approve if fees are sole issue that needs Board approval (Sec. 39)

Division assesses civil penalty against uninsured or underinsured employer; party may appeal assessment to Board (Secs. 8-10)

Ms. Marx discussed slide 7, "IMPROVE THE DELIVERY OF MEDICAL CARE: SECS. 14, 23, 25-26":

Current law

No language addressing if and when a provider's written request for medical care must be preauthorized

No penalty for untimely preauthorization or denial

Medical bills paid within 30 days

HB 79

Requires an employer to preauthorize or deny medical treatment within 60 days of a medical provider's written request (Sec. 14)

Penalty for untimely preauthorization or denial (Secs. 23, 25-26)

NO CHANGE

[10:35:41 AM](#)

Ms. Marx highlighted slide 8, "Why the Division is Tackling Misclassification":

- Worker safety
- Risk of uninsured losses
- Law-abiding employers bear greater financial burden

Ms. Marx discussed slide 9, "STRENGTHEN FRAUD PROVISIONS: SECS. 7, 9, 10-11, 28-29, 32, 35-38, 40":

Current law

No definition of misclassification

No affirmative duty to report work or wage-loss benefits

No owner liability for benefits for some business entities and no civil penalty liability

No definition of independent contractor and multifactor balancing test for employee status

Co-Chair MacKinnon queried the definition of "independent contractor."

[10:38:32 AM](#)

AT EASE

[10:38:56 AM](#)

RECONVENED

[10:39:01 AM](#)

Ms. Marx announced the definition of "independent contractor." She looked at page 17, line 1 of the bill:

A person employed as an independent contractor; a person is an independent contractor for the purposes of this chapter only if the person: A) has an expressed contract to perform the services, B) is free from direction and control over the means and matter of providing services, subject only to the right of the individual for whom or entity for which the services are provided to specify the desired results, completion schedule, or range of work hours; or to monitor the work for compliance with contract plans and specifications, or federal, state, or municipal law, C) incurs most of the expenses for tools, labor, and other operational costs necessary to perform the services, except for materials and equipment that could be supplied, D) has an opportunity for profit and loss as a result of the services performed for the other individual or entity, E) is free to hire and fire employees to help perform the services for the contracted work, F) has all the business, trade, or professional licenses required by federal, state, or municipal authorities for a business or individual engaging in the same type of services as the person, G) follows federal Internal Revenue Service (IRS) requirements by i) obtaining an employer identification number if required; ii) filing business or self-employment tax returns for the previous tax

year to report profit or income earned for the same type of services provided under the contract; iii) intending to file business or self-employment tax returns for the current tax year to report profit or income earned for the same type of services provided under the contract if the person's business was not operating in the previous year, and H) meets at least two the following criteria: i) the person is responsible for the satisfactory completion of services that the person has contracted to perform and is subject to liability for a failure to complete the contracted work, or maintains liability insurance to complete the contracted work or other insurance policies necessary to protect the employee's financial interest in customers to the person's business; ii) the person maintains a business location or a business mailing address separate from the location of the individual for whom, or the entity for which the services are performed, and iii) the person provides contracted services for two or more different customers within a twelve month period, or engages in any kind of business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.

Co-Chair MacKinnon wondered whether the section affected the most recent bill that was passed about ride sharing. Ms. Marx replied that the language would not affect the transportation network drivers, because that bill exempted them from the provisions of the Alaska Workers Compensation Act.

Ms. Marx continued to discuss slide 9:

Injured worker may file lien for benefits but
Benefits

Guaranty Fund may not

HB 79

Defines misclassification and when it amounts to
fraud (Sec. 36)

Affirmative duty to report (Sec. 36)

More business entity owner liability for benefits and civil penalties (Secs. 7, 37-38)

Defines independent contractor and clarifies statutory definition of employee (Secs. 32, 40)

Benefits Guaranty Fund may file lien for compensation and civil penalties (Secs. 28-29)

Ms. Marx addressed slide 10, "STRENGTHEN FRAUD PROVISIONS CONT.: SECS. 7, 9, 10-11, 28-29, 32, 35-38, 40":

Current law

No penalty assessed for an employer who has engaged in fraudulent misclassification

Maximum penalty of \$1,000 for each uninsured employee workday

7 days to pay penalty

Board suspends failure to insure penalties in full or in part and no guidelines for suspension

No interest paid on payment plans

HB 79

Division may assess a penalty (Secs. 9, 35)

Maximum civil penalty of three times the premium an employer should have paid (Sec. 9)

30 days to pay penalty or appeal to Board (Secs. 10-11)

Failure to insure penalties may not be suspended in full or in part (Sec. 11)

Interest on payment plans (Sec. 11)

[10:45:56 AM](#)

Vice-Chair Bishop wondered whether the experience rate was considered in the calculation. Ms. Marx replied in the negative. She explained that the calculation would be very

simple. She noted that it would probably be less than the premium paid, because the premium included the building blocks. She stressed that the base rate was used.

Co-Chair MacKinnon looked at Sections 9 and 35, and noted that there was concern about how the DLWD was allowed to do premium audits. Ms. Marx replied that she had not had an opportunity to address that concern. She felt that there may be a misunderstanding. She stressed that the department did not do premium audits, rather it investigated fraud and misclassification.

Vice-Chair Bishop wondered whether it was for fraudulent and injured workers too. Ms. Marx replied in the affirmative.

Ms. Marx announced that the department's goal was not to penalize. She stressed that the department's goal was education.

[10:50:21 AM](#)

Co-Chair MacKinnon remarked that with no cap on attorney fees there was no incentive to settle, but she stressed that those were her words and not the letter's words. Ms. Marx replied that the bill did not remove the statute of limitations. She stated that there was currently a provision in the act that said that once a claim was filed, and if an employer denied it, the employee must ask for a hearing within two years.

Co-Chair MacKinnon noted the more penalties and hostile business work environment. She asked for more information about Section 11. Ms. Marx reiterated that with the efficiencies there would be an end to the protracted litigation, which would reduce attorneys' fees. She stated that Section 11 sets forth the process for what happens after a civil penalty was assessed. She explained that the goal was not to put employers out of business, so it allowed for a payment plan.

Co-Chair MacKinnon wanted to work to balance employees and employers interest. Ms. Marx agreed.

Ms. Marx discussed slide 11, "REDUCE ADMINISTRATIVE COSTS: SECS. 2-6, 13, 15-18, 22, 24, 27, 30, 33-34, 41, 43":

Current law

An employer pays benefits by check

Division may not require electronic filing

Division approval needed for corporate executive officer workers' compensation coverage opt out

HB 79

Does not prescribe a specific method of payment (Sec. 41)

Division may prescribe filing format (Secs. 3-6, 16-18, 22, 24, 27)

Division approval not required; not an employee if at least 10 percent ownership interest (Sec. 33)

[10:55:25 AM](#)

Ms. Marx looked at slide 12, "REDUCE ADMINISTRATIVE COSTS CONT.: SECS. 2-6, 13, 15-18, 22, 24, 27, 30, 33-34, 41, 43":

Current law

Some medical publications not listed

No deadline for reporting initial coverage; 10 day deadline for termination of coverage and no penalty if late

Division administers contribution to and reimbursement from Second Injury Fund

HB 79

Adds publications to list (Sec. 15)

30 day deadline to report initial coverage and termination of coverage, and penalty if late (Sec. 13)

Phases out Second Injury Fund (Secs. 2, 30, 34, 41, 43)

Ms. Marx addressed slide 13, "ENSURE ADEQUATE FUNDING: SEC. 1":

Current Law

Worker's compensation insurers pay a fee of 2.7 percent of net workers' compensation premium written

1.82 percent to WSCAA and 0.88 percent to Alaska Comprehensive Health Insurance Fund (ACHI)

HB 79

NO CHANGE

2.5 percent to WSCAA and 0.2 percent to ACHI

[10:58:10 AM](#)

Vice-Chair Bishop wanted an explanation of the Workers' Safety and Compensation Administration Account (WSCAA) funds. Ms. Marx replied that the funds were dedicated funding to ensure that workers' compensation and safety programs operated and sufficient funding.

Co-Chair MacKinnon requested that a sectional analysis be presented the following day.

Co-Chair MacKinnon queried closing comments. Commissioner Drygas replied in the negative.

Co-Chair MacKinnon discussed the following meeting's agenda.

CSHB 79(FIN) was HEARD and HELD in committee for further consideration.

#sb185

SENATE BILL NO. 185

"An Act relating to reemployment of persons who retire under the teachers' retirement system."

SB 185 was SCHEDULED but not HEARD.

ADJOURNMENT
11:00:41 AM

The meeting was adjourned at 11:00 a.m.