

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 16, 2022

1:30 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Joshua Revak, Vice Chair
Senator Peter Micciche
Senator Gary Stevens
Senator Elvi Gray-Jackson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S)

Alaska Labor Relations Agency
Paula Harrison - Anchorage

- CONFIRMATION ADVANCED 4/25/22

Board of Examiners in Optometry
Kathleen Rice - Kenai

- CONFIRMATION ADVANCED 4/25/22

Board of Pharmacy
Ramsey Bell - Eagle River

- CONFIRMATION ADVANCED 4/25/22

Alcoholic Beverage Control Board
Douglas Moore - Talkeetna

- CONFIRMATION ADVANCED 4/25/22

Board of Veterinary Examiners
Ciara Vollaro - Wasilla

- CONFIRMATION ADVANCED 4/25/22

Workers' Compensation Appeals Commission
Stephen Hagedorn - Anchorage

- CONFIRMATION ADVANCED 4/25/22

SENATE BILL NO. 26

"An Act repealing the certificate of need program for health care facilities; making conforming amendments; and providing for an effective date."

- MOVED CSSB 26(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 26

SHORT TITLE: REPEAL CERTIFICATE OF NEED PROGRAM

SPONSOR(s): SENATOR(s) WILSON

01/22/21	(S)	PREFILE RELEASED 1/8/21
01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	HSS, L&C
03/25/21	(S)	HSS AT 1:30 PM BUTROVICH 205
03/25/21	(S)	Heard & Held
03/25/21	(S)	MINUTE(HSS)
04/07/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/07/21	(S)	Scheduled but Not Heard
04/08/21	(S)	HSS AT 1:30 PM BUTROVICH 205
04/08/21	(S)	Moved SB 26 Out of Committee
04/08/21	(S)	MINUTE(HSS)
04/09/21	(S)	HSS RPT 1DP 3NR
04/09/21	(S)	DP: HUGHES
04/09/21	(S)	NR: BEGICH, REINBOLD, COSTELLO
04/21/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/21/21	(S)	Heard & Held
04/21/21	(S)	MINUTE(L&C)
04/23/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/23/21	(S)	Heard & Held
04/23/21	(S)	MINUTE(L&C)

WITNESS REGISTER

LOREN LEMAN, former Lieutenant Governor
Anchorage, Alaska

POSITION STATEMENT: Discussed the activities and challenges facing the State Board of Registration for Architects Engineers, and Land Surveyors.

RAMSEY BELL, Appointee
Board of Pharmacy
Eagle River, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Pharmacy.

ROD GORDON, RPh, representing self
Anchorage, Alaska

POSITION STATEMENT: Voiced concern with the appointment of Ramsey Bell to the Board of Pharmacy.

DANIEL NELSON, representing self
Fairbanks, Alaska

POSITION STATEMENT: Voiced concern with the appointment of Ramsey Bell to the Board of Pharmacy.

TOM WADSWORTH, representing self
Wasilla, Alaska

POSITION STATEMENT: Spoke in opposition to the appointment of Ramsey Bell to the Board of Pharmacy.

CALLISTA CARLTON
Southcentral Foundation Pharmacy
Anchorage, Alaska

POSITION STATEMENT: Stated opposition to the appointment of Ramsey Bell to the Board of Pharmacy.

PAULA HARRISON, Appointee
Alaska Labor Relations Agency
Anchorage, Alaska

POSITION STATEMENT: Testified for reappointment to the Alaska Labor Relations Agency.

KATHLEEN RICE, OD, Appointee
Board of Examiners in Optometry
Kenai, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Examiners in Optometry.

DOUGLAS MOORE, Appointee
Alcoholic Beverage Control (ABC) Board
Talkeetna, Alaska

POSITION STATEMENT: Testified as an appointee to the Alcoholic Beverage Control Board.

CIARA VOLLERO, Appointee
Board of Veterinary Examiners

Wasilla, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Veterinary Examiners.

STEPHEN HAGEDORN, Appointee

Workers' Compensation Appeals Commission

Anchorage, Alaska

POSITION STATEMENT: Testified for reappointment to the Workers' Compensation Appeals Commission.

SENATOR DAVID WILSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 26,

GARY ZEPP, Staff

Senator David Wilson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on SB 26.

ACTION NARRATIVE

[1:30:51 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 Gray-Jackson, Stevens, and Chair Costello. Senator Micciche arrived during introductions and Senator Revak arrived soon thereafter.

CONFIRMATION HEARING(S)

Alaska Labor Relations Agency

Board of Examiners in Optometry

Board of Pharmacy

Alcoholic Beverage Control Board

Board of Veterinary Examiners

Workers' Compensation Appeals Commission

[1:31:30 PM](#)

CHAIR COSTELLO announced consideration of Governor Appointees to Boards and Commissions and advised that the committee first would hear from former Lieutenant Governor Loren Leman who was in Juneau to attend a meeting of the State Board of Registration for Architects Engineers, and Land Surveyors. She asked him to comment on the board's activities and the challenges it faces.

[1:32:39 PM](#)

LOREN LEMAN, former Lieutenant Governor, Anchorage, Alaska, stated that he was pleased to step up when the Governor asked him to serve, but was surprised how much work is involved. The board is not partisan so when members don't agree it's generally about different interpretations of the statutes, regulations, and policy. He explained that the board serves about 6,000 active registrants, about half of whom are Alaska residents. Of those 3,000, about 400 are architects, 400 are land surveyors, and the remainder are in one of the engineering disciplines.

The primary purpose of the board is to protect the health, safety, and welfare of the public by setting minimum standards of competency. The board does various things to help registrants maintain competency, such as requiring continuing education, following up on complaints, and enforcing requirements on competency. He explained that the board spent several hours today resolving various issues including whether to extend the time for somebody who did not get their continuing education finished this last year. It depends on the circumstances but an extension usually is allowed. He relayed that just before he came to the meeting the board was deep into the minutia of whether soil borings are geotechnical engineering or geological engineering. He expressed appreciation to all the appointees who stepped up to serve and posited that the two new members to the AELS board appear to be very competent.

[1:38:14 PM](#)

SENATOR REVAK joined the committee.

[1:38:30 PM](#)

SENATOR GRAY-JACKSON asked which board he served on.

LIEUTENANT GOVERNOR LEMAN answered that he serves on the State Board of Registration for Architects Engineers, and Land Surveyors (AELS). He noted that the board also licenses registered landscape architects. He also noted the board is working on a long range regulatory project to clarify and resolve differences between the statutes, regulations and policy.

CHAIR COSTELLO asked him to comment on the issue of the average age of land surveyors in Alaska and the challenge to get younger Alaskans to enter these professions.

LIEUTENANT GOVERNOR LEMAN relayed a conversation with a land surveyor on the board why said the average age in his profession is 62. This highlights the need to backfill with young people who are willing to enter the profession, which means reaching into the lower grades to inspire children about the value of science, technology, engineering, and mathematics (STEM) education. He relayed that for more than 10 years he had served on the advisory board for the Dimond High School Engineering Academy. It exposes students to the principles of the profession and he believes that needs to happen for all the professions under the oversight of the AELS board.

CHAIR COSTELLO thanked him for making time to address the committee and extended thanks to all the members of the AELS board for their service.

LIEUTENANT GOVERNOR LEMAN directed attention to the agenda for the AELS board meeting. He noted that the board meets for two days four times a year and holds committee meetings in between.

[1:44:16 PM](#)

CHAIR COSTELLO asked Ramsey Bell to introduce herself and provide her background that is relevant to serving on the Board of Pharmacy.

[1:44:59 PM](#)

RAMSEY BELL, Appointee, Board of Pharmacy, Eagle River, Alaska, stated that she had practiced pharmacy for 21 years and is in good standing in all the states she has held licenses. She and her family moved to Alaska from Illinois about five years ago and it has been a great adventure. She opined that the greatest asset she brings to the board is that she values truth over comfort in all situations. She graduated from Purdue University in 2000 and immediately began work in retail pharmacy. A promotion to pharmacy manager came within nine months largely due to her drive to serve others. She became known as the "pharmacy fixer" over time because of her management and problem solving skills. For some time she has wanted to serve the profession in a larger way and was excited to learn about the opening on this board. She is ready to serve Alaskans in this role.

[1:47:19 PM](#)

SENATOR GRAY-JACKSON asked her to share her thoughts on vaccinations and the Covid-19 vaccination in particular.

MS. BELL offered her belief that informed consent is critical and people should be encouraged to make the decision about vaccinations with the health care provider they feel is best for themselves and their family. There should be no coercion or incentives from an outside entity.

SENATOR GRAY-JACKSON asked if she believes that vaccinations are an effective way to protect the community.

MS. BELL answered that it appears that there is benefit to vaccination for the highest risk population.

CHAIR COSTELLO asked her to explain her service on the board because the official Boards and Commissions website and roster lists her as Lana Bell and that this would be a reappointment.

MS. BELL clarified that she is not Lana Bell. This was her first appointment to the Board of Pharmacy.

CHAIR COSTELLO asked if she was appointed to the pharmacist seat for Southcentral.

MS. BELL replied that is correct.

[1:49:30 PM](#)

At ease

[1:50:08 PM](#)

CHAIR COSTELLO reconvened the meeting.

[1:50:18 PM](#)

CHAIR COSTELLO opened public testimony on the appointment of Ramsey Bell to the Board of Pharmacy.

[1:50:33 PM](#)

ROD GORDON, RPh, representing self, Anchorage, Alaska, voiced concern with the appointment of Ramsey Bell to the Board of Pharmacy. He stated that he has practiced pharmacy for 42 years, working in a variety of locations that include Saudi Arabi, the U.S. Virgin Islands, North Carolina, Virginia, and urban and rural areas in Alaska. He said he understands that Ramsey Bell has a sincere interest in working on the Board of Pharmacy in Alaska, but her posts on Facebook and other social media sites seem to be political. He described the answer she gave about her view on vaccines as politically biased and said he believes any concern she articulates as a member of the Board of Pharmacy should be based on science and medicine.

MR. GORDON stated that there is no question that vaccines make a big difference in managing communicable diseases, particularly respiratory diseases like COVID-19. He opined that Ramsey Bell has no reason to have reservations about recommending vaccinations for all people, regardless of their immune status, in order to minimize that spread.

MR. GORDON referenced Ms. Bell's Feb 1, 2021 post about ivermectin, which is primarily used in veterinary practice but can be used in humans for certain parasitic infections. The studies she cites have not been successfully replicated. In fact, the scientific literature has yet to say this medicine can be safely used to treat COVID-19. Nevertheless, she purports that a five-day course of ivermectin represents a safe course of treatment. He said that does not rely on science and data. In a January posting she claims that Florida was forced to close all its monoclonal antibody centers because the federal government had halted all distribution. However, it makes more sense that these centers were making way for the EUAs of the new and more effective Pfizer and Merck antiviral pills. He said Ms. Bell's bias is anti-science and the Board of Pharmacy does not need that bias among its members. Rather, board members should have an unbiased and unpolitical view and base their decisions on science and what is in the public interest.

[1:55:01 PM](#)

CHAIR COSTELLO asked if pharmacists in Alaska have prescribing authority.

MR. GORDON answered no, although some pharmacies may be authorized to administer particular products such as vaccines. Pharmacists are part of the checks and balances for the use of medications. They are the final hurdle to protect patients from potential danger. For example, ivermectin to treat COVID-19 is off label and there is no data to support its use. In fact, the CDC and FDA recommend not to use ivermectin for COVID-19. To do otherwise would not be in the best interests of the public. He acknowledged that pharmacists may choose to do what they think is appropriate, but someone in a leadership role over the practice of pharmacy in Alaska should follow the science.

CHAIR COSTELLO thanked him for providing public testimony.

[1:57:01 PM](#)

DANIEL NELSON, representing self, Fairbanks, Alaska, voiced concern with the appointment of Ramsey Bell to the Board of

Pharmacy. He said he is calling as a concerned pharmacist on behalf of his employer, Tanana Chiefs Conference (TCC). He reported that Alaska Natives have been particularly hard hit by the effects of COVID-19 with higher rates of hospitalization, death, and long term consequences. Medical and scientific knowledge and information has grown and improved as studies have been completed and analyzed. What we thought we knew has often been proven incorrect or otherwise changed over time, he said. This has led to an ever changing landscape of medical literature, best practices, and clinical guidelines. However, he said what has not changed is that all medical professionals are trained in and grounded by a foundation of evidence-based medicine. This is also known as science, he said.

MR. NELSON highlighted the development of new vaccines and therapeutic options like monoclonal antibodies and oral antivirals specifically designed to treat the SARS-Co-V-2 virus, calling this an era of breakneck medical change and updates. Unfortunately, things can and do become quite confusing when change comes so quickly. The result is that some things have come unmoored from their scientific bases and morphed into a political ideology. At the end of the day, he said it is necessary to go back to the scientific evidence to make decisions and recommendations.

MR. NELSON offered his belief that Ramsey Bell unfortunately has gone off track in her approach to the practice of pharmacy. Her approach to literature evaluation and the application of that evaluation is not in line with professional standards and is not in the best interest of the residents of the state and is dangerous to the Alaska Native population. He encouraged the committee to vote against Ms. Bell's confirmation to the Board of Pharmacy.

[1:59:41 PM](#)

SENATOR STEVENS asked how the working of the board would be affected if someone with a political ideology were appointed.

MR. NELSON replied he believes all boards should have members with diverse political backgrounds and belief systems. However, it becomes problematic when a member's ideology goes to the far end of a political extreme and is unmoored from what the science says. He opined that Ms. Bell is there in this particular arena.

[2:01:26 PM](#)

TOM WADSWORTH, representing self, Wasilla, Alaska, stated that as a licensed pharmacist in Alaska for 20 years he was speaking

in opposition to the appointment of Ramsey Bell to the Board of Pharmacy. The Board of Pharmacy is statutorily mandated to establish and enforce professional standards, which includes competence and rules of conduct for pharmacists practicing in the state. He opined that members of the board should have experience and demonstrate competence and a commitment to evidence-based best practices and standards of care.

MR. WADSWORTH said a cursory review of Ramsey Bell's social media posts over the last few years demonstrates an extreme, politicized, and conspiratorial view that is at odds with the established and time-proven standards and best practices of the pharmacy profession. The sentiments and misinterpretations that she expresses on social media is in direct contradiction to the mission of the Board of Pharmacy. She has repeatedly demonstrated an inability to critically evaluate and interpret medical literature and then she politicizes her misinterpretations by promoting conspiracy theories. Sometimes she disparages the profession she seeks to represent and regulate. She represents heretical viewpoints within the profession with the intent of imposing those views through the Board of Pharmacy. He concluded that Ramsey Bell is the epitome of who should not be appointed to a regulatory board. He urged the committee to oppose her appointment to the Board of Pharmacy.

[2:03:52 PM](#)

CALLISTA CARLTON, Southcentral Foundation Pharmacy, Anchorage, Alaska, said the previous speakers have stated it as well as it can be said. She too opposes the appointment of Ramsey Bell to the Board of Pharmacy because her views are divisive and do not represent the practice of pharmacy.

CHAIR COSTELLO reviewed the statutory requirements to serve on the board and said it seems that anybody who has practiced pharmacy for three years would qualify. She asked Ms. Carlton to comment.

MS. CARLTON replied she may technically qualify but board members should represent the state and what is in the best interest of the pharmacy profession. Based on Ramsey Bell's posts, she did not believe Ms. Bell could do that.

[2:05:33 PM](#)

CHAIR COSTELLO discerned no one else wished to comment and closed public testimony on the appointment of Ramsey Bell to the Board of Pharmacy.

CHAIR COSTELLO asked Paula Harrison to tell the committee about her interest in serving on the Alaska Labor Relations Agency.

2:05:55 PM

PAULA HARRISON, Appointee, Alaska Labor Relations Agency (ALRA), Anchorage, Alaska, stated that she is the director of human resources and labor relations for Enstar Natural Gas Company. She has more than 38 years of experience in this field and has served as chair of ALRA for the past three years. She requested support for her reappointment.

SENATOR STEVENS asked how one becomes chair.

MS. HARRISON replied the governor appointed her.

CHAIR COSTELLO asked what challenges the board faces and how she sees they will be overcome.

MS. HARRISON said COVID-19 has been a challenge the past several years because it has prevented the board from meeting in person. That being said, the labor relations and public employer issues has been minimal the last three years. She related that she had to appoint a three-member panel to hear a case just once.

CHAIR COSTELLO asked her to describe the mission of the board and what it seeks to accomplish.

MS. HARRISON explained that the board administers the Public Employer Relations Act and the labor provisions for the Alaska Railroad Corporation Act as it pertains to public sector collective bargaining. This includes the State of Alaska, municipalities, boroughs, the university, school districts, and all their employees in Alaska. An employee of one of those agencies may also bring an action to the board. The board also conducts elections to certify or decertify employee representatives. The board hears unfair labor practice charges from employers, unions, or individuals. The board helps to determine the appropriate bargaining units and enforces those agreements.

2:09:59 PM

CHAIR COSTELLO opened public testimony on the appointment of Paula Harrison to the Alaska Labor Relations Agency; finding none, she closed public testimony.

CHAIR COSTELLO asked Dr. Kathleen Rice to discuss her interest in serving on the Board of Examiners in Optometry.

[2:10:25 PM](#)

KATHLEEN RICE, OD, Appointee, Board of Examiners in Optometry, Kenai, Alaska, stated she is an optometrist in Kenai and has been practicing for about 17 years. She said she would like to serve on the Board of Examiners in Optometry because she feels that optometrists' contribution should be beyond just clinical care. She has experience working in a commercial setting, an ophthalmologic setting, and private practice so she understands and can relate to optometrists in these different settings.

SENATOR MICCICHE disclosed that Dr. Rice was a friend and he was biased in her favor.

[2:12:22 PM](#)

CHAIR COSTELLO opened public testimony on the appointment of Kathleen Rice to the Board of Examiners in Optometry; finding none, she closed public testimony.

CHAIR COSTELLO asked Douglas Moore to share his interest in serving on the Alcoholic Beverage Control Board.

[2:12:49 PM](#)

DOUGLAS MOORE, Appointee, Alcoholic Beverage Control (ABC) Board, Talkeetna, Alaska, stated that he has lived in Talkeetna for 41 years and throughout that time he worked in a small business. Currently, he and his wife own and operate a hardware store that employs about 20 local residents. He relayed that he was asked to serve on the ABC Board in May last year and has actively participated in four meetings since then. He offered that he brings a unique mix to the board with his small business background and public safety experience as a 10-year volunteer as an EMT and firefighter. His nomination is to one of the two public seats. The board is largely comprised of new members and directors, yet it has done a good job in carrying on the business of the board. He gave a shout out to Executive Director Klinkhart for his excellent work and asked the committee for its support.

[2:15:27 PM](#)

SENATOR REVAK expressed appreciation for his community service and thanked him for his involvement and willingness to serve.

[2:16:08 PM](#)

CHAIR COSTELLO opened public testimony on the appointment of Douglas Moore to the Alcoholic Beverage Control Board; finding none, she closed public testimony.

CHAIR COSTELLO asked Ciara Vollero to tell the committee about her interest in serving on the Board of Veterinary Examiners

2:16:29 PM

CIARA VOLLERO, Appointee, Board of Veterinary Examiners, Wasilla, Alaska, stated that she moved to Alaska after five years of practice in California. She noted that most veterinarians in Alaska must be resourceful, rugged, and spirited in their approach to care in remote and challenging circumstances. She offered her perspective that the industry was on the brink of modernizing care to the standard that is found in urban cities, but these advancements cannot take place without advocates foraging the way for more affordable treatment options for every demographic. She stated that as a dedicated, passionate, and imaginative professional she would like to join the other professionals on the board who are willing to work to move the state forward.

CHAIR COSTELLO asked if veterinarians have faced particular challenges due to COVID-19 and how the board intends to address those challenges.

MS. VOLLERO answered that curbside care that was initiated due to COVID-19 has been difficult for many clients and their animals to be seen timely. Emergency hospitals are vastly overrun and the profession is losing technicians and other support staff. It has made a significant difference to be able to open the doors to facilities once again. Perhaps the largest challenge has been to get veterinarians licensed timely. The board also needs to focus on getting more people interested in working in veterinary offices, clinics, and hospitals statewide.

CHAIR COSTELLO noted that her application says she is seeking the public seat on the board. She asked if that was inaccurate.

MS. VOLLERO replied she is seeking to serve on the board as a veterinarian.

CHAIR COSTELLO said her office would look into that.

2:19:53 PM

CHAIR COSTELLO opened public testimony on the appointment of Ciara Vollero to the Board of Veterinary Examiners; finding none, she closed public testimony.

CHAIR COSTELLO asked Stephen Hagedorn to tell the committee what seat he is applying for, whether this is a reappointment, and his interest in serving on the Workers' Compensation Appeals Commission.

[2:20:26 PM](#)

STEPHEN HAGEDORN, Appointee, Workers' Compensation Appeals Commission, Anchorage, Alaska, stated that he came to Alaska as a member of the U.S. Army and never really left. He worked for the Alaska Railroad for 34 years, the last 25 years as a risk manager. He retired in 2009 but maintained an interest in workers' compensation matters. Governor Hickel appointed him to the Alaska Workers' Compensation Board in 1991 and he served for 15 years. In 2008 he was appointed as an industry member to the Workers' Compensation Appeals Commission and has served in that capacity for the last 14 years. His interest in serving is based on his belief that it is important to give back to the state that has given him so much. He would like to continue to serve.

CHAIR COSTELLO asked what challenges the commission faces and how it plans to address those challenges.

MR. HEGEDORN said the commission is an appellate body that in 2006 assumed responsibility for appeals from the superior court. The board has faced the same challenges as other boards due to COVID-91 and has had to adapt to meeting remotely. Zoom calls have worked well but the personal contact that can be helpful during deliberations is missing. After 30 years working on workers' compensation matters, his view is that workers' compensation is a system that works for almost all injured workers. That is the most important thing the commission does.

[2:23:36 PM](#)

CHAIR COSTELLO opened public testimony on the appointment of Stephen Hagedorn to the Workers' Compensation Appeals Commission; finding none, she closed public testimony.

[2:23:53 PM](#)

At ease

[2:25:50 PM](#)

CHAIR COSTELLO reconvened the meeting and stated she would hold all the names for a future meeting, awaiting clarification from the Governor's Office.

SB 26-REPEAL CERTIFICATE OF NEED PROGRAM

[2:26:25 PM](#)

CHAIR COSTELLO announced the consideration of SENATE BILL NO. 26 "An Act repealing the certificate of need program for health care facilities; making conforming amendments; and providing for an effective date."

She noted that this was the third hearing on the bill and there was an amendment for the committee to consider.

[2:26:43 PM](#)

SENATOR MICCICHE moved to adopt Amendment 1 for SB 26, [work order 32-LS0232\B.1].

32-LS0232\B.1
Dunmire
2/16/22

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR MICCICHE
TO: SB 26

Page 6, line 5, following "APPLICABILITY":

Insert "(a)"

Page 6, line 8, following "Act":

Insert ", unless the certificate of need is for an expenditure that exceeds

- (1) \$5,000,000, as of July 1, 2024;
- (2) \$7,500,000, as of July 1, 2026;
- (3) \$10,000,000, as of July 1, 2028; or
- (4) \$15,000,000, as of July 1, 2030;

(b) On and after July 1, 2031, the Department of Health and Social Services may not take action to revoke, enforce, or modify a certificate of need issued to a health care facility before the effective date of secs. 1 - 11 of this Act"

CHAIR COSTELLO objected for an explanation.

SENATOR MICCICHE offered his belief that it was important for people to be able to recover costs based on a set of rules. Amendment 1 reflects what multiple national and state experts agree is a good approach. The idea is to look at the lifespan of major purchases such as CT and MRI scanners and give the individuals that made those investments more time to recover their costs. The amendment provides a sliding scale such that a \$5 million investment gives an extra year after the effective date of the bill; a \$7.5 million investment gives three years; a \$10 million investment gives five years; and a \$15 million investment gives an extra seven years. DHSS may make modifications to a certificate of need on or after July 1, 2031. He noted that the bill already prevents additional certificates of need after the effective date. The amendment provides the same accommodation for individuals that have the foregoing levels of investment.

[2:28:25 PM](#)

CHAIR COSTELLO asked if other states have a stair-step out of the Certificate of Need (CON) program.

SENATOR MICCICHE replied he did not research what other states have done. His office worked with an independent group that contacted national experts. He noted somebody in Alaska wants to help existing entities that have a CON recover their costs and this was the suggestion that was put forward.

[2:29:17 PM](#)

CHAIR COSTELLO removed her objection. Finding no further objection, Amendment 1 was adopted.

CHAIR COSTELLO asked the sponsor if he had any comments on the bill or the amendment.

[2:29:44 PM](#)

SENATOR DAVID WILSON, Alaska State Legislature, Juneau, Alaska, sponsor of SB 26, explained that in many states, CON laws and regulations were suspended during the COVID-19 pandemic. This has allowed health care professionals flexibility to construct facilities, expand beds, and provide critical care services. He noted that in Alaska these rules and regulations were suspended through the Governor's emergency orders and the expanded powers of the commissioner of the Department of Health and Social Services (DHSS).

SENATOR D. WILSON said his office provided more than four decades of data to show that CON laws have not stemmed costs or improved quality or outcomes. It has been shown that well-functioning health care markets improve access to quality outcomes and stimulate innovations from new entrants that can help lower costs of health care services for consumers.

SENATOR D. WILSON offered his belief that repealing Alaska Certificate of Need laws would benefit Alaskan consumers.

CHAIR COSTELLO asked for a brief explanation of how the certificate of need program, which the bill repeals, currently works.

SENATOR WILSON explained that the Certificate of Need law is a regulatory process whereby health care facilities in certain areas are not allowed access if a dollar threshold of a facility, certain equipment, whether it is physician owned or Native tribe owned, are waived from going through this regulatory process. It is a lengthy and expensive process to allow new entrants to the health care market if they exceed certain thresholds. It is a type of limited entry.

[2:32:35 PM](#)

GARY ZEPP, Staff, Senator David Wilson, Alaska State Legislature, Juneau, Alaska, added that for health care facilities and services in Alaska, the government must approve expansions. SB 26 would repeal that process, which is what about one-third of people in the country enjoy. About 130 million Americans live without certificate of need and the health care markets in those areas function better than in Alaska.

SENATOR REVAK observed that the bill has a finance referral.

[2:33:42 PM](#)

SENATOR REVAK moved to report SB 26, work order 32-LS0232\B, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and CSSB 26(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:34:20 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:34 p.m.