

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 19, 2023

1:35 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Elvi Gray-Jackson  
Senator Forrest Dunbar

**MEMBERS ABSENT**

Senator Click Bishop, Vice Chair  
Senator Kelly Merrick

**COMMITTEE CALENDAR**

SENATE BILL NO. 45

"An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

- MOVED CSSB 45(L&C) OUT OF COMMITTEE

SENATE BILL NO. 85

"An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends; and providing for an effective date."

- MOVED CSSB 85(L&C) OUT OF COMMITTEE

SENATE BILL NO. 126

"An Act relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; relating to architects, engineers, land surveyors, and landscape architects; and providing for an effective date."

- MOVED SB 126 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 45

SHORT TITLE: DIRECT HEALTH AGREEMENT: NOT INSURANCE

SPONSOR(S): SENATOR(S) WILSON

01/25/23           (S)           READ THE FIRST TIME - REFERRALS

01/25/23 (S) HSS, L&C  
 02/07/23 (S) HSS AT 3:30 PM BUTROVICH 205  
 02/07/23 (S) Heard & Held  
 02/07/23 (S) MINUTE(HSS)  
 02/09/23 (S) HSS AT 3:30 PM BUTROVICH 205  
 02/09/23 (S) Heard & Held  
 02/09/23 (S) MINUTE(HSS)  
 02/21/23 (S) HSS AT 3:30 PM BUTROVICH 205  
 02/21/23 (S) Scheduled but Not Heard  
 02/23/23 (S) HSS AT 3:30 PM BUTROVICH 205  
 02/23/23 (S) Moved CSSB 45(HSS) Out of Committee  
 02/23/23 (S) MINUTE(HSS)  
 02/24/23 (S) HSS RPT CS 1DP 4NR SAME TITLE  
 02/24/23 (S) DP: WILSON  
 02/24/23 (S) NR: TOBIN, KAUFMAN, GIESSEL, DUNBAR  
 03/27/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 03/27/23 (S) Heard & Held  
 03/27/23 (S) MINUTE(L&C)  
 04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/05/23 (S) Heard & Held  
 04/05/23 (S) MINUTE(L&C)  
 04/19/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**BILL: SB 85**

SHORT TITLE: PERM FUND; EMPLOYMENT; ELIGIBILITY  
 SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/24/23 (S) READ THE FIRST TIME - REFERRALS  
 02/24/23 (S) L&C, FIN  
 04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/05/23 (S) Heard & Held  
 04/05/23 (S) MINUTE(L&C)  
 04/19/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**BILL: SB 126**

SHORT TITLE: ARCHITECT/ENGINEER REGISTRATION BOARD  
 SPONSOR(s): LABOR & COMMERCE

04/11/23 (S) READ THE FIRST TIME - REFERRALS  
 04/11/23 (S) L&C, FIN  
 04/12/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/12/23 (S) Heard & Held  
 04/12/23 (S) MINUTE(L&C)  
 04/19/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

JASMINE MARTIN, Staff  
Senator David Wilson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave a recap of SB 45.

KONRAD JACKSON, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented an explanation of changes from version U to version R for SB 45.

COREY BIGELOW, Operations Manager  
Permanent Fund Dividend (PFD) Division  
Department of Revenue (DOR)  
Juneau, Alaska

**POSITION STATEMENT:** Gave a recap of SB 85 and answered questions.

KONRAD JACKSON, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Explained the changes Amendment 1 makes to SB 85.

KIM LANE, Eligibility Manager  
Permanent Fund Dividend (PFD) Division  
Department of Revenue (DOR)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions on SB 85.

LAURA ACHEE, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave a recap of SB 126.

#### **ACTION NARRATIVE**

1:35:10 PM

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:35 p.m. Present at the call to order were Senators Gray-Jackson, Dunbar and Chair Bjorkman.

**SB 45-DIRECT HEALTH AGREEMENT: NOT INSURANCE**

[1:36:06 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 45 "An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

He stated that this is the third hearing of this bill and Jasmine Martin would give a recap.

[1:36:36 PM](#)

JASMINE MARTIN, Staff, Senator David Wilson, Alaska State Legislature, Juneau, Alaska, gave a recap of SB 45. She stated that this bill would allow healthcare providers and their patients to enter into direct healthcare agreements and clarify that these do not lie within the state insurance bounds.

CHAIR BJORKMAN solicited a motion to adopt the proposed committee substitute for SB 45.

[1:37:17 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 45, work order 33-LS0211\R, as the working document.

CHAIR BJORKMAN objected for the purpose of discussion.

[1:37:47 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented an explanation of changes from version U to version R of SB 45. He stated that the first change is in the title, relating to the duties of the director of the Division of Insurance in the Department of Commerce, Community and Economic Development (DCCED). An addition on line 4 provides for an effective date. Another addition regarding healthcare services provided under a direct healthcare agreement reads as, "care provided by a primary care provider to that patient", along with additional language in the bill that specifies the definition relating to the primary care physician. The next change on page 4, is the deletion of a section from line 19 to line 22, removing the portion of the bill that would exempt this by regulation of the Division of Insurance. An insertion puts this clearly under the direction of the Division of Insurance and includes language that provides for penalties. Language has been added that requires physicians licensed under AS 08.64 who established residency in the state. Language defining a primary care provider has been added to paragraph 10.

On the last page there are three new sections. One section is transition language to allow the director of the Division of Insurance to begin drafting regulations. The remaining sections are effective date clauses.

CHAIR BJORKMAN removed his objection. Finding no further objections, CSSB 45, work order 33-LS0211\R, was adopted as the working document.

CHAIR BJORKMAN said the committee received three amendments for consideration. The amendments were drafted to the previous version U of the bill, CSSB 45(HSS), rather than CSSB 45, work order 33-LS0211/R. The committee will consider the amendments as conceptual amendments, and grants Legislative Legal the authority to make conforming changes to the bill for any conceptual amendment the committee adopts.

[1:42:21 PM](#)

SENATOR DUNBAR moved to conceptually adopt Amendment 1, work order 33-LS0211\U.1, for SB 45.

33-LS0211\U.1  
Marx  
3/28/23

#### **AMENDMENT 1**

OFFERED IN THE SENATE  
TO: CSSB 45(HSS)

BY SENATOR DUNBAR

Page 3, line 29:  
Delete "or (g)"

CHAIR BJORKMAN objected for the purpose of discussion.

SENATOR DUNBAR explained that Amendment 1 deletes subsection (g).

[1:43:51 PM](#)

CHAIR BJORKMAN removed his objection; he found no further objection and Amendment 1 was adopted.

[1:44:08 PM](#)

SENATOR DUNBAR did not offer Amendment 2.

SENATOR DUNBAR moved to conceptually adopt Amendment 3, work order 33-LS0211\U.6, for CSSB 45.

33-LS0211\U.6  
Wallace  
4/6/23

**AMENDMENT 3**

OFFERED IN THE SENATE BY SENATOR DUNBAR  
TO: CSSB 45 (HSS)

Page 2, following line 24:

Insert a new subsection to read:

"(c) The amount of the periodic fee may not be based solely on the patient's health status or sex."

Reletter the following subsections accordingly.

Page 3, line 29:

Delete "(c) or (g)"  
Insert "(d) or (h)"

Page 3, line 31:

Delete "(f) or (g)"  
Insert "(g) or (h)"

Page 6, line 24:

Delete "AS 21.03.025(n)"  
Insert "AS 21.03.025(o)"

Page 6, line 25:

Delete "AS 21.03.025(n)"  
Insert "AS 21.03.025(o)"

Page 6, line 27:

Delete "AS 21.03.025(n)"  
Insert "AS 21.03.025(o)"

CHAIR BJORKMAN objected for purposes of discussion.

SENATOR DUNBAR explained that Amendment 3 inserts a new subsection that reads "The amount of the periodic fee may not be based solely on the patient's health status or sex." This subsection is intended to prevent gender discrimination in fees. The remaining amendment contains conforming changes.

[1:45:00 PM](#)

CHAIR BJORKMAN removed his objection.

[1:45:07 PM](#)

SENATOR GRAY-JACKSON sought clarification that Amendment 3 pertains to health status as well as sex.

SENATOR DUNBAR answered yes. He clarified that the page and line numbers in Amendment 3 do not match version \R of the bill, noting that Legislative Legal will make conforming changes in the final version of the bill.

[1:46:03 PM](#)

CHAIR BJORKMAN removed his objection; he found no further objection and Amendment 3 was adopted.

CHAIR BJORKMAN sought the will of the committee.

[1:46:30 PM](#)

SENATOR GRAY-JACKSON moved to report CSSB 45, work order 33-LS0211\R, as amended, from committee with individual recommendations and attached fiscal note(s). She further moved that the committee grant Legislative Legal authorization to make conforming changes.

[1:46:57 PM](#)

CHAIR BJORKMAN found no objection and CSSB 45(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[1:47:11 PM](#)

At ease.

**SB 85-PERM FUND; EMPLOYMENT; ELIGIBILITY**

[1:50:13 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 85 "An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends; and providing for an effective date."

He stated that this is the second hearing of this bill. It is the chair's intention to finish hearing public testimony, then look to the will of the committee regarding an amendment.

[1:50:59 PM](#)

COREY BIGELOW, Operations Manager, Permanent Fund Dividend (PFD) Division, Department of Revenue (DOR), Juneau, Alaska, gave a recap of SB 85, stating it does four things. The first section adds statutory authority for the PFD division to conduct background checks on its employees and provides statutory authority for the Department of Public Safety (DPS) to conduct those background checks for the division. The second section would allow mariners attending qualified vocational programs to qualify for an allowable absence. The next section adds a new subsection to AS 43.23.008 to define the term "education on a fulltime basis" for the purpose of calculating allowable absences. Lastly it allows the division the use of electronic notice of levy, which would streamline communication and save on postage costs.

[1:53:11 PM](#)

CHAIR BJORKMAN opened public testimony on SB 85; finding none, he closed public testimony. He sought a motion to adopt the amendment in the bill packets.

[1:53:45 PM](#)

SENATOR GRAY-JACKSON moved to adopt Amendment 1, work order 33-GS1337\A.1, for SB 85 on behalf of Senator Bjorkman.

33-GS1337\A.1  
Nauman  
4/7/23

**AMENDMENT 1**

OFFERED IN THE SENATE BY SENATOR BJORKMAN  
TO: SB 85

Page 5, line 31, following "claimed":  
Insert "(i)"

Page 6, line 1, following "subsection;":  
Insert "or

(ii) under (5)  
of this subsection if the individual  
is not claiming an absence under (1) -  
(4) or (6) - (16) of this subsection;"

[1:54:10 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, gave a brief explanation of Amendment 1 to SB 85.

[1:55:19 PM](#)

CHAIR BJORKMAN sought clarification that under current law someone can be gone for any reason for up to 180 days and still receive their permanent fund dividend.

MR. JACKSON directed the question to the Permanent Fund Dividend Division.

[1:56:23 PM](#)

KIM LANE, Eligibility Manager, Permanent Fund Dividend (PFD) Division, Department of Revenue (DOR), Juneau, Alaska, answered that someone can be gone for 180 days.

[1:56:57 PM](#)

CHAIR BJORKMAN asked whether the current limit for purposes of medical treatment was 45 days.

MS. LANE responded that the allowable absence is verified and can be for as many days as necessary. She explained that if the cumulative absence exceeds a medical absence of 45 days, such as 50 days of vacation time, the additional time would need to be accounted for and verified.

[1:58:08 PM](#)

SENATOR GRAY-JACKSON sought clarification that 45 days of medical leave, followed by 50 days of vacation days would still qualify for the PFD.

MS. LANE answered yes, that would still be under 180 days and explained further. She said that a resident can be out of state for 45 days for medical purposes, and additionally another 180 days.

SENATOR GRAY-JACKSON said she would like to discuss this offline to further understand.

MR. JACKSON clarified that he was talking about allowed absences. He said that if a resident who would normally qualify for the PFD went on vacation out of state for 50 days and upon returning needed to take time for unforeseen medical circumstances, they would now be disqualified.

[2:00:21 PM](#)

SENATOR DUNBAR asked whether the administration's position is that this amendment would make a change to the existing statute or if the division is stating what the law currently is.

MS. LANE replied that Amendment 1 is not changing the allowable absence. The amendment changes the duration of an allowable absence in addition to continuous medical treatment.

SENATOR DUNBAR sought clarification that Amendment 1 makes a meaningful change by increasing the number of allowable absent days.

MS. LANE responded that Amendment 1 does not change the allowable absence period, rather the amount of time spent outside the state in addition to the allowable absence period.

[2:02:05 PM](#)

CHAIR BJORKMAN sought confirmation that Amendment 1 allows a person to have an excused medical absence over and above 180 days, which is currently the maximum number of days allowed.

MS. LANE asked Senator Bjorkman to repeat the question.

CHAIR BJORKMAN repeated that Amendment 1 allows for a 45-day absence on top of the 180-day absence currently allowed.

MS. LANE replied that Amendment 1 is extending how much time in addition an individual can be out of the state.

MR. BIGELOW said it is a difficult concept to explain. Amendment 1 refers to the days in addition to the allowable absence. He offered a supposition to explain the amendment. Suppose an individual went on vacation for a duration longer than the current allowable absence and then returned to Alaska. The individual was later required to seek medical treatment out-of-state. Amendment 1 would extend the initial 45 days to 180 days. That is the "in addition to" that would add to.

[2:04:22 PM](#)

CHAIR BJORKMAN found no further objection and Amendment 1 was adopted.

[2:04:42 PM](#)

SENATOR DUNBAR sought clarification that if someone was gone for 180 days and did not have a medical emergency, they would still qualify for the PFD.

[2:05:16 PM](#)

MR. BIGELOW answered that is true.

[2:05:41 PM](#)

SENATOR GRAY-JACKSON moved to report SB 85, work order 33-GS1337\A, as amended, from committee with individual recommendations and attached fiscal note(s).

[2:06:00 PM](#)

CHAIR BJORKMAN found no objection and CSSB 85(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:06:16 PM](#)

At ease.

**SB 126-ARCHITECT/ENGINEER REGISTRATION BOARD**

[2:07:41 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 126 "An Act relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; relating to architects, engineers, land surveyors, and landscape architects; and providing for an effective date."

He stated that this is the second hearing of this bill and Laura Achee would provide a recap of the bill.

[2:08:16 PM](#)

LAURA ACHEE, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, gave a recap of SB 126 stating that it is essentially a straightforward, revisor's bill incorporating newer industry terminology.

[2:09:37 PM](#)

CHAIR BJORKMAN opened public testimony on SB 126; finding none, he closed public testimony.

[2:11:21 PM](#)

SENATOR GRAY-JACKSON moved to report SB 126, work order 33-LS0367\R, from committee with individual recommendations and attached fiscal note(s).

[2:11:40 PM](#)

CHAIR BJORKMAN found no objection and SB 126 was reported from the Senate Labor and Commerce Standing Committee.

[2:12:07 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:12 p.m.