

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

March 31, 2025

3:18 p.m.

**MEMBERS PRESENT**

Representative Zack Fields, Co-Chair  
Representative Carolyn Hall, Co-Chair  
Representative Ashley Carrick  
Representative Robyn Niayuq Burke  
Representative Julie Coulombe  
Representative David Nelson

**MEMBERS ABSENT**

Representative Dan Saddler

**COMMITTEE CALENDAR**

HOUSE BILL NO. 70

"An Act relating to emergency medical services for operational canines; relating to the powers, duties, and liability of emergency medical technicians and mobile intensive care paramedics; relating to the practice of veterinary medicine; and providing for an effective date."

- HEARD & HELD

CS FOR SENATE BILL NO. 80 (FIN)

"An Act extending the termination date of the Big Game Commercial Services Board; extending the termination date of the Board of Massage Therapists; extending the termination date of the Alaska Commission on Aging; extending the termination date of the Marijuana Control Board; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 149

"An Act relating to pharmacy benefits managers; relating to third-party administrators; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 50

"An Act relating to snow classics."

- MOVED HB 50 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 70

SHORT TITLE: EMERGENCY MED SVCS; OPERATIONAL CANINES

SPONSOR(s): REPRESENTATIVE(s) SCHRAGE

01/27/25	(H)	READ THE FIRST TIME - REFERRALS
01/27/25	(H)	HSS, L&C
02/18/25	(H)	HSS AT 3:15 PM DAVIS 106
02/18/25	(H)	Heard & Held
02/18/25	(H)	MINUTE(HSS)
03/13/25	(H)	HSS AT 3:15 PM DAVIS 106
03/13/25	(H)	Heard & Held
03/13/25	(H)	MINUTE(HSS)
03/20/25	(H)	HSS AT 3:15 PM DAVIS 106
03/20/25	(H)	Moved CSHB 70(HSS) Out of Committee
03/20/25	(H)	MINUTE(HSS)
03/21/25	(H)	HSS RPT CS(HSS) 2DP 2DNP 2NR
03/21/25	(H)	DP: FIELDS, MEARS
03/21/25	(H)	DNP: PRAX, SCHWANKE
03/21/25	(H)	NR: RUFFRIDGE, MINA
03/31/25	(H)	L&C AT 3:15 PM BARNES 124

BILL: SB 80

SHORT TITLE: EXTEND BOARDS

SPONSOR(s): LABOR & COMMERCE

01/31/25	(S)	READ THE FIRST TIME - REFERRALS
01/31/25	(S)	L&C
02/07/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/07/25	(S)	Heard & Held
02/07/25	(S)	MINUTE(L&C)
02/12/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/12/25	(S)	Moved SB 80 Out of Committee
02/12/25	(S)	MINUTE(L&C)
02/14/25	(S)	L&C RPT 2DP 2NR
02/14/25	(S)	DP: BJORKMAN, GRAY-JACKSON
02/14/25	(S)	NR: MERRICK, YUNDT
02/14/25	(S)	FIN REFERRAL ADDED
03/06/25	(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/06/25	(S)	Heard & Held
03/06/25	(S)	MINUTE(FIN)
03/10/25	(S)	FIN AT 9:00 AM SENATE FINANCE 532

03/10/25 (S) Moved CSSB 80 (FIN) Out of Committee  
03/10/25 (S) MINUTE (FIN)  
03/12/25 (S) FIN RPT CS 5DP NEW TITLE  
03/12/25 (S) DP: HOFFMAN, KAUFMAN, CRONK, MERRICK,  
KIEHL  
03/24/25 (S) TRANSMITTED TO (H)  
03/24/25 (S) VERSION: CSSB 80 (FIN)  
03/26/25 (H) READ THE FIRST TIME - REFERRALS  
03/26/25 (H) L&C, FIN  
03/31/25 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 149

SHORT TITLE: PHARMACY BENEFITS MANAGER; 3RD PARTY ADMIN  
SPONSOR(s): LABOR & COMMERCE

03/21/25 (H) READ THE FIRST TIME - REFERRALS  
03/21/25 (H) L&C, HSS  
03/26/25 (H) L&C AT 3:15 PM BARNES 124  
03/26/25 (H) <Bill Hearing Canceled>  
03/31/25 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 50

SHORT TITLE: SNOW CLASSICS  
SPONSOR(s): HANNAN

01/22/25 (H) READ THE FIRST TIME - REFERRALS  
01/22/25 (H) CRA, L&C  
03/11/25 (H) CRA AT 8:00 AM BARNES 124  
03/11/25 (H) Heard & Held  
03/11/25 (H) MINUTE (CRA)  
03/13/25 (H) CRA AT 8:00 AM BARNES 124  
03/13/25 (H) Heard & Held  
03/13/25 (H) MINUTE (CRA)  
03/18/25 (H) CRA AT 8:00 AM BARNES 124  
03/18/25 (H) Moved HB 50 Out of Committee  
03/18/25 (H) MINUTE (CRA)  
03/21/25 (H) CRA RPT 6DP  
03/21/25 (H) DP: PRAX, HOLLAND, RUFFRIDGE, HALL,  
HIMSCHOOT, MEARS  
03/26/25 (H) L&C AT 3:15 PM BARNES 124  
03/26/25 (H) Heard & Held  
03/26/25 (H) MINUTE (L&C)  
03/31/25 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

JEREMY HOUSTON, Staff

Representative Calvin Schrage  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 70 on behalf of Representative Schrage, prime sponsor.

BRIAN WEBB, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 70.

JANICE BAKER, DVM, Director & Lead Veterinarian  
Veterinary Tactical Group  
Vass, North Carolina

**POSITION STATEMENT:** Gave invited testimony in support of HB 70.

SENATOR JESSE BJORKMAN  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented SB 80.

KRIS CURTIS, Legislative Auditor  
Legislative Finance Division  
Legislative Agencies and Offices  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on SB 80, gave invited testimony to report on a series of audits.

ANNETTA ATWELL, Chair  
Board of Massage Therapists  
Fairbanks, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on SB 80.

BAILEY STUART, Chair  
Marijuana Control Board  
Wasilla, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on SB 80.

KEVIN RICHARD, Director  
Alcohol and Marijuana Control Office  
Anchorage, Alaska

**POSITION STATEMENT:** Available for questions during the hearing on SB 80.

REPRESENTATIVE ZACK FIELDS

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 149, sponsored by the House Labor & Commerce Standing Committee, on which Representative Fields served as co-chair.

EVAN ANDERSON, Staff  
Representative Zack Fields  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave an overview of the sectional analysis for HB 149 on behalf of the bill sponsor, the House Labor and Commerce Standing Committee, on which Representative Fields serves as co-chair.

HEATHER CARPENTER, Deputy Director  
Division of Insurance  
Department of Commerce, Community & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 149.

#### **ACTION NARRATIVE**

[3:18:48 PM](#)

**CO-CHAIR CAROLYN HALL** called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Fields, Carrick, Burke, Nelson, and Hall were present at the call to order. Representatives Coulombe arrived as the meeting was in progress.

#### **HB 70-EMERGENCY MED SVCS; OPERATIONAL CANINES**

[3:20:22 PM](#)

CO-CHAIR HALL announced that the first order of business would be HOUSE BILL NO. 70, "An Act relating to emergency medical services for operational canines; relating to the powers, duties, and liability of emergency medical technicians and mobile intensive care paramedics; relating to the practice of veterinary medicine; and providing for an effective date." [Before the committee was CSHB 70(HSS).]

[3:20:52 PM](#)

JEREMY HOUSTON, Staff, Representative Calvin Schrage, Alaska State Legislature, on behalf of Representative Shrage, prime sponsor, presented HB 70 via PowerPoint [hard copy included in the committee file]. He began on slide 2, which read as follows [original punctuation provided]:

Alaska currently lacks statutory authority for emergency medical personnel to care for operational canines.

EMS personnel already have the medications and equipment needed to provide this care.

Operational canines have been essential to many successful government and search and rescue operations.

Passing this bill would allow EMS personnel to provide critical care to their canine colleagues.

MR. HOUSTON gave an overview of Sections 1 and 2 of CSHB 70(HSS), as shown on slide 3, which read as follows [original punctuation provided]:

Section 1 authorizes EMTs and paramedics to provide medical care and transport to operational canines without from (sic) risk of prosecution.

Section 2 permits EMTs and paramedics to enter private property when caring for an operational canine.

MR. HOUSTON noted that Section 1 would be authorized under Section 7 of CSHB 70(HSS) and Alaska Statute (AS) 18.08.093. He noted that Section 2 applies only in the event of a serious illness or injury of an operational canine.

MR. HOUSTON gave an overview of Section 3 and 4 of CSHB 70(HSS), shown on slide 4, which read as follows [original punctuation provided]:

Section 3 directs the Department of Health to set requirements prior to authorizing a licensed EMT or paramedic to provide emergency medical services to an operational canine.

Section 4 extends civil liability protection to providers, or directors of providers, who care for operational canines.

MR. HOUSTON explained that protocols would be written by the medical director [of the Department of Health] in consultation with a licensed veterinarian. He further noted that Section 4 applies only if the operational canine is in immediate danger, seriously harmed, or at-risk of death.

MR. HOUSTON gave an overview of Sections 5 and 6 of CSHB 70(HSS), shown on slide 5, which read as follows [original punctuation provided]:

Section 5 removes language preventing the release of medical records to EMTs and paramedics unless necessary for evaluating their performance.

Section 6 reinserts the removed language and adds a subsection to protect operational canines' medical records.

MR. HOUSTON moved to slide 6, an overview of Section 7 of CSHB 70(HSS), which read as follows [original punctuation provided]:

Subsection (a) sets specific training and authorization requirements for EMTs and paramedics to provide care to an operational canine.

Subsection (b) sets requirements for transporting and administering drugs to operational canines.

MR. HOUSTON moved to slide 7, an overview of Sections 8, 9, and 10 of the proposed legislation, which read as follows [original punctuation provided]:

Section [8] sets requirements for telehealth encounters with operational canines.

Section [9] defines operational canine and veterinarian under AS 18.08

Section [10] sets an effective date of January 1, 2026.

MR. HOUSTON moved to slide 8, closing remarks, which read as follows [original punctuation provided]:

Currently, emergency medical services personnel are not allowed to apply life-saving point of injury care to operational canines.

Alaska's EMS professionals already possess the equipment and medications needed to care for operational canines.

The passage of this bill would allow EMS personnel to provide life-saving care and transport for injured operational canines.

[3:26:23 PM](#)

BRIAN WEBB, representing self, stated that he had 46 years of experience as a paramedic. Additionally, he stated that he had provided care for operational canines during his long career. He stated that operational canines face gunshot wounds, stabbings, and dangerous environmental conditions. He referred to Rico, a canine who was shot in Wasilla, Alaska, in 2017 and consequently bled to death. Mr. Webb noted that emergency medical service (EMS) personnel were available on the scene but were legally barred from providing medical care. He stated that CSHB 70(HSS) would prevent situations like Rico's from happening again by allowing EMS to provide life-saving stabilization care to operational canines. He addressed the concern that the proposed legislation would blur the line between EMS and veterinary medicine, stating that CSHB 70(HSS) strictly limits EMS care to pre-hospital trauma stabilization, mandates immediate transport to veterinary facilities and direct oversight by EMS medical directors and licensed veterinarians. He stressed that the proposed legislation was not mandatory, noting that only EMS that support law enforcement or search and rescue operations would opt in. He asserted that EMS personnel are already experienced with extreme variation in patients, noting that there are large differences between neonate and geriatric care. He stated that the implementation of the proposed legislation was multi-phased. He stressed that CSHB 70(HSS) was particularly important in Alaska, given the long transport times in rural areas of the state. He noted that CSHB 70(HSS) aligned with successful laws in 13 other states and had support from the National Association of Veterinary EMS (NAVEMS) and several other veterinarians statewide and nationally. He stated that EMS operational canine care was supported by peer-

reviewed veterinary medical journals. He further stated that both the Board of Veterinary Examiners and the [Alaska] State Medical Board were consulted prior to the introduction of the bill. He concluded by asserting that CSHB 70(HSS) would save lives with proper oversight, training, and defined protocols and urged the committee to pass the proposed legislation.

[3:32:07 PM](#)

JANICE BAKER, DVM, Director & Lead Veterinarian, Veterinary Tactical Group, began her invited testimony by reporting that in late 2007, the United States (U.S.) lost five dogs related to combat-related injuries in Iraq and Afghanistan. She stated that she had 22 years of experience in the military, noting that for approximately half of that time, she provided medical care for canines. She provided an anecdote about performing a successful procedure on an operational canine while in the field that saved the canine's life, which would have otherwise passed on the two-hour flight to the nearest combat veterinarian. She identified five basic differences in anatomy and physiology between humans and canines that medics needed to learn, including landmarks for intravenous (IV) placement, and airway conditioning for advanced airway placement. She said the "understanding that that point-of-injury treatment, or pre-hospital treatment, is essential to the dog's survival" is well-accepted by the working dog community. She also cited guidelines for treatment of dogs by medics published by the Journal of Veterinary Emergency Critical Care, the Military Medicine Journal, and the Journal of Specialized Emergency Medicine which, she argued, demonstrated their endorsement. She additionally cited a study of gunshot wounds in military working dogs, which showed that dogs treated by medics before receiving veterinary care not only ultimately survive their injuries, but in that particular study, 100 percent of the surviving dogs eventually returned to full duty. She concluded by offering strong support for CSHB 70(HSS), as long as it was within the scope of care legally provided to humans.

[3:36:27 PM](#)

REPRESENTATIVE CARRICK asked the reason for not including non-operational canines, like personal pets injured in a car accident, for example. She offered appreciation for the proposed legislation.

[3:37:10 PM](#)

MR. HOUSTON responded that he would get back to the committee. He noted that since CSHB 70(HSS) had been drafted, it has been a conversation.

[3:37:50 PM](#)

REPRESENTATIVE CARRICK commented that the lack of inclusion of personal pets seemed like a "huge gap."

[3:38:22 PM](#)

CO-CHAIR HALL announced that CSHB 70(HSS) was held over.

[3:38:43 PM](#)

The committee took an at-ease from 3:38 p.m. to 3:42 p.m.

### **SB 80-EXTEND BOARDS**

[3:42:35 PM](#)

CO-CHAIR HALL announced that the next order of business would be CS FOR SENATE BILL NO. 80(FIN), "An Act extending the termination date of the Big Game Commercial Services Board; extending the termination date of the Board of Massage Therapists; extending the termination date of the Alaska Commission on Aging; extending the termination date of the Marijuana Control Board; and providing for an effective date."

[3:43:51 PM](#)

SENATOR JESSE BJORKMAN, Alaska State Legislature, as prime sponsor, presented SB 80 as prime sponsor. He paraphrased the sponsor statement [included in the committee file], which read as follows [original punctuation provided]:

Senate Bill 80 proposes to extend the sunset date of four boards, Board of Massage Therapists, the Marijuana Control Board, Alaska Commission on Aging, and the Big Game Commercial Services Board.

The Board of Massage Therapists is comprised of five members appointed by the Governor. The duties of the Board include examining massage therapist applicants and issuing licenses, adoption of regulations, and establishing standards of professional competence. In the fall of 2023, Division of Legislative Audit

completed a sunset audit report of the Board. In this audit it was determined that overall, the Board has operated in the public's interest by conducting its meetings in an effective manner as well as actively amending regulations to address statutory changes, improving the licensing process, and enhancing public safety.

The Big Game Commercial Services Board is comprised of nine members appointed by the Governor. The duties of the Board are maintaining and writing examinations, generating reports, and licensing functions. Legislative Audit conducted a sunset audit report of the Board in the summer of 2023. The audit concluded that the Board operated in the public's interest by conducting its meetings in an effective manner, supporting statutory changes when deemed necessary, and actively amending regulations.

The Marijuana Control Board is comprised of five members appointed by the Governor and is a regulatory and quasi-judicial board created for the purpose of controlling the cultivation, manufacture, and sale of marijuana in the state. The duties of the Board are to propose and adopt regulations, establish qualifications for licensure, review applications for licensure, order the executive director to issue, renew, suspend, or revoke a license, and hear appeals from the Board Director and from actions of officers and employees charged with enforcing Board statutes and regulations.

The Alaska Commission on Aging is comprised of eleven members that make legislation and regulation recommendations to the governor and legislature to benefit older Alaskans. The duties of the board include helping older Alaskans lead dignified, independent, and useful lives, encouraging the development of municipal commissions and community-oriented programs and services to benefit elder Alaskans, and upon request, the commission assists Alaska Housing Finance Corporation senior housing office for senior housing loan program.

[3:46:05 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, began her invited testimony to report on a series of audits related to SB 80. She explained that the division conducted sunset audits of all four boards mentioned by Senator Bjorkman. She began with the sunset audit on the Marijuana Control Board, stating that the division concluded that it was serving the public's interest and recommended a three-year extension. She explained that the division's recommendation was made in light of a report issued by the Governor's Advisory Task Force on Recreational Marijuana cautioning that there may be significant changes to both the Marijuana Control Board's duties and the Alcohol & Marijuana Control Office (AMCO). She additionally noted that a new information system expected to be implemented by the end of 2023 would significantly change the Marijuana Control Board's license and enforcement processes. She stated that a three-year extension would be timelier to review these significant changes and would additionally align the sunset date of the Marijuana Control Board with AMCO.

MS. CURTIS spoke to three recommendations: AMCO's director should establish procedures to ensure that the marijuana handler permit documentation was "properly maintained," the AMCO director continues to implement a new license and enforcement database, and lastly, the legislature should require marijuana board regulations to be approved by a majority of board members.

MS. CURTIS moved to the second sunset audit on the Board of Massage Therapists, noting that it was serving the public's interest and recommending a six-year extension. Additionally, she recommended that the director of the Division of Corporations, Business and Professional Licensing (DCBPL) create a procedure to ensure that licenses are not approved with a basis on outdated documentation. The division also recommended that the commissioner of the Department of Commerce, Community, and Economic Development (DCCED) "work with policymakers to improve the recruitment and retention of investigators ... and licensing staff." Lastly, she stated that the division recommended an increase in licensing fees.

MS. CURTIS moved to the third sunset audit on the Big Game Services Commercial Board (BGCSB), noting that BGCSB was operating in the public's interest and recommending a six-year extension. She stated that the division had two additional recommendations: the DCBPL director should improve oversight to ensure the procurement and review of required licensed

documentation, and BGCSB should reconsider the necessity of two private landholder board seats in effective regulations.

MS. CURTIS finished with the fourth sunset audit on the Alaska Commission on Aging (ACoA), concluding that ACoA served the public's interest by "helping older Alaskans lead dignified, independent, and useful lives through advocacy, outreach, and education." She further noted that ACoA fulfills a federal requirement for each state to establish a council to advise the state on matters of aging, including developing and administering a state plan. She noted that the division recommended an eight-year extension of ACoA with one recommendation that ACoA's chair ensure that the annual analysis and evaluation report is complete and provided to the legislature and the governor as required by Alaska Statute (AS).

3:50:09 PM

ANNETTA ATWELL, Chair, Board of Massage Therapists, began her invited testimony on SB 80. She explained that the Board of Massage Therapists serves legislative, judicial and executive functions. She explained that the Board of Massage Therapists "creat[es] ... regulations, adapting existing statutes and regulations to keep the State of Alaska updated with the national trends and standards" in adherence to legislative responsibilities. She stated that the Board of Massage Therapists protects stakeholders through the creation or amendment of new or existing laws and regulations that require updates. She further explained that the board "interpret[s] statutes and regulations" when considering questions of licensing, renewal of license, investigations, and questions of qualifications for continuing education to uphold its judicial responsibilities. She explained that the executive functions of the Board of Massage Therapists include ensuring constituents are up to date with the "requirements of their licensure, scope, and practice." She noted that the board applies consequences, when necessary, that are agreed upon by the majority. She noted that the board is financially stable, and that she had been advised during the sunset audit to increase fees to meet the demands of investigative responsibilities and the board's day-to-day operations. She stated that the board was waiting on legislative review and finalization before increasing its fees.

MS. ATWELL spoke to investigations that focused on "bad actors" and those practicing without a license. She noted that the Board of Massage Therapists would be grateful to the legislature if it were to create a bill to take on investigative fees. She

stated that the remaining findings of the audit were concerning Alaska's Division of Corporations, Business and Professional Licensing, noting that the Board of Massage Therapists was awaiting legislation to increase its fees. She thanked the committee for its time.

[3:53:22 PM](#)

The committee took a brief at-ease at 3:53 p.m.

[3:53:33 PM](#)

BAILEY STUART, Chair, Marijuana Control Board, began her invited testimony by stating that the Marijuana Control Board fully supported the recommendations made by the division as proposed under SB 80. She stated that the extension was critical to oversight and stability of the [marijuana] industry. She stated that the [marijuana] industry was facing significant challenges from federal shipping policies to public health and safety concerns in Alaska. Alaska has a prolific illicit market which is a serious threat to the regulated industry. She asserted that Alaska has knowingly shielded illicit operators from prosecution. She stated that the illicit market continues to operate outside of state oversight, avoid taxation, and directly undermine legal businesses. She asserted that this lack of accountability creates an unfair competitive advantage that jeopardizes the "vitality and stability of compliant, legal operators."

MS. STUART stated that despite recent regulatory changes by the Division of Agriculture prohibiting any amount of tetrahydrocannabinol (THC) in hemp products, the "gray market" consisting of unregulated hemp products with THC continues to enter Alaska's marketplace, retail stores, and homes via e-commerce with no enforcement. She reported that during the Board of Marijuana's meeting in February, it heard public testimony detailing the severity of these challenges. She stated that the industry was grappling with these unforeseen markets, as well as navigating complex taxation concerns. She asserted that the extension recommended by SB 80 was critical for the Board of Marijuana to continue its work in addressing these issues. She stated that she would be happy to answer any questions regarding SB 80 and the Board of Marijuana extension.

[3:56:08 PM](#)

KEVIN RICHARD, Director, Alcohol and Marijuana Control Office, stated that he was online to answer questions.

[3:56:46 PM](#)

CO-CHAIR HALL announced that SB 80 was held over.

[3:56:53 PM](#)

The committee took an at-ease from 3:56 p.m. to 3:57 p.m.

**HB 149-PHARMACY BENEFITS MANAGER;3RD PARTY ADMIN**

[3:57:59 PM](#)

CO-CHAIR HALL announced that the next order of business would be HOUSE BILL NO. 149, "An Act relating to pharmacy benefits managers; relating to third-party administrators; and providing for an effective date."

[3:58:32 PM](#)

REPRESENTATIVE ZACK FIELDS, Alaska State Legislature, Presented HB 149, sponsored by the House Labor & Commerce Standing Committee, on which Representative Fields served as co-chair. He said that HB 149 was designed to ensure that the Division of Insurance could implement policies established by House Bill 226, which was legislation passed in 2024 regarding pharmacy benefits managers (PBMs). He stated that HB 149 would require third-party administrators (TPAs) and PBMs to be licensed in Alaska. He noted that the proposed legislation proposes a licensing fee and gives the Division of Insurance regulatory authority. He stated that the proposed legislation is necessary for transparency in PBMs and ensuring affordability and availability of pharmaceuticals, noting that there are a growing number of firms calling themselves TPAs in Alaska.

[3:59:36 PM](#)

EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, gave an overview of the sectional analysis [included in the committee file] for HB 149 on behalf of the bill sponsor, the House Labor and Commerce Standing Committee, on which Representative Fields serves as co-chair. The sectional analysis read as follows [original punctuation provided]:

**Section 1. Amends AS 21.06.120(a): Examination of insurers.**

This section adds pharmacy benefits managers to the list of licensed and formerly licensed groups the affairs of which the director may examine.

**Section 2. Amends AS 21.06.120(d): Examination of insurers.**

This section adds third-party administrators and pharmacy benefits managers to the list of groups in which the director may examine through multi-state participation with the National Association of Insurance Commissioners.

**Section 3. Adds a new subsection to AS 21.06.120: Examination of insurers.**

This section adds a new subsection allowing the director to examine third party administrators or pharmacy benefits managers at any time that the director deems necessary.

**Section 4. Amends AS 21.06.160(a): Examination expense.**

This section removes an exemption for third-party administrators and makes them responsible for paying costs associated with a market conduct examination.

**Section 5. Amends AS 21.27.010(a): License required.**

This section adds Third-Party Administrators and Pharmacy Benefits Managers to the list of people required to be licensed under this chapter to do business in this state.

**Section 6. Amends AS 21.27.010(c): License required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 22.

This section also replaces the statute number with the verbiage "this chapter" since TPA will now be subject to licensing requirements throughout the chapter

**Section 7. Adds a new subsection to AS 21.27.010 License required.**

This section adds a new subsection (l) clarifying third-party administrators and pharmacy benefits managers are also subject to specific licensing requirements under the AS 21.27.630 - 21.27.660 (TPA) and AS 21.27.901 - 21.27.955 (PBM).

**Section 8. Amends AS 21.27.060(d): Examination of applicants and licensees.**

This section exempts a compliance officer for a third-party administrator or pharmacy benefits manager from taking an exam from the division before a license is issued.

**Section 9. Amends AS 21.27.380(b): License renewal, expiration, and reinstatement.**

This section pertains to license expiration and adds third-party administrators and pharmacy benefits managers to the list of entities who may not operate in the state with an expired license.

**Section 10. Amends AS 21.27.630(a): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on lines 24 and 27.

**Section 11. Amends AS 21.27.630(b): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 30.

**Section 12. Amends AS 21.27.630(c): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 2.

This section also replaces the statute number with the verbiage "this chapter" since TPA will now be subject to licensing requirements throughout the chapter.

**Section 13. Amends AS 21.27.630(d): Registration required.**

This section makes conforming changes by replacing the term "registration" with "license" on line 7. This section is about fraudulent use of a name.

**Section 14. Amends AS 21.27.630(e): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 12. This section is about entities must be licensed not the individual.

This section also replaces the verbiage "section" with "chapter" since TPA will now be subject to licensing requirements throughout the chapter.

**Section 15. Amends AS 21.27.630(g): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 18. This section pertains to credit unions banks or other financial institutions.

**Section 16. Amends AS 21.27.630(h): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 24. This section pertains to credit card companies.

**Section 17. Amends AS 21.27.630(i): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 29. This section pertains to ERISA plans which are exempted from licensure.

**Section 18. Amends AS 21.27.630(j): Registration required.**

This section makes conforming changes by replacing the term "registration" with "license" on lines 8 and 9. It also removes duplicative language no longer needed since TPA will be required to be licensed. This section is relating to suspensions and revocations of license.

**Section 19. Amends AS 21.27.630(k): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 12. This section is regarding an exemption for insurers who hold a certificate of authority from the director.

**Section 20. Amends AS 21.27.630(l): Registration required.**

This section makes conforming changes by replacing the term "registered" with "licensed" on lines 15.

Adds the requirement that any entity that meets the qualifications of an exempt TPA file a certification with the director annually on or before February 1st of each year.

**Section 21. Amends AS 21.27.630(m): Registration required.**

This section pertains to exempting employees of third-party administrators from licensing requirements and makes conforming changes by replacing the term "registered" with "licensed" on line 22.

This section also adds language requiring designated compliance officers to be licensed.

**Section 22. Amends AS 21.27.640(a): Third-party administrator qualifications.**

This section makes conforming changes by replacing the term "registration" with "license" on lines 27 and 28. This section relates to untrustworthy and incompetent licensees.

**Section 23. Amends AS 21.27.640(b): Third-party administrator qualifications.**

This section makes conforming changes by replacing the term "registration" with "license" on line 2 and the term "registrant" with "licensee" on lines 3, 23, and

26. This section lists criteria relating to licensee qualifications

**Section 24. Amends AS 21.27.640(d): Third-party administrator qualifications.**

This section makes conforming changes by replacing the term "registrant" with "licensee" on lines 1 and 2, the term "registration" with "license" on line 3. This section pertains to license approval by director.

**Section 25. Amends AS 21.27.650(a): Operating requirements for third-party administrators.**

This section makes conforming changes by replacing the term "registered" with "licensed" on line 9. Removes an exemption for a TPA registered in their home state applying for a non-resident Alaska license. By eliminated the exemption, we are now requiring all TPA who are operating in Alaska to be licensed regardless of their resident state status.

**Section 26. Amends AS 21.27.650(q): Operating requirements for third-party.**

This section makes conforming changes by replacing the term "registration" with "license" on line 17. This section outlines criteria by which a director may revoke a license.

**Section 27. Amends AS 21.27.901: Registration of pharmacy benefits managers; scope of business practice.**

This section makes the following conforming changes:

- Replaces the term "registration" with "license" in the statute title.
- Replaces the term "registered" with "licensed" on page 12, line 30 and page 13, lines 1 and 14.
- Replaces the term "registration" with "license" on page 13, lines 8, 11, and 12.

**Section 28. Adds new sections - AS 21.27.903, 904.**

This section adds 21.27.903 Pharmacy benefits manager qualifications which outlines the following qualifications:

- Disclosures; including information concerning owners, officers, directors and partners, action taken against them by a financial industry regulatory authority (including the government), and criminal prosecution.
- Identified a designated compliance officer.
- A complete application, which includes:
  - o Application fee
  - o Organizational documents, including regulatory documents.

o Contact information for the people responsible for the conduct

of affairs for the pharmacy benefit manager.

o Certified financial documents for the last two years, or for the last year and partial year if the applicant has been in business for less than two years.

This section adds 21.27.904 Pharmacy benefit manager required notifications.

Outlines that PBMs must notify the director of the following:

- Change of information i.e. place of business, email, address, telephone number.
- Change in compliance officer and contact information.
- Any administrative action taken against the licensee.
- Conviction of misdemeanor or felony.

Failure to provide the above information may result in denial, revocation or suspension of license.

**Section 29. Amends AS 21.27.905: Renewal of registration.**

This section makes the following conforming changes:

- Replaces the term "registration" with "license" in the statute title.
- Replaces the term "registration" with "license" on lines 24 and 26.

Regarding procedures for biennial renewal of license, and renewal fees established by the director that are self-supporting for the division.

**Section 30. Adds a new subsection to AS 21.27.905: Renewal of registration.**

This section adds a new subsection requiring the licensing fees of pharmacy benefit managers to cover the cost of:

- Salaries and benefits paid to the personnel of the division tasked with enforcement.
- Reasonable technology costs related to the enforcement process of pharmacy benefits manager licensing, including cost of software, hardware and related training for use of said software and hardware.
- Reasonable education and training costs to the division for the enforcing personnel.

**Section 31. Amends AS 21.27.975(15): Definitions.**

This section adds "regardless of ownership of the pharmacy benefits manager" to the definition of pharmacy benefits manager.

**Section 32. Repeals AS 21.27.630(f) :**

**Sec. 21.27.630(f). Registration required.**

This provision is no longer needed because they now must be licensed rather than registered.

**Section 33. Sets an effective date for January 1, 2026.**

[4:02:16 PM](#)

REPRESENTATIVE COULOMBE asked for the difference between a TPA and a PBM.

REPRESENTATIVE FIELDS replied that, functionally, there was not much of a difference between a TPA and a PBM which necessitates the proposed legislation. He deferred to Heather Carpenter.

[4:03:05 PM](#)

HEATHER CARPENTER, Deputy Director, Division of Insurance, Department of Commerce, Community & Economic Development, replied that a PBM, by Alaska Statute (AS), is "a person that contracts with a pharmacy on behalf of an insurer to process claims or pay pharmacies for prescription drugs or medical devices and supplies, or provide network management for pharmacies." She stated that PBMs are likely working with an insurer, and the insurer was responsible for compliance prior to the passage of House Bill 226 from the prior year. She stated that the TPA has been paying claims for a "whole suite of healthcare services." She used Alaska Care health insurance as an example, stating that Aetna is the TPA overseeing that plan.

[4:04:20 PM](#)

REPRESENTATIVE COULOMBE asked if there was a difference between "registered" and "licensed."

[4:04:40 PM](#)

MS. CARPENTER stated that the Division of Insurance, upon the passage of House Bill 226, realized that it did not have the full authority with registration to ensure consumer protection or facilitate market conduct exams in the name of regulating PBMs. She referred to other states in the nation that were moving from registration schemes to licensure schemes for full

transparency. She noted that there has been vertical integration in PBMs and TPAs. She further noted that the change from "registered" to "licensed" would create clarity and less confusion for staff members doing the licensing.

[4:05:35 PM](#)

REPRESENTATIVE COULOMBE asked if there was concern in repealing AS.21.27.630, noting that section was significant.

MS. CARPENTER acknowledged that that section referred to exemptions and was large. She noted that the Division of Insurance was seeing a concerning pattern of entities asking the licensing team for exemption. She stated that the intention was to "clean-up exemptions that were not offering transparency," noting that the exemption outlined under AS.21.27.630 was particularly confusing. She opined that there were many gaps that did not offer transparency in who was performing what service.

MS. CARPENTER reported that in the last year, there were multiple complaints from providers who were not getting paid when Change Health[care] experienced a data breach. She explained that the Division of Insurance could not do anything because Change Healthcare was a TPA that was just registered and qualified for exemptions. She stated that the intention of the repeal was to ensure that "good entities were paying for your healthcare."

REPRESENTATIVE COULOMBE asked for confirmation that the proposed legislation would remove a lot of exemptions.

MS. CARPENTER confirmed that is correct.

[4:07:43 PM](#)

CO-CHAIR HALL announced that HB 149 was held over.

### **HB 50-SNOW CLASSICS**

[4:07:57 PM](#)

CO-CHAIR HALL announced that the final order of business would be HOUSE BILL NO. 50, "An Act relating to snow classics."

[4:08:25 PM](#)

CO-CHAIR HALL opened public testimony on HB 50. After ascertaining that there was no one who wished to testify, she closed public testimony.

CO-CHAIR HALL entertained a motion.

4:09:05 PM

CO-CHAIR FIELDS moved to report HB 50 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 50 was reported out of the House Labor and Commerce Standing Committee.

4:09:31 PM

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:09 p.m.