

**S B**

**1 2 2**

# FISCAL NOTE

No. 1

Bill Version: CS SB 122 (LRC)

(S) Publish Date: 4-9-97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An Act relating to unfair discrimination under a group  
insurance policy for services provided by marital and family therapists  
 Sponsor: Senate L&C  
 Requestor: \_\_\_\_\_

Department: Commerce and Economic Development  
 BRU: Insurance  
 Component: Insurance

COMPONENT SERIAL NO. \_\_\_\_\_ 324

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on the component.

Prepared by: Marianne K. Burke, Director  
 Division: Insurance  
 Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Phone: 465-2515  
 Date: 3-25-97  
 Date: 3/25/97

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
 For further distribution information, call the Governor's Legislative Office

---

cc:Mail for: Tim Benintendi

---

Subject: CS SB 122

▷ Forwarded: Senator Mike Miller at LAA\_SMIL 4/23/97 12:22 PM

To: Benjamin Brown at LAA\_SKEL

To: Tim Benintendi at LAA\_SKEL

---

not sure if you got this or not...might help with the bill that you just got back in committee. mary

---

Subject: CS SB 122

From: rjcook@ptialaska.net ("Richard Cook") at CC2MHS1

Date: 4/22/97 11:44 PM

Dear Senator Miller,

**ACTION REQUESTED**

CS SB 122 is up for a second reading tomorrow and I and the Juneau Dental Society would appreciate it very much if you would consider removing the amendment that claims to clarify the definition of "unfair discrimination" as used in the bill. Dentistry has a concern for this bill because of its much broader implications than the title.

**WHY REMOVE THE AMENDMENT? IT ALLOWS UNFAIR DISCRIMINATION.**

By adopting the "definition of unfair discrimination" amendment to SB 122, the whole character of the bill completely changes from one that promotes patient freedom of choice to one that severely stifles freedom of choice. The amendment allows third party payers to legally apply different, and UNFAIR, standards of payment, standards of required documentation and standards of care to different individual providers. All that any third party has to do is claim that they discriminated for "purposes of utilization review, cost containment, or standards of care." That loophole is so big you can drive a fleet of trucks through it.

**WHY IS UNFAIR DISCRIMINATION BAD?**

Third parties have used and will use this discrimination as a "club" to anyone or any organization who would disagree with any of their dictates or "suggestions". Surely you have read in Time Magazine where the insurance companies are implementing "gag clauses" on all of their PREFERRED PROVIDERS so that the doctors cannot even talk about the best or most reasonable treatments to their own patients. These gag clauses are enforced by severe financial penalties. I would not want my family doctor to be placed in the position that he could not even mention a better or life saving treatment to me or my family because it was not approved by the third party payer as one they wanted to pay for.

**FURTHER IMPLICATIONS OF THE AMENDMENT TO SB 122 (CS SB 122) TO DENTISTRY.** Some of us in dentistry have an "alternative" dental practice. We do not place amalgam restorations. Some insurance carriers do not like that at all. Even without this amendment, third party payers are doing their best to force us to do amalgams. This is done in many different ways. At times we have to submit documentation that would prove a case in court before they will pay for our treatments. It is a hassle but, as it is now, we can live with it. If we were to fall into line and do amalgams instead of composites, gold and porcelains then I am quite sure that most of our documentation problems with them would fade away. We can live with them now. If third party payers are given complete freedom to unfairly discriminate, then the situation would reduce or eliminate the ability of all Alaskans to choose an alternative way of health care.

**I KNOW THAT THE THIRD PARTY PAYERS ARE PLAYING HARDBALL**

---

•I have had a representative of an insurance carrier place a contract on my desk and "suggested" that if I didn't see dental care their way, I would be losing 1/3 or so of my practice. This is not a joke. If the legislature gives third party payers the ability to harm Alaskans by discrimination, I am personally convinced that they plan to use or abuse this loophole to the maximum the law allows.

Thank you for reading my comments.

Richard J. Cook DDS  
President - Juneau Dental Society  
712 West 12th Street  
Juneau, AK 99801  
rjcook@ptialaska.net

# Alaska State Legislature

## Senate



Official Business

State Capitol  
Juneau, AK. 99801-1182

### Labor and Commerce Committee

#### SB 122 Sponsor Statement

Senate Bill 122 was introduced by the Labor and Commerce Committee at the request of the Alaska Association for Marriage and Family Therapy (AAMFT). SB 122 will add marital and family therapists to the list of providers against whom insurers may not discriminate.

This bill does not require insurers to add coverage of marital and family therapists where the coverage currently is not provided. It merely requires that insurers treat marital and family therapists on equal footing with other licensed providers and extend the same opportunities for coverage that the insurer offers others providing the same services. The definition of unfair discrimination is clarified by this bill and codifies existing practice.

Section 1, paragraph 1 adds marital and family therapists to the unfair discrimination list under group health insurance policies with a effective date of July 1, 1997. Paragraph 2 clarifies the definition of unfair discrimination.

Legislation (Section 4, ch. 39, SLA 1993) affecting the unfair discrimination clause was passed in 1993 with an effective date of 1998. Section 2 repeals and reenacts this section to reflect the addition of marital and family therapists and clarifies the definition of unfair discrimination.

AAMFT is a division of the American Association for marriage and Family Therapy, Inc. Marriage and family therapists (MFTs) are a group of mental health professionals with background in a variety of disciplines, including psychology, social work, and family social science. MFTs are licensed or certified in 37 states and are recognized by the U.S. Department of Health and Human Services as one of the five core mental health disciplines in the U.S.



## Human Relations Center

1689 "C" Street  
South Kaloa Bldg., Suite 133  
Anchorage, Alaska 99501  
(907) 272-5500

Michael Weingarten, M.A.