

**SB**

**21**

Out of Session:  
PO Box 531  
Golovin, Alaska 99762  
(907) 443-5599

Alaska State Legislature



In Session:  
State Capitol, Suite 510  
Juneau, Alaska 99801-1182  
(800) 597-3707  
(907) 465-3707  
(907) 465-4821 Fax

SENATOR  
DONALD C. OLSON

DISTRICTS

Alakanuk  
Ambler  
Anaktuvuk Pass  
Atkasuk  
Barrow  
Brevig Mission  
Browerville  
Buckland  
Chevak  
Deering  
Diomedea  
Elim  
Emmonak  
Gambell  
Golovin  
Hopper Bay  
Kaktovik  
Kiana  
Kivalina  
Kobuk  
Kotlik  
Kotzebue  
Koyuk  
Mekoryuk  
Mountain Village  
Newtok  
Nightmute  
Noatak  
Nome  
Noorvik  
Nuiqsut  
Nunam Iqua  
Pitka's Point  
Point Hope  
Point Lay  
Savoonga  
Scammon Bay  
Selawik  
Shaktolik  
Shishmaref  
Shungnak  
St. Mary's  
St. Michael  
Stebbins  
Teller  
Toksook Bay  
Tununak  
Unalakleet  
Wainwright  
Wales  
White Mountain

SPONSOR STATEMENT

SB 21, Fines by the State Medical Board.

I introduced SB 21 to increase the monetary sanction that the State Medical Board may impose on a licensee upon a finding of professional or ethical misconduct. The bill increases the maximum penalty from the \$10,000 limit that is currently in statute to \$25,000.

I feel the justification for SB 21 is twofold. First, I believe that the maximum sanction of \$10,000 does not provide a sufficient monetary deterrent, given the economic status of many licensees. Most often, the severity of the penalty is in no manner equivalent to the damage caused in extreme cases of misconduct. Furthermore, the \$10,000 limit has not been changed since it was first enacted 14 years ago.

A second reason for SB 21 is the increasing costs that the board is experiencing in its caseload management of misconduct allegations. It is not unusual for the costs of a misconduct determination to exceed the \$10,000 penalty limit. Since the activities of the board are wholly supported by licensure fees and fines, increased costs of operation usually translate into license fee increases. SB 21 offers a second way to meet increasing caseload costs. It expands the board's cost recovery ability through increased fines. In practice then, the financial burden for this regulatory activity may be shifted more from the general membership to the wrongdoers themselves.

Currently, the board has 188 cases that are open for potential investigation and adjudication by the Division of Occupational Licensing. During calendar year 2000, 130 new cases were opened and 133 closed. This effort resulted in 35 disciplinary actions against medical board licensees. In fiscal year 2000, the costs of pursuing misconduct charges exceeded \$160,000.

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Nuiqsut  
Nunam Iqua  
Pitka's Point  
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Wales  
White Mountain

February 20, 2001

MEMORANDUM

To: Representative Dyson, Chair  
House HESS Committee

From: Senator Olson

A handwritten signature in black ink, appearing to be "D. Olson", written over the "To:" line of the memorandum.

Re: Hearing request for SB 21, Fines by the State Medical Board.

I would appreciate the scheduling of SB 21 for a HESS committee hearing at your earliest convenience. Attached is my sponsor statement and other information. I believe the medical professions are supportive of this legislation and am unaware of any opposition. If you need further information or have concerns, please call me or my staff.

Thank you for considering this request.

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 21  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 01/19/2001 1:25pm Dept. Affected: DCED  
Title: An Act increasing the maximum civil fine.... BRU: Occupational Licensing  
by the State Medical Board..... Component: Occupational Licensing  
Sponsor: Senator Olson  
Requester: Senate Judiciary Component Number: 2360

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SB 21 increases the amount of civil fine that may be imposed by the State Medical Board as a disciplinary sanction. New funds are not required to implement this change.

*Medical Investigations*

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
Division: Occupational Licensing Date/Time 01/19/2001 1:25pm  
Approved by: Commissioner, Deborah B. Sedwick Date 1/19/2001  
Agency: Dept. of Community and Economic Development

For distribution information, call the Governor's Legislative Office

# Alaska

Tony Knowles, Governor

## Department of Community and Economic Development

### Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occl/](http://www.dced.state.ak.us/occl/)

January 19, 2001

Alaska State Legislature  
State Capitol  
Juneau AK 99811

*At its meeting of January 18, 2001, the Alaska State Medical Board reviewed Senate Bill 21 which would increase the maximum amount of civil fines that could be imposed by the board from \$10,000 to \$25,000. The board voted unanimously to support this bill.*

*The board appreciates the consideration of the members of legislature in this matter and hopes the bill will receive speedy and favorable action.*

*Sarah A. Isto, M.D.*

Sarah A. Isto, MD

Chair

Alaska State Medical Board



# Journal Text



02-13-2001

Senate Journal

0353

SB 21

The Finance Committee considered SENATE BILL NO. 21 "An Act increasing the maximum civil fine that may be imposed by the State Medical Board as a disciplinary sanction" and recommended the adoption of the following Finance Committee Letter of Intent:

### Letter of Intent for SB 21

It is the intent of the Legislature that the size of fines typically imposed for minor, noncompliance infractions remain unaffected by the enactment of SB 21.

It is the intent of the Legislature that the size of fines typically imposed for serious and consequential violations of ethical and professional misconduct be increased.

Signing do pass: Senators Donley, Kelly, Cochairs, Senators Green, Austerman, Hoffman, Olson, Wilken, Leman, Ward.

The following previously published fiscal information applies:  
Fiscal Note No. 1, zero, Department of Community and Economic Development

The bill was referred to the Rules Committee.

*Senate adopted  
2/16/01*

Bill Root:  Display Bill Root

**BASIS HAS BEEN RE-PROGRAMMED THIS YEAR  
TO REPORT PROBLEMS WITH BASIS INQUIRY**

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