

SB

21

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

SENATOR DONALD OLSON

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.

Tony Knowles, Governor

Alaska Department of Community
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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

Letters of Support

"Promoting a healthy economy and strong communities"