

**SB**

**117**


**Senator Hollis French**  
Capitol Room 417  
465-3892  
465-6595 fax



**MEMORANDUM**

**Date:** February 5th, 2008

**To:** Senator Bettye Davis, Chair  
Health, Education and Social Services Committee

**From:** Senator Hollis French 

**RE:** Request for Hearing –  
SB 117 WORKERS' COMP: DISEASE PRESUMPTION

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This is a request that you schedule a hearing on SB 117 "Workers' Comp: Disease Presumption" at the earliest possible date.

I have attached a copy of the bill, a sponsor statement, a sectional and some background information for your use. Please contact Andy in my office at ex. 3892 if you have any questions.

I appreciate your consideration.

**Attachments**

# SENATE COMMITTEE REPORT

DATE: 2/6/08

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 2/18/08

Health, Education and Social Services Committee considered

SENATE BILL NO. 117

## SB 117 V'ORKERS' COMP: DISEASE PRESUMPTION

"An Act relating to the presumption of coverage for a workers' compensation claim for disability as a result of certain diseases for certain occupations."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ ( )
- adopt previous  SCS or  CS SB 117 ( L&C )
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

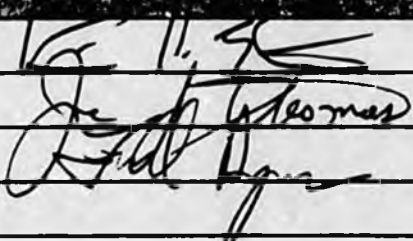

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**


**PREVIOUS FISCAL NOTE(S):**

Labor & Workforce Development Administration	2/1/08		✓		
	2/1/08		✓		

APPROPRIATION - no fiscal note

	Elton Thomas	✓			
CHAIR: 	PRATTS	✓			

# Alaska State Legislature



Senator Hollis French

**Sponsor Statement: Senate Bill 117  
Presumptive Disability for Firefighters**

Each year citizens throughout Alaska rely on professional and volunteer firefighters to come to their assistance in times of emergency. Firefighters work on behalf of us all to save lives and property, often at great personal risk. In doing so, they are often exposed to toxic chemicals such as benzene, carcinogenic substances such as solvents, dyes, soots, and asbestos, and high levels of carbon monoxide or other substances that can affect the heart and lungs.

Senate Bill 117 would create a presumption in the Workers' Compensation program that a firefighter with at least seven years on the job who has passed health screening exams earlier in their careers will be provided with benefits if they contract certain forms of pulmonary or heart disease or cancers, as it will be presumed to be a result of their occupation. This presumption is restricted to diseases known to occur with greater frequency among firefighters, and is also capped so that claims cannot be made after sixty months from the firefighter's last date of employment.

Forty-one states currently provide some form of presumptive coverage for firefighters. Although arguments have been made that this coverage will be prohibitively expensive, the fact is that has not been the case elsewhere. For instance, the State of California has over 30,000 paid firefighters and more than 30,000 volunteers, but the addition of cancer presumptive benefits has had "no impact" on the actuarial assumptions system for its retirement system. Similarly in Illinois, in the six years following provision of cancer presumption to firefighters, claims actually were 8.3% lower than in the six years prior to passage.

Firefighters place their lives at risk on behalf of us all. In return, they should be able to use Worker's Compensation benefits for illnesses they incur as a result of the work they do. I urge you to join me in supporting Senate Bill 117.

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number SB117 DOA RM 4-11-07  
 Bill Version SB 117  
 ( ) Publish Date \_\_\_\_\_

Revision Date/Time (Note if correction) 3/14/2007

Dept. Affected Administration

Title An act relating to presumption of coverage  
for w/c claims for certain occupations

RDU Risk Management

Component Risk Management

Sponsor Senators French, McGuire

Requester Senate Labor and Commerce

Component No 71

**Expenditures/Revenues**

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of any current year (FY2007) cost:

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Risk Management (RM) will be financially impacted by the changes in this legislation. RM administers the self insurance program providing workers' compensation protection for all State employees, including illness claims filed by occupations affected by this legislation.

The self insured workers' compensation claims will realize increased litigation and benefit costs. As the number of reported exposures will vary by year, it is difficult to present accurate projections.

Future Risk Management's workers' compensation assessments to those agencies with employee occupations affected will reflect actual costs incurred as premiums charged each agency are developed from actual claims expenses incurred.

Prepared by J. Brad Thompson, Director

Division Risk Management

Approved by Kevin Brooks, Deputy Commissioner

Agency Department of Administration

Phone 465-5723

Date/Time 4/11/07 8:00 AM

Date 4/11/2007

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note **SB117-DOLWD-WC-04-10-07**

Bill Version **SB 117**

( ) Publish Date \_\_\_\_\_

Revision Date/Time (Note if correction) \_\_\_\_\_

Title **Workers' Comp. Disease Presumption**

Department **Labor and Workforce Development**

RDU **Workers' Compensation**

Component **Workers' Compensation**

Sponsor **Senator French**

Requester **Senate Labor and Commerce**

Component Number **344**

**Expenditures/Revenues**

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2007) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The broadly applicable presumptions included in the bill could result in numerous claims. The seriousness of the covered conditions would involve large amounts of benefits, and those factors coupled with the broad scope of defenses (like heredity and other life exposures) could lead to extensive, complicated hearings.

\* The costs of this proposed legislation cannot be determined in advance as there are no comparable Workers' Compensation Act provisions at present. Increased costs, if any, would consist of additional personnel needed to resolve disputed claims for benefits based upon the new presumptions.

Prepared by **Paul F. Lisankie, Director**

Division **Workers' Compensation**

Phone **465-6059**

Date/Time **4/10/07 12:36 PM**

Approved by **Click Bishop, Commissioner**

Agency **Department of Labor and Workforce Development**

Date **4.10.2007**

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 21, 2007

**SUBJECT:** Sectional summary regarding presumption of disability for certain diseases for firefighters, peace officers, emergency medical, and rescue personnel (SB 117, Work Order No. 25-LS06-11C)

**TO:** Senator Hollis French  
Attn: Andy Moderow

**FROM:** Dennis C. Bailey *DCB*  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

**Section 1.** Creates a rebuttable presumption that a claim for workers' compensation disability made by a firefighter who suffers respiratory diseases, certain cardiovascular events, and certain cancers is within the workers' compensation chapter if certain conditions are met.

Creates a rebuttable presumption that a claim for workers' compensation disability made by a firefighter, peace officer, or emergency and rescue personnel who is an employee of a first responder, rescue service, ambulance service or fire department is within the workers compensation chapter if the claim for disability results from certain contagious diseases and if certain conditions are met.

If I may be of further assistance, please advise.

DCB:lmb  
07/06/07:lmb

**Attachment A**

International Association of Fire Fighters  
"State Presumptive Disability Laws"

## State Presumptive Disability Laws

The following states have presumptive disability laws which recognize that fire fighters are at increased risk for certain illnesses. The laws create a presumption that the specified diseases are job related. Because the laws vary greatly from state to state, readers should review the specific state laws to determine the law's application.

State	Heart Disease	Lung Disease	Cancer	Infectious Diseases
Alabama	✓	✓	✓	✓*
Alaska				
Arizona			✓*	✓*
Arkansas				
California	✓		✓	✓
Colorado	✓	✓		✓
Connecticut	✓			
Delaware				
District of Columbia				
Florida	✓	✓*		✓*
Georgia	✓	✓		
Hawaii	✓	✓		
Idaho	✓	✓		
Illinois	✓	✓	✓	✓*
Indiana	✓	✓	✓	✓*
Iowa	✓	✓		
Kansas	✓	✓	✓	
Kentucky	✓	✓		
Louisiana	✓	✓	✓*	
Maine	✓	✓		✓
Maryland	✓	✓	✓*	
Massachusetts	✓	✓	✓	
Michigan	✓	✓		
Minnesota	✓	✓		
Mississippi	✓	✓		

State	Heart Disease	Lung Disease	Cancer	Infectious Diseases
Missouri	✓	✓		
Montana				
Nebraska			✓	
Nevada	✓	✓	✓	✓*
New Hampshire	✓	✓		
New Jersey		✓		
New Mexico				
New York			✓*	
North Carolina				
North Dakota	✓	✓	✓	✓*
Ohio	✓	✓		
Oklahoma	✓	✓	✓	✓*
Oregon	✓	✓		
Pennsylvania	✓	✓		✓*
Rhode Island		✓	✓	✓
South Carolina	✓	✓		
South Dakota	✓	✓	✓	
Tennessee	✓**	✓**	✓**	
Texas	✓	✓	✓	✓*
Utah	✓	✓		✓*
Vermont	✓*			
Virginia	✓	✓	✓*	✓*
Washington	✓	✓	✓	✓
West Virginia				
Wisconsin	✓	✓	✓*	
Wyoming				

\* Indicate that only specified diseases in these categories are covered

\*\* Applies only to certain localities

# Alaska Professional Fire Fighters Association

## LEGISLATIVE FACT SHEET

April 2, 2007

### SB 117

## FIRE FIGHTER PRESUMPTIVE DISABILITY LAW

### BACKGROUND

Fire fighters serve as the state's leading provider of emergency medical services, exposing them to infectious diseases, heat and stress, and various toxic substances in uncontrolled environments. As a result of these exposures, fire fighters contract heart and lung diseases, infectious diseases and cancers at a much higher rate than any other class of workers. Studies show that these diseases are occupational hazards of the profession and among the leading causes of death and disability for fire fighters.

In recognition of this, 40 other states have "Presumptive Disability" laws, which provide the necessary protections for fire fighters and emergency workers engaged in hazardous occupations. No such laws exist to cover fire fighters in Alaska.

### AKPFFA POSITION

AKPFFA strongly supports SB 117 which recognizes and supports Alaskan fire fighters.

### AKPFFA ARGUMENTS

- SB 117 does not guarantee coverage for an illness, SB 117 provides a disability presumption. The employer has the right to contest a claim.
- This is fiscally responsible legislation that disclaims any fire fighter with less than 7 years of service, is in poor physical shape, or uses tobacco products.
- This bill includes any fire fighter, either volunteer or paid, who meets the standards set forth and verified by a medical doctors finding.
- Fire fighters facing these diseases are literally fighting for their lives. This bill insures that they don't have to concurrently fight for their rights.

### CURRENT BILL STATUS

SB 117 was introduced on March 14, 2007 and is currently assigned to the Labor & Commerce Committee

*AKPFFA Legislative Director Mike Davidson at (907) 230-4960*

**Public Safety Employees Association, Inc.**  
***"Representing Alaska's Finest"***

**Position Paper**  
**HB 200 and SB 117**  
**Presumption of Coverage – Workers' Compensation**

By the nature of their work, public safety employees from time to time are exposed to dangerous viruses and diseases and to unhealthy and life threatening smoke, chemicals and other hazardous materials. If exposure leads to acquisition of a disease or disability, the employee faces lengthy treatment and recovery time and expense.

Currently, contagious diseases such as human immunodeficiency virus; acquired immunodeficiency syndrome; all strains of hepatitis; meningococcal meningitis, and mycobacterium tuberculosis are not covered as a disability under workers' compensation. In addition, respiratory disease; heart problems that are experienced 72 hours after exposure to smoke, fumes, or toxic substances; and the following cancers: primary brain cancer; malignant melanoma; leukemia; non-Hodgkin's lymphoma; bladder cancer; urethra cancer, and kidney cancer are not covered by workers' compensation.

Passage of HB 200 or SB 117 will provide our public safety employees who are exposed to these potentially dangerous diseases or viruses valuable workers' compensation coverage should they contract a disease or disability as a result.

The Public Safety Employees Association recommends the passage of this legislation and furthermore, expresses its thanks to the sponsors of this important legislation.



# ALASKA CORRECTIONAL OFFICERS ASSOCIATION

*"Walking Alaska's Toughest Beat"*

April 5, 2007

Senator Johnny Ellis  
Alaska State Legislature  
State Capitol, Room 9  
Juneau, Alaska 99801-1182

Dear Senator Ellis,

The Alaska Correctional Officers Association and Correctional Officers state-wide request your support for Senate Bill 117. Firefighters, peace officers and emergency medical and rescue personnel work in environments where they are regularly exposed to the specific health risks addressed in this Bill. These diseases are serious line-of-duty hazards for these Officers and passage of this Bill is vitally important to all Correctional Officers around the state. Please help us by supporting this Bill. If there is anything we can do to assist you, please feel free to contact us.

Sincerely,

Brad Wilson  
Business Manager

**ALASKA STATE  
FIREFIGHTERS ASSOCIATION**

P.O. Box 22092 • Juneau, AK 99802

April 4, 2007

Senator Hollie French  
Alaska Senate  
State Capital, Room 417  
Juneau, Alaska 99801

Ref: SB117

Dear Senator French,

On behalf of the Alaska State Firefighters Association, I would like to thank you for your introduction and support of SB 117. Alaska's fire service is in reality, an "all hazards" service. On a daily basis firefighters respond into situations where there are unknown hazards in an effort to assist the Alaskans we serve. This important legislation will provide presumptive coverage for occupational illnesses such as: respiratory disease, heart attacks, and certain cancers.

State of the art hazard identification and personal protective equipment used by Alaska firefighters, while effective, do not and can not protect us from all hazards. The Alaska State Firefighters Association supports the passage of Senate Bill 117.

Sincerely,



Carol R. Reed  
President  
Alaska State Firefighters Association  
907 841 4757

**ALASKA FIRE CHIEF'S ASSOCIATION**

**2358 Bradway Road, North Pole, AK 99705**

EIN #92-0098649

Phone: (907) 488-3400

FAX: (907) 488-6118



March 25, 2007

Senator Hollis French  
Alaska Senate  
State Capital, Room 417  
Juneau, Alaska 99801-1182

Ref: SB 117

Dear Senator Hollis French:

The Alaska Fire Chief's Association is in support of SB 117 which would provide presumption coverage for our fire fighters for respiratory disease, heart attacks and cancers that are occupational hazards in the fire service.

The fire chiefs of Alaska see the need to provide this coverage for our employees that are protecting Alaska, in order to provide for those that have served our communities in their time of need. We encourage the passage of House Bill 200 with the endorsement of the Alaska Fire Chief's Association.

Sincerely,

A handwritten signature in black ink, which appears to read "Warren B. Cummings". The signature is written in a cursive style and is positioned above the printed name of the signatory.

Warren B. Cummings, Fire Chief  
President AFCA



# ALASKA CORRECTIONAL OFFICERS ASSOCIATION

*"Walking Alaska's Toughest Beat"*

April 5, 2007

Senator Hollis French  
Alaska State Senate  
State Capitol, Room 417  
Juneau, Alaska 99801-1182

Dear Senator French,

The Alaska Correctional Officers Association and Correctional Officers state-wide thank you for your sponsorship and support of Senate Bill 117. Firefighters, peace officers and emergency medical and rescue personnel work in environments where they are regularly exposed to the specific health risks addressed in your Bill. These diseases are serious line of duty hazards for these Officers and passage of this Bill is vitally important to all Correctional Officers around the state. If there is anything we can do to assist in the passage of this very important Bill, please feel free to contact us.

Sincerely,

Brad Wilson  
Business Manager



# Anchorage Firefighters Local 1264



P.O. Box 212041 • Anchorage, AK 99524-2041  
(907) 349-1264 • (907) 349-5580 (fax)

Senator French  
Representative Dahlstrom

I would like to personally thank you both for your support of SB117 and HB200 respectively. As a newly hired Firefighter Paramedic w/ the Anchorage Fire Department, it is comforting that you both are looking out for the interest of my family and brothers of the IAFF Local 1264. It is comforting for me to know that your diligence and representation in the House and Senate is for the betterment of Firefighters in our great state of Alaska.

Sincerely,

Don L. Wagner  
Firefighter Paramedic  
Anchorage Fire Department

Jim Molle  
Station 4 Engineer  
Anchorage Fire Department

It is with great admiration that I write this letter to express my deep felt appreciation for the legislation that Rep. Nancy Dahlstrom and Senator Hollis French have put forward to help first responders to cope with the inherent dangers of their job. I have worked for the Anchorage Fire Department for sixteen years, and this legislation will be a comfort for the present and future first responders who have committed to a career of helping people. Thank you once again and I hope that the position that you have taken will be viewed as a fair legislation by all that must act.

Yours Sincerely,

*Jim Molle*

James R. Veatch  
3141 Vada Way  
Anchorage, AK 99504

Senator Hollis French and  
Representative Nancy Dahlstrom  
State Capitol room #417  
Juneau, AK 99801-1182

March 19, 2007

Dear Senator French and Representative Dahlstrom,

I would like to thank you both for sponsoring Senate Bill 117 and House Bill 200 respectively. History has proven time and again that long after we hang up our helmets and retire from this career we cannot escape the long term health risks and problems associated with this line of work. I am a 49 year old Captain who has been a firefighter with the city of Anchorage for 23 years. I have worried about the future of my health and I'm glad steps are being taken to assist us with health benefits.

I won't make this a long letter but please accept my gratitude and that of my family for moving this bill through the long and tedious process. The Anchorage Fire Fighters will not forget you.

Sincerely,



James R. Veatch

**THE FOLLOWING PAGES MAY  
NOT FILM LEGIBLY BECAUSE OF  
THE POOR QUALITY OF THE ORIGINAL**

Greater friends and representatives of the  
 I would like to thank you for sponsoring the  
 very important project of the Alaska Fire Dept. I  
 am grateful you realize the need and importance  
 of the legislation to my colleagues and I  
 as well as firefighters for Alaska Fire Dept. I  
 am concerned with the inherent risks of my pro-  
 fession as my health care costs, and how these  
 will affect my family and I in the future.  
 Thanks to your efforts  
 sincerely  
 Alvin J. Orr

(907) 349-1264 • (907) 349-5580 (fax)

PO Box 212041 • Anchorage, AK 99521-2011

**Anchorage Firefighters Local 1264**





# International Association of Firefighters

HAROLD A. SCHAIBERGER  
General President

VINCENT J. BOLLON  
General Secretary-Treasurer

SENATOR HOLLIS TRENCH & REPRESENTATIVE DAHLSTRÖM

THANK YOU FOR SUPPORTING HOUSE BILL 200 AND  
SENATE BILL 117. AS A FIRE FIGHTER I WANT TO THANK  
YOU FOR HELPING TO FIGHT FOR OUR HEALTH BENEFITS

AFF FIRE FIGHTER

DAVID BELLVILLE

10/1/77  
Hon. [Name] / [Title] [Address] [City] [State] [Zip]

I just wanted to let you know  
that I appreciate your continued  
support for House Bill 117 AND Senate  
Bill 117.

Respectfully,

TED FUSSELL, ANCHORAGE FIRE DEPT



# Anchorage Firefighters Local 1264



P.O. Box 212041 • Anchorage, AK 99521-2041  
(907) 349-1264 • (907) 349-5580 (fax)

DEAR SENATOR FRENCH -

I WANTED TO SAY THANK YOU FOR  
YOUR INTRODUCTION AND SUPPORT OF SB117.  
I FULLY SUPPORT THIS LEGISLATION AND  
LOOK FORWARD TO SERVING MY COMMUNITY WITH  
THE COMFORT OF KNOWING I WILL BE  
TAKEN CARE OF IN THE EVENT OF  
TRAGEDY.

SINCERELY,  
ADAM PETERSON



ANCHORAGE FIRE FIGHTERS UNION  
IAFF - LOCAL 1264

ANDY MULLEN

HOME 907 896 0160  
CELL 907 980 1313  
EMAIL andymullen1264.com

PHONE 907 339 1264  
P.O. Box 242041  
ANCHORAGE AK 99524

Senator French & Rep. Dahlstrom

I enjoyed my first trip to  
Juneau last month. Thank you  
for meeting with us and for all  
the work you have put into our  
presumptive disability legislation.

All of us at Anchorage Fire Dept  
really have our fingers crossed that  
this bill will pass quickly.

Thank you, Thank you, Thank you!

Andy Mullen

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSB 117(L&C)  
 () Publish Date: \_\_\_\_\_

Identifier (file name): SB117CS-DOLWD-WC-02-15-08 Dept. Affected: Labor and Workforce Development  
 Title: Workers' Comp. Disease Presumption RDU: Workers' Compensation  
 Component: Workers' Compensation  
 Sponsor: Senator French  
 Requester: Senate Health, Education and Social Services Component Number: 344

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

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>		0.0					

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
-------------------------------	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Workers' Safety/Comp Account							
<b>TOTAL</b>		0.0					

Estimate of any current year (FY2008) cost: None

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

The broadly applicable presumptions included in the bill could result in numerous benefits claims. The seriousness of the covered conditions would involve large amounts of benefits, and those factors coupled with the broad scope of defenses (like heredity and other life exposures) could lead to extensive, complicated hearings.

\*The costs of this proposed legislation cannot be determined in advance as there are no comparable Workers' Compensation Act provisions at present. Increased costs, if any, would consist of additional personnel needed to resolve disputed claims for benefits based upon the new presumptions.

Prepared by: Paul F. Lisankie, Director Phone 465-6059  
 Division: Workers' Compensation Date/Time 2/15/08 3:08 PM  
 Approved by: Click Bishop, Commissioner Date 2/15/08  
Department of Labor and Workforce Development



# UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110  
Juneau, Alaska 99801-1172  
(907) 586-2620  
(907) 463-2545 Fax  
E-Mail: [ufa@ufa-fish.org](mailto:ufa@ufa-fish.org)  
[www.ufa-fish.org](http://www.ufa-fish.org)

August 31, 2007

## Alaska Fishermen's Health Care – Challenges and Opportunities

### Contents

1. Executive Summary
  - a. Introduction
  - b. Findings in brief
2. Problems and Opportunities
3. Existing Health Insurance Options for Alaska Fishermen
4. What has worked elsewhere: Massachusetts Fishing Partnership Health Plan
5. Help in Washington DC?
6. Alaska State Government Possibilities
7. The compelling reason for fishermen's health care – because Alaska and the USA need it.
8. The Topic is Changing Everyday

\*\*\*\*\*

### 1. Executive Summary

#### a. Introduction

In May 2007, United Fishermen of Alaska (UFA) conducted an informal survey of its individual fishing permit holder members with three areas of focus: access to health care; availability of insurance coverage; and individual health factors for fishermen. Staff also compiled data on Alaska commercial fishing permit holders by community and that was cross referenced with medical facilities available. In addition, available options for health insurance were queried through online insurance quote services. Zip codes from both Alaska and Lower 48 fishing communities were searched to provide data for comparison.

#### b. Findings in Brief

- Commercial fishermen are underserved and options for both health care delivery and insurance are limited.
- Alaska fishermen may have lower than average health care costs.
- Health insurance options are difficult to find and vary by location.

- Lack of health insurance is a significant barrier to entry for the next generation of commercial fishermen.
- Lack of health insurance is an increasing concern as the average age of fishermen is gradually rising.
- State and Federal actions might address the problem, but remain uncertain.
- Fishermen's lack of access to health care, and lack of health insurance deserves further research with the goal of defining the problem and providing solutions.
- *Affordable health care and insurance deserve to be national priorities.*

UFA finds that Alaska fishermen are an underserved population when it comes to accessing health care and health insurance creating an undue and unpredictable hardship for individual fishermen and small fishing businesses. The lack of affordable health care plans is a barrier to entry for new fishermen; and communities suffer as young people leave their home towns to seek employment in fields with health benefit packages.

It is beyond the scope of UFA to research this topic thoroughly, but our initial survey clearly reveals the need for further research. Unfortunately, Fishermen's Health Care language that UFA supported was not included in the 2006 Magnuson Stevens reauthorization. UFA will continue to seek all opportunities to address this problem with our delegation in Washington DC and the State of Alaska in coordination with the Commercial Fishermen of America, a new group that is focused on the issue nationwide ([www.cfish.org](http://www.cfish.org)).

## **2. Problems and Opportunities**

### **Fishing families and organizations have less than average access to health care**

A major difference between typical U.S. residents and Alaskans, especially those in remote coastal communities, is access to health care services. In the national arena this is often confused with access to health insurance, but for Alaska fishing families the problem begins with access to health care itself.

All but a miniscule proportion of U.S. residents are served by a road system to a choice of hospitals and medical facilities. In contrast, our survey of UFA members indicates that 32% live in communities with no hospital. Many Alaska towns do not even have medical clinics. In order to be nearer the fishing grounds, Alaska fishermen are more likely live in more remote areas where medical facilities are lacking than the general population.

By comparing a database of medical services available to Alaskans, we find that 14.5% percent live in a community with no hospital or are more than 20 miles from a hospital. Analyzing the number of commercial fishing permit holders in these communities, we found that 41% of Alaska resident commercial fishing permit holders live in communities with no hospital.<sup>1</sup>

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<sup>1</sup> We did not include crew members in our analysis.

Transportation costs, an expense rarely included when analyzing health care costs in Alaska, by air or water combined with a limited road system is a heavy burden for many Alaska fishermen seeking healthcare. Even without factoring in the expense of travel, Alaska tops the list of US states when it comes to the cost of healthcare!<sup>2</sup>

### **Alaska fishing families and organizations have less than average access to health insurance**

Alaska's relatively low population, combined with a higher than typical proportion of state and federal government workers, military veterans, and Native Americans covered under Indian Health Services, leaves a relatively small pool of customers available to competing insurance providers. Additionally, most fishing organizations employ fewer than five people and have had difficulty in obtaining group coverage for employees. This situation, coupled with the high cost of medical care and transportation, create a disincentive for insurance carriers to offer individual or small business medical insurance packages in Alaska.

36 % of those responding to UFA's survey receive health care through spousal programs or supplemental employment. However, these options are not available in all fishing communities and reliance upon them provides uncertainty and fails to address the underlying problem that exists for members of the commercial fishing industry who need affordable health care.

Roughly 10% of UFA survey respondents are covered by Native and Veterans health care systems, compared to 16% of Alaska residents. 14% of survey respondents report no insurance coverage, compared to 12.8% of the general Alaska population, and we expect this rate of uninsured to be higher among fishing families that do not voluntarily pay annual dues to belong to UFA.

### **Alaska fishermen may represent an unfulfilled opportunity for insurers**

UFA survey findings reveal that Alaska fishermen may live a healthier lifestyle than the general population. Most Alaska fishermen can be expected to enjoy a diet high in fish, regular exercise, and fresh air.<sup>3</sup>

- Only 9% of the survey respondents indicated they use tobacco compared to 24% of Alaskans and 20% of the general U.S. population.
- Only 19.5% of survey respondents indicated they were more than 20% overweight, the clinical definition of obesity, compared to 23.6% for Alaskans and 23.1% in the U.S.

According to a 2003 report by Academy Health on the Massachusetts-based Fishing Partnership Health Plan, health plan administrators and carriers presumed before initiating the plan that fishing is a risky line of work that will likely lead to the high cost of health care services. In fact, fishermen enrolled in the FPHP were shown to have health care costs similar to those who did not fish for a living.<sup>4</sup>

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<sup>2</sup> *Alaska's \$5 Billion health Care Bill – Who's Paying?* (Foster, Scott, Go!smith, March 2006) University of Alaska Research Summary No. 6. University of Alaska Institute of Social and Economic Research. [http://www.iser.uaa.alaska.edu/Publications/researchsumm/RS6\\_06.pdf](http://www.iser.uaa.alaska.edu/Publications/researchsumm/RS6_06.pdf)

<sup>3</sup>These favorable health determinants may be somewhat offset by the industry average age of 47, according to an Alaska Department of Labor 2007 study, which compares to an average of 38 years in other Alaska industries. According to the Commercial Fishery Entry Commission, the average age of fishing permit holders has gradually increased upwards over the past 25 years.

<sup>4</sup> Findings Brief – Health Plan a Good Catch for Fishing Industry, Academy Health,

### **3. Existing Health Insurance Options for Alaska Fishermen**

With few choices, the lack of a competitive marketplace for insurance, and the expense of transportation added to the highest of health care costs, Alaska fishermen must patch together a hodgepodge of insurance opportunities.

#### **Worker's Compensation unavailable and private policies are limited.**

Although Worker's compensation is not available for fishing boats, the situation of Alaska employers is a good illustration of the financial difficulties compared to the rest of the U.S. Over 40% of Alaska businesses fall into an "assigned risk" highest rate pool for Worker's Comp, because insurers will not provide coverage. This situation is mirrored in individual health insurance. A typical lookup on [www.healthinsurance.com](http://www.healthinsurance.com) for health insurance in an Alaska zip code finds only one or two companies, while lookups in Lower 48 zip codes bring up scores of choices. A big reason insurance companies do not choose to do business in Alaska is that such a high proportion of Alaskans are covered by state & federal health care programs. The remaining pool is apparently not worth pursuing.

#### **Alaska Commercial Fishermen's Fund**

For injuries incurred while fishing, fishermen are eligible for reimbursement from the State of Alaska Commercial Fishermen's Fund. The fund has a limit of \$2500, but appeals to reimburse above of this limit are considered for compelling reasons.<sup>5</sup>

#### **Private Insurance**

The selection of individual health insurance plans offered in Alaska is relatively small and the cost is large.

An online lookup for a non-smoking Juneau couple in their fifties displayed options ranging from \$450 to \$1150 and deductibles from \$1500 to \$10,000. In some cases, high deductible medical insurance plans can be combined with Health Savings Accounts, to provide coverage for the high cost of illness or injury, while leaving routine expenses to ones own responsibility on a tax free basis.

#### **Health Savings Accounts**

According to the U.S. Treasury, "[a] Health Savings Account is an alternative to traditional health insurance; it is a savings product that offers a different way for consumers to pay for their health care. HSAs enable you to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis. You must be covered by a High Deductible Health Plan (HDHP) to be able to take advantage of HSAs. An HDHP generally costs less than what traditional health care coverage costs, so the money that you save on insurance can therefore be put into the Health Savings Account."<sup>6</sup>

Use of a Health Savings Account requires a specified high deductible health insurance package and is thereby somewhat limiting. While the high deductible insurance option may not be appropriate for all, there are some attractive features that can be used by fishing families to cover health care needs.

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Changes in Health Care Financing & Organization, Vol. VI No. 5, October 2003  
<http://www.hcfo.net/pdf/findings1003no5.pdf>

<sup>5</sup> Commercial Fishermen's Fund: (888)520-2766 or <http://labor.state.ak.us/wc/ffund.htm>

<sup>6</sup> US Treasury: [http://www.treas.gov/offices/public-affairs/hsa/faq\\_basics.shtml](http://www.treas.gov/offices/public-affairs/hsa/faq_basics.shtml)

### **Merchant Marine Short Term Contracts.**

Some Alaska fishermen and crew are providing health insurance to their families by serving a minimum 125 day contract in the Merchant Marines or other maritime service where year round health insurance is provided. Training for displaced commercial fishermen from Alaska salmon fisheries was available through this program in 2004 – 2005 through Sea Link of Ketchikan.

Although the program received a Legislative Commendation in the 2007 legislative session, funding through the Department of Labor was not repeated and the program is currently not accepting new applicants. According to Sea Link program director Ralph Minsky, between 180 and 200 Alaska fishermen took part in this program and are currently employed for contracts of various lengths in the global maritime industry, and Alaska Marine Highway system.<sup>7</sup>

### **Fishing and Business Groups, Insurance Pools, etc.**

Fishermen's organizations that are established as for profit entities may be able to obtain group plans for fishermen members by defining shareholders or members as employees, but this would involve state and federal tax implications and paperwork well beyond that required for a health plan.

Most fishing organizations are non-profit membership associations and we have found no group medical insurance coverage for association members, only employers and employees. Requirements for minimum group size and participation prevent many fishing associations from offering group coverage to staff leaving fishing fleets the expense of individual coverage.

Some fishing groups offer vessel insurance pools, but those we have spoken to say that the costs and complexities of administering health insurance programs exceed their capabilities.

Fishing businesses that are members of the Alaska State Chamber of Commerce may choose to participate in the chamber's program, which provides supplemental, but not primary, health insurance through Wells Fargo Insurance Services. The program administrators report that participation has been low, and there may be changes coming.

An April 2006, the Juneau Empire reported another alternative for like-minded individuals who have formed insurance pools. In the article, one Alaska fisherman state that, "after getting some high quotes from Blue Cross Blue Shield and State Farm Insurance," they decided instead to go with a cost sharing program called Christian Brotherhood. The individual quoted said, "what it boils down to is there wasn't really another option," citing the major health insurance companies' high premiums. With Christian Brotherhood, the family pays monthly costs of about \$200, but according to the story, the plan pays for hospital visits only.<sup>8</sup>

#### **4. What has worked elsewhere: Massachusetts Fishing Partnership Health Plan**

The State of Massachusetts is clear on its goal of 100% coverage for its residents and has developed its own plan for fishermen. Massachusetts fishermen and processor employees are eligible to enroll in the

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<sup>7</sup> Personal Communication with Ralph Minsky. SEA Link, (888)577-7453  
[http://www.sitnews.us/LaineWelch/102405\\_fish\\_factor.html](http://www.sitnews.us/LaineWelch/102405_fish_factor.html)

<sup>8</sup> *Fishing for Cheaper Health Car*, (Bluemink, Juneau Empire, April 23, 2006)  
[http://www.juneauempire.com/stories/042306/sta\\_20060423011.shtml](http://www.juneauempire.com/stories/042306/sta_20060423011.shtml)

Fishing Partnership Health Plan (FPHP)<sup>9</sup>, which was established with the help of state and federal funding through Tufts Medical Center. The program provides health insurance coverage at subsidized rates.

Alaska's situation differs from Massachusetts in three key ways:

- Massachusetts residents have ready access to medical facilities within their communities or those very close by.
- The Boston area is home to Tufts and Harvard Medical Centers, and other competitive providers and teaching universities.
- The Massachusetts State Legislature has been willing to subsidize health insurance for underinsured populations.

While Massachusetts' solution may or may not work for Alaska fishing families, the fact that its program has shown the cost of health care delivery to the fishing industry to be lower than originally presumed<sup>3</sup> is encouraging and justifies research into a similar program for Alaska fishermen.

#### **5. Help in Washington DC?**

FPHP Executive Director David Bergeron and Massachusetts Congressman Barney Frank worked with the commercial fishing industry in 2005 and 2006 to add Fishermen's Health Care provisions to the Magnuson-Stevens Act reauthorization. The language would have provided federal funding for regional studies of the health care problem and to help establish organizations to provide health insurance coverage. Unfortunately, this attempt failed.

UFA will continue to work with the Alaska Delegation, Commercial Fishermen of America, and the Massachusetts FPHP to move forward with similar language in the current session of Congress.

#### **U.S. Dept. of Health and Human Services Evidence-based Research**

Research into the lack of health care and insurance options for Alaska fishermen could better define the problem and outline possible solutions and their costs. This information could help justify government support and incentives for a program, or spur private insurers to take a closer look at offering individual or group plans for Alaska fishermen and trade groups at competitive rates.

The Agency for Healthcare Research and Quality within the federal Department of Health and Human Services posts a yearly call for nominations for Topics for Evidence-based Practice Centers.<sup>10</sup> UFA survey data and research affirms the worthiness of this issue for research by this agency. We have initiated discussions in preparation for nominating Alaska fishermen's health care as a study topic in 2008, in the event that we are unable secure Fishermen's Health Care legislation through Congress.

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<sup>9</sup> Massachusetts Fishing Partnership Health Plan: <http://www.mass-fish.org/favorite.htm>

<sup>10</sup> Agency for Healthcare Research and Quality <http://www.ahrq.gov/clinic/epcix.htm>

## 6. Alaska State Government Possibilities

### SB 160 Mandatory Universal Health Care<sup>11</sup>

In the waning days of the 2007 Alaska legislative session, Senators French, Ellis, and Wielechowski introduced SB 160. According to the Sponsor Statement, the bill would provide a framework for personal choice, an Alaska Health Care Fund, a clearinghouse for information, and a unique voucher system; "by pooling money from all stakeholders, a sliding scale voucher system will ensure that every Alaskan can take personal responsibility for acquiring health insurance coverage. The system will also make it easy for multiple entities to contribute towards a health plan for an individual...."<sup>12</sup>

A hearing with joint Senate HESS and Labor and Commerce committees is scheduled for September 10<sup>th</sup> in Anchorage. Sponsors have posted more information on the bill and an interactive calculator of the expected effects for an individual at: [www.healthyalaskans.com](http://www.healthyalaskans.com).

### Alaska Health Care Strategies Planning Council

In February 2007, Governor Sarah Palin created the **Alaska Health Care Strategies Planning Council**.<sup>13</sup> The Council will advise the Governor and the Legislature on ways to provide access to quality health care and to help reduce the costs of health care for Alaskans. The Council is tasked to develop a statewide plan which will identify short-term and long-term strategies to effectively address issues of access to, and cost and quality of, health care for Alaskans.

The fact that fishermen are an underserved population may become less relevant if the issue of affordable health care is solved for all Alaskans. Since this may not help non-resident fishermen, UFA will still need to push for Fishermen's Health Care at the federal level until the problem is solved for all fishermen and their organizations.

## 7. The compelling reason for fishermen's health care – because Alaska and the USA benefit.

UFA's research indicated that one of the most important aspects of securing fishermen's health care is that the *lack of access to health insurance has become one of the most serious barriers to entry into our fisheries by new participants*. This issue is raised repeatedly at meetings amongst fishermen young and old. Further research is necessary to determine the actual extent of this problem, but from our vantage point it appears to be a sobering reality when considering the far-reaching ramifications for Alaska employment, revenue generation, and the health of coastal communities.

The State of Alaska and its communities derive significant revenue from the seafood industry. The loss of fishing jobs will impact not only Alaska, but the nation.

Given that Alaska produces more than half the nation's seafood and is crucial to the balance of trade, and that our fishermen are reflective of the nation's health care crisis, *health care for Alaska fishermen should make the list as a top national priority*. In fact, these same arguments would seem to make the case for a national health care plan for the entire commercial fishing industry since many US coastal communities rely on commercial fishing for a significant portion of their economies.

<sup>11</sup> Alaska State Legislature, 2007 Bill Tracking: SB 160  
[http://www.lcgis.state.ak.us/basis/get\\_bill.asp?bill=SB%20160&session=25](http://www.lcgis.state.ak.us/basis/get_bill.asp?bill=SB%20160&session=25)

<sup>12</sup> Sponsor Statement: <http://aksenate.org/index.php?bill=SB160>

<sup>13</sup> Alaska Health Care Strategies Planning Council <http://www.hss.state.ak.us/hspc/>

## 8. The Topic is Changing Everyday

The broader issue of health care in the USA is dynamic, with new research and political news every day. It bears careful watching and study, but more importantly, action, if we are to provide secure health care options for our citizens. A lot can happen in a year, but at this time, Health Care is shaping up to be among the top two or three campaign topics for the 2008 congressional and presidential elections. UFA stands ready to assist in bringing the benefits of health care reform to our members and businesses.

### UNITED FISHERMEN OF ALASKA MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Dragger's Association • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association  
Alaska Shellfish Association • Alaska Trollers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Reserve  
Cape Barnabas • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United  
Crab Group of Independent Harvesters • Douglas Island Pink and Chum • Fishing Vessel Owners Association • Groundfish Forum  
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • North Pacific Fisheries Association  
Northern Southeast Regional Aquaculture Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation  
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Sitka Herring Association • Southeast Alaska Fisherman's Alliance  
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association  
United Catcher Boats • United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters  
Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen



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Senator French - Rep. Dahlstrom

I enjoyed my first trip to  
Juneau last month. Thank you  
for meeting with us and for all  
the work you have put into our  
presumptive disability legislation.

All at all Anchorage Fire Dept  
really have our prayers crossed that  
nothing will go wrong.

Thank you for your time and effort.

Andy Mullen