

ALASKA LEGISLATURE

1035

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

109

01/26/94

14:55:24.0

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE: 2

DEPARTMENT OF LAW

SCENARIO: 3

COMPONENT #: 6501020300 NAME: THIRD JUDICIAL DISTRICT

BRU NAME: PROSECUTION

PCN	UNAUTH PCN	JOB CLASS TITLE	Y S	LOCATION NAME	R C	B U	S I&S	HOS BUDG	SALARY	PREM PAY	BENEF	PER.SERV. COSTS	G. F. AMOUNT
03/044		ATTORNEY IV		F ANCHORAGE	A	XE	AA	24A	12	61008	0	20660	81668.60

\*\*\*\* JUSTIFICATION:

CSMB 334 (TUD)

TRAVEL COSTS	7500.00
CONTRACTUAL COSTS	13600.00
SUPPLIES COSTS	3300.00
EQUIPMENT COSTS	6500.00
OTHER COSTS	0.00

TOTAL COSTS 112568.60 81668.60

\*\*\* FUNDING DETAIL:

100% GENERAL FUND RECEIPTS 81668.60

TOTAL FUNDING 81668.60

\*\*\*\* COMPONENT TOTALS:

FULL TIME NEW POSITIONS	1	TOTAL PERSONAL SERVICES	81668.60
PART TIME/SEASONAL NEW POSITIONS	0		
NON PERMANENT NEW POSITIONS	0	TOTAL COSTS INC. ASSOC COSTS	112568.60
OTHER.....	0		

NUMBER OF NEW POSITIONS IN COMPONENT: 1

FUNDING DATA: G.F. & G.F. MATCH: 81668.60  
OTHER FUNDS: 0.00

TOTAL FUNDING: 81668.60

Back-up

House of Representatives  
SPONSOR STATEMENT  
CSHB 334(FIN)am  
"THREE STRIKES YOU'RE OUT"

**"An Act relating to criminal sentencing; relating to the availability for good time credit for offenders convicted of certain first degree murders; relating to definite 30 to 90 year terms of imprisonment for offenders convicted of an unclassified or class A felony that is a homicide, assault, kidnapping, sexual offense, or robbery and who have at least two prior most serious felony convictions; relating to terms of imprisonment, parole, good time credit, pardon, commutation of sentence, modification or reduction of sentence, reprieve, furlough, and service of sentence at a correctional restitution center for offenders with at least three most serious felony convictions; defining 'most serious felony' as an unclassified or class A felony offense that is a homicide, assault, kidnapping, sexual offense, or robbery or an attempt or conspiracy to commit, or criminal solicitation of, an unclassified or class A felony that is a homicide, assault, kidnapping, sexual offense, or robbery; and amending Alaska Rule of Criminal Procedure 35."**

HB 334 provides a definite term of imprisonment of 30 to 99 years, for a specific group of offenders who have two separate "most serious" felony convictions. A most serious felony is defined as any unclassified or Class A felony.

There is a notification requirement in HB 334. Offenders who have two "most serious" felony convictions must be informed in writing of future sentencing requirements if a third felony conviction for an unclassified or Class A felony is obtained.

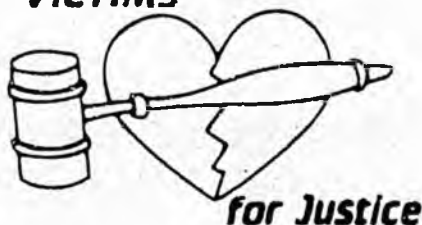
Under this proposed legislation parole is not available to an offender who has been given a 99 year sentence or a definite term of imprisonment for a "third strike". HB 334 allows those with a 30 to 99 year sentence to ask the court for a reduction in sentence after they have served half of their sentence (15 to 49.5 years). This provision is similar to what is allowed when a murderer is convicted and given a 99 year sentence. However, a person with a 99 year sentence or a definite term of imprisonment under this legislation is not eligible for a good time sentence reduction.

This proposed legislation allows for prosecutorial discretion when deciding if a 99 year sentence or a definite term of imprisonment of 30-99 years should be pursued. This will avoid unjust results in certain cases where the evidence may be weak. This provision will also allow the prosecutor some flexibility to proceed with the normal presumptive sentencing provisions when necessary.

The cost of keeping a person incarcerated for 99 years is high. However, when cost is considered, the true cost and benefits must be enumerated before concluding that this legislation is too expensive. First, strong punishments can shape behavior and deter crime by scaring some offenders away. Second, many studies have shown that the recidivism rates for three time offenders let back into society are between 65-76%. These offenders are taking up costly time in our judicial system by committing the same crimes again and again. Third, this legislation has been narrowly focused to include only specific felony offenses. The intention is to keep the state cost to a minimum.

This proposed legislation will make our state a safer place. I urge your positive consideration of this legislation.

## VICTIMS



January 27, 1994

Representative Con Bunde  
State Capitol Room 112  
Juneau, Alaska 99801-1182

Re: HB 334

Dear Representative Bunde,

Victims for Justice supports the bill of Three Strikes and you are Out. The "revolving door" costs the State so much money in legal fees and no one counts the cost to victims. It is time to put a stop to this nonsense. According to a study done by the Justice Department in 1985, (these statistics are probably lower now) of all crimes committed in this nation, 15-20% of the criminals are apprehended and only 2-3% go to prison. Furthermore 75-80% of all criminals that are released from jail are back in prison within 36 months for the same offense.

Justice Charles L. Welntner sums it up well saying: "Right now a person who has been through the system and is contemplating a crime probably views things as follows: (1) if I do it I won't get caught, (2) if I get caught I won't get prosecuted, (3) if I get prosecuted I won't get convicted, (4) if I get convicted I won't go to prison, (5) and if I go to prison I won't be there for very long."

Given the statistics above this assessment is based very much on reality.

The up coming criminals are more violent and the cost to society is much higher than the cost of keeping an offender locked up. The court costs can be tracked but victims costs are impossible to calculate. Victims never receive proper compensation or proper justice through the system. With the new prison matrix's changed we are letting out more serious offenders who will ultimately lead to more victimization. It is time to put a stop to this. Please pass this legislation. Please build more prisons and quit letting out dangerous offenders. Our new way of dealing with criminals puts some mighty dangerous people on the streets. The prison system is told not to pay attention to victim's response and public safety is no longer considered when releasing criminals. The prison system is saying they are saving money putting people into half way houses before releasing them. It is really a concern, how bureaucracy can manipulate a fairly good means of tracking offenders into allowing these people out early. Three Strikes legislation will eliminate the possibility of continuing to release these dangerous offenders which seems to be the new way of dealing with crime in the Department of Corrections.

Sincerely,  
*Janice Lienhart*  
Janice Lienhart

SPW

REPRESENTATIVE CON BUNDE  
CO-CHAIR HEALTH, EDUCATION  
& SOCIAL SERVICES

# Alaska State Legislature

DURING SESSION:  
STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
CAPITOL ROOM 112  
OFFICE (907) 465-4843

## House of Representatives

HB 334

### MEMORANDUM

DATE: April 20, 1994

TO: Senator Dure Pearce  
Senator Steve Frank  
Chairman Senate Finance Committee

FROM: Representative Con Bunde  
Co-Chair House Health Education & Social Services Committee

RE: HB 334 "An Act relating to criminal sentencing; relating to the availability for good time credit for offenders convicted of certain first degree murders; relating to definite 30 to 90 year terms of imprisonment for offenders convicted of an unclassified or class A felony that is a homicide, assault, kidnapping, sexual offense, or robbery and who have at least two prior most serious felony convictions; relating to terms of imprisonment, parole, good time credit, pardon, commutation of sentence, modification or reduction of sentence, reprieve, furlough, and service of sentence at a correctional restitution center for offenders with at least three most serious felony convictions; defining 'most serious felony' as an unclassified or class A felony offense that is a homicide, assault, kidnapping, sexual offense, or robbery or an attempt or conspiracy to commit, or criminal solicitation of, an unclassified or class A felony that is a homicide, assault, kidnapping, sexual offense, or robbery; and amending Alaska Rule of Criminal Procedure 35."

This memo is a request to hear CSHB 334(FIN) in the Senate Finance Committee.

HB 334 provides a definite term of imprisonment of 30 to 99 years, for a specific group of offenders who have two separate "most serious" felony convictions. A most serious felony is defined as any unclassified or Class A felony.

There is a notification requirement in HB 334. Offenders who have two "most serious" felony convictions must be informed in writing of future sentencing requirements if a third felony conviction for an unclassified or Class A felony is obtained.

Under this proposed legislation parole is not available to an offender who has been given a 99 year sentence or a definite term of imprisonment for a "third strike". HB 334 allows those with a 30 to 99 year sentence to ask the court for a reduction in sentence after they have served half of their sentence (15 to 49.5 years). This provision is similar to what is allowed when a murderer is convicted and given a 99 year sentence. However, a person with a 99 year sentence or a definite term of imprisonment under this legislation is not eligible for a good time sentence reduction.

This proposed legislation allows for prosecutorial discretion when deciding if a 99 year sentence or a definite term of imprisonment of 30-99 years should be pursued. This will avoid unjust results in certain cases where the evidence may be weak. This provision will also allow the prosecutor some flexibility to proceed with the normal presumptive sentencing provisions when necessary.

The cost of keeping a person incarcerated for 99 years is high. However, when cost is considered, the true cost and benefits must be enumerated before concluding that this legislation is too expensive. First, strong punishments can shape behavior and deter crime by scaring some offenders away. Second, many studies have shown that the recidivism rates for three time offenders let back into society are between 65-76%. These offenders are taking up costly time in our judicial system by committing the same crimes again and again. Third, this legislation has been narrowly focused to include only specific felony offenses. The intention is to keep the state cost to a minimum.

This proposed legislation will make our state a safer place. I urge your positive consideration of this legislation.

**HIB**

**341**

**HFIN**

**FILE**

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 18, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/8/94

The FINANCE Committee considered:

HB 341

HOUSE BILL NO. 341

PHYSICIAN ASSISTANTS' SERVICES

"An Act relating to physician assistants; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HS 4B 341 (HES)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note <sup>(2)</sup> HES, 1 DCCD

zero fiscal note(s) 1 DCCD, 1 DOI

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>E. P. Maclean</u> Maclean	<input checked="" type="checkbox"/>				
<u>Ronald Larson</u> Larson	<input checked="" type="checkbox"/>				
<u>Terry Martin</u> Martin	<input checked="" type="checkbox"/>	<u>Mark Penney</u> Penney		<input checked="" type="checkbox"/>	
<u>John Grussendorf</u> Grussendorf	<input checked="" type="checkbox"/>	<u>San Powell</u> Powell		<input checked="" type="checkbox"/>	
<u>Don Heftman</u> Heftman	<input checked="" type="checkbox"/>				
<u>Jay Brown</u> Brown	<input checked="" type="checkbox"/>				

Ronald Larson  
 CHAIRMAN'S SIGNATURE  
 Larson Maclean

F I S C A L N O T E

REQUEST:

Revision Date: Dept: Health and Social Services  
 Title: An Act Providing coverage under  
 medicaid Services of Physicians' Ass. BRU: Medicaid  
 Sponsor: Sitton, James Components: Claims Processing  
 Requestor: House Finance Committee No: 243

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<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>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<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 (94) COST \$ \_\_\_\_\_

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Rep. Ron Larson, Co-Chair *RL* 465-3878  
 Prepared By: Rep. Eileen MacLean, Co-Chair Phone: 465-4833  
 Division: House Finance Committee Date: 4/8/94  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

F I S C A L N O T E

REQUEST:

Revision Date: Dept: Health and Social Services  
 Title: An Act Providing coverage under  
 medicaid Services of Physicians' Ass. BRU: Medicaid  
 Sponsor: Sitton, James Components: Medicaid Non-facility  
 Requestor: House Finance Committee No: 229

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

ESTIMATE OF ANY CURRENT YEAR (FY 94) COST \$

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Rep. Ron Larson, Co-Chair *RL* Phone: 465-3878  
 Rep. Eileen MacLean, Co-Chair *EM* Phone: 465-4833  
 Division: House Finance Committee Date: 4/8/94  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CSHB 341(HES)

Revision Date: 4/7/94  
Title: An Act relating to physician assistants;....

Department: Commerce and Economic Dev.  
BRU: Occupational Licensing  
Component: Operations

Sponsor: Rep. Sitton, James, Nicholia  
Requestor: House Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 94) cost: \$ None

POSITIONS		FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME		0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME		0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY		0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)  
The provisions of CSHB341(HES) amends several statutes to include physician assistant services, however, the amendments do not affect the licensing statutes for physician assistants and therefore, funding is not required.

Prepared by: Jennifer Strickler, Administrative Officer  
Division: Occupational Licensing  
Approved by Commissioner: Paul Fuhs  
Agency: Commerce and Economic Development

Phone: 465-2144  
Date: 4/7/94

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FISCAL NOTE

No. 3  
 Bill Version: CSHB 341 (HES)  
 (H) Publish Date: 3/18/94

STATE OF ALASKA  
 1994 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Physician Assistants' Services  
 Sponsor: Sitton  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Insurance  
 Component: Operations  
 COMPONENT SERIAL NO. 354

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer  
 Division: Insurance

Phone: 465-2597  
 Date: 1/19/94

Approved by Commissioner: Paul Felt  
 Agency: Commerce and Economic Development

Date: 1/19/94

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# FISCAL NOTE

No. 4

Bill Version: CSHB 341 (HES)

(H) Publish Date: 3/18/94

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO :

Revision Date: \_\_\_\_\_

Department Affected: Labor

Title: Physician assistants, services

BRU: Workers' Compensation

Component: \_\_\_\_\_

Sponsor: Representative Sitton

Workers' Compensation

Requestor: Representative Sitton

COMPONENT SERIAL NO. 344

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
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						
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REVENUE FUND SOURCE:						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Paul Arnoldt, Director *Paul Arnoldt* Phone: 465-2790

Division: Workers' Compensation Date: 1/25/94

Approved by Commissioner: Charles W. Manly *Charles W. Manly*

Agency: Department of Labor Date: 1/25/94

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Back-up

AMENDMENT

①

Failed

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TC: CSHB 341(HES)

Page 2, line 28, through page 3, line 2:

Delete

- "(1) midwife services;
- (2) clinical social workers' services;
- (3) psychologists' services;
- (4) chiropractic services;
- (5) physician assistant services;
- (6) advanced nurse practitioner services;"

Insert

- "(1) physician assistant services;
- (2) midwife services;
- (3) [(2)] clinical social workers' services;
- (4) [(3)] psychologists' services;
- (5) [(4)] chiropractic services;
- (6) [(5)] advanced nurse practitioner services;"

FISCAL NOTE

No. 2

Bill Version: CSHB 341(HES)

(H) Publish Date: 3/18/94

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL

Revision Date: \_\_\_\_\_  
Title: An Act Providing coverage under  
Medicaid for Services of Physicians' Assistants  
Sponsor: SITTON, JAMES  
Requestor: \_\_\_\_\_

Dept. Affected Health and Social Services  
BRU: Medicaid  
Component: Claims Processing  
COMPONENT SERIAL NO. 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	\$0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	\$0.0
CONTRACTUAL	99.0	247.6	278.8	314.0	353.6	\$398.2
SUPPLIES	0.0	0.0	0.0	0.0	0.0	\$0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	\$0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	\$0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	\$0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	\$0.0
TOTAL OPERATING	\$99.0	\$247.6	\$278.8	\$314.0	\$353.6	\$398.2

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	49.5	123.8	139.4	157.0	176.8	199.1
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	49.5	123.8	139.4	157.0	176.8	199.1
1003 GF Match	49.5	123.8	139.4	157.0	176.8	199.1
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	99.0	247.6	278.8	314.0	353.6	398.2

Estimate of current year (FY94) impact: 0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS (attach a separate page in necessary)

Contractual costs include claims processing at \$6.23 per claim with a one-time, first year cost of \$10.0 for system changes to add to the new provider type. Federal participation is available at 50% of costs. Growth and inflation combined are assumed to be 12.6% per year.

Prepared by: Dave W. Williams DW  
Division: Medical Assistance

Phone: 465-3355  
Date: 2/10/94

Approved by: Margaret R. Lowe  
Commissioner: Margaret R. Lowe, M.Ed., Ed.S.

Date: 2-14-94

Agency: Department of Health and Social Services

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## ASSUMPTIONS PERTAINING TO FISCAL ANALYSIS OF SB231 AND HB341

There are 194 licensed PAs in Ak; 168 are said to be in active status.

25% will enroll if the bill passes, which is 42 PAs of the active status.

35% of their practice will be Medicaid

The average charge will be \$70 per visit; reflective of 70% of the charges by PAs presently billing through physicians.

There will be 10 visits per day, 3.5 of those billed to Medicaid.

PAs will work 5 days per week, 48 weeks per year.

Assume regulations effective July 1, 1995

Growth and inflation combined are assumed to be 12.6%

## Claims

17.0 PAs enrolled first year  
 42.0 PAs enrolled 2nd year  
 \$70 average expenditure claimed per visit  
 3.5 Medicaid visits per day  
 5.0 days worked per week  
 48.0 weeks worked per year  
 0.001 factor to change figures to thousands  
 \$999.6 total claims expenditure 1st year; 17 PAs  
 12.0 factor to get to monthly  
 12.0 factor to get to paid part of fiscal year  
 \$999.6 claims expenditures for paid part of first fiscal year  
 \$2,469.6 claims expenditures for second year w/o growth and inflation

## Contractual

\$6.23 processing cost per claim  
 14280 total number of claims by PAs 1st year  
 35280 total number of claims by PAs 2nd year  
 0.001 factor to change figures to thousands  
 \$89.0 cost for claims processing 1st year  
 \$219.8 cost for claims 2nd and following years  
 \$10.0 cost to modify MMIS for PA enrollment and claims processing  
 \$99.0 total contractual for 1st year (MMIS plus claims processing)

## Inflation and growth

1.125 factor for yearly increases

## Federal participation

0.50 factor for Federal Financial Participation

0.0 factor for cells with \$0.0

Component	Combined Fiscal Note Totals					
	FY95	FY96	FY97	FY98	FY99	FY00
Med non-facility	229 999.6	2780.8	3131.2	3525.8	3970.0	4470.4
Claims process	243 99.0	247.6	278.8	314.0	353.6	398.2
Total	1098.6	3028.4	3410.0	3839.8	4323.6	4868.6

FISCAL NOTE

No. 1  
 Bill Version: CSHB 341 (HES)  
 (H) Publish Date: 3/18/94

STATE OF ALASKA  
 1994 LEGISLATIVE SESSION

BILL

Revision Date: \_\_\_\_\_  
 Title: An Act Providing coverage under  
Medicaid for Services of Physicians' Assistants  
 Sponsor: SITTON, JAMES  
 Requestor: \_\_\_\_\_

Dept. Affected Health and Social Services  
 BRU: Medicaid  
 Component: Medicaid Non-facility  
 COMPONENT SERIAL NO. 229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	499.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	499.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
1003 GF Match	499.8	1,390.4	1,565.6	1,762.9	1,985.0	2,235.2
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	999.6	2,780.8	3,131.2	3,525.8	3,970.0	4,470.4

Estimate of current year (FY94) impact: 0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS (attach a separate page in necessary)

The bill adds physician's assistants as an enrolled provider of services. It is estimated that 25% of the 168 licensed and active physician's assistants will enroll as Medicaid providers, beginning with a 10% enrollment in the first year. Enrollment would begin in July of 1995. Charges by a physician assistant are assumed to be 70% of the amount that has been charged through a physician's office for services performed by a physician's assistant. Physician assistants are counted as working 5 days per week, 48 weeks per year and having an average of 3.5 Medicaid visits per day. Growth and inflation combined are assumed to be 12.6% per year.

Prepared by: Dave W. Williams  
 Division: Medical Assistance  
 Approved by: Margaret R. Lowe  
 Commissioner: Margaret R. Lowe M.Ed., Ed.S.  
 Agency: Department of Health and Social Services

Phone: 465-3355  
 Date: 2/10/94  
 Date: 2-14-94

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COMMITTEE COPY

## ASSUMPTIONS PERTAINING TO FISCAL ANALYSIS OF SB231 AND HB341

There are 194 licensed PAs in Ak; 168 are said to be in active status.

25% will enroll if the bill passes, which is 42 PAs of the active status.

35% of their practice will be Medicaid

The average charge will be \$70 per visit; reflective of 70% of the charges by PAs presently billing through physicians.

There will be 10 visits per day, 3.5 of those billed to Medicaid.

PAs will work 5 days per week, 48 weeks per year.

Assume regulations effective July 1, 1995

Growth and inflation combined are assumed to be 12.6%

## Claims

17.0 PAs enrolled first year

42.0 PAs enrolled 2nd year

\$70 average expenditure claimed per visit

3.5 Medicaid visits per day

5.0 days worked per week

48.0 weeks worked per year

0.001 factor to change figures to thousands

\$999.6 total claims expenditure 1st year, 17 PAs

12.0 factor to get to monthly

12.0 factor to get to paid part of fiscal year

\$999.6 claims expenditures for paid part of first fiscal year

\$2,469.6 claims expenditures for second year w/o growth and inflation

## Contractual

\$6.23 processing cost per claim

14280 total number of claims by PAs 1st year

35280 total number of claims by PAs 2nd year

0.001 factor to change figures to thousands

\$89.0 cost for claims processing 1st year

\$219.8 cost for claims 2nd and following years

\$10.0 cost to modify MMIS for PA enrollment and claims processing

\$99.0 total contractual for 1st year (MMIS plus claims processing)

## Inflation and growth

1.126 factor for yearly increases

## Federal participation

0.50 factor for Federal Financial Participation

0.0 factor for cells with \$0.0

Component	Combined Fiscal Note Totals					
	FY95	FY96	FY97	FY98	FY99	FY00
Med non-facility	229 999.6	2780.8	3131.2	3525.8	3970.0	4470.4
Claims process	243 99.0	247.6	278.8	314.0	353.6	398.2
Total-	1098.6	3028.4	3410.0	3839.8	4323.6	4868.6

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: \_\_\_\_\_ BRU: Medicaid  
 Component: Medicaid Non-facility  
 Sponsor: Rep. Joe Sitton  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 229

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

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0*	500.	563.	633.9	713.8	803.8
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0*	500.	563.	633.9	713.8	803.8

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	0*	250.	281.5	316.9	356.9	401.9
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts		250.	281.5	316.9	356.9	401.9
1003 GF Match		250.	281.5	316.9	356.9	401.9
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>		500.	563.	633.9	713.8	803.8

Estimate of any current year (FY94) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Please see attached.

\* Proposed FY 95 operating budget does not include funding for top ten on Optional Medicaid services list.

Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: \_\_\_\_\_ BRU: Medicaid  
 Component: Claims Processing  
 Sponsor: Rep. Joe Sitton  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 243

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0*	72.3	81.4	91.6	103.2	116.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0*</b>	<b>72.3</b>	<b>81.4</b>	<b>91.6</b>	<b>103.2</b>	<b>116.2</b>
<b>CAPITAL EXPENDITURES</b>						

<b>CHANGE IN REVENUES ( )</b>	<b>0*</b>	<b>36.15</b>	<b>40.7</b>	<b>45.8</b>	<b>51.</b>	<b>58.1</b>
-------------------------------	-----------	--------------	-------------	-------------	------------	-------------

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts		36.15	40.7	45.8	51.6	58.1
1003 GF Match		36.15	40.7	45.8	51.6	58.1
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTI						
Other						
<b>TOTAL</b>		<b>72.3</b>	<b>81.4</b>	<b>91.6</b>	<b>103.2</b>	<b>116.2</b>

Estimate of any current year (FY94) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Please see attached

\* Proposed FY95 operating budget does not include funding for top ten on Optional Medicaid Services list.

Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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Assumptions for Substitute Fiscal Note for HB 341 for DHSS  
HIGH CASE SCENARIO

There are 206 licensed PA's in AK; 168 are said to be in active status.  
 There are 28 mid-level practitioners in rural health clinics, of these 11 are PA's, 10 are ANP's, and 7 positions are currently vacant.  
 Assume 20 PA's will enroll and bill Medicaid.  
 Assume each PA will handle an average of 500 claims per year.  
 Assume each claim will average \$50.  
 The Department assumes growth and inflation combined are 12.6%.

The Department assumes that the cost to process each claim is: \$6.23.  
 The Department assumes that the cost to modify MMIS for PA enrollment and claims processing will be \$10,000.

20 PA's X 500 claims per year = 10,000 total claims  
 10,000 X \$50 per claim = \$500,000 total cost of claims

10,000 claims X \$6.23 per claim = \$62,300 total processing cost per claim  
 \$62,300 processing costs + \$10,000 for change in MMIS for PA's = \$72,300 total administrative costs.

Federal Participation:

The federal government pays for 50% of costs for Medicaid program.

<u>Component</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Medical Costs	0*	500.	563.	633.938	713.81
Processing Costs	0*	72.3	81.41	91.668	103.218
Total Costs (Including 50% Federal Match)	0*	572.3	644.410	725.606	817.028

\*Proposed FY95 operating budget contains no funding for top 10 services on Optional Medicaid list.

Discussion:

We feel that this set of assumptions lead to an acceptable but substantially higher than actual prediction of costs. The number of PA's that will actually enroll is probably closer to 10 than to 20. Furthermore, the PA's that enroll will be in rural areas and therefore their client volume (# of claims per provider) will be substantially less than 500 (derived from DHSS figures for ANP's in FY94 to date and FY93). The certified Rural Health Clinics average 215 claims per provider. Additionally, the figure of \$50 cost per claim is substantially higher than the actual for ANP's of \$37.21. Finally, this fiscal note fails to account for any cost shifting of patients that currently receive Medicaid services from currently billing providers.

## MEDICAID COST COMPARISON

<u>Provider Group</u>	<u># of Providers</u>	<u>Claims per Provider</u>	<u>Total Claims</u>
Advanced Nurse Practitioners (ANP's) DHSS Figures for FY94 to January doubled	23	484	11,132
Physician Assistants (PA's) DHSS Fiscal Note	42	840	35,280
Physician Assistants (PA's) Substitute Fiscal Note High Case Scenario	20	500	10,000

<u>Provider Group</u>	<u>Average Costs per Claim</u>	<u>Total Claims</u>	<u>Total Claim Costs</u>
ANP's (DHSS figures for FY94 to January doubled)	\$37.21	11,132	\$420,946
PA's (DHSS Fiscal Note)	\$70.	35,280	\$2,469,600
PA's (Substitute Fiscal Note- High Case Scenario)	\$50.	10,000	\$500,000

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CS HB 341

Revision Date: \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: \_\_\_\_\_ BRU: Medicaid  
 Component: Claims Processing  
 Sponsor: Rep. Joe Sitton  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 243

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0*	72.3	81.4	91.6	103.2	116.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLA. AS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0*</b>	<b>72.3</b>	<b>81.4</b>	<b>91.6</b>	<b>103.2</b>	<b>116.2</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>	<b>0*</b>	<b>36.15</b>	<b>40.7</b>	<b>45.8</b>	<b>51.</b>	<b>58.1</b>

**FUND SOURCE**

(Thousands of Dollars)

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1003 GF Match		36.15	40.7	45.8	51.6	58.1
1004 GF						
1005 GF/Program Receipts						
1005 GF/MHTIA						
Other						
<b>TOTAL</b>		<b>72.3</b>	<b>81.4</b>	<b>91.6</b>	<b>103.2</b>	<b>116.2</b>

Estimate of any current year (FY94) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Please see attached

\* Proposed FY95 operating budget does not include funding for top ten on Optional Medicaid Services list.

Prepared by: \_\_\_\_\_  
 Division: \_\_\_\_\_  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Phone: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Date: \_\_\_\_\_

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 Assume 20 PA's will enroll and bill Medicaid.  
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 \$62,300 processing costs + \$10,000 for change in MMIS for PA's = \$72,300 total administrative costs.

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<u>Component</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Medical Costs	0*	500.	563.	633.938	713.81
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Discussion:

We feel that this set of assumptions lead to an acceptable but substantially higher than actual prediction of costs. The number of PA's that will actually enroll is probably closer to 10 than to 20. Furthermore, the PA's that enroll will be in rural areas and therefore their client volume (# of claims per provider) will be substantially less than 500 (derived from DHSS figures for ANP's in FY94 to date and FY93). The certified Rural Health Clinics average 215 claims per provider. Additionally, the figure of \$50 cost per claim is substantially higher than the actual for ANP's of \$37.21. Finally, this fiscal note fails to account for any cost shifting of patients that currently receive Medicaid services from currently billing providers.

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PA's (DHSS Fiscal Note)	\$70.	35,280	\$2,469,600
PA's (Substitute Fiscal Note- High Case Scenario)	\$50.	10,000	\$500,000

# Alaska State Legislature

While in Fairbanks  
119 N. Cushman St.  
Suite 203  
Fairbanks, AK 99701  
907-456-8161



While in Juneau  
State Capitol  
Juneau, AK 99801-1182  
907-465-2327  
907-465-4713

Representative Joe Sitton

## SPONSOR STATEMENT FOR HOUSE BILL 341, RELATING TO PHYSICIAN ASSISTANTS

House Bill 341 (HB 341) would amend several of Alaska's current statutes relating to health care providers in order to give Alaskans greater access to quality health care and place physician assistants on equal footing to those providers with similar levels of training.

Currently, physician assistants practicing outside a physician's office or a designated "Rural Health Clinic" do not qualify as Medicaid providers. This becomes a critical issue in rural Alaska because some communities may have physician assistants as their sole health care provider. In such a community, Medicaid eligible patients must often travel hundreds of miles to receive Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients, and unfairly reduces job opportunities for physician assistants. HB 341 remedies this situation by amending the statutes to allow physician assistants to receive payment directly.

In addition, HB 341 amends the statutes governing workers' compensation and private insurance companies to account for physician assistants' emergence as health care providers and insure that they do not have trouble receiving payment from these entities. The bill also adds physician assistants to the statute that prohibits private insurance companies from refusing to pay one health care provider if another qualified practitioner could offer the same procedure or level of care.

I urge you to support HB 341. It will update Alaska's statutes to account for changes in health care professions and provide Alaskans with better access to health care facilities.

# Alaska State Legislature



While in Fairbanks  
119 N. Cushman St.  
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Fairbanks, AK 99701  
907-456-8161

While in Juneau  
State Capitol  
Juneau, AK 99801-1182  
907-465-2327  
907-465-4713

Representative Joe Sitton

## Sectional Analysis of CS HB 341 Relating to Physician Assistants

SECTION 1: AS 21.36.090(d) requires insurance companies to reimburse health care providers for services covered under an insurance plan as long as the health care provider is qualified by licensure to perform the service. This keeps insurance companies from limiting their reimbursement to physicians if the covered service can also be legally performed by other providers. Adding physician assistants to this list prohibits insurance companies from refusing to reimburse for their services.

SECTION 2: Amends AS 23.30.265(24) (Workers' Compensation) to add physician assistants to the definition of a physician and ensure that physician assistants can receive payment for services that they are qualified to provide.

SECTION 3: AS 7.07.030(b) details the optional medical services that are reimbursable under the state's Medicaid program. HB 341 adds physician assistants to this list.

SECTION 4: Adds physician assistants to prioritized list of optional medical services. Should the department find that the cost of Medicaid for all eligible persons exceeds the amount allocated in that year's state operating budget, AS 47.07.035 contains the prioritized list of what optional service will be paid in what order.

SECTION 5: Adds a definition of physician assistant services to AS 47.07.900 (Medicaid).

SECTION 6: Immediate effective date.

HB 341: "An Act relating to physician assistants; and providing for an effective date."

The department is in favor of section 1 of the bill, but has no position on the remaining sections of the bill.

Section 1 of the bill represents a simple modification to AS 21.36.090(d). This section of law prohibits discrimination against various medical practitioners who are performing services within the scope of their license that are covered under an insurance policy. Physician assistants would be added with this change. The change would allow physician assistants to bill and receive third-party reimbursements for the services they render. The department believes that this type of prohibition is the means to some savings in our health care system by assuring that less expensive providers of medical services can be reimbursed under an insurance policy.

The department views the issue as one of equity. If the state has established a license with a scope of practice, it is not consistent to allow discrimination against that licensee.

Paul Fuhs, Commissioner  
Date 1-31-94

# Alaska State Legislature

While in Fairbanks  
119 N. Cushman St.  
Suite 203  
Fairbanks, AK 99701  
907-456-8161



While in Juneau  
State Capitol  
Juneau, AK 99801-1182  
907-465-2327  
907-465-4713

Representative Joe Sitton

## Memorandum

TO: Representatives Ron Larson and Eileen MacLean, Co-Chairs,  
House Finance Committee

FROM: Representative Joe Sitton *JWS*

SUBJECT: Comment on the DHSS Fiscal Note for HB 341

DATE: April 5, 1994

HB 341 would add Physician Assistants' Services to the list of Optional Medicaid Services, prevent discrimination by insurer's against physician assistants, and allow physician assistants (PA's) to be reimbursed for services performed under Workers' Compensation claims.

Briefly, HB 341 seeks to allow PA's practicing outside a physician's office or a "Certified Rural Health Clinic" to qualify as Medicaid providers. This becomes a critical issue in rural Alaska because many communities have physician assistants as their sole health care provider. In such a community, Medicaid eligible patients must travel hundreds of miles to receive Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients, and unfairly reduces job opportunities for physician assistants.

HB 341 received a "Zero" fiscal note from the Department of Commerce, which regulates the insurance industry to ensure non-discrimination, and a "Zero" fiscal note from the Department of Labor for Worker's Compensation reimbursement.

**The bill sponsor and the Alaska Academy of Physician Assistants consider the Department of Health & Social Services' fiscal note to be extremely high and feel that it dramatically overstates the costs.**

DHSS estimates that 17 PA's will enroll and submit 14,280 new Medicaid claims for a total cost of \$1,098,600 in the first year the bill takes effect and that

42 PA's will submit 35,280 new claims costing \$3,028,400 the second year. The assumptions made for the number of Physician Assistants enrolling and the costs of new claims made to the system appear to ignore available information:

1.) 42 PA's independently billing Medicaid is unrealistic. There are 21 rural health clinics in Health Practitioner Shortage Areas representing 27 mid-level provider positions that are currently filled by 10 ANP's and 11 PA's with 7 vacancies. This is substantially less than the estimate of 42 PA's seeking to enroll. In addition, of these 21 rural clinics, 10 are "Certified Rural Health Clinics" and the PA's working there can already bill Medicaid as a mandatory service.

2.) HB 341 provides no economic incentive to bill Medicaid independently in an urban setting. PA's practicing in a physician's office bill Medicaid under their physician's name and are reimbursed at the Physician's rate of 100%. If PA's are allowed to bill independently, they will almost assuredly receive a lower rate of reimbursement similar to the 80% rate received by Advanced Nurse Practitioners (ANP's), who have a similar level of training.

3.) The state's experience with ANP's suggests much lower costs. ANP's are on the Optional Medicaid List and have been receiving reimbursement from DHSS. According to the Department's figures, an average of 36 to 38 nurse practitioners (compare to the Department's assumption of 42 PA's the second year) have billed Medicaid over the past fiscal year to date totaling \$210,473. Generously doubling this figure for the rest of the year, we arrive at a total of \$420,946 for patients and  $1,019 \times \$6.23 \times 2 = \$12,697$  for processing for a total annual cost estimate of \$ 433, 643. That is approximately one seventh of, or \$2,594,747 less than, the Department's forecast for the PA's second year of \$2,780,800 with an additional \$280,000 for administrative costs.

4.) The DHSS fiscal note ignores inevitable cost-shifting. The whole point of this bill is to increase access to health care, but 14,280 new claims the first year and 35,280 new claims the next will not be billed to Medicaid simply because PA's can bill Medicaid independently. Logic suggests that these PA's will not treat an entirely new caseload of Medicaid eligible patients. Additionally, PA services are often less expensive than those of physicians and should offset some of the costs of newly enrolled Medicaid recipients.

### Certified Rural Health Clinics in Health Practitioner Shortage Areas

<u>Location</u>	<u>Clinic Administered By:</u>	<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-Level Vacancy</u>
Chignik Bay	Bristol Bay Area Health Corp.		1		
Galena	City of Galena	1	1		1
Hoonah	SEARHC		1		
Unalaska	Iliuliuk Medical Clinic (Private Non-Profit)	2	2.25	.75	
McGrath	Tanana Chiefs Conf.		1		
Pelican	City of Pelican				1
Talkeetna	Sunshine Com. Health Service		1		
Whittier	City of Whittier	1			
Yakutat	Yak-tat Kwaan, Inc.		1.5		
Fort Yukon	Yukon Flats		1		
<u>Totals:</u>		<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-level Vacancy</u>
10		4	9.75	.75	2

**Non-Certified Rural Clinics in Health Practitioner Shortage Areas**

<u>Location</u>	<u>Administered By:</u>	<u>ANP</u>	<u>PA</u>	<u>Physician</u>	<u>Mid-Level Vacancy</u>
Craig	Craig Health Corp.			?	
Skagway	Lynn Canal Med. Corp.		1		1
Haines	Lynn Canal Med. Corp.			2	
King Cove	City of King Cove	1			
Sand Point	City of Sand Point	1			2
Akutan	East. Aleut Tribes, Inc.	1			
Cold Bay	City of Cold Bay	1			
Bethel	Bethel Family Clinic			1.75	1
Togiak	Bristol Bay Area Health Corp.	1			
St. George	St. George Trad. Council				1
Nenana	Valley Family Health Serv. (Private Non-Profit)	1			
<b><u>Totals:</u></b>		<b><u>ANP</u></b>	<b><u>PA</u></b>	<b><u>Physician</u></b>	<b><u>Mid-Level Vacancy</u></b>
11		6	1	4.75	5

# Alaska State Legislature

While In Fairbanks  
119 N. Cushman St.  
Suite 203  
Fairbanks, AK 99701  
907-456-8161



While In Juneau  
State Capitol  
Juneau, AK 99801-1182  
907-465-2327  
907-465-4713

Representative Joe Sitton

## Letters of Support

- 1.) Alaskan Academy of Physician Assistants
- 2.) Alaska State Medical Association
- 3.) Health Care Coalition of Alaska
- 4.) Alaska Nurses Association
- 5.) Alaska Public Health Association
- 6.) Tanana Valley Clinic



alaska academy of physician assistants

January 18, 1993

Rep Joe Sitton  
Room 609, Court  
State Capitol  
Juneau, AK 99801-1182

RE: HOUSE BILL NO. 341

Dear Representative Sitton,

I am writing in behalf of the Alaska Academy of Physician Assistants. I would like to extend my gratitude for the work that you have done to promote the health and well being of all Alaskans by sponsoring HOUSE BILL NO. 341.

This "Bill" is very important to all Physician Assistants in the State of Alaska. It will open many doors that have been previously closed and remove some of the barriers to PA's in this state. HOUSE BILL NO. 341 covers some areas that have been of concern to PA's such as not being included in the list of practitioners who can sign "Handicapped" parking permits, not being on the list of providers for Workers Compensation. But of course, there is the big issue of not being listed as a Medicaid provider. This issue is very important in areas where PA's work at sites that are different than that of their collaborative physician or for persons who do locum tenens work.

I again would like to express my gratitude and look forward to working with you on this important bill.

Sincerely,

A handwritten signature in black ink, appearing to be "Barry L. Campbell", followed by a long horizontal line extending to the right.

Barry L. Campbell, PA-C  
President



# ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

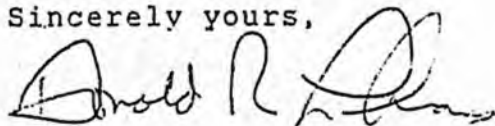
January 28, 1994

Rep. Joe Sitton  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, AK 99811

Dear Representative Sitton:

I am writing in support of your House Bill 341 which permits Medicaid reimbursement for physician assistant (PA services). Currently physician assistants practicing outside a physician's office or designated rural health clinics do not qualify as Medicaid providers. This is a critical issue in rural communities where the PA is the only health care provider. Medicaid eligible patients in these communities may have to travel long distances to obtain Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients. Your bill would also amend the statute so that PA's would be permitted to perform Workman's Compensation evaluations and allow private insurance companies to reimburse for physician's assistant's services. This bill will also enable a physician assistant to issue handicap parking permits. I believe this bill will benefit health care for all Alaskans. If I can be of any assistance to you on this bill, do not hesitate to contact me.

Sincerely yours,



Donald R. Lehmann, M.D.  
Chairman, Legislative Affairs Committee  
President, Alaska State Medical Association.

CC: Byron Mallot, John Riley, PA-C



# HEALTH CARE COALITION OF ALASKA

January 27, 1994

Mr. John Riley,  
President  
Alaska Academy of Physician Assistants  
Anchorage Neighborhood Health Center  
1217 East 10th Avenue  
Anchorage, Alaska 99501

Dear Mr. Riley:

The Health Care Coalition (HCC) of Alaska is pleased to support HB341 and SB231, which allows Physician Assistants to bill for their services to the Medicaid program. The current situation works a particular hardship upon rural communities, where solo PAs are working. Even in those clinics that are federally designated as Rural Clinics Medicaid will only reimburse on a flat fee basis, with the result that the clinics are often not able to recover actual costs on cases which may consume inordinate amounts of the practitioner's time. Without question, the current system works a hardship on Medicaid eligible patients who may have to travel long distances in order to use that resource for their care.

The HCC also strongly supports SB 235, providing for the forgiveness of student loans for several categories of health care professionals (including PAs). This program is much needed as a means for meeting the severe shortage of providers in Alaska. It covers physicians, osteopaths, physical therapists, occupational therapists, registered nurses and physician assistants.

Finally, the HCC is in strong support of current efforts to preserve the MEDEX Northwest PA Training Program at Sitka, and the Alaska Center for Rural Health, at the University of Alaska Fairbanks. The Legislature will be requested to increase the University budget to continue both those programs.

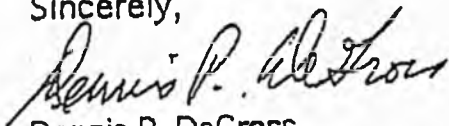
ALASKA ACADEMY OF PHYSICIAN ASSISTANTS • ALASKA PHARMACEUTICAL ASSOCIATION • ALASKA PUBLIC HEALTH ASSOCIATION  
ALASKA STATE MEDICAL ASSOCIATION • HEALTH ASSOCIATION OF ALASKA • ALASKA NATIVE HEALTH BOARD • ALASKA NURSES ASSOCIATION • ALASKA DENTAL SOCIETY

*working together . . . caring together*

4107 Laurel Street Anchorage, AK 99508 (907) 562-2662 Fax 561-2063

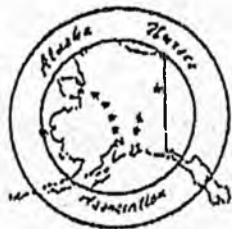
Thank you for this opportunity to comment on these health measures.

Sincerely,



Dennis P. DeGross  
President and Co-Chair

CC: HCC members



# ALASKA NURSES ASSOCIATION

237 E. 3rd Avenue #3 Anchorage, AK 99501 2523  
(907) 274-0827 FAX (907) 272-0292

February 1, 1994

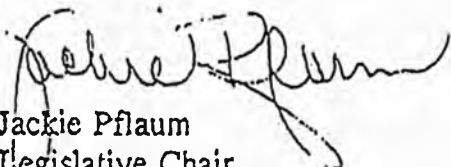
Representative Jeannette James  
House of Representatives  
State Capitol Room 501C  
Juneau, Alaska 99801-1182

Dear Representative James:

This letter is written in support of HB 341, sponsored by yourself, and SB 231, sponsored by Senator Kertulla which permits Medicaid reimbursement for physician assistant (PA) services. Currently, physician assistants practicing outside a physician's office or a designated Rural Health Clinic do not qualify as Medicaid providers. This is a critical issue in rural communities where the midlevel practitioners are the only health care providers. Medicaid-eligible patients in these communities may have to travel long distances to obtain Medicaid services. The lack of reimbursement in these settings is a direct obstacle to health care for Medicaid recipients.

HB 341 and SB 231 also amend the statutes so that PA's are permitted to perform Workman's Compensation evaluations and requires private insurance companies to reimburse for PA services. The bills also enable physician assistants to issue handicapped parking permits.

Sincerely,

  
Jackie Pflaum  
Legislative Chair

# ***Alaska Public Health Association***

*Robert L. Cole, President  
P.O. Box 4 - 1825  
Anchorage, Alaska 99505*

---

*February 3, 1994*

*Mr. John Riley, President  
Alaska Academy of Physician Assistants  
Anchorage Neighborhood Health Center  
1217 East 10th Avenue  
Anchorage, AK 99501*

*Dear Mr. Riley:*

*The Alaska Public Health Association strongly supports two pieces of legislation now before the Alaska Legislature. These are HB341 and SB231, which allow Physician Assistants to bill for their services to the Medicaid program.*

*Currently, rural communities employing solo PAs are greatly disadvantaged. Even those communities with federally designated Rural Clinics Medicaid will only reimburse on a flat fee basis, with the unfortunate result that the clinics are often not able to recover actual costs on cases which may consume inordinate amounts of the practitioner's time. The current system is especially tough on Medicaid-eligible patients who may have to travel long distances in order to use that resource for their care.*

*The Alaska Public Health Association welcomes this opportunity to comment on this legislation.*

*Sincerely,*



*Robert Cole  
President*

# Tanana Valley Clinic

Family Medical Care  
Since 1959

March 09, 1994

#### OBSTETRICS & GYNECOLOGY

Ronald B. Anderson, M.D.  
Dore K. Helmer, M.D.  
Richard C. Hess, M.D.  
Ralph A. Wells, M.D.  
Nigel G. Wappes, M.D.  
Phyllis L. Baras, PA-C  
Jan Swanson, CHP

#### SURGERY

Ariane D. Kirschner, M.D.  
Jon Lieberman, M.D.

#### INTERNAL MEDICINE

Michael J. Heide, M.D.  
Jonathan R. Stern, M.D.

#### PEDIATRICS

Marvin E. Bergeson, M.D.  
Richard C. Reem, M.D.  
Nancy J. Schultz, M.D.  
Marianne B. Woodward, M.D.  
J. Timothy Fooks, M.D.

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Charles Steiner, M.D.  
Conna Lovston, M.D.  
Michael B. Fiedler, M.D.  
Stephen Grandtun, M.D.  
Dennis Rogers, PA-C  
Patricia Green, CHP

#### PATIENT EDUCATION

Gina McCaughey, RN

#### ADMINISTRATION

Ron Davis, Administrator  
Brenda J. Farmer, Controller/Asst. Admin.

Representative Joe Sitton  
Room 609, Court - State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Sitton:

I am writing to you to ask for your support of HB #341, sponsored by Representative Joe Sitton and Jeannette James. There is a similar Senate Bill, #221, which is sponsored by Senator Jay Kerttula.

These bills are important to prevent any insurance company from denying payment for services provided by a Physician Assistant. Currently, there are several companies that will not pay for medical services provided by a physician assistant. Nurse Practitioners, and Chiropractors already have obtained legislation to prevent insurance companies from denying payment.

The other important part of these bills is establishment of medicaid reimbursement. At this time, medicaid patients, in some remote areas are denied care due to the fact that medicaid will not authorize PA's medicaid numbers to bill for services. In turn, these patients either don't receive care or are flown to town at an exorbitant cost to medicaid for care. What this does is effectively limit availability of health care to medicaid patients in rural settings, and actually greatly inflates the amount of money paid by medicaid for patient services because of the medivac or transportation into town.

These bills were developed after identification of some of the barriers to health care through discussion between the

HB 341/SB 231

Page 2

Interior Legislators, or their aides, and Physician Assistants from Fairbanks, Alaska. There have been letters of support from many organizations which include the Health Care Coalition, Alaska Nurses Association, and the Alaska State Medical Association to name a few. The Alaska Academy of Physician Assistants is actively working on these and other issues and will streamline the ability to care for all Alaskans, and assure that all Alaskans have equal access to care in the future.

I appreciate your time and attention to this matter and encourage your support in House Bill #341.

Sincerely,



Dennis M. Rogers, PA-C  
Family Practice Department

rjo



HB 341

# Alaska Center for Rural Health

Telephone (907) 474-6020

P.O. Box 81710 • Fairbanks, Alaska 99708-1710

Fax (907) 474-6739

## BOARD OF DIRECTORS

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February 3, 1994

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Mr. John Riley, President  
Alaska Academy of Physician Assistants  
Anchorage Neighborhood Health Center  
1217 East 10th Avenue  
Anchorage, AK 99501

Donna Galbreath, MD  
Treasurer  
Fairbanks, AK

Gale Foode-Mighell  
Anchorage, AK

Dear Mr. Riley:

Anna Frank  
Fairbanks, AK

The Alaska Center for Rural Health wishes to express its strong support for HB341 and SB231. These companion bills will permit Physician Assistants to bill for their services to the Medicaid program.

Mark Gorman, MPH  
Sitka, AK

Bertha Jennings  
Kotzebue, AK

In many of our rural communities, solo PAs are working far from the support of physicians and other elements of Alaska's health system. Current policy prohibits those PAs from billing Medicaid for their services, thus working an unfortunate as well as unfair hardship for rural communities.

Thomas Nighswander, MD  
Anchorage, AK

Karen Perdue  
Fairbanks, AK

Granted, clinics designated by the federal government as Rural Clinics are allowed to bill for Medicaid reimbursement, but only on a flat fee basis. This means that clinics are often not able to obtain compensation for the amount of time that a PA might actually spend on a patient. The current system works a hardship on Medicaid eligible patients who may have to travel long distances in order to use the resource for their care.

Jackie Pflaum, RN  
Anchorage, AK

Tim Pollard, MD  
Seward, AK

Joseph Ryan, ACSW  
Anchorage, AK

Sincerely,

Judith Snow-Rosander, RN  
McGrath, AK

Flora Sweetsir  
Galena, AK

Daniel A. Johnson  
Center Director

Margaret Wood, PhD  
Dillingham, AK

Oric Williams  
Bethel, AK

May 1, 1994

The Honorable Cynthia Toohey  
House of Representatives  
State of Alaska  
Rm 104 Capitol Bldg  
Juneau, AK 99801-1182

MAR 2 1994

RE: HOUSE BILL # 341 ESTABLISHMENT OF MEDICAID REIMBURSEMENT FOR  
PHYSICIAN ASSISTANTS

Dear Representative Toohey:

I enjoyed the opportunity to speak with you yesterday regarding House Bill #341  
concurring Physician Assistants Reimbursement by Medicaid.

You were most disturbed by the fiscal note attached to this bill of One Million Dollars. So  
was I, when I learned this! This fiscal note is inaccurate!! If passed, there are about 40  
Physician Assistants that this bill would affect. I think there are currently about 38 Nurse  
Practitioners in the State who are billing for Medicaid. This would be about the same  
number of Physician Assistants that this would affect. It makes me wonder if Physician  
Assistants upset someone in the Medicaid office to provide you with this inaccurate cost!!  
This is not correct or accurate information. We are only asking for the current rate of  
reimbursement that is being provided to Nurse Practitioners, not the physician rate of  
reimbursement.

To answer another one of your questions, Physician Assistants are licensed under the  
Alaska State Medical Board, Nurse Practitioners under the State Nursing Board.

Also for your information, this bill which was supported by Representative Joe Sitton and  
Representative Jeanette James, began at the grass roots level by concerned Fairbanks  
Physician Assistants who turned to our legislators for help. You spoke of support of a bill  
being worthy if it is represented by majority versus minority. I understand from our  
conversation in your political environment this means a great deal to a bill on whether or  
not gets recognized worthy of a hearing regardless of its content. This is a concept that I am  
sure Physician Assistants do not understand. I urge you to at least consider a hearing on  
this bill so it can begin to educate people about Physician Assistants and the role they  
perform in health care delivery.

Since Nurse Practitioners are already being issued Medicaid numbers I hope you agree that  
Physician Assistants who provide the same type of services should also be granted  
Medicaid numbers. As I told you, I am a registered Nurse who went to a combined  
Physician Assistant / Nurse Practitioner Program and I am living proof we are of equal  
status and we do the same type of services in the delivery of health care.

We have the support of the Alaska Nurses Association, and the Alaska State Medical  
Association and the Health Care Coalition just to name a few. Nurse Practitioners and  
Physician Assistants are paid the same salary in Alaska. Most clinics and hospitals will hire  
either one of us although the lack of issuing Medicaid numbers to Physician Assistants  
(PA) is one example of a barrier to PA employment.

\*\*\*END\*\*\*

Representative Cynthia Toohey  
March 1, 1994  
Page Two

I also spoke with Con Bunde, your Co-Ch. He was more optimistic in telling me that a hearing would be scheduled, and if I didn't hear from him in the next two weeks to contact him. I do know that we are running short of time with the journey this bill must take. If I can provide any more information or help in any other way do not hesitate to call me. Thank you once again for your time in this matter.

Sincerely,



Wendy Hladick PA-C  
Vice President of the Alaska Academy of Physician Assistants  
Box 74  
Galena, AK 99741  
(907) 656-1891

## PHYSICIAN ASSISTANTS

Physician assistants (PAs) practice medicine with supervision by licensed physicians, providing patients with services ranging from primary medicine to very specialized surgical care. A physician assistant's scope of practice is determined by state law, the supervising physician's delegation of responsibilities, the PA's education and experience, and the specialty and setting in which he works.

### Physician Assistant Education

PAs are educated in accredited programs located at schools of medicine or allied health, universities and teaching hospitals. Prerequisites for admission generally include two years of relevant college coursework, plus patient care experience. PA education is usually 102 weeks (as compared with 152 weeks of medical school).

The first phase of the program consists of intensive classroom and laboratory study, providing students with an indepth understanding of the medical sciences. Subjects include anatomy, pharmacology, physiology, clinical laboratory medicine and microbiology, pathophysiology, physical diagnosis, medical ethics and behavioral sciences. The second phase consists of clinical rotations with physician preceptors in a variety of settings, such as hospitals, long term care facilities, and physicians' offices. Most programs require clinical rotations in internal medicine, family medicine, surgery, pediatrics, obstetrics/gynecology, psychiatry, emergency medicine and geriatric medicine.

PA programs are accredited by the American Medical Association's Committee on Allied Health Education and Accreditation (CAHEA).

### National Certification

The National Commission on Certification of Physician Assistants is an independent organization established to assure the competency of physician assistants. In conjunction with the National Board of Medical Examiners, it administers a national certifying examination to graduates of accredited PA programs. Only those individuals who pass the exam may use the title "Physician Assistant-Certified" or "PA-C." In order to remain certified, PAs must complete 100 hours of continuing medical education every two years and take a recertification examination every six years. In large measure, this private voluntary certification process has been adopted as a state licensing requirement.

### Practice Settings

In the 25 years since the first PAs began practicing, the profession has shown remarkable growth. In 1991 there were over 21,000 clinically practicing PAs in the United States, more than double the number just 10 years ago. They are located in almost all health care settings and in every medical and surgical specialty. Fifteen percent of all PAs practice in rural areas where they may be the only full-time providers of care (state laws stipulate the conditions for remote supervision by a physician). Twenty-one percent of the PA profession work in urban and inner city areas.

The majority of PAs are in primary care; one quarter practice in surgical specialties. Over three quarters of PAs practice in outpatient settings, with 24 percent located in inpatient settings. According to the US Department of Health and Human Services' 1990 report to the President and Congress, "Physician assistants are more evenly distributed than any other primary care providers and can greatly improve access to health care in many areas."

In 1991 PAs had 147 million patient contacts and wrote 112 million prescriptions. Eighty percent of all PAs work in states that allow prescriptive practice. (The percentage of PAs in rural areas is higher in states with prescriptive privileges.) PAs have proven adaptable to the changes in medicine over the last quarter century and are filling roles that could not have been anticipated when the profession began. For example, many hospitals, faced with a shortage of medical residents or restrictions on resident work hours, have discovered the value of physician assistants.

### **Growth of the PA Profession**

Demand for PA services continues to grow. Factors that have contributed to this growth include Medicare coverage for the services provided by PAs (reimbursement is made to the PA's employer) and increased recognition of the quality of care that PAs provide. The US Department of Labor predicts a 23 percent increase in the number of PA positions over the next decade. Nationally, the demand for PAs exceeds the supply of graduates by 7.5 to 1.

### **Physician Assistant Organizations**

The American Academy of Physician Assistants is the national professional society for PAs. It has chapters in all 50 states, the District of Columbia, Guam, the military services, the US Public Health Service and the Veterans Administration. Over two-thirds of all PAs are members of AAPA. Major activities of the organization include government relations, research and data collection, publications, and continuing medical education.

The Association of Physician Assistant Programs shares its national headquarters with the AAPA. Whereas the Academy's members are individual physician assistants and PA students, the members of APAP are the more than 50 accredited physician assistant educational programs. The Association serves as a national information center on PA education. Both organizations are currently located at 950 North Washington Street, Alexandria, Virginia 22314. (703-836-2272)

The National Commission on Certification of Physician Assistants, which administers the certifying examinations described above, is located at 2845 Henderson Mill Road NE, Atlanta, Georgia 30341. (404-493-9100)

**HB**

**341**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/94

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered CS FOR HOUSE BILL NO. 341(HES)

"An Act relating to physician assistants; reordering the priorities given to optional Medicaid services; and providing for an effective date."

*Died in SFC 1994.*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts \_\_\_\_\_ Letter of Intent
- further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

### NEW FISCAL NOTES

Department	Date	Zero	Fiscal

### PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

- Appropriation No Fiscal Note

### DO PASS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
1. \_\_\_\_\_

Co-Chair: Signature/Recommendation

### OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
2. \_\_\_\_\_

Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT

DATE: 4/13/94

FURTHER: Finance

DATE TURNED INTO OFFICE: \_\_\_\_\_

HESS Committee considered CS FOR HOUSE BILL NO. 341(HES)

"An Act relating to physician assistants; reordering the priorities given to optional Medicaid services; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Chair: Signature and Recommendation

Finance 4/24/94  
 turned to

FISCAL NOTE

No. 7  
 Bill Version: CSHB 341(HES)  
 (H) Publish Date: 4/11/94

STATE OF ALASKA  
 1994 LEGISLATIVE SESSION

BILL

Revision Date: 4/7/94  
 Title: An Act relating to physician assistants;...

Department: Commerce and Economic Dev.  
 BRU: Occupational Licensing  
 Component: Operations

Sponsor: Rep. Sitton, James, Nicholia  
 Requestor: House Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

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

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
--------------------	-----	-----	-----	-----	-----	-----

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

Estimate of any current year (FY 94) cost: \$ None

POSITIONS							
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0	
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0	
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0	

ANALYSIS: (Attach a separate page if necessary)  
 The provisions of CSHB341(HES) amends several statutes to include physician assistant services, however, the amendments do not affect the licensing statutes for physician assistants and therefore, funding is not required.

Prepared by: Jennifer Strickler, Administrative Officer  
 Division: Occupational Licensing  
 Approved by Commissioner: Paul Fuhs  
 Agency: Commerce and Economic Development

Phone: 465-2144  
 Date: 4/7/94

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COMMITTEE COPY

F I S C A L N O T E

REQUEST:

Revision Date: Dept: Health and Social Services  
Title: An Act Providing coverage under  
medicaid Services of Physicians' Ass. BRU: Medicaid  
Sponsor: Sitton, James Components: Medicaid Non-facility  
Requestor: House Finance Committee No: 229

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

ESTIMATE OF ANY CURRENT YEAR (FY 94) COST \$

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Rep. Ron Larson, Co-Chair *RL* 465-3878  
Rep. Eileen MacLean, Co-Chair Phone: 455-4833  
 Division: House Finance Committee Date: 4/8/94  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

COMMITTEE COPY

FISCAL NOTE

REQUEST:

Revision Date: Dept: Health and Social Services  
Title: An Act Providing coverage under  
medicaid Services of Physicians' Ass. BRU: Medicaid  
Sponsor: Sitton, James Components: Claims Processing  
Requestor: House Finance Committee No: 243

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (THOUSANDS OF DOLLARS)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

ESTIMATE OF ANY CURRENT YEAR (FY 94) COST \$ \_\_\_\_\_

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Rep. Ron Larson, Co-Chair *RL* 465-3878  
 Prepared By: Rep. Eileen MacLean, Co-Chair *EM* Phone: 465-4833  
 Division: House Finance Committee Date: 4/8/94  
 Approved By: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

COMMITTEE COPY

# FISCAL NOTE

No. 4

Bill Version: CSHB 341 (HES)

(H) Publish Date: 3/18/94

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO :

Revision Date: \_\_\_\_\_  
 Title: Physician assistants. services  
 Sponsor: Representative Sitton  
 Requestor: Representative Sitton

Department Affected: Labor  
 BRU: Workers' Compensation  
 Component: \_\_\_\_\_  
Workers' Compensation  
 COMPONENT SERIAL NO. 344

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
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						
---------	--	--	--	--	--	--

REVENUE						
FUND SOURCE:						

**FINDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ None

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

Prepared by: Paul Arnoldt, Director *Paul Arnoldt* Phone: 465-2790  
 Division: Workers' Compensation Date: 1/25/94  
 Approved by Commissioner: Charles W. Mahlen *Charles W. Mahlen*  
 Agency: Department of Labor Date: 1/25/94

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FISCAL NOTE

No. 3  
 Bill Version: CSHB 341 (HES  
 (H) Publish Date: 3/18/94

STATE OF ALASKA  
 1994 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Physician Assistants' Services  
 Sponsor: Sitton  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Insurance  
 Component: Operations  
 COMPONENT SERIAL NO. 354

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ( )	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer  
 Division: Insurance

Phone: 465-2597  
 Date: 1/19/94

Approved by Commissioner: Paul Furr  
 Agency: Commerce and Economic Development

Date: 1/19/94

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ALASKA STATE LEGISLATURE  
HOUSE BILL NO. 341

HISTORY IN THE HOUSE

1994  
1/10 Read first time and referred to:  
HES FIN

3/18 HES RPT CS(HES)  New Title  
4 DP 0 DNP 4 NR 0 AM  
2 FN 2 OFN Previous FN

4/11 FIN RPT CS(HES)  New Title  
6 DP 0 DNP 2 NR 0 AM  
FN 3 OFN 2 Previous FN 0

4/12 Read second time  
CS(HES) Adopted

Amended

4/12 Advanced

4/12 Read third time

Return to second for specific amendment

4/12 PASSED EFD Same  or  
 Yeas 38 Yeas  
 Nays 1 Nays  
 Excused 0 Excused  
 Absent 1 Absent

         Intent adopted

Reconsideration  
 Reconsideration not taken up

PASSED ON RECON. EFD Same          or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

         Intent adopted

4/12 Reported correctly engrossed  
 Signed by Speaker, to the Senate  
Suzanne  
 Chief Clerk of the House

HISTORY IN THE SENATE

1994  
4/13  
4/14 Read first time and referred to:  
HES FIN  
HES waived to FIN

4/14 HES RPT( CS DP NR DNP AM )  
 New Title          Same Title          Previous FN  
         FN          OFN waive To FIN

         RPT(          ) CS          DP          NR          DNP          AM  
 New Title          Same Title          Previous FN  
         FN          OFN To         

         RPT(          ) CS          DP          NR          DNP          AM  
 New Title          Same Title          Previous FN  
         FN          OFN To         

         Rules Calendar(          ) CS          AM          Other  
         New Title          Same Title          Previous FN  
         FN          OFN

Read second time

         CS Adopted (          )          New Title  
         Amended          Advanced

Read third time

         Letter of Intent adopted  
         Return to second for specific amendment

PASSED EFD Same          or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reconsideration  
 Reconsideration not taken up

PASSED EFD Same          or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reported correctly engrossed  
 Signed by President, to the House  
          
 Secretary of the Senate

**HB**

**342**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 5, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/19/94

The FINANCE Committee considered:

HB 342

HOUSE BILL NO. 342

EXTEND TOURISM MARKETING COUNCIL

"An Act extending the termination date of the Alaska Tourism Marketing Council."

**RECOMMENDATIONS:**

be replaced with CS HB 342 (FIN)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

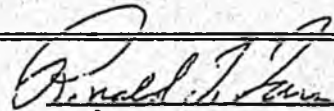
fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) DCED 1/21/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>EP Maclean</i> <small>Maclean</small>	✓				
<i>Ronald J. Larson</i> <small>Larson</small>	X	<i>Mark Henley</i> <small>Henley</small>		X	
<del><i>[Signature]</i></del>		<i>Terry Martin</i> <small>Martin</small>		X	
<i>Ben Grussman</i> <small>Grussman</small>	✓	<i>Karl Parnell</i> <small>Parnell</small>			X
<i>Tom Hoffmann</i> <small>Hoffmann</small>	✓	<i>Gene Thurnquist</i> <small>Thurnquist</small>			X
<i>Fay Brown</i> <small>Brown</small>	✓				
<del><i>Richard [Signature]</i></del> <small>Foster</small>	X				
<del><i>Mike [Signature]</i></del> <small>NAVARO</small>	✓				

  
 CO-CHAIRMAN'S SIGNATURE  
*EP Maclean*  
Larson Maclean

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. HB 342

Revision Date: \_\_\_\_\_  
Title: Extending the Alaska Tourism Marketing Council

Department Affected: Commerce and Economic Development  
BRU: Tourism  
Component: \_\_\_\_\_

Sponsor: Rep. Kott  
Requestor: House Labor and Commerce

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

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ( )	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

The expenditures are contained in the proposed operating budget and the revenues are reflected in revenue projections.

Prepared by: Tina Lindoren  
Division: Alaska Tourism Marketing Council

Phone: 465-2500  
Date: January 18, 1994

Approved by Commissioner: Paul Fuhs  
Agency: Commerce and Economic Development

Date: 1/18/94

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FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. HB 342

ANALYSIS: (continued)

The passage of Senate Bill 478 (SLA 1988, Chapter 78) created the Alaska Tourism Marketing Council which became law, effective July 1, 1988. Legislative findings regarding SB 478 stated:

"The Legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. The Legislature further finds that this cooperative effort would inure to the benefit of the visitor industry in the state and that some of the costs of maintaining the effort be borne by the industry. The Legislature further finds that expansion of the economic benefit of tourism is in the public interest and the state should take an active interest in the ensurance of a quality experience for visitors to the state, cooperate with the private sector in improving the amenities available to visitors to the state, and seek to ensure authentic accessible experience for visitors throughout the state."

8-LS1426N  
Lauterbach  
4/18/94

amended

#1 ADP  
#2 APP  
#3 ADP  
#4

CS FOR HOUSE BILL NO. 342( )

IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Hudson, Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Tourism Marketing Council; increasing to at least  
2 38 percent the share of the council's expenses that must be paid through  
3 contributions by an association that contracts to jointly manage the council; and  
4 providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. AS 44.33.705(b) is amended to read:

7 (b) If the commissioner determines that it is in the best interests of the state  
8 to promote the state as a destination through the cooperative marketing program, the  
9 commissioner shall contract with a single qualified trade association to jointly manage  
10 the council if the trade association agrees that, before the end of each fiscal year that  
11 the contract covers, the association will contribute in cash at least <sup>25</sup>20 [15] percent of  
12 the total operating expenses of the council for that fiscal year and the association will  
13 furnish the council with evidence of additional contribution the form of  
14 products <sup>or</sup> and services so that the total contribution of cash, products, and services

ADP  
#3  
cash



1 is at least 50 percent of the total operating expenses of the council for that fiscal  
 2 year. A product or service qualifies as a contribution under this subsection if it  
 3 is provided by the association in a mutual undertaking with a state agency to  
 4 advertise, market, or promote the state as a visitor destination. For purposes of  
 5 this subsection, the value of a contribution other than cash is the lowest retail unit  
 6 value of the product or service or the value of the discount given to the state for  
 7 that product or service, whichever is less. ~~plus the actual cost of administrative~~  
 8 time and expenses if the administrative costs are not ~~already~~ included in the cost  
 9 of the product/or service.] The term of a contract under this section may not exceed  
 10 two years.

adp  
 Amend #4

DELETE  
 Amend #2  
 adp

11 \* Sec. 2. AS 44.66.010(a)(15) is amended to read:

12 (15) Alaska Tourism Marketing Council (AS 44.33.700) -  
 13 December 30, 1998 [1994];

14 \* Sec. 3. TRANSITIONAL PROVISION. Notwithstanding AS 44.33.705(b), as amended  
 15 by sec. 1 of this Act, if the commissioner of commerce and economic development contracts  
 16 with a single qualified trade association to jointly manage the Alaska Tourism Marketing  
 17 Council, the contract must provide that before the end of the following fiscal years, the  
 18 association will provide evidence of contributions of products and services, in addition to its  
 19 required cash contribution of 20 percent, so that the total contributions of cash, products, and  
 20 services are at least the following percentages of the total operating expenses of the council  
 21 for those fiscal years:

- 22 (1) fiscal year 1995, 38 percent;
- 23 (2) fiscal year 1996, 42 percent;
- 24 (3) fiscal year 1997, 45 percent.

25 \* Sec. 4. APPLICABILITY. This Act applies to contracts under AS 44.33.705 that are  
 26 entered into or renewed on or after July 1, 1994.

27 \* Sec. 5. This Act takes effect July 1, 1994.

8-LS14260  
Lauterbach  
4/11/94

CS FOR HOUSE BILL NO. 342( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Hudson, Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Tourism Marketing Council; increasing to at least  
2 38 percent the share of the council's expenses that must be paid by an  
3 association that contracts to jointly manage the council."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 \* Section 1. AS 44.33.705(b) is amended to read:

6 (b) If the commissioner determines that it is in the best interests of the state  
7 to promote the state as a destination through the cooperative marketing program, the  
8 commissioner shall contract with a single qualified trade association to jointly manage  
9 the council if the trade association agrees that, before the end of each fiscal year that  
10 the contract covers, the association will contribute at least 50 [15] percent of the total  
11 operating expenses of the council for that fiscal year. The term of a contract under  
12 this section may not exceed two years.

13 \* Sec. 2. AS 44.66.010(a)(15) is amended to read:

14 (15) Alaska Tourism Marketing Council (AS 44.33.700) -

1 December 30, 1998 [1994];

2 \* **Sec. 3. TRANSITIONAL PROVISION.** Notwithstanding AS 44.33.705(b), as amended  
3 by sec. 1 of this Act, if the commissioner of commerce and economic development contracts  
4 with a single qualified trade association to jointly manage the Alaska Tourism Marketing  
5 Council, the contract must provide that before the end of the following fiscal years, the  
6 association will contribute at least the following percentages of the total operating expenses  
7 of the council for those fiscal years:

8 (1) fiscal year 1995, 38 percent;

9 (2) fiscal year 1996, 42 percent;

10 (3) fiscal year 1997, 45 percent.

AMENDMENT

*I passed  
6-4*

OFFERED IN THE HOUSE

BY REPRESENTATIVE MACLEAN

TO: CSHB 342( ) Draft 8-LS1426V

Page 1, line 11:

Delete "20"

Insert "25"

Page 2, line 19:

Delete "20"

Insert "25"

Alaska State Legislature  
House of Representatives

COMMITTEES:  
HEALTH, EDUCATION  
& SOCIAL SERVICES  
JUDICIARY  
STATE AFFAIRS

SPECIAL COMMITTEES:  
MILITARY & VETERANS AFFAIRS  
OIL & GAS



INTERIM:  
EAGLE CENTER, SUITE 141  
EAGLE RIVER, AK 99577  
PHONE (907) 694-8944  
FAX 694-8945

SESSION:  
STATE CAPITOL  
JUNEAU, AK 99811  
PHONE (907) 465-3777

Representative Pete Kott

SPONSOR STATEMENT

It is in the best interest of the State of Alaska to accept HB 342, and extend the life of the Alaska Tourism Marketing Council (ATMC) to December 30, 1998. This legislation conforms to the recommendations of the 1993 Budget and Audit Report.

ATMC falls under the Department of Commerce and Economic Development, Division of Tourism. Ten of ATMC's members are appointed by the Governor, while ten others are appointed by the Alaska Visitor Association. The Director of the Division of Tourism is automatically a member. ATMC works to "promote the state as a destination and promote all forms of travel to the state, including travel by air, highway, and water" (AK Statute 44.33.720 a) 1.)

An example of ATMC activities is the publication of "The Alaska Vacation Planner's Guide," which lists 1,300 Alaskan businesses and is mailed all over the United States and the world. This is a vital vehicle for Alaska in promoting the tourism industry. The Planner has also provided needed advertisement to businesses located in the outer regions of the state, and to those that do not have a large promotional budget. Other ATMC activities include TV and print advertising, research, and providing advice to the Division of Tourism.

ATMC plays a substantial part in bringing over \$52 million each year to the State of Alaska (McDowell Group, 1992.) If we want to continue to compete successfully in the national and international tourism market, we need to support extending the Alaska Tourism Marketing Council's term.



SPONSOR STATEMENT

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

COPY

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

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

January 7, 1994

SUBJECT: Sectional Summary of HB 342 (8-LS1426E)  
TO: Representative Pete Kott  
FROM: Terri Lauterbach  
Legislative Counsel

You have requested a sectional summary of the above bill.

Section 1. Extends the termination date of the Alaska Tourism Marketing Council to December 30, 1998.

TML:pl  
94-015.plm

Sectional Summary

HB 342: "An Act extending the termination date of the  
Alaska Tourism Marketing Council"

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership that combines the resources and expertise of the state and private industry. It is jointly managed by the Department of Commerce and Economic Development and Alaska Visitors Association. The council consists of ten members appointed by the Governor, ten members appointed by the visitor industry, and the Director of the Division of Tourism.

The goal of the ATMC is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination. To achieve this goal, the ATMC designs and executes a marketing campaign directed at domestic and Canadian markets with the greatest potential for producing new and repeat visitors. Primary elements of the program include media advertising, public relations, and distribution of the State Vacation Planner. These elements are designed to interest people in Alaska and influence their decision to visit. The program also provides the final link between local businesses and consumers on a scale that is possible only through a cooperative effort.

If the ATMC program did not exist, the economic impact of the visitor industry would be significantly reduced and the larger-tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program, everyone in the state benefits, including other state agencies who receive revenues from visitor spending.

WM/dglmme041pp.co

December 23, 1993

Tina Lindgren  
Alaska Tourism Marketing Council  
3601 C Street, Suite 700  
Anchorage, Alaska 99503

STATE OF ALASKA  
DEPARTMENT OF COMMERCE  
& ECONOMIC DEVELOPMENT

DEC 23 1993

ALASKA TOURISM  
MARKETING COUNCIL

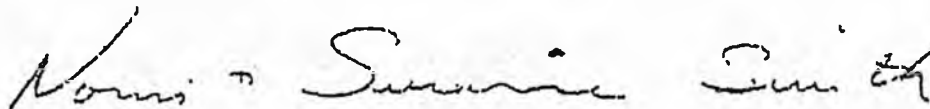
Dear Tina,

Just a quick note to say "thank you" for conducting the recent survey, and by providing us with some informative words on who/what ATMC actually is & does.

My husband and I have run a small business here in Haines for 15 years, and greatly appreciate and depend upon the state's/private sector's co-operative marketing program. Without you we could not exist! Thanks again for all your efforts, and if you're ever in our neighborhood, we'd be happy to put you up!

BEST WISHES FOR THE HOLIDAYS!

Sincerely,



Norm & Suzanne Smith  
Owners/Operators, Fort Seward B & B

12-23-93 ATMC Letter

# Downtown Deli And Cafe

P.O. Box 2653, Anchorage, Alaska 99510

Phone (907) 274-0027

January 7, 1994

Brad Phillips  
Phillips Cruises and Tours  
509 W. 4th Ave.  
Anchorage, Alaska 99501

Dear Brad,

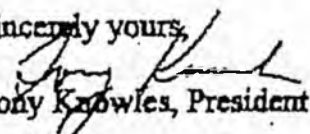
I am writing to you in your capacity as the Chair of the Alaska Tourism Marketing Council. I want to express to you my total support of the Council's public/private marketing efforts. My business is the Downtown Deli and Cafe, which has been operating for 18 years in the same location. During this time I have seen the visitor business grow from a negligible portion of my sales to in excess of two thirds of my total receipts. There is no question that the aggressive marketing of Alaska has played an essential part in this growth.

I am deeply disturbed that a severe reduction in the state's part of the program is being proposed by the Governor. It is well known that tourism, currently one of Alaska's top employers, has the greatest potential growth for both employment and Alaskan small business opportunities. It is also well known that this potential is at risk, as there is intense global competition for the tourism and visitor dollar.

At a time when there is an immediate need to develop private sector jobs to compensate for fewer public revenue based jobs, it is not sensible to turn away from the most logical source of future employment - an expanding visitor industry. Indeed, at a time when Alaska is being attacked through the media, a reduction in our marketing efforts may cause long term damage to Alaska tourism. The bottom line is that we should consider a strategic reassessment of our marketing approach and, in light of the current situation, significantly increase both the public and private marketing efforts for this proven Alaskan job development industry.

Thank you, Brad, for all of your efforts to keep the visitor industry strong.

Sincerely yours,

  
Tony Knowles, President

1-7-94 Phillips Cruises & Tours



6812 KATMAI CIRCLE  
ANCHORAGE, ALASKA 99517-1024  
(907) 243-1238

*cc: Kameron Jones*

- \* KENAI FJORDS NATIONAL PARK \*
- WILDLIFE AND GLACIER TOUR
- \* EXCLUSIVE & OVERNIGHT \*
- CHARTERS
- \* DROP OFF/ PICK-UP \*
- \* FISHING \*

1/12/94

Rick Halford  
Alaska State Legislature  
Room 111  
Juneau, AK 99801-1182

Dear Mr. Halford,

I would like to voice my concern regarding the proposed \$3 million cut to the Cooperative Marketing Budget. As a small businessman directly dependent on tourism dollars during a short summer season, being able to participate in a highly visible cooperative marketing program as has been put together by ATMC has been very productive for us. The Vacation Planner is the single most productive vehicle we have to market ourselves nationally and internationally at a price we can afford. However, even the cost of a small narrative ad has doubled for the 1995 Planner. This is in response to past and proposed cuts to the Cooperative Marketing Budget.

We all realize times are getting leaner and subsidies are being cut because of decreased oil revenues and other factors. One bright, consistent light in the gloom however, has been the inflow of tourism dollars to the state. A definite renewable resource that shows positive growth every year and benefits virtually everyone in the state at one level or another! As strong as tourism is becoming, it definitely needs nurturing and attention and not taken for granted. Cutting the ATMC budget will be felt right down to my level and this is a most important level to me and many other companies, and our employees, and their families! It gets right down to the basics.

Please consider increasing funding for the Cooperative Marketing Budget, not decreasing. We are trying to pull our weight on this small business level, but we do need some assistance before the load gets prohibitive.

Thank you for your consideration.

Sincerely,

*John Shaedy*  
John Shaedy  
Owner/operator

**KLEF FM 98**  
*Your Radio Concert Hall*

January 9, 1994

Hon. Cynthia Toohey  
Alaska State House of Representatives  
State Capitol Building MS 3100  
Juneau, Alaska 99802

Dear Cynthia,

I understand there's some question as to whether the state should continue helping fund the marketing of Alaska as a tourist destination.

My answer is a resounding, "Yes!"

The growth of the visitor industry is one of the best things that's ever happened to Alaska, and the state's financial participation is critical to this continued success.

The millions of dollars which tourists leave in Alaska make a difference to us all. Even in a business such as mine, which is hardly at the center of the visitor industry, their importance is very real. In my opinion, if Anchorage had no visitor industry, KLEF could not continue as a viable enterprise.

Sincerely,



Rick Goodfellow  
President and General Manager


/jrg

3601 C Street, Suite 290

Anchorage, Alaska 99503

(907) 361-5556

1-9-94 Cynthia Toohey Letter

 Anchorage

*Hilton*

February 2, 1994

FEB 07 1994

Mr. Al Vezey  
Chairman-State Affairs  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Vezey:

As one of the many thousand employees who is directly employed in the tourism industry, I would like to state to you that the tourism industry as a whole is a very important asset to our community and the people it represents. The Anchorage Hilton, in which I work for, depends on the cooperative marketing program to promote our product and service. Not only would many organizations be out of business but myself and others would be without a job.

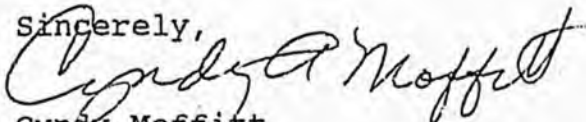
As we all know, oil prices keep plummeting lower and lower and I feel that this is not an appropriate time to cut the Alaska Tourism Marketing Council's budget. This organization has been very successful in the development of our tourism industry. The ATMC reaches the entire traveling market nationwide and has proven its capability in producing monies through the years.

Please do not put an end to the funding of this organization. History has repeated itself. ATMC and all of Alaska's tourism industry partners are a success story among economic development programs.

If you cut off the funds to this organization, you will be cutting off an "education system". Many outside tourist are inquisitive and undecided about that special vacation spot they want to go to. Demographics have proven that visual advertising is one of the best means of selling a product. Other than word of mouth, scenic photographs and an enticing narrative are the keys to TV and magazine advertising. That 30 second TV spot featuring Prince William Sound or Denali National Park could be the "final straw" in a decision made by many people desiring to explore our wonderful state. Do not cut our special visitor short of an opportunity of a lifetime by reducing the funding to this wonderful organization!!

With shrinking oil and fish revenues, our number three state revenue maker is swiftly becoming our number one money maker. The past 3-4 years has proven that we are in the beginning stages of a wonderful uphill growth pattern. Please do not stifle tourism's growth pattern and progress now!

Sincerely,

  
Cyndy Moffitt

cc: Karen Cowart, AVA

BACK UP LETTERS

FEB 10 1994

February 8, 1994

Representative Al Vezev  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Representative,

I am writing to ask you to support continued funding for the Alaska Tourism Marketing Council.

I work in the tourism industry for Denali Park Hotels at Denali National Park, a company which employs approximately 700 people each year. We provide hotel rooms, tours and many other guest services to visitors to our state who spend millions of dollars each season in the Denali Park area. A majority of our business is generated, directly or indirectly, from the exposure we receive in the State Travel Planner and other cooperative marketing programs of the Alaska Tourism Marketing Council. I am told that every dollar we spend on cooperative marketing comes back one hundredfold to the Alaskan economy in the form of visitor, business and employee dollars spent. Tourism is Alaska's great renewable natural resource and an industry we would be wise to encourage.

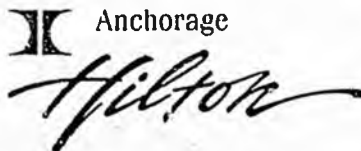
Again, I urge you to support the Alaska Tourism Marketing Council and to maintain their current funding level. Thank you.

Sincerely,



Tracy Alexander  
3637 Thompson Avenue #4  
Anchorage, AK 99508

FEB 07 1994



February 2, 1993

Al Vezey  
Alaska State Legislature  
Chair - State Affairs  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Vezey:

Thank you for your consideration of this letter and the action you will take!

I work for the Anchorage Hilton Hotel and the jobs we have in the Alaskan Tourism Industry are extremely important to us all.

As you are probably aware, the Alaska Tourism Marketing Council's budget has been cut. The ATMC had a dream of assisting in the development of Alaska's tourism. Without tourists and visitors to Alaska our hotel would not exist or most certainly be in dire straights. The ATMC and its industry partners have worked together and been successful over the years to promote summer tourism.

Our hotels are now at capacity in the summer. However, Fall, Winter and Spring are greatly lacking. The Anchorage Hilton Hotel as with other hotels in the city lay off a lot of individuals each winter.

My recommendation is that alternate action be taken to reinstate funds through the ATMC to promote Fall, Winter, and Spring (October through April). Our economy would be healthier, people would be employed and the visitors from the outside could appreciate the true Alaska.

Please support this alternative action plan. It will make a tremendous difference to the hospitality industry.


Sincerely,

A handwritten signature in cursive script that reads 'Kathleen Cox'.

Kathleen Cox  
Sales Manager

CC: Karen Cowart, Alaska Visitors Association

FEB 07 1994

 Anchorage

*Hilton*

FEB 07 1994

FEB 07 1994

February 2, 1994

Al Vezey  
Alaska State Legislature  
State Affairs Chair  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Vezey:

The astronomical budget cut being considered for Alaska's Tourism Industry must not happen. With oil monies projected to get leaner, this is no time to cut the Alaska Tourism Marketing Council's budget.

ATMC is important in promoting Alaska as a travel destination and has been a major factor in the successful development and growth of the tourism industry.

With the support of ATMC's marketing, I will continued to be employed in the tourism industry. My job is very important to me and to the many visitors the Anchorage Hilton Hotel serves each year. Furthermore, the entire industry is important to this community and to the people you represent.

Thank you for your consideration and understanding in the importance the tourism industry impacts Anchorage and the State of Alaska.

Sincerely,

*Toni Walker*

Toni Walker  
Tour and Travel Sales Manager

CC: Karen Cowart, AVA Statewide

FEB 07 1994

 Anchorage

*Hilton*

February 2, 1994

Representative Al Vezey  
Chairman - State Affairs  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Rep. Vezey:

I am writing to you to encourage you to make the Alaskan tourism industry a priority when you vote on the State budget this legislative session.

In Alaska, tourism industry ranks as either the second or third strongest and largest industry in the economy. Tourism is a renewable resource that when managed well, fostered to grow, and protected from budgetary cut backs, will strengthen the states economic profile.

With oil revenues continuing to be an unreliable source of monies for a capital budget, the legislature must recognize tourism as a viable source of revenue for the state, and support that recognition through careful budgetary allocation efforts. If the adverstising dollars set aside for marketing this very important resource are taken away, the legislature will have been responsible for setting the Alaskan economy back even further.

Thank you for your support. We are all trying to make Alaska a good place to live. Make sure you help us do so by voting to support the tourism industry through budgetary support!

Sincerely,

THE ANCHORAGE HILTON

*Keri A. Gatke*

Keri A. Gatke  
Sales Manager

cc: Karen Cowart, AVA

