

168

HHESS

HB 113

-

HB 161

109

In arriving at the standard, the Agency considered the degree of noise reduction that could be achieved by using the best available technology, as well as the cost of compliance and the benefits that would accrue to the public health and welfare.

### ECONOMIC IMPACT

The 1972 population of medium-and heavy-duty trucks to which the proposed regulations are applicable is estimated to be about 3.5 million vehicles, of which approximately 65 percent are gasoline powered and 35 percent diesel. Based on current trends, this population is estimated to increase to about 5.5 million in 1990 with a greater portion of diesel powered trucks being present.

The approximate increased retail price of a truck to which the regulations are applicable over 1973 prices, to achieve the various noise levels, are:

<u>Noise Level</u>	<u>Medium &amp; Heavy-Duty Gasoline Trucks</u>	<u>Medium-Duty Diesel Trucks</u>	<u>Heavy-Duty Diesel Trucks</u>
83 dB(A)	\$ 0	\$105	\$195
80 dB(A)	\$125	\$265	\$490
75 dB(A)	\$300	\$1120	\$1130

The individual prices increase as the allowed level is lowered due to the increase in complexity of noise reduction treatment required.

The above figures correspond to the following estimated percentage increases in average truck prices:

<u>Noise Level</u>	<u>Medium-Duty Gasoline Trucks</u>	<u>Heavy-Duty Diesel Trucks</u>
83 dB(A)	0%	0.8%
80 dB(A)	2.2%	1.9%
75 dB(A)	5.2%	4.5%

Based on 1973 technology, the first year increased capital costs for user/truck purchasing industries are estimated to be \$34 million in 1977 for 83 dB(A), \$132 million in 1981 for 80 dB(A) and \$318 million in 1983 for 75 dB(A). The costs actually incurred in 1983 are expected, in fact, to be less than those cited here as it is fully anticipated that technology of noise control will advance substantially over the ten year period before the 75 dB(A) standard becomes effective.

Annual costs to users (incremental depreciation, cost of capital, and operating expenses) have been estimated as \$11.3 million in the first full year in which the regulations take effect. For several ensuing years the projected annual costs, excluding current year production, are:

1980	-	\$ 26 million
1985	-	\$ 427 million
1990	-	\$1,183 million

Costs increase as the allowable level is lowered and as noisy trucks are increasingly phased out of the total truck population on the streets and highways. The 1990 value is clearly a worst case estimate. It assumes no cost reduction whatsoever due to improved technology beyond 1978. Also, the truck population is assumed to increase by approximately 50 percent even with a reduction in forecast sales volume associated with price increases due to regulation. In addition it does not take into account significant fuel savings generated by improved cooling systems which are necessary for achieving regulated levels. These savings are expected to be as much as 10 percent per gallon per year under 1985 base on level 10 population. The actual costs anticipated in order to meet the standards by the year 1990 are expected to be substantially lower than those cited above.

Various economic impact considerations were assessed to evaluate potential price and operating costs resulting from the proposed standard. Upper bound cost values were used to provide worst case estimates. The following economic impacts are envisioned:

1. Because of the basically strong position of the truck manufacturing industry, the volume changes brought about by noise control regulations will have little overall impact on most firms.

2. The impact of noise abatement upon all classes of truck users (i.e., line haul, contract, and private) will be very small, since the cost of noise abatement represents an increase of less than 1 percent in the annual cost of owning and operating a large diesel truck.

#### HEALTH & WELFARE IMPACT

It is anticipated that the implementation of a 75 dB(A) not to exceed standard, will reduce noise from new medium and heavy trucks to a point where it will no longer be a substantial

cause of annoyance to the population. Some time will be required for the older (noisier) trucks now in use to be retired and replaced by new quiet trucks, but after this occurs an estimated 35 million people who are directly and continually impacted by the noise from such trucks, will have the benefit of significant noise reduction in their environment. The benefits will accrue, however, to all Americans who experience annoyance from the noise from such vehicles.

#### ENFORCEMENT

Enforcement by EPA will include product verification testing, warranty labeling requirements, selective enforcement auditing procedures, and anti-tampering requirements.

#### PREEMPTION

No State or political subdivision thereof may adopt or enforce any regulation or standard for noise emissions from newly manufactured medium and heavy trucks which is not identical to the Federal regulation. However, States or their political subdivisions are not precluded from nor denied the right to establish and enforce controls of environmental noise through the licensing, regulation, or restriction of use, operation, or movement of newly manufactured medium heavy trucks under this proposed regulation.

NOVEMBER 1974

## PROPOSED NOISE EMISSION STANDARDS FOR PORTABLE AIR COMPRESSORS

The Environmental Protection Agency proposes to establish a regulation limiting noise emission from newly-manufactured portable air compressors. Notice of the proposed rule making will appear in the Federal Register within the next few days.

The Congress passed the Noise Control Act in 1972 as a result of their findings that (1) inadequately controlled noise presents a growing danger to the health and welfare of the Nation's population; (2) the major sources of noise fall into four categories of which construction equipment, transportation equipment, engines or motors and electric or electronic equipment are the headings; and (3) while primary responsibility for the control of noise rests with State and local governments, certain major sources in commerce require national uniformity of treatment and therefore Federal action is necessary.

Under the provisions of the Act, the EPA is to identify the major sources of noise and issue regulations designed to reduce and limit such noise. The EPA has identified portable air compressors with a rated output above 75 cubic feet per minute as a major source of noise.

### THE STANDARDS

The proposed regulation would require that, effective one year after the date of promulgation of the final notice of rule-making, newly manufactured portable air compressors introduced in commerce shall not exceed an average sound level of 76 dB(A) when measured at a distance of seven meters (23 feet) from surfaces of the compressor. In arriving at the standard, the Agency considered the degree of noise reduction that could be achieved by using the best available technology, as well as the cost of compliance and the benefits that would accrue to the public health and welfare.

### IMPACT

The portable air compressor is one of twenty typical major pieces of construction equipment that contribute to construction site noise.

The regulation is expected to eliminate the portable air compressor as a major source of noise, particularly, as a major source of construction site noise. This will occur in time as the current population of portable air compressors is replaced by newly manufactured units complying with the proposed regulation.

Compliance with the proposed standard will benefit 11 percent of the population impacted to the point of extreme annoyance by construction site noise. When considered in conjunction with proposed standards for new medium and heavy trucks, which also contribute to construction site noise, the population impacted by construction site noise will decrease by 45 percent.

The total first year capital cost increase to manufacture compressors that comply with the regulation is not expected to exceed \$21 million.

Enforcement by EPA will include product verification testing, warranty labeling requirements, selective enforcement auditing procedures, and anti-tampering requirements.

#### PREEMPTION

No State or political subdivision thereof may adopt or enforce any law or regulation that sets a limit on noise emissions from newly manufactured portable air compressors which is not identical to the Federal regulation. However, States or their political subdivisions are not precluded from nor denied the right to establish and enforce controls of environmental noise through the licensing, regulation, or restriction of use, operation, or movement of portable air compressors or combination of products which includes portable air compressors.

NOVEMBER 1974

GREATER ANCHORAGE AREA BOROUGH

3330 C STREET.  
ANCHORAGE, ALASKA 99503

DEPARTMENT OF ENVIRONMENTAL QUALITY  
274-4561



*VR - for your info.*  
*RTN TO TH when done.*  
*AD*  
**HB 113**

February 19, 1975

Mr. Tom Hanna  
Alaska Department of  
Environmental Conservation  
Pouch 0  
Juneau, Alaska 99801

Subject: NOISE ORDINANCE

Reference: FILE NUMBER 6-11-2

Dear Tom,

The major problem that we are experiencing with this regulation is that of not being able to enforce the provisions of the regulation. The first glaring error is in the area where the ambient of community noise levels are determined. If the current noise level is above that of the ordinance, the higher level is the standard for that area. Therefore, the increase in traffic and population will eventually raise the noise in the area to a level which no one can tolerate, and we have no means to prevent this rise. The major purpose of the ordinance, in my opinion, is to show for the record, that the Greater Anchorage Area Borough is in favor of noise control, but is unwilling to do anything that will infringe upon the right of the individual in protecting his right to a quiet environment.

At the present time, the Legal Department is working on a new ordinance for submission to the Borough Assembly. The new ordinance will be based on the Lakwood, Colorado ordinance and adapted to the peculiarities of Alaska and Anchorage.

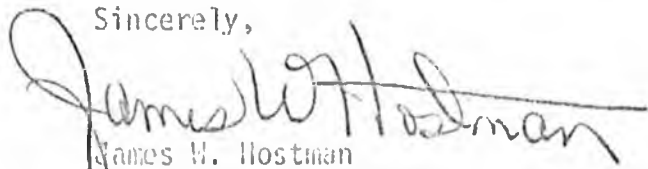
If a vehicle noise statute is on the drawing board for the State, what specific provisions for enforcement will be installed? Will snowmobiles, trail bikes, etc. be included? A mandatory state vehicle inspection

Tom Hanna  
February 19, 1975  
Page 2

would be a good idea. The expiration date of the inspection could be staggered throughout the year so that no one month of the year had the full burden. If the State Troopers have to enforce the ordinance, where will they get the expertise for monitoring and measuring? One thing is necessary for proper enforcement, that is a clear definition of the terms used in the regulation/statute. There must be no ambiguity on what is meant by the terms of the law.

Good luck in trying to keep the peace all over Alaska.

Sincerely,



James W. Hostman  
Environmental Engineer

JH:pob

Enclosure

H/B-128

"An Act requiring that coverage for newly born children be included in individual or group health and disability plans."

2/6/75

COMMITTEE REPORT

COMMERCE

HOUSE

Mr. Speaker:

Date

Mar 10, 1975

The Committee on HESS has had HB 128

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Susan Sullivan</u>	_____	_____
<u>Thomas J. ...</u>	<u>Edward ...</u>	_____
<u>John ...</u>	_____	_____
<u>...</u>	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Susan Sullivan Chairman



JUNEAU ALASKA

# Alaska State Legislature

## House

HESS COMMITTEE MEETING

3-10-75

Members Present:

Beirne	Parr
Davis	Sullivan
Hackney	Swanson
Osterback	

Chairman Sullivan called the meeting to order at 3:15.

The first thing I would like to discuss is pertaining to the confirmation of Dr. Williamson. I would like to know your feelings of maybe getting together with him informally, perhaps in the evening on Wednesday, March 12, on a social basis at my house. Would that date be alright with all of you?

Beirne I would request we act on the Commissioner today?

Chairman Sullivan Personally, I have a few more questions to ask him before making my decision. I know that Mr. Hackney and Mr. Swanson feel the same way. I would not want to call another hearing for these few questions. Our hearings on his confirmation this weekend in Anchorage showed tremendous support for his confirmation.

Are there any other announcements?

HB 120

Beirne Gave a briefing of the bill. Its purpose is to include Optometrists under the Medicare Program Act. The Fiscal note indicates the cost of \$38,500 for 1975 year. Presently there are not enough ophthalmologists to care for all of the needs throughout the state and at the present time they are the only Doctors under the Medicare Act.

Hackney Where did they get the figure of 1150 people that would use this service in the position paper in front of us?

Beirne I am not sure of this. This bill will not change the Medicare Act in any way. I would request we ask Mr. Larry Sullivan from the Dept. of H&SS to testify on this question and perhaps we could take up HB 128 until he gets here.

HB 128 Ms. Sullivan gave briefing of her bill. Intended to make insurance available for newborns from the moment of birth. I am interested in it because of my own experience. Before my son was a week old we had thousands of dollars of medical bills and could not get coverage. This seems to me a very logical form of insurance. The bill does not say the state should pay for it only that it should be available to all residents of the state. The increase in the premium cost would only be 5 or 10 cents more.

Hackney I am in favor of this bill.

Don Cooke Div. of Insurance

This bill would require that any insurance policy would include care for the newborn infant. This bill was endorsed by the National Insurance Directors Assoc. and on June 1974 it was law in 17 states and pending in 10 more. We didn't prepare a fiscal note because there wasn't any. The impact on the general fund would be nothing also.

Hackney Insurance is presently provided on the basis of what?

Cooke From day one on Blue Cross for state employees.

Beirne I would presume this would be an option?

Cooke No, I read it as mandatory coverage. Meaning mandate that they have to offer it, Line 15-16.

Beirne I favor this bill and for no cost to the state it seems most worthwhile.

Hackney This bill would also give the tax payers a little break.

Parr I move we pass HB 128 out of committee with a 'do pass' recommendation.  
Chairman Hearing no objection, so ordered.

Cooke I would also like to add that SB 141 is exactly the same bill.

HB 120

Mr. Larry Sullivan Dept. of H&SS

Beirne We have the position paper and the fiscal note. Would like to ask you how you arrived at the figure of 1150 people who would take advantage of these services?

Sullivan This is the approximate number of people that would require these services. It would involve a \$38,000 increase in our budget. We do not provide glasses. The only service they will receive is the refraction. Glasses are available on a very limited basis. Available to children under the Medicaid Act for early treatment. Eye, Ear, and Teeth Care for Children up to the age of 21 is mandate under the Federal Program.

Parr How much of this bill is new? Just the Ophthalmologist?

Sullivan Yes, the original bill says 'physician services'.

Parr To what extent are private agencies making glasses available?

Sullivan There is a fair chance of people getting glasses. We refer them to their local Lions Club etc. That is limited however.

Beirne The BIA and USPHS also will buy glasses. Explained difference between ophthalmologist and optometrist.

Hackney How was it that you arrived at the 1150 figure?

Page Three  
HESS Committee  
3-10-75

Sullivan We took a look at the number of requests and the number of eligible people then took a percentage of these eligible people and arrived at this approximate number.

Beirne It will be 50% federal monies and 50% state monies?

Sullivan Yes, you have to authorize the entire amount in order to be eligible for the federal monies. The state had a contract with Alaska Optical of Anchorage and the contract has not been renewed because of such poor service. Now they can get glasses from their own doctors as long as it is authorized by the department.

Osterback What is the individual costs?

Sullivan Approximately \$35.

Mr. Swanson had a question in line 18 about the word 'may'. The attorney from LAA was brought in to answer his question.

LAA We have a drafting manual that we go by, when using a negative phrase such as none shall, this is the correct form in the meaning of this bill.

Swanson They will do whatever they please under the word 'may'.  
I move to amend the bill to read "no services can be provided unless approved by the Legislature".

No Second on Motion, failed.

Hackney I move we pass this bill out of committee with individual recommendations.

Davis Second

(See Committee Report for voting record)

Meeting Adjourned.

Newborn  
bill

4B128

PROBLEM:

Health insurance coverage in Alaska frequently does not provide for health care for newborn infants. Such insurance policies written in Alaska presently specifically exclude coverage for infants in the first thirty, sixty, or ninety days of life.

The newborn infant is vulnerable to many health problems. Prematurity and congenital defects often require medical care of an urgent and sophisticated nature.

The cost of this care is presently borne by a combination of families, health care providers (such as physicians and hospitals), governmental agencies (federal, state, and local), and insurance carriers.

By exclusion of newborn health care from their coverage, some insurance carriers are excluding this vulnerable newborn population from their coverage.

PROPOSAL:

The legislative committee of the Alaska State Medical Association and the Alaska Chapter of the American Academy of Pediatrics recommend that health care coverage for newborn infants be included in all health insurance policies written in Alaska.

STATE OF ALASKA  
Inter-Department Route Slip

TO:  
MAIL STATION NUMBER 3100  
DEPARTMENT Legislature  
ATTENTION Rep. Susan Sullivan

- |  |  |
|--|--|
| <input type="checkbox"/> Approval      | <input type="checkbox"/> Note & Return               |
| <input type="checkbox"/> Signature     | <input type="checkbox"/> Initial & Return            |
| <input type="checkbox"/> Comment       | <input type="checkbox"/> Return As Requested         |
| <input type="checkbox"/> Contact Me    | <input type="checkbox"/> Return For Approval         |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action            |
| <input type="checkbox"/> For Your File | <input checked="" type="checkbox"/> Your Information |

Remarks:

FROM:  
MAIL STATION NUMBER 0800  
DEPARTMENT Commerce  
BY B. Mallow DATE 4-18

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 128  
 Title: Requiring coverage for newly born children.  
 Requested by: Jim Fennel Date: \_\_\_\_\_  
 Return Date Requested: ASAP  
 Agency: Commerce Program: Insurance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

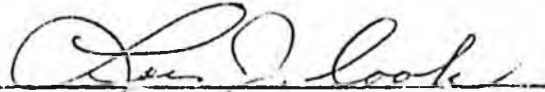
C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No administrative cost to the Department of Commerce

IV. ATTACHMENTS

V. DATE: April 18, 1975 PREPARED BY:   
 Lois J. Cook

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ENGSTROM AND EVANS

ATTORNEYS AT LAW

202 NATIONAL BANK OF ALASKA BUILDING

TELEPHONE (907) 586-1445

JUNEAU, ALASKA 99801

ALLAN A. ENGSTROM  
GORDON E. EVANS

February 19, 1975

Ms. Susan Moss  
Health Education & Social Services  
Pouch V  
Juneau, Alaska 99811

Re: House Bill 128

Dear Ms. Moss:

In our recent telephone conversation, you indicated that the House Health, Education and Social Services Committee was interested in the approximate cost impact of House Bill 128, as it relates to coverage for new-born infants.


Although it is difficult to be precise, Blue Cross Washington Alaska, Inc., which already provides such coverage in all of its policies, estimates the effect on premium to be approximately one per cent. This is based on a competitive benefit level, in using birth as an effective date as opposed to starting coverage at age 30 days.

Let me try to be more precise by means of an example:

1. Assume that coverage A covers children at birth and coverage B covers children after 30 days.
2. Assume that all other aspects of coverage A and coverage B are identical with respect to benefits.
3. If the monthly family rate for coverage B was \$60.00, then the family rate for coverage A would be approximately 1% higher, or \$60.60.

Please let me know if you have any other questions.

Very truly yours,



ALLAN A. ENGSTROM  
Legislative Counsel for  
Blue Cross Washington Alaska, Inc.

AAE:rhm

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

FROM: David A. Spence, M.D., Chief  
Section of Family Health

DATE : September 27, 1974

SUBJECT: Proposed legislation for the  
1975 Legislature.

In the last legislative session, Senate Bill 359 was introduced on February 11, 1974, by Senator Lowell Thomas. This Bill would have required that newly-born children be included in group health and disability insurance. This Bill was tied to insurance for alcoholism and was still in committee at the close of the legislative session.

The need for this legislation is greater this year because advances in neonatal care, while preserving intellect and life itself for the premature, are more expensive. We request that this Bill be submitted in essentially the same form again in this next legislative session. Your submission of this legislation will indicate its importance to the legislators and the public as well.

DAS/lb

cc: Dr. carolyn Brown, Legislative Committee, ASMA

ALASKA CHAPTER  
American Academy of Pediatrics

CHAIRMAN  
J. KENNETH FLESHMAN, M.D.  
BOX 7741  
ANCHORAGE, ALASKA 99504 99510

January 17, 1974

The Honorable Helen Beirne  
Alaska State House of Representatives  
Juneau, Alaska 99801

Dear Dr. Beirne:

The Alaska Chapter of the American Academy of Pediatrics is very concerned about the frequent lack of health insurance coverage for newborn infants. Very exciting new advances in the care of prematures or ill newborns has resulted in a significant decrease in deaths and serious life long disability in these infants. This care obviously is very expensive.

Probably the majority of families in Alaska carry health insurance but many are not aware that this policy will not cover a newborn infant. This, we feel, is grossly unfair to these infants and can be financially crippling to their families (often young couples with marginal incomes).

The attached resume prepared at Providence hospital demonstrates that many of the significant insurance carriers in Alaska do not cover newborns except after a 14 day exclusary period. We particularly call your attention to the groups such as laborers, carpenters, and teamsters where the insurance is probably an employment benefit and the average employee would assume that their family is protected.

The Academy of Pediatrics has been active nationally in bringing this to the attention of legislators. In Alaska we are asking that you consider regulations that would require all health insurance policies to cover newborn infants without exclusion. Enclosed is a model law, drafted by Mr. Carroll Calloway, Assistant General Counsel for the Health Insurance Association of America. Similar legislation has been passed by 7 states and is being considered by 26 others.

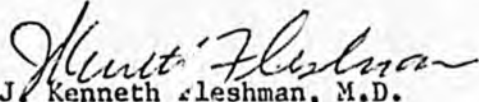
I have discussed this problem with the Insurance Commissioner in Alaska, Mr. O'Shea, and he is well informed about the problem and would be prepared to testify if called.

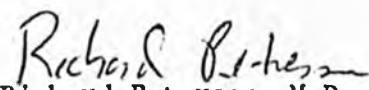
We are aware that similar legislation relating to mental health problems is being considered. We feel our concerns about coverage for newborns should be addressed as a separate issue but will leave this to your judgment.

We can supply further information if necessary for any testimony in this matter.

Thank you for your consideration.

Sincerely yours,

  
J. Kenneth Flesher, M.D.  
Chairman, Alaska Chapter  
American Academy of Pediatrics

  
Richard Peterson, M.D.  
Alternate Chairman

Attachments: 2

# HEALTH INSURANCE ASSOCIATION OF AMERICA

CHICAGO • NEW YORK • WASHINGTON

LESLIE P. HENRY, *President*

RESEARCH, STATISTICS, AND CONTROL DEPARTMENT

David Robbins, *Vice President and Controller*

New York Office  
750 Third Avenue  
New York, New York 10017

October 8, 1974

Mr. Vincent B. Jasso  
Deputy Superintendent  
State of New Mexico  
Department of Insurance  
Sante Fe, New Mexico 87501

Dear Mr. Jasso:

As I wrote you last week, we are in the process of developing estimated costs for the benefit provisions contained in the proposed New Mexico newborn infant coverage legislation. This data should be finalized in another few weeks.

In the interim, we learned from Mr. Young of the American Life Insurance Association that your Insurance Study Committee is scheduled to meet on October 10 and that you would be interested in the receipt of some preliminary results of our investigations. Our preliminary review of this matter indicates the following:

1. For those major medical contracts which now cover children from birth for sickness or injury and exclude only the first 7 days of hospital room and board charges while covering all other types of eligible expenses from birth, we estimate the additional cost of covering the first 7 days of nursery charges for sick infants to be about \$.80 yearly per employee for group coverage and about \$1.20 for individual coverage.
2. For a policy which provides no coverage at all for the first 14 days, we estimate the additional cost of the required coverage as approximately \$3.20 yearly per employee for group coverage and \$4.80 for individual coverage.


Mr. Vincent B. Jasso

October 8, 1974

Page 2

3. The exclusion of illegitimate children would make relatively little difference on the foregoing cost estimates.

Sincerely,

A handwritten signature in cursive script that reads "David Robbins". The signature is written in dark ink and is positioned above the typed name and title.

David Robbins

Vice President and Controller

DR:pw

cc: Mr. Franklin H. Young - ALIA  
Mr. Carroll Callaway

Newborn  
bill

4B128

PROBLEM:

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The newborn infant is vulnerable to many health problems. Prematurity and congenital defects often require medical care of an urgent and sophisticated nature.

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PROPOSAL:

The legislative committee of the Alaska State Medical Association and the Alaska Chapter of the American Academy of Pediatrics recommend that health care coverage for newborn infants be included in all health insurance policies written in Alaska.

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

FROM: David A. Spence, M.D., Chief  
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DAS/lb

cc: Dr. Carolyn Brown, Legislative Committee, ASMA

ENGSTROM AND EVANS

ATTORNEYS AT LAW

202 NATIONAL BANK OF ALASKA BUILDING

TELEPHONE (907) 586-1445

ALLAN A. ENGSTROM  
GORDON E. EVANS

JUNEAU, ALASKA 99801

February 19, 1975

Ms. Susan Moss  
Health Education & Social Services  
Pouch V  
Juneau, Alaska 99811

Re: House Bill 128

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Although it is difficult to be precise, Blue Cross Washington Alaska, Inc., which already provides such coverage in all of its policies, estimates the effect on premium to be approximately one per cent. This is based on a competitive benefit level, in using birth as an effective date as opposed to starting coverage at age 30 days.

Let me try to be more precise by means of an example:

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2. Assume that all other aspects of coverage A and coverage B are identical with respect to benefits.
3. If the monthly family rate for coverage B was \$60.00, then the family rate for coverage A would be approximately 1% higher, or \$60.60.

Please let me know if you have any other questions.

Very truly yours,



ALLAN A. ENGSTROM  
Legislative Counsel for  
Blue Cross Washington Alaska, Inc.

AAE:rhm

These different coverage options reflect efforts to reduce claim costs and premiums. Basically, an insurance company will sell whatever coverage a policyholder is willing to pay for but there is a trend toward making coverage from birth--full the standard benefit. Of course, "full" coverage does not necessarily mean 100% coverage since there may be deductibles, co-insurance and policy limits.

Following are some examples of NBSCN bills incurred at Providence over the past six months which reflect the variations in insurance benefits and coverage:

<u>Days Hospitalized</u>	<u>Amount</u>	<u>Insurance</u>	<u>Amt. Pd. by Ins.</u>
32	\$5,470.30	Teamsters	--0--
19	3,926.65	Teamsters	--0--
88	19,130.95	Champus	\$19,130.95
7	1,171.75	Blue Cross	937.40
10	1,563.63	Medicaid	1,563.63
2	166.00	Aetna thru Fed. Gov't.	22.50
4	644.00	Equitable thru Standard Oil	644.00
3	318.25	Fireman's Fund (Liability)	318.25
4	1,100.00	Champus	1,100.00
17	1,790.25	Equitable thru N. C.	1,708.00
46	8,934.90	Medicaid	8,934.00
15	2,859.10	Aetna	2,680.53
3	245.13	Medicaid	245.13
3	255.50	Medicaid	255.50
23	3,072.25	Teamsters	Written off to Charity
22	2,187.88	Aetna thru Fed. Gov't	1,750.30
2	195.75	Medicaid	192.75
55	10,527.00	Champus	10,447.00
3	531.25	Sears	425.00
11	2,478.50	A. N. S.	2,478.00
5	440.00	Medicaid	440.00
2	204.75	B. C. thru Cordova Hosp.	123.80
20	5,492.50	B. C. thru State	4,747.68
17	2,900.00	Westcoast Life thru Reeve	
		Aleutian	--0--
1	39.50	B. C. thru Providence	39.50
4	700.75	<u>Double coverage:</u>	
		Teamsters	--0--
		Hotel & Restaurant	--0--
12	2,604.25	B. C. of Louisiana	1,292.75
23	4,137.05	Blue Cross	3,911.30
6	1,113.50	B. C. thru State	850.40
4	657.75	Medicaid	657.75
	<u>TOTAL</u>		<u>\$64,896.12</u>

Difference to be paid by patient or absorbed by hospital:  
\$19,962.97

# Neonate Insurance Inclusion Now Required in 21 States

*World Medical Reports*

EVANSTON, Ill. — Legislation requiring all health insurance policies to include coverage for neonates from the moment of birth is now on the books in 21 states—14 more than at the beginning of the year—and the advocates of such legislation expect favorable action in a dozen other states in the next 12 months.

Leading the campaign to eliminate the exclusion of coverage for newborns are the American Academy of Pediatrics, its committee on Third Party Payment Plans, and the AAP's state chapters.

Coverage of newborns from the time of birth is now required in the insurance laws of Arizona, California, Connecticut, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, North Carolina, South Carolina, South Dakota, Tennessee, Texas, and Washington.

In the states where exclusion of newborns from insurance coverage has not been prohibited, instances have been reported by state chapters of the American Academy of Pediatrics in which parents have found themselves confronted with hospital bills of \$12,000, \$27,000 and even larger amounts. In Akron, Ohio, a \$50,000 hospital bill for a newborn's intensive care was reported.

## 14 Day Exclusions

Dr. Donald W. Schiff, of Littleton, Colo., chairman of the AAP's Committee on Third Party Payment Plans, told this newspaper that the period of exclusion in many insurance policies was the first 14 days of life.

A common practice of health insurance companies is to "extend the exclusion of the newborn until the child is discharged from the hospital" if the child needs above-average care during its first 14 days, said Dr. Schiff, of the University of Colorado Medical School and senior pediatrician at the Littleton Clinic, Denver.

"As an example, a newborn with difficulty on its first day who must be kept in intensive care for 30 days may be under the exclusion from coverage for the entire 14-day period," said Dr. Schiff, who is also the chairman of the Colorado chapter of the American Academy of Pediatrics.

The Committee on Third Party Payment Plans has drafted a model bill and submitted it to all state chapters of the

The model bill is used by AAP members in the various states in their efforts to obtain remedial legislation.

The committee, in a letter sent to the state chapters, scored "the continued existence of exclusionary periods of coverage for newborn infants in a large number of health insurance plans."

"Failure of these plans to provide coverage for infants from the moment of birth is a valueless, discriminatory practice that results in the risk of needless potentially large financial burdens being placed on young parents," the letter said.

The model bill or state insurance legislation amended to conform with the model bill "is the way young couples can be helped in meeting this expensive situation



Dr. Schiff

through their health insurance," Dr. Schiff said.

"We think young parents should not be  
(Continued on page 72)

	Citation	Effective Date	Comments
Alabama			
Alaska			
Arizona	H. 2185	1974	Substantially the model bill
Arkansas			
California		1973	
Colorado			
Connecticut	H. 5040	1974	Model bill in substance
Delaware			
Florida	S. 76	1974	Model without notice paragraph
Georgia	H. 995	11-1-74	Model w/ well baby excluded.
Hawaii	H. 2915	6-12-74	Model bill
Idaho	S. 1316	7-1-74	Interpreted as the model bill
Illinois			
Indiana			
Iowa	S. 1290	1974	Model bill
Kansas	H. 1795	1974	Model bill
Kentucky			
Louisiana		7-2-73	
Maine			
Maryland	H. 498	1974	Model bill
Massachusetts			
Michigan			
Minnesota		1973	
Mississippi	S. 1829	1974	Deviates from model bill
Missouri	H. 1487	1974	Model bill
Montana		1973	
Nebraska			
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York			
North Carolina		1973	
North Dakota			
Ohio	S. 330	1-1-75	Substantially model bill
Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota	H. 1818	7-1-74	Model bill
Tennessee	H. 1386	7-1-74	Substantially model bill
Texas		1973	
Utah			
Vermont			
Virginia			
Washington	H. 1144	2-16-74	Model bill.
West Virginia			
Wisconsin			
Wyoming			

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

FROM: David A. Spence, M.D., Chief  
Section of Family Health

DATE: September 27, 1974

SUBJECT: Proposed legislation for the  
1975 Legislature.

In the last legislative session, Senate Bill 359 was introduced on February 11, 1974, by Senator Lowell Thomas. This Bill would have required that newly-born children be included in group health and disability insurance. This Bill was tied to insurance for alcoholism and was still in committee at the close of the legislative session.

The need for this legislation is greater this year because advances in neonatal care, while preserving intellect and life itself for the premature, are more expensive. We request that this Bill be submitted in essentially the same form again in this next legislative session. Your submission of this legislation will indicate its importance to the legislators and the public as well.

DAS/lb

cc: Dr. Carolyn Brown, Legislative Committee, ASYA

These different coverage options reflect efforts to reduce claim costs and premiums. Basically, an insurance company will sell whatever coverage a policyholder is willing to pay for but there is a trend toward making coverage from birth--full the standard benefit. Of course, "full" coverage does not necessarily mean 100% coverage since there may be deductibles, co-insurance and policy limits.

Following are some examples of NBSCN bills incurred at Providence over the past six months which reflect the variations in insurance benefits and coverage:

<u>Days Hospitalized</u>	<u>Amount</u>	<u>Insurance</u>	<u>Amt. Pd. by Ins.</u>
32	\$5,470.30	Teamsters	--0--
19	3,926.65	Teamsters	--0--
88	19,130.95	Champus	\$19,130.95
7	1,171.75	Blue Cross	937.40
10	1,563.63	Medicaid	1,563.63
2	166.00	Aetna thru Fed. Gov't.	22.50
4	644.00	Equitable thru Standard Oil	644.00
3	318.25	Fireman's Fund (Liability)	318.25
4	1,100.00	Champus	1,100.00
17	1,790.25	Equitable thru N. C.	1,708.00
46	8,934.90	Medicaid	8,934.00
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# HEALTH INSURANCE ASSOCIATION OF AMERICA

CHICAGO · NEW YORK · WASHINGTON

LESLIE P. HENRY, *President*

RESEARCH, STATISTICS, AND CONTROL DEPARTMENT

David Robbins, *Vice President and Controller*

New York Office

750 Third Avenue

New York, New York 10017

October 8, 1974

Mr. Vincent B. Jasso  
Deputy Superintendent  
State of New Mexico  
Department of Insurance  
Sante Fe, New Mexico 87501

Dear Mr. Jasso:

As I wrote you last week, we are in the process of developing estimated costs for the benefit provisions contained in the proposed New Mexico newborn infant coverage legislation. This data should be finalized in another few weeks.

In the interim, we learned from Mr. Young of the American Life Insurance Association that your Insurance Study Committee is scheduled to meet on October 10 and that you would be interested in the receipt of some preliminary results of our investigations. Our preliminary review of this matter indicates the following:

1. For those major medical contracts which now cover children from birth for sickness or injury and exclude only the first 7 days of hospital room and board charges while covering all other types of eligible expenses from birth, we estimate the additional cost of covering the first 7 days of nursery charges for sick infants to be about \$.80 yearly per employee for group coverage and about \$1.20 for individual coverage.
2. For a policy which provides no coverage at all for the first 14 days, we estimate the additional cost of the required coverage as approximately \$3.20 yearly per employee for group coverage and \$4.80 for individual coverage.

Mr. Vincent B. Jasso  
October 8, 1974  
Page 2

3. The exclusion of illegitimate children would make relatively little difference on the foregoing cost estimates.

Sincerely,

A handwritten signature in cursive script that reads "David Robbins". The signature is written in dark ink and is positioned above the typed name and title.

David Robbins  
Vice President and Controller

DR:pw

cc: Mr. Franklin H. Young - ALIA  
Mr. Carroll Callaway



# COMMITTEE ON THIRD PARTY PAYMENT PLANS

## COUNCIL ON PEDIATRIC PRACTICE

AMERICAN ACADEMY OF PEDIATRICS

P.O. BOX 1034

EVANSTON, ILLINOIS 60204

DONALD W. SCHIFF, M.D.  
CHAIRMAN  
1950 W. LITTLETON BLVD.  
LITTLETON, COLORADO 80120

MEMBERS:

W. C. CUMMINGS, M.D.  
H. ALLEN S. DODD, M.D.  
GORDON FERRALL, M.D.  
JOSEPH HORN, M.D.  
SAMUEL H. SAPIR, M.D.

CONSULTANTS:

GLENN AUSTIN, M.D.  
R. JAMES MCKAY, JR., M.D.

STAFF:

ALBERT C. STOLPER

January 29, 1974

TO: District Chairmen  
Chapter Chairmen  
Chapter Contact Persons for Third Party Payment Plans

FROM: Donald W. Schiff, M.D., Chairman, Committee on Third  
Party Payment Plans

SUBJECT: Background Information for the "Model Newborn Children Bill"

On November 30, 1973 the Committee on Third Party Payment Plans (COTPPP) distributed to all chapter chairmen a document entitled "Model Newborn Children Bill" which would require coverage of the "sick" newborn from moment of birth in all health insurance policies and service contracts that have dependent coverage. Many of you are hard at work in your own state attempting to pass this legislation. COTPPP feels that it would be helpful to briefly review some of the factors which determined the final form of the model bill and the background for the attached "Statement of Principles" which was agreed upon by the AAP and the Health Insurance Association of America (HIAA).

We agreed that our first priority was to close the insurance gap for the ill or congenitally malformed newborn who required very expensive care. We recognized that it was desirable to have "well" newborns covered also, but that this group should be given a second place priority in the negotiating process, since the potential financial burden on a family for the health care expenses of their "ill" newborn is so overwhelmingly greater than their health care expenses would be if their newborn was "well." We supported the concept that each chapter would approach its own legislature individually and that variations in the newborn insurance bill would occur. This approach is in no way compromised by our agreement; however, our model bill does not cover routine "well" newborn care (health supervision). We do believe that to legislate coverage of child health supervision (newborn through adolescence) in all health insurance policies and health service contracts requires state or Federal subsidization. Our position does not diminish the importance of child health supervision nor negate the desirability of covering this care in as many insurance plans as possible through voluntary, cooperative efforts between the public, physicians and the insurance industry.

(over)

The "Statement of Principles" agreed upon by the AAP and the HIAA was a result of the negotiating process to create the "Model Newborn Children Bill." The AAP interprets these principles to be consistent with previous AAP policy statements on health insurance for children. Agreement on these principles facilitated HIAA approval of the model bill which will ease its passage in every state.

If you have any further questions regarding the model newborn bill, our agreement with the HIAA or any other aspect of our committee's work, please write me at -

1950 West Littleton Blvd.  
Denver, Colorado 80120, or

Al Stolper  
Administrative Assistant to the Executive Director  
American Academy of Pediatrics  
1801 Hinman Ave., P.O. Box 1034  
Evanston, Illinois 60204

DWS:k

Encl.



# American Academy of Pediatrics

2/3/74

POSITION STATEMENT ON NEWBORN INFANT MEDICAL INSURANCE  
WASHINGTON STATE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS (AAP)  
(WASHINGTON STATE SOCIETY OF PEDIATRICS).

Consensus Summary developed by:

Washington State Chapter, AAP, Fetus and Newborn Committee:

Donald Sutherland M.D., Bellevue, Chairman  
William A. Hodson, M.D., Director Newborn Service, University of Washington  
Errol Alden, M.D., Director Newborn Service, Madigan General Hospital, Tacoma  
David E. Woodrum, M.D., Dir. Newborn Service, Children's Orthopedic Hospital,  
Seattle.  
Robert Polley, M.D., Seattle.

David Sparling, M.D., Tacoma; State Chapter Chairman, 1974.

Michael Donlan, M.D., Spokane; State Chapter Alternate Chairman, 1974

Robert A. Tidwell, M.D., Seattle, Chairman Legislative Committee.

Robert Polley, M.D.; Seattle, Chairman 3rd Party (Medical Insurance) Committee.

Blackburn Joslin, M.D., Mercer Island, Past State Chairman.

Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic Hospital,  
Seattle; President, National Foundation for Sudden Infant Death.

*THOMAS C. COCK CHAM. DISTRICT VIII AAP.*

Topics:

a. "Neonates" (newborn infants) do not become candidates for routine or well newborn infant care until age 48 hours at the earliest.

b. Information:

(1) Disappearance of lung fluid and lung aeration (expansion), approximately 48 hours.

(2) Establish normal heart function with disappearance of murmurs and reverse blood flow through foramen ovale and ductus - 24 to 48 hours.

(3) Temperature (thermal) instability; inability to maintain adequate body temperature without external added heat source - 24 to 48 hours.

(4) Fluid balance, acid base balance, kidney function, urine production, etc., unstable until age 24-48 hours.

- (5) Intestinal tract - no "routine" feedings until patency and mobility of intestinal tract demonstrated (meconium ileus intestinal obstruction) - no "routine" feedings until age 48 hours.
- (6) Blood oxygen level and oxygen supply to organs subnormal until 24-48 hours.
- (7) Infection: Special care to prevent "colonization" until age 48 hours.
- (8) Lungs: Abnormal per x-ray until average age of 12 hours.
- (9) General physiology (homeostasis) - instability of interacting body organs, fluids and functions, until age 48 hours.
- (10) Seizures - due to low blood sugar, hypothermia, brain hemorrhage, etc., first signs or onset up to age 48 hours.
- (11) Jaundice - (high blood bilirubin) due to Rh factor, other blood group incompatibility, liver malfunction, infection, etc., first signs or onset up to age 48 hours.
- (12) Meningitis, blood stream sepsis, etc., first signs or onset up to age 48 hours.

Further information regarding special (non-well) infant care necessity for minimum of 48 hours:

a. Newborn infants not released from quality newborn nurseries (i.e., U. of W.) until after age 48 hours without parents signing an A.M.A. (Against Medical Advice) statement.

b. This year, Washington State Chapter, AAP, obtained \$25-50,000 March of Dimes grant for statewide "Infant Care Program," Janet Murphy, M.D., director, to conduct appraisal and consultation service for care of newborn infants in the 97 hospitals in Washington State with newborn infant nurseries.

c. University of Washington Medical School and School of Nursing students are taught the 48 hour minimum special infant care policy.

Conclusion: The non-well newborn infant or special newborn infant treatment & care situation prevails for a minimum of 48 hours.

Summary prepared by:

  
Robert Polley, M.D.

2/3/74

POSITION STATEMENT ON NEWBORN INFANT MEDICAL INSURANCE  
WASHINGTON STATE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS (AAP)  
(WASHINGTON STATE SOCIETY OF PEDIATRICS).

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Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic  
Hospital, Seattle; President, National Foundation for Sudden Infant Death.

Thomas C. Cock, M.D., Chairman, District VIII, AAP.

During the first nine months of life the human dwells in a warm aquatic environment. He receives his total nutritional support from his mother and, with a few exceptions, his bodily functions (e.g. gas exchange, endocrinologic, excretory) are accomplished by the placenta. With birth, the above situation is drastically altered in a very short period of time. There is, in fact, no age during life when so many major adaptations necessary for intact survival occur in such a short time span.

Immediate survival is accomplished by clearance of lung fluid, its replacement with air, and activation of surface active material lining the gas exchange surface of the lung. The result of these processes is an elevation of the oxygen tension in the arterial blood, an increase in pulmonary blood flow, and gradual closure of the fetal shunts (Foramen, Ovale and Ductus Arteriosus).

Adaptive processes of a more gradual but equally important nature involve the gastrointestinal tract - which for the first time must manifest patency from the mouth to the anus; the renal and genitourinary tract - must assume control of fluid and electrolyte balance, and solute excretion; metabolic and endocrine activities vital to nutritional homeostasis, growth and modifications of drugs or bodily breakdown products (e.g. bilirubin) necessary to facilitate excretion.

The newborn is at a further disadvantage in terms of his or her ability to adjust to a new environment. Heat losses may be extensive due to the inordinately high body surface to weight ratio that the small infant manifests, hence the ability to withstand environmental cold stress is severely compromised. Furthermore, inadequate or immature immunologic defense mechanisms impair the ability to ward off certain types of infection.

All of these transitions and/or adjustments occur or have as their major time of impact during the first 48 to 72 hours of life, and the vast majority of potentially anatomic, physiologic or biochemical deviations from normal may be recognized during this time period. With this in mind, it is the policy of this Committee as well as the recommendations of the Department of Pediatrics, Division of Neonatal Biology, University of Washington School of Medicine that optimum care for all newborn infants include a comprehensive physical examination, competent physician and nurse medical care and hospitalization during the first 48 hours of postnatal life.

R. Palley  
4/4/74.

MEMORANDUM

December 5, 1973

TO: GARY WANGSMO, Controller  
FROM: Bob Harvey, Business Office Manager  
SUBJECT: Coverage for infants

---

Insurance companies generally offer an employer several ways of providing coverage for newborn babies under group health insurance plans.

They are:

- 1) Coverage from birth, limited: In this case, the infant is covered from birth but only for treatment of a disease, injury, congenital deformity or hereditary complications. Prematurity, per se, is not covered.
- 2) Coverage from birth, full: The infant is covered from birth including the cost of nursery, normal baby care, and special care for prematurity.
- 3) Coverage after a certain number of days--commonly 14 days: The infant is covered only after the first 8 or 14 days of life. This is further restricted, in some plans, to require that the infant be not only a certain number of days old but also free of confinement (not hospitalized) before the coverage will take effect.

The following is a partial list of companies and the coverage their plans provide for newborns:

AAA Auto Club of Washington	Birth full
Anchorage Cold Storage	Birth full
Anchorage Daily Times	Birth full
Alaska State Employees	Birth full
Alaska Bar Association	Birth full
Alaska Lumber and Pulp	Birth full



# COMMITTEE ON THIRD PARTY PAYMENT PLANS COUNCIL ON PEDIATRIC PRACTICE

AMERICAN ACADEMY OF PEDIATRICS

P.O. BOX 1034

EVANSTON, ILLINOIS 60204

DONALD W. SCHIFF, M.D.  
CHAIRMAN  
1950 W. LITTLETON BLVD.  
LITTLETON, COLORADO 80120

CONSULTANTS:

GLENN AUSTIN, M.D.  
R. JAMES MC RAY, JR., M.D.

STAFF:

ALBERT C. STOLPER

REFERENCE:

GUY F. COUNTESS, M.D.  
DEACON W. JOHNSON, M.D.  
ROBERT F. HALL, M.D.  
JIMMY ROSS, M.D.  
WALTER D. HADIN, M.D.

January 29, 1974

TO: District Chairmen  
Chapter Chairmen  
Chapter Contact Persons for Third Party Payment Plans

FROM: Donald W. Schiff, M. D., Chairman, Committee on Third  
Party Payment Plans

SUBJECT: Background Information for the "Model Newborn Children Bill"

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(over)

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CHICAGO · NEW YORK · WASHINGTON

LESLIE P. HEMRY, *President*

RESEARCH, STATISTICS, AND CONTROL DEPARTMENT

David Robbins, *Vice President and Controller*

New York Office

750 Third Avenue

New York, New York 10017

October 8, 1974

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Deputy Superintendent  
State of New Mexico  
Department of Insurance  
Sante Fe, New Mexico 87501

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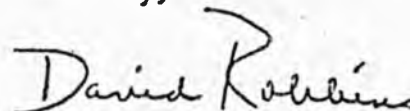
Mr. Vincent B. Jasso

October 8, 1974

Page 2

3. The exclusion of illegitimate children would make relatively little difference on the foregoing cost estimates.

Sincerely,

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David Robbins  
Vice President and Controller

DR:pw

cc: Mr. Franklin H. Young - ALIA  
Mr. Carroll Callaway

Newborn  
bill

4B128

PROBLEM:

Health insurance coverage in Alaska frequently does not provide for health care for newborn infants. Such insurance policies written in Alaska presently specifically exclude coverage for infants in the first thirty, sixty, or ninety days of life.

The newborn infant is vulnerable to many health problems. Prematurity and congenital defects often require medical care of an urgent and sophisticated nature.

The cost of this care is presently borne by a combination of families, health care providers (such as physicians and hospitals), governmental agencies (federal, state, and local), and insurance carriers.

By exclusion of newborn health care from their coverage, some insurance carriers are excluding this vulnerable newborn population from their coverage.

PROPOSAL:

The legislative committee of the Alaska State Medical Association and the Alaska Chapter of the American Academy of Pediatrics recommend that health care coverage for newborn infants be included in all health insurance policies written in Alaska.

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

DATE: September 27, 1974

FROM: David A. Spence, M.D., Chief  
Section of Family Health

SUBJECT: Proposed legislation for the  
1975 Legislature.

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EAS/lb

cc: Dr. Carolyn Brown, Legislative Committee, ASMA

ENGSTROM AND EVANS

ATTORNEYS AT LAW

202 NATIONAL BANK OF ALASKA BUILDING

TELEPHONE (907) 586-1445

JUNEAU, ALASKA 99801

ALLAN A. ENGSTROM  
GORDON E. EVANS

February 19, 1975

Ms. Susan Moss  
Health Education & Social Services  
Pouch V  
Juneau, Alaska 99811

Re: House Bill 128

Dear Ms. Moss:

In our recent telephone conversation, you indicated that the House Health, Education and Social Services Committee was interested in the approximate cost impact of House Bill 128, as it relates to coverage for new-born infants.

Although it is difficult to be precise, Blue Cross Washington Alaska, Inc., which already provides such coverage in all of its policies, estimates the effect on premium to be approximately one per cent. This is based on a competitive benefit level, in using birth as an effective date as opposed to starting coverage at age 30 days.

Let me try to be more precise by means of an example:

1. Assume that coverage A covers children at birth and coverage B covers children after 30 days.
2. Assume that all other aspects of coverage A and coverage B are identical with respect to benefits.
3. If the monthly family rate for coverage B was \$60.00, then the family rate for coverage A would be approximately 1% higher, or \$60.60.

Please let me know if you have any other questions.

Very truly yours,



ALLAN A. ENGSTROM  
Legislative Counsel for  
Blue Cross Washington Alaska, Inc.

AAE:rhm

These different coverage options reflect efforts to reduce claim costs and premiums. Basically, an insurance company will sell whatever coverage a policyholder is willing to pay for but there is a trend toward making coverage from birth--full the standard benefit. Of course, "full" coverage does not necessarily mean 100% coverage since there may be deductibles, co-insurance and policy limits.

Following are some examples of NBSCN bills incurred at Providence over the past six months which reflect the variations in insurance benefits and coverage:

<u>Days Hospitalized</u>	<u>Amount</u>	<u>Insurance</u>	<u>Amt. Pd. by Ins.</u>
32	\$5,470.30	Teamsters	--0--
19	3,926.65	Teamsters	--0--
88	19,130.95	Champus	\$19,130.95
7	1,171.75	Blue Cross	937.40
10	1,563.63	Medicaid	1,563.63
2	166.00	Aetna thru Fed. Gov't.	22.50
4	644.00	Equitable thru Standard Oil	644.00
3	318.25	Fireman's Fund (Liability)	318.25
4	1,100.00	Champus	1,100.00
17	1,790.25	Equitable thru N. C.	1,708.00
46	8,934.90	Medicaid	8,934.00
15	2,859.10	Aetna	2,680.53
3	245.13	Medicaid	245.13
3	255.50	Medicaid	255.50
23	3,072.25	Teamsters	Written off to Charity
22	2,187.88	Aetna thru Fed. Gov't	1,750.30
2	195.75	Medicaid	192.75
55	10,527.00	Champus	10,447.00
3	531.25	Sears	425.00
11	2,478.50	A. N. S.	2,478.00
5	440.00	Medicaid	440.00
2	204.75	B. C. thru Cordova Hosp.	123.80
20	5,492.50	B. C. thru State	4,747.68
17	2,900.00	Westcoast Life thru Reeve Aleutian	--0--
1	39.50	B. C. thru Providence	39.50
4	700.75	<u>Double coverage:</u> Teamsters	--0--
		Hotel & Restaurant	--0--
12	2,604.25	B. C. of Louisiana	1,292.75
23	4,137.05	Blue Cross	3,911.30
6	1,113.50	B. C. thru State	850.40
4	657.75	Medicaid	657.75
	<u>TOTAL</u>		<u>\$64,896.12</u>

Difference to be paid by patient or absorbed by hospital:  
\$19,962.97

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

FROM: David A. Spence, M.D., Chief  
Section of Family Health

DATE: September 27, 1974

SUBJECT: Proposed legislation for the  
1975 Legislature.

In the last legislative session, Senate Bill 359 was introduced on February 11, 1974, by Senator Lowell Thomas. This Bill would have required that newly-born children be included in group health and disability insurance. This Bill was tied to insurance for alcoholism and was still in committee at the close of the legislative session.

The need for this legislation is greater this year because advances in neonatal care, while preserving intellect and life itself for the premature, are more expensive. We request that this Bill be submitted in essentially the same form again in this next legislative session. Your submission of this legislation will indicate its importance to the legislators and the public as well.

DAS/lb

cc: Dr. Carolyn Brown, Legislative Committee, ASMA

HB-129

"An Act limiting tobacco smoking in public places, vehicles or other passenger-carrying common carriers."

2/7/75

COMMITTEE REPORT

JUDICIARY

HOUSE

Mr. Speaker:

Date Feb 10, 1975

The Committee on HESS has had HB 129

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

[Signature] recommends: [Signature]

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Susan Sullivan Chairman

HESS Meeting  
ASMA - Carolyn Brown  
3-17-75

Dr. Jim Pederson worked up most of the information on tobacco and health and was not able to be here today however I am prepared to represent his feelings about this.

We are aware that HB 129 and CSSB 148 have been introduced and have received some very positive action in the Senate with respect to smoking. Those of us who take care of people and deal with their pneumonia, bronchitis or parsanomous of the lungs certainly are aware of the effect of smoking on health across the country, particularly in Alaska. A study was done a number of years ago by the Anchorage Council on Smoking and Health which indicated that our percentages of persons who smoke is considerably higher for women in Alaska than women outside of Alaska. The men were only a percent or so above those men who smoke outside of the country. So we have equally as bad a problem in Alaska as the lower 48 states and possibly a little bit more. I think also, those of us who work in statistics as well as medical care are aware that it is very clear to us now that children who are exposed to smoke in homes, restaraunts, schools and wherever they are have seen a significant increase in otitis media and ear infections, respiratory infections, pneumonia, days out of school at home, problems caused not from the kid smoking but from breathing the smoke that somebody else is smoking. So we feel there are a significance public health and medical impact compelling a state interest as it were to protect the health of children and of other persons who must be exposed to smoke. Therefore we are very strongly in favor of legislation like that and like that which we hope you will take positive action on in the House and we feel that this is a real step in the right direction. This is not to preclude the chance of people who want to smoke and pending that opportunity, it is only to help those of us who want to have clean lungs and keep them that way. And we feel that the bills that have been introduced are excellent bills for support.

S. Sullivan

HB 129

THIS PETITION IS ASKING ALL PEOPLE IN FAVOR OF THE HOUSE BILL 129, TO SIGN IT. HOUSE BILL 129 IS IN FAVOR OF BANNING ALL SMOKING IN PUBLIC AREAS WITH EXCEPTIONS TO SPECIAL PLACES DESIGNATED FOR SMOKERS.

Alan T. Jones  
 Mrs. Frank Sherrell  
 Neane S. Beechford  
 Mrs. Jack Griffin  
 Mrs. J. Sydnor  
 Mrs. John C. Danigan  
 Pamela Page  
 D. A. Brown  
 Cynthia Westworth  
 Paul Collett  
 Barbara Dargatzis  
 Willie Edman  
 Mike Brown  
 Carol Bunt  
 [unclear]  
 Kimmie Zlotnicka  
 Carol Goldberg  
 Randy Doolman  
 Harold Wagner  
 Edith Wagner  
 Ester Lunsberry  
 [unclear]  
 Theresa J. Nugent  
 Barbara Hodges  
 Wyndell H.

Laraine Harrison  
 Lily M. Cannon  
 Barbara Cannon  
 [unclear]  
 O. Skulbeke  
 Wilbur [unclear]

THIS PETITION IS ASKING ALL PEOPLE IN FAVOR OF THE HOUSE BILL 129, TO SIGN IT. HOUSE BILL 129 IS IN FAVOR OF BANNING ALL SMOKING IN PUBLIC AREAS WITH EXCEPTIONS TO SPECIAL PLACES DESIGNATED FOR SMOKERS.

Susan Sullivan

John Hepburn

Sandra R. Hepburn

Betty Anderson

David Solberg

at

Tom Solberg

Judy Solberg

Mary Lowe

John Wilson

Julie Hepburn

Eric Solberg

# S. Sullivan - Hess

THIS PETITION IS ASKING ALL PEOPLE IN FAVOR OF THE HOUSE BILL 129, TO SIGN IT. HOUSE BILL 129 IS IN FAVOR OF BANNING ALL SMOKING IN PUBLIC AREAS WITH EXCEPTIONS TO SPECIAL PLACES DESIGNATED FOR SMOKERS.

Marjorie A. Mock

Ann C. Donn

Carol James

Mrs. Jacqueline Mitchell

Jane Kerns  
Richard Kerns

Susan Miller

Daphne M. Hegman

Jean Wax

Leanne Dietrich

John T. Wise

Rep Sullivan

THIS PETITION IS ASKING ALL PEOPLE IN FAVOR OF THE HOUSE BILL 129, TO SIGN IT. HOUSE BILL 129 IS IN FAVOR OF BANNING ALL SMOKING IN PUBLIC AREAS WITH EXCEPTIONS TO SPECIAL PLACES DESIGNATED FOR SMOKERS.

Timothy J. Langsell

Mrs Forest A. Webb

George B. Jenks

Fr. Dazin

John Maher

Emil Chance

La Verne C. Hill

Jeanette Diamond

Elaine Hammes

Laurie Wood

Sally Berne

~~East Hill Ave~~

Jean Kawakami

1032 W 11th

1213 "U" St.

1134 "H" St

1132 H Street

330 Franklin Ave

1101 "H" ST.

1237 "H" St.

1245 G St

1229 G St.

1047 E St

936 W 10th Ave

~~1222 W 10th Ave~~

1222 W. 10th Ave

Susan Sullivan

THIS PETITION IS ASKING ALL PEOPLE IN FAVOR OF THE HOUSE BILL 129, TO SIGN IT. HOUSE BILL 129 IS IN FAVOR OF BANNING ALL SMOKING IN PUBLIC AREAS WITH EXCEPTIONS TO SPECIAL PLACES DESIGNATED FOR SMOKERS.

Cornel A. Beirne 2-21-75

ANCHORAGE - 936 W 12<sup>th</sup>

Michael F. Beirne M.D.

936 WAT 10<sup>th</sup> Ave

William A. Davis

1010 W 10<sup>th</sup> Ave

Virginia Beirne

1020 W 10<sup>th</sup>

William J. Kimmin

1025 W. 11<sup>th</sup> AVE.

Mabel Spencer

961 N. 11<sup>th</sup> Ave

Sutcher Ruve

945 W. 11<sup>th</sup> Ave

Jinda Hornberger

3501 E. 92<sup>nd</sup> APT. 306

Julie Ann Shaw

830 W 12<sup>th</sup>, Anch

Jean S. Reategian

816 N. 12<sup>th</sup> East.

Jan Tuli

1124 11<sup>th</sup> Street

Kathy Reekie

1116 H St

Bob Reekie

1116 H St.

Steve McKinnon

1203 "H" St.

Sue Luford

745 W. 13<sup>th</sup> Ave

Don Luby

1259 G St

Catherine M. Heinert

1207 H St

Wendy D. Rowse

1135 G St.

Susan Sullivan

ALASKA STATE LEGISLATURE



7330 MARGE COURT  
ANCHORAGE, ALASKA 99504  
333-6412

HOUSE OF REPRESENTATIVES

POUCH V  
JUNEAU, ALASKA 99801  
465-3797  
RESIDENCE 586-6159

May 23, 1975

A. Von Hippel, M.D.  
3300 Providence Avenue  
Anchorage, Alaska 99501

Dear Dr. Von Hippel:

Thank you for your telegram concerning House Bill 129 to limit smoking in public places.

Our committee showed strong support for this bill, passing it out with a "do pass" recommendation in recognition of the hazards of smoke to non-smokers. A special conference committee is presently working to adapt a form of this bill that would be acceptable to both houses.

Thanks again for your telegram as the opinion of professionals dealing with health care are of particular interest in these matters.

Yours truly,

A handwritten signature in cursive script that reads "Susan Sullivan".

Susan Sullivan, Chairwoman  
House HESS Committee

SS:1a

HB 129

# TELEGRAM

BOCA ALASKA COMMUNICATIONS, INC.  
PHONE: 586-6440  
JUNEAU, ALASKA 99801

HB 129

#

1975 MAR 19 AM 1 38

02162 POM ANCHORAGE ALASKA 15 03-18 1045P ADT

PMS REP SUSAN SULLIVAN

JUN

1743

HB129 IS GOOD. PREVENTATIVE MEDICINES WILL HELP REDUCE  
HEALTH CARE COSTS IN ALASKA

A VON HIPPEL MD 3300 PROVIDENCE DRIVE ANCHOR

H

H/B-150

STATE OF ALASKA  
Inter-Department Route Slip

TO:  
MAIL STATION NUMBER 3100  
DEPARTMENT Legislature  
ATTENTION HOUSE HESS Comm

- |  |  |
|--|--|
| <input type="checkbox"/> Approval      | <input type="checkbox"/> Note & Return       |
| <input type="checkbox"/> Signature     | <input type="checkbox"/> Initial & Return    |
| <input type="checkbox"/> Comment       | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me    | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action    |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information    |

Remarks:

H.B. #150

FROM:  
MAIL STATION NUMBER 0500  
DEPARTMENT educ.  
BY wjt DATE 3-10-75

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. H. B. #150

Title: Relating to required curriculum in the public schools.

Requested by: House HESS Date: 3-5-75

Return Date Requested: ASAP

Agency: Education Program: Education Program Support

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact.

See attached for DOE survey regarding teaching of Alaska History.

IV. ATTACHMENTS

V. DATE: 3/7/75

PREPARED BY: William A. Johnson

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

TABLE I  
3/6/75

IS ALASKA HISTORY A REQUIRED COURSE IN THE CURRICULUM  
Questionnaire Results

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	Yes	
<u>DISTRICT</u>					
Anchorage:					
Airport Heights	X				3
Chinook Elementary	X				3
Chugiak			X	X	---
Creekside Park	X				3
Gladys Wood		X			3 - some 1
Homestead		X			3
Muldoon	X				3 and 4
Ocean View	X	X			2
Rogers Park	X	X			3
Sand Lake	X				3
Scenic Park	X				3
Turnigan			X	X	---
North Star	X				3
O'Malley	X	X			3
Ptarmigan	X (?)				4, 5, 6
Willow Crest	X				3
Unidentified elementary		X			1-4
Unidentified elementary	X				1-3-4
Central Junior High		X			7
Ora Dee Clark	X	X			7
Romig	X				7
Vendler	X	X			7
Bartlett-Begich	x (7)				7 and as elective
Chugiak-Gruening				X	7 and senior high
Diamond-Hears	X				7 (10-12 are elective)

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	Yes	
Anchorage (con'td)					
East Benson			X	X	10-12
Service-Hanshaw	X (7)				7 and 10-12
West Anchorage			X	X	---
Bristol Bay BSD:					
Elementary			X	X	K-6 (unit basis)
High			X	X	9-12
Craig CSD	?	?		X	Required in basic - not in secondary.
Dillingham			X	X	7-12
Fairbanks BSD:					
Adler	X	X			3
Barnette	X				3 - some at all levels
Denali	X				3 and 5
Two Rivers	X				3 and 4
Main Junior High	X				7
Lathrop High			X	X	10-12
Galena CSD	X				10-12
Haines BSD:					
Elementary	X	X			4
High			X	X	9 thru 12
Hoonah CSD			X	X	9-12

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	ilo	ilo Yes	
Juneau BSD:					
Glacier Valley		X			4 and 5
An elementary school		X			4
An elementary school	X				3
An elementary school		X			3 and 4
Floyd Dryden Junior High		X (7)			7 - (9 is elective)
Marie Drake		X			8
Juneau-Douglas High			X	X	10, 11, 12
Kake CSD					
	X				7 and 8
Kenai BSD:					
East Homer	X (?)			X	Some at all levels -(required by the school)
English Bay		X			6-8
Susan B. English		X			elementary junior high
Kenai Elementary			X	X	5 and 6
Nikolaevsk			X	X	6-8
Ninilchik		X			7-8
North Kenai			X	X	4 and 5 (unit basis)
Sears Elementary		X			3 and 4
Seward		X			7
Soldotna Elementary			X	X	4
Soldotna Junior High	X	X			7 and 9
Homer Junior High		X			6 (required), 11 and 12
Kenai Junior High		X			7 (part of soc. studies pro.)
Kenai Central High			X	X	10-11-12 (U.S. history is req. & this counts as part of it)
Seward High			X	X	11 and 12

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	Yes	
<b>Ketchikan BSD:</b>					
Houghtaling			X	X	
Valley Park			X	X	upper primary
White Cliff			X	X	k, 1, 2, 3, 5
Schoenbar Junior High			X	X	8
Ketchikan High			X	X	9-12 (humanities)
Revilla			X	X	9-12
<b>Kodiak BSD:</b>					
Port Lions			X	X	---
Kodiak Junior High			X	X	---
Kodiak Aleutian			X	X	9 and 10
<b>Matanuska-Susitna BSD:</b>					
Iditarod		X			4 and 5
Willow Elementary	X (?)				4 and 7
An unidentified			X	X	
Central Junior High			X	X	As part of soc. studies
Palmer High			X	X	9-12
Susitna Valley High			X	X	9-12
<b>Kenai CSD:</b>					
Elementary			X	X	---
High	X	X			secondary
<b>Nome CSD:</b>					
Elementary	X				3 (some geography of AK in 4)
High			X	X	9, 10, 11

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	No Yes	
North Slope BSD			X	X	
Pelican CSD			X		X open to all elem. grades
Petersburg CSD	X				8
Selawick	X				middle grades
Sitka BSD:					
Baranof	X				X K-3
Blatchley Junior High	X				8
Sitka High			X	X	do teach Alaska government
Skagway CSD	X	X			11
Unalaska CSD	X	X			4,6,8 (required in high school only)
Valdez CSD			X		X 12
Wrangell CSD			X		X 10-12
<u>STATE-OPERATED SCHOOLS</u>					
<u>On-Base:</u>					
Adak On-Base					
Elementary			X		X K-6
High			X	X	

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	No Yes	
<u>On-Base (con'td)</u>					
Eielson AFB					
Pennell			X	X	4,5,6
Taylor Junior High			X	X	7-8
Eielson High			X	X	9-12
Elmendorf AFB					
Orion Middle School			X	X	
Aurora Elementary			X	X	K-4
Fort Richardson AFB					
Arcturus Middle			X	X	5-6
John F. Kennedy			X	X	K-4
Ursa Minor			X	X	1-4
Fort Wainwright AFB					
Aurora Elementary			X	X	
Chena Elementary			X	X	4
Ft. Wainwright Jr-Hi			X	X	
<u>RURAL</u>					
Ailakaket			X	X	
Anderson Village School			X	X	
Aniak			X	X	High school
Annette Island	Local			X	4-6 (intermediate)

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Rec.	No	No Yes	
<u>RURAL SCHOOLS (cont'd)</u>					
Anvik			X	X	
Bethel Middle School		X			X 6
Bethel Regional High School			X		X 11-12
Cantwell			X	X	
Circle			X		X 1-8
Chalkyitsik			X		X As the student becomes interested
Cold Bay		X			X 4-6
Cooper Landing			X	X	
Delta Junction			X		X 9-12
Elfin Cove			X		X ??
False Pass	X	X			X 4,5,6,7
Ft. Yukon	X				X K-6
Gildersleeve			X	X	---
Glennallen			X		X high school
Holy Cross		suggested			X 4-8
Kaltag			X	X	
Koliganek		X			X 4-8
Koyukuk			X	X	---
Kiana High School			X	X	---
Manokotak			X	X	---
McGrath			X		X 9-12
Metlakatla-Annette			X		X 9-10
Minto			X	X	---
Mt. Village		X			X 12
Newhalen (Iliamna)			X		X 1-8

SCHOOLS	Required		Offered		Grades and/or Comments
	Dist.	Sch. Req.	No	Yes	
<u>RURAL SCHOOLS (cont'd)</u>					
New Stuyahok		X		X	4,8,9
Noatak			X	X	6-8
Noorvik		X		X	8,10
Pedro Bay			X	X	---
Red Devil		X		X	4-8
Ruby			X	X	1-8 (integrated into elem. social studies)
Sand Point			X	X	high school
Stony River		X		X	1-8 (geography & history)
Talkeetna			X	X	---
Tatitlek		X		X	5,6,8
Thorne Bay			X	X	---
Tok		X		X	10
Togiak	X	X		X	5,6,8,9
Tri-Valley (Healy)			X	X	High school
Tuxekan			X	X	---
Whale Pass			X	X	1-8 (not specific subject)
White Mountain			X	X	---
<u>B.I.A.</u>					
Akiachak		X		X	4,5,6 required 7-8 elective
Eamonak			X	X	4 and 8 (units are scheduled the last quarter)

H/B - 161

"An Act relating to day care facilities; and providing for an effective date."

2/12/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date 3-26

The Committee on HESS has had HB 161

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

(X) "and" recommends it BE REFERRED TO THE CEH Committee

COMMITTEE with individual recommendations

( ) reports it back WITHOUT RECOMMENDATION

(X) "other" individual recommendations

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

[Signature] recommends: NO REC

[Signature] recommends: NO REC

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman



# Alaska State Legislature

## House

JUNEAU ALASKA

HESS COMMITTEE MEETING

3-26-75

Members Present:

Davis	Parr
Hackney	Sullivan
Ose	Swanson
Osterback	
Ostrosky	

Chairman Sullivan called the meeting to order at 3:00pm. to take up DAY CARE bills.

Rick Davidge-Univ. of Alaska, Fairbanks

The need is great for child care on the Fairbanks Campus. (Handed out material)  
The problem once again is due largely to pipeline impact. There are presently six facilities in the Fairbanks area, 162 children is the total capacity and there is a waiting list that is endless. We have taken a survey and come up with 300 children who are related to the University, and if they were to be taken out of the community centers and put in U of A centers, this would allow for the low income families to take advantage of the present centers. Three things we are trying for are:  
1) money, 2) authorization, 3) cooperation. In the area of money, operating costs, capital improvements, and revenues, which would be put back into the program. We primarily interested in 3 year olds and up.

Ose What will this cost per child per day?

Davidge \$1 per hour per child per day. It is pretty much in line with the costs of the State Day Care Center operations now.

Ose Will this be for low income groups?

Davidge No, this will be for students, student families, and staff at the U of A.

Ose Have you looked into the possibilities for Federal support of this?

Davidge Our major problem is in the area of the facilities on or near the Campus to meet state requirements. (gave breakdown of financial aid, see attached)  
Childcare is not a new program to the University, We have requirements in childhood and early development and this would be extending our academic program that would also function as a campus service.

Hackney I am questioning the \$29,000 yearly salary for the coordinator?

Sullivan I agree with you Mr. Hackney, that sounds too high.

Davidge \$14,000 to \$20,000 is presently being paid in the local Fairbanks area for this service. This person would also be a registered nurse.

Sullivan Is there anyone who is going to introduce this Legislation for you?

Davidge Yes, the Fairbanks delegation of both houses will be putting together a bill after reviewing this material. Everything here has been developed by the students and this is the first time in 20 years this has happened. I think you have a very good point on the salary level for example and I'm sure changes will be made with the introduction of a bill.

Sullivan Thank you Mr. Davidge and we will continue discussion on this presentation when we have a bill to work with.

HB 161 162

We have had previous discussion on these bills. They should be going to CRA and I would like to get these two bills moving and on to that Committee. The basic thrust of these bills is to make day care available on a sliding scale to people who prefer not to receive AFDC monies.

Swanson We should move these bills on to CRA, and I make a motion to that effect.

Without objection, So ordered.

HB 349 Ms. Sullivan gave Committee a few minutes to read over bill.

Hackney How big and How many? In section 'C', I wonder if we aren't setting up a privledged class?

Sullivan I see your point, what would you suggest?

Hackney Again your giving state employed something the general public isn't getting. It would almost have to be a condition between wage and state employees. I would like to hear from the AG on this matter. SEC. G may be a conflict with competitive day care centers.

Senator Chance Other employees could start providing these services, it could be by Federal Regulations tax deductible to the business. I have been working with the Chamber of Commerce as to this idea.

Swanson I think what we are trying to do is to add space or construct new space in new buildings for these services. Maybe we could contract its operation out or run the actual day care centers. All we are doing here is to put the facility in the buildings. If we kept it on a business basis it would be alright.

Senator Chance Back in WWII this was common practice as men went to war, to attract women to come to work, facilities were placed in many businesses. When the war was over, day care was dropped in these businesses to get women back into homes and let the men have the jobs.

Sullivan I think this bill has significant payback possibilities.

Hackney I would like to get the AG's opinion.

Ann from LAA I don't think you are going to have any Constitutional problems here.

Page Three  
HESS Meeting  
3-26-75

Day Care

Susan Clark The Federal people are providing day care, I can get the backup material on that for you.

Ose Who will make the Study?

Sullivan That's a good question and I wanted to bring this up for suggestions.

Hackney I al so think it would be important to define 'renovation' also a survey as to how many children will be involved per building.

Susan Clark I have just completed a survey in the Federal Building. Sent questionnaires out and will make a report available to the Committee on my findings.

Sullivan This will also take the pressure off of local day care centers to let low income familie. have these services available.

Meeting was adjourned and work session was continued on the bill.

POSITION PAPER  
ON  
HOUSE BILL 161

An act relating to Day Care Facilities; and providing for an effective date.

This bill coupled with House Bill 162 proposes to provide funding for day care for approximately 1,100 children of low-income parents. The \$1,600 to \$2,000 per year it now costs for full time day care is clearly beyond the means of many working parents. Consequently, large numbers of children are currently receiving inadequate day care or no day care. This bill would provide funding for adequate care for those children. It would also allow low-income parents who have not previously been able to enter the labor market to do so or to enter training programs and see that their children are receiving adequate care.

We note this bill vests in the Department of Community and Regional Affairs the responsibility for the following:

- The administration of day care assistance programs.
- The establishment of an eligibility determination unit.
- Contractual powers with day care facilities.
- Establish eligibility standards.
- Develop a sliding fee scale.
- Establish a monitoring mechanism for periodic reviews for needs of families receiving day care.

These are duplicative functions that are currently carried on by the Department of Health and Social Services. The FY76 Budget level does not permit the Department to carry out the expanded function as proposed in this bill, because of limited funds and manpower.

With the licensing function for the proposed program expansion placed with the Department of Health and Social Services, the positions and the funding specified on the attached fiscal note will be required in order to carry out the licensing function of House Bill 161. The purpose of licensing is to assure children in care protection, supervision and the promotion of sound growth and development. Licensing is not administration, but an essential part of day care service.

Virtually all licensed day care slots in the state are currently being utilized. There are only a handful of unused slots for the approximately 1,100 children this bill would fund. The Department does not have sufficient staff to license the number of slots needed to serve children under this bill. Slots are

as follows:

51 Day Care Centers	1,600 licensed capacity slots
143 Family Day Care Homes	490 licensed capacity slots
29 Head Starts	<u>600</u> slots
	2,690 capacity slots

Fewer than 500 of those slots can take children under age three. We estimate that nearly 550 children eligible under this bill will be under age three. This Department is currently using 550 of the licensed capacity slots for persons who are eligible for Aid to Families with Dependent Children (AFDC) day care. The general public is using the remainder of the slots. Parents of the 1100 children this bill would fund are not using these slightly higher priced slots, or there would be no need to fund them.

Without the development of additional licensed facilities, there are three potential major consequences. First, the vast majority of the funds under this bill will remain un-utilized. Low income parents will remain out of employment or training or, they will continue to be forced to place their children in inadequate facilities if they are working. Second, many working parents who are making marginal salaries but are above the income that would be allowable in this bill and who are currently using licensed care will be squeezed out of the licensed facilities, forcing them to either quit their jobs or training or to use inadequate day care. Third, parental choice in selecting day care facilities will be removed. Over 60% of parental choice is for family day care. This is especially true where infants and toddlers are in care.

The Department estimates a need for 13 licensing professionals and four clerical support staff to provide up to 3,000 licensed capacity slots, largely in Family Day Care Homes. The general public has as much right as state and federally funded children to use licensed slots. It has been the experience of the Division that there is high pressure on licensed facilities, particularly Day Care Homes, where family day care mothers receive up to three phone calls a day from mothers looking for child care for their children. In order to adequately provide slots for state/federally funded children licensed slots should exceed the number of funded children by 3 to 1. The 13 requested positions would provide this flexibility, would prevent children who are currently in licensed care from being displaced, and would provide additional safe facilities, good programming, and consumer protection for the general public.

Recommended By:

*Freda M. Borchick*  
Freda M. Borchick  
Acting Director

*8/13/75*  
Date

Approved By *Paul F. Williamson*  
*for* Francis S. Williamson  
Commissioner

3/12/25  
Date

Comments by Governor's Office:

By: \_\_\_\_\_

\_\_\_\_\_ Date

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill 161  
 Title: An Act relating to day care facilities; and providing for an effective date  
 Requested by: \_\_\_\_\_ Date: 3/5/75  
 Return Date Requested: \_\_\_\_\_  
 Agency: Health & Social Services Program: Social Service Day Care  
Family & Children Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Social Services

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		293.4	322.7	355.0	390.5	429.6
200 TRAVEL		7.4	8.1	8.9	9.8	10.8
300 CONTRACTUAL		28.2	31.0	34.1	37.5	41.3
400 COMMODITIES		3.4	3.7	4.1	4.5	5.0
500 EQUIPMENT		18.1	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
TOTAL		350.5	365.5	402.1	442.3	486.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND		350.5	365.5	402.1	442.3	486.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	17 /	17 /	17 /	17 /	17 /
MAN MONTHS (P./T.)	/	204 /	204 /	204 /	204 /	204 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- A. Assumptions - for the sake of simplicity a 10% overall inflation factor was assumed.
- B. 13 Child Care Specialists and 4 Clerk-typist III's will be required. Forms 13 are attached showing details of cost. Locations were selected according to census data.

IV. ATTACHMENTS

V. DATE: 3/10/75 PREPARED BY: Ada Gleason

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B—JUNEAU 99801

March 5, 1975

The Honorable Susan Sullivan  
Chairperson, House Health  
& Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Ms. Sullivan:

Re: HB 161 & 162 (Day Care)

The Department of Community and Regional Affairs, Division of State Economic Opportunity, has done extensive research on the Day Care bills now before the State Legislature. We have presented both written and verbal testimony to the appropriate Senate committees holding hearings on the bills.

It is our understanding that HB 161 and the accompanying appropriations bill, HB 162, are identical to bills introduced in the Senate as SB 120 and SB 121. SB 120 was replaced by CSSB 120 and amended by the Finance Committee before its adoption. This department wholeheartedly supports those amendments to wit:

- 1) The department may adopt regulations for the performance of its duties.
- 2) The department may contract with local agencies to perform its duties under the act.
- 3) The department may solicit recommendations from local governing bodies regarding local agencies which may provide the contractual services under this section.
- 4) A contribution of the parent or guardian shall be made directly to the day care facility.

The Honorable Susan Sullivan  
Alaska State Legislature

March 5, 1975

- 2 -

5) That definition of "day care" should also include those homes licensed or recognized by the federal government for the care of children.

6) That the age be changed for the definition of "child" up to the mandatory school age.

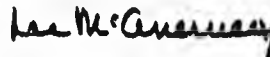
7) Incorporated local governments cover under contract terms necessary administrative costs.

It is the department's philosophy that under this type of a bill we would be administering under a contractual arrangement a program similar to grants or special revenue sharing. It is our position that a program administered in this fashion could realize considerable savings to the state, as well as having the desirable effect of local control over the project.

Attached are supportive documents as submitted to the Senate Finance Committee outlining how the department would administer the program under the guidelines of the Senate adopted version of the bills.

If you have questions regarding these documents or if we could assist you by offering verbal testimony we are more than happy to accommodate you.

Sincerely,



Lee McAnerney  
Commissioner

LM:bf

Enclosures

cc: Eric Lee, Director  
State Economic Opportunity

Lynn Wegener, Administrative Officer

Legislative Finance

Budget & Management  
Dept. of Administration

FISCAL NOTF

First Session - Ninth Legislature

I. REQUEST

Bill No. CSSB 120 (as amended)  
 Title: Day Care Assistance  
 Requested by: Senate Finance Date: 2-20-75  
 Return Date Requested: \_\_\_\_\_  
 Agency: Dept. Comm. & Reg. Affairs Program: Social Service

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Div. State Economic Opportunity  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SFRVICES		47.5			
200 TRAVEL		5.0			
300 CONTRACTUAL		10.4			
400 COMMODITIFS		0.3			
500 EQUIPMENT		0.9			
600 LAND & STRUCTURES					
700 GRANTS, CLAIMS, ETC.					
TOTAL		64.1			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		64.1			
FFEDERAL FUNDS					
OTHER					

C. POSITIONS:

PERMANENT/TEMPORARY	/	2/0	/	/	/
MAN MONTHS (P./T.)	/	24/0	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

V. DATE: 2-25-75 PREPARED BY: Fric Lee, Director  
 Div. State Economic Oppor.

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

CSSB 120

PERSONAL SERVICES

Coordinator -- Range 21	\$23,774.00
Field Representative -- Range 16	16,447.00
	<hr/>
	40,221.00
	7,240.00
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	\$47,461.00

TRAVEL

Monitoring and counseling at each site @ \$300 average per trip	\$5,000.00
	<hr/>
	\$5,000.00

CONTRACTUAL

Phones	
Basic	600.00
Long Distance	3,400.00
Postage	400.00
Printing of Regulations	1,000.00
Advertising of Public Hearings	500.00
Office Rent	
350 sq. ft. @ \$.45/sq. ft.	2,000.00
Xerox	500.00
Transportation of new employee personal effects	2,000.00
	<hr/>
	\$10,400.00

COMMODITIES

Office supplies and reference materials	\$300.00
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