

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7887

HOUSE JUDICIARY

case may be resolved despite minor variations among the regulations in effect during the periods in which plaintiffs' claims arose. As noted, the effect of the regulations has always been the same, except that as of January 1, 1993, a presumption no longer exists that Dividend applicants are not residents if their spouses are not residents. See 15 AAC 23.143(j). Plaintiff Howell's claim arose prior to this date, however, and the remaining plaintiffs always have had the same claim that the Alaska Administrative Code denied Dividend eligibility for residents who accompanied nonresident spouses out of state on allowable absences, while eligibility was maintained for residents who accompanied resident spouses on allowable absences.

III. EQUAL PROTECTION

Plaintiffs have alleged that denying Dividends to state residents who accompany their nonresident spouses out of state, and delaying Dividend awards to residents with nonresident spouses, when the nonresidency status of the spouse is the sole reason for the denial or delay, contravene the equal protection clauses of the federal and state constitutions.

As a preliminary matter, it must be noted that the Alaska legislature has indicated the purposes underlying the Alaska permanent fund dividend program:

- (1) to provide a mechanism for equitable distribution to the people of Alaska of at least a portion of the state's energy wealth derived from the development and production of the natural resources belonging to them, as Alaskans;

(2) to encourage persons to maintain their residence in Alaska and to reduce population turnover in the state; and

(3) to encourage increased awareness and involvement by the residents of the state in the management and expenditure of the Alaska permanent fund....

1980 Alaska Sess. Laws, ch. 21, § 1(b). The inquiry under both the federal and state constitutions, therefore, must focus on the relationship between any of the above purposes of the Dividend program and (1) a presumption against finding an individual to be a resident solely because that individual's spouse is not a resident, and (2) a regulatory exception to the general rule that persons living out-of-state shall not be eligible to receive Dividends, where the exception permits a resident individual to maintain Dividend eligibility while accompanying the individual's spouse on allowable absences from the state, but only so long as the spouse is a resident.

A. There is no Violation of the Federal Equal Protection Clause

In State v. Cosio, S. Ct. No. S-4344, slip op. at 2 (Alaska, August 20, 1993), the Alaska Supreme Court applied an equal protection analysis to determine the federal and state constitutionality of the State's exclusion of illegal aliens from eligibility for Dividends. With regard to plaintiffs' equal protection claim under the Fourteenth Amendment to the United States Constitution, the supreme court first held that, because

a dividend is a matter of grace, a "governmental 'benefit' indistinguishable from other forms of social welfare,"... the State's dividend eligibility requirement only warrants rational basis review.

Id. at 11 (quoting Plyer v. Doe, 457 U.S. 202, 231 (1982)). The court noted that a rational basis standard also was appropriate because plaintiffs were "accountable for their disabling status", and the deprivation of a Dividend would not leave plaintiffs "irretrievably stigmatized". Id. (distinguishing Plyer, which involved alien children denied public school funding).

Cosio is distinguishable, however, because plaintiffs in that case sought equal protection from their differential treatment as illegal aliens. The court in Cosio proceeded from the premise that the United States Supreme Court had recognized "that illegal aliens, as a class, merit merely rational basis review." Cosio, slip op. at 10. The Alaska Supreme Court, after deciding that no cause existed for heightened scrutiny, then applied rational basis review to the case before it. Id. at 11. Here, plaintiffs share the common characteristic that their Dividends were denied, demanded to be returned, or delayed solely because plaintiffs were married to nonresidents.

There are two circumstances when more than rational basis review may be applied in an equal protection analysis under federal law: (1) when a suspect classification is involved; or (2) when a fundamental constitutional right is burdened. Cosio, slip op. at 9. Alienage falls under the "suspect classification"

analysis. Id. In this case, by contrast, the fundamental rights to marriage and to travel are implicated.¹¹ The federal equal protection analysis with respect to each of these rights is discussed below.

1. There is no Violation of the Right to Marry

In Loving v. Virginia, 388 U.S. 1, 12 (1966), the United States Supreme Court held that

[t]he freedom to marry has long been recognized as one of the vital personal rights essential to the orderly pursuit of happiness by free men....[M]arriage is one of the "basic civil rights of man," fundamental to our very existence and survival.

The question here, then, is whether there is sufficient interference with the right to marry to trigger heightened scrutiny under the Equal Protection Clause. In Loving itself, the Supreme Court relied on the right to marry in striking down a state statute that prohibited white people from marrying nonwhites. Id. Similarly, in Zablocki v. Redhail, 434 U.S. 374, 388 (1978), the Court applied intermediate scrutiny to a statute requiring state residents owing support to noncustodial children to obtain court approval before marrying. The Zablocki Court also held, however, that

¹¹ Plaintiffs also argue that the right to "join the military" is impinged. If there is a right to be a member of the armed forces, however, it certainly is not a fundamental right for purposes of the United States Supreme Court's equal protection analysis.

[b]y reaffirming the fundamental character of the right to marry, we do not mean to suggest that every state regulation which relates in any way to the incidents of or prerequisites for marriage must be subjected to rigorous scrutiny. To the contrary, reasonable regulations that do not significantly interfere with decisions to enter into the marital relationship may legitimately be imposed.

Id. at 386 (emphasis added). By way of illustration, the Court in Zablocki cited to a decision it had handed down one year previously, Califano v. Jobst, 434 U.S. 47 (1977).

Califano involved the constitutionality of a Social Security Act provision that permitted continuation of insurance benefits for disabled dependent children who married persons eligible for social security benefits, but did not allow such continuation of benefits for disabled dependent children who married persons ineligible for social security benefits. Id. at 49. The Court in Califano held that "[t]he favored treatment of marriages between secondary beneficiaries does not violate the principle of equality embodied in the Due Process Clause of the Fifth Amendment." Id. at 58. The Court explained:

Congress could reasonably take one firm step toward the goal of eliminating the hardship caused by the general marriage rule without accomplishing its entire objective in the same piece of legislation. Even if it might have been wiser to take a larger step, the step Congress did take was in the right direction and had no adverse impact on persons like the [plaintiffs].

Id. at 57. See also Bowen v. Gilliard, 483 U.S. 587, 601-02 (1987) (holding that legislation having effect of providing

incentive for AFDC benefit recipients to move children out of home not grounds for heightened scrutiny).

It is clear that Califano controls the case at bar, insofar as federal constitutional analysis is concerned. The disputed Dividend regulations are analogous in all material aspects to the Social Security Act provisions in Califano; in both cases the government chose to create an exception to a general rule by awarding a benefit to some but not all married persons, depending on whether their spouses also qualified under the benefit program. The Court held that in such a situation, any interference with the right to marry did not give rise to more than rational basis scrutiny under federal equal protection analysis.¹²

¹² Puzzlingly, neither party discusses the implications of Califano, instead focusing on an opinion of the United States Court of Appeals for the District of Columbia Circuit, Women Involved in Farm Economics v. United States Dept. of Agriculture, 876 F.2d 994 (D.C. Cir. 1989), cert. denied, 110 S. Ct. 717 (1990), and its lower court precursor, 682 F.Supp. 599 (D.D.C. 1988). The circuit court's opinion, issued by a three-judge panel including current Supreme Court Justice Ruth Bader Ginsburg, addressed the constitutionality of a regulation that treated husbands and wives as one person for purposes of a farm support payment limitation under two pieces of agricultural legislation. 876 F.2d at 995. With respect to a challenge on equal protection grounds that the regulation interfered with the right to marry, the court held:

We think the district court was quite correct in concluding that heightened scrutiny of the husband-wife rule is inappropriate because the rule does not "interfere directly and substantially with the right to marry." The rule neither "place[s] [a] direct legal obstacle in the path of persons desiring to get married,"

Because, as discussed below, the regulations survive rational basis review, plaintiffs' federal equal protection claim with respect to the right to marry must fail.

2. There is no Violation of the Right to Travel

Plaintiffs Zeiler, Bolls, and Broadnax argue that their constitutional right to travel is impinged by the regulations at issue in this case, because plaintiffs are consequently "financially penalized" by accompanying their spouses out-of-state. The right to travel "has long been recognized as a basic right under the Constitution." United States v. Guest, 383 U.S. 745, 758 (1966). Furthermore, "the right to travel achieves its most forceful expression in the context of equal protection analysis." Attorney General of New York v. Soto-Lopez, 476 U.S. 898, 902 (1986). The United State Supreme Court in Soto-Lopez held:

nor significantly discourages marriage. As such, our inquiry is limited to asking whether "the legislation classif[ies] the persons it affects in a manner rationally related to legitimate government objectives."

Id. at 1004 (citations omitted). The court then proceeded to find that a conceivable rational basis for the regulation existed, and upheld the regulation's constitutionality. Id. at 1005, 1007.

While plaintiffs argue that the W.I.F.E. decisions are merely persuasive authority, those decisions apply existing Supreme Court case law. The upshot of the W.I.F.E. decisions and the Supreme Court jurisprudence is that regulations that invoke the married status of the recipient as a basis for benefit determinations rarely demand heightened scrutiny under federal equal protection analysis.

A state law implicates the right to travel when it actually deters such travel, when impeding travel is its primary objective, or when it uses "any classification which serves to penalize the exercise of that right."

Id. at 903 (citations omitted). Under the Equal Protection Clause, such laws are subjected to "intensified" scrutiny. Id. at 904.

The Soto-Lopez Court also recognized, however, that

"A bona fide residence requirement, appropriately defined and uniformly applied, furthers the substantial state interest in assuring that services provided for its residents are enjoyed only by residents. Such a requirement...[generally] does not burden or penalize the constitutional right of interstate travel, for any person is free to move to a State and to establish residence there. A bona fide residence requirement simply requires that the person does establish residence before demanding the services that are restricted to residents."

Id. at 903 n.3 (quoting Martinez v. Bynum, 461 U.S. 321, 328-29 (1983)). At issue here is one such "bona fide residence requirement". As discussed below, the apparent reason for the distinction between individuals accompanying nonresident spouses on allowable absences and individuals accompanying resident spouses on allowable absences is to maintain Dividend eligibility only for those individuals who are most likely to return to and remain permanently in Alaska. The regulations therefore are one aspect of the State's overall system for determining who is a bona fide resident of Alaska and who is not. The regulations are

not "durational, fixed date, [or] fixed point residence requirements" which implicate the right to travel. Id. at 903 n.3. Under the analysis of the United States Supreme Court, therefore, no heightened scrutiny is demanded in this case by an infringement on the right to travel.

3. The Regulations Bear a Rational Relationship to the Purposes of the Dividend Program

Plaintiff Howell alleges that, although he finally received a Dividend, he suffered inconvenience and a delay of six months due to the presumption against finding him to be a resident because his wife was a nonresident, and that the presumption was therefore "improper". The other plaintiffs argue that there is no rational relationship between the regulations and the purposes of those regulations because: (1) it is not equitable to allow individuals accompanying resident spouses to maintain Dividend eligibility while simultaneously denying that opportunity to individuals accompanying nonresident spouses; (2) the regulations' distinction does not encourage people to stay in Alaska when the military has effectively removed any element of choice by demanding the out-of-state transfer of their spouses; and (3) the regulations do not encourage awareness of and involvement in the management of the Dividend program by excluding plaintiffs from eligibility, when plaintiffs would be

as concerned as any other Alaskans about the well-being of the program.¹³

Despite plaintiffs' contentions, this court finds that there is a rational relationship between the expressed legitimate purposes of the Dividend program, on the one hand, and, on the other, a presumption against finding an applicant to be a resident based on the nonresidency of the applicant's spouse and for denying an "allowable absence" exception to residents who accompany their nonresident spouses on allowable absences. The Dividend program is intended to equitably distribute wealth derived from natural resources "to the people of Alaska". 1980 Alaska Sess. Laws, ch. 21, § 1(b)(1). The allowable absence exceptions, instituted pursuant to AS 43.23.095, extend the scope of the term "state resident" to include certain classes of people whose absence from the state is "temporary and...consistent with an intent to return to Alaska and remain permanently in the state." 15 AAC 23.150(c); see also AS 43.23.095; 15 AAC 23.163(c)(16). It is reasonable to allow residents to

¹³ Plaintiffs at oral argument raised the additional contention that the Alaska Supreme Court in State v. Cosio, No. 3998, slip op. (Alaska, Aug. 20, 1993), held that all Alaska voters should be eligible for Dividends and that, because plaintiffs in this case could vote under Alaska law, plaintiffs could not be excluded from Dividend eligibility. Even assuming arguendo that plaintiffs are indeed able to vote in Alaska, this argument is unfounded. The supreme court in Cosio did not so much as suggest that all voters are eligible for Dividends, but merely noted that the State has an interest in limiting Dividends to voters. See Cosio, slip op. at 14. Nothing in Cosio indicates that the State may not distinguish among voters for purposes of Dividend eligibility.

"piggyback" onto an allowable absence of a resident spouse, because the fact that the spouse is still a resident is a factor tending to show "an intent to return to Alaska and remain permanently in the state". That factor does not exist for residents who accompany nonresident spouses out of state. For the same reason, it is reasonable to require additional proof of intent from a Dividend applicant whose spouse is not a resident. Therefore, the disputed regulations are rationally related to the purposes of the Dividend program.

Because the regulations have a rational basis, defendant's motion on the federal equal protection issue is GRANTED, and plaintiffs' corresponding cross-motion is DENIED.

B. There is no Violation of the Alaska Constitution's Equal Protection Clause

Alaska employs a "sliding scale" equal protection analysis under the state constitution. The Alaska Supreme Court, applying this analysis in Cosio, found that minimal scrutiny was appropriate to the facts before it because: (1) Dividends, as mere economic interests, were entitled only to minimal protection; and (2) there was no reason that a classification of illegal aliens should receive greater than minimal equal protection scrutiny. Id. at 17.¹⁴

¹⁴While acknowledging that minimal scrutiny under the state equal protection analysis required a "fair and substantial", rather than merely rational, relationship between the disputed regulation and the legitimate government objective, the court in Cosio nevertheless upheld the State's exclusion of illegal aliens from Dividend eligibility on the same grounds as

The question becomes whether there is a "fair and substantial" relationship between the legitimate government interest behind the regulations and the regulations themselves. Plaintiffs argue that "more obvious and commonsensical" regulations would have maintained Dividend eligibility for residents accompanying any spouse, resident or nonresident, on military absences, and would have done away with the presumption that delayed plaintiff Howell's Dividend award. Given that the purpose of the regulations has been to distinguish residents likely to return to and remain in Alaska, however, it is unclear how plaintiffs' solution would create a more fair and substantial relationship with that purpose--in fact, the nexus would be less substantial than it has been under the challenged regulations.¹⁵

Plaintiffs Zeiler, Bolls, and Broadnax argue in the alternative that residents accompanying spouses on military absences should be afforded individual hearings to determine

under the federal analysis. Id. at 17-18.

¹⁵ Plaintiffs make the related arguments that using marital status as the sole basis for review is "improper", as is denying Dividend eligibility on the basis of an applicant's spouse's residency status. Again, however, the regulations have merely granted an exception to the general residency rule to people who exhibited an objective manifestation of intent to return to and remain in Alaska by virtue of the fact that their spouses were Alaska residents who were themselves on allowable absences. This assumption clearly is rational, even if it may not be true in every case. Because it does not burden a suspect classification or impinge a fundamental right, as discussed above, it passes constitutional muster.

whether they intend to return to and remain in Alaska.¹⁶ No doubt this procedure would more accurately gauge the intentions of the absent residents than has the "bright line" test established by the regulations. However, because the test is whether there is a "fair and substantial" relationship between the State's means used to reach its legitimate ends, and because a "least restrictive alternative" analysis is not appropriate, the State has met its burden. Consequently, defendant's motion on the state constitution equal protection issue is GRANTED, and plaintiffs' corresponding cross-motion is DENIED.

IV. VALIDITY OF THE REGULATIONS UNDER ALASKA STATUTES

A. The Department of Revenue Properly Interpreted "Military Service"

Plaintiffs Zeiler, Bolls, and Broadnax argue that, as spouses of individuals on active military duty, they themselves are engaged in "military service" as that term is used in AS 43.23.095(8)(C):

"state resident" means an individual who...
is absent only for any of the following
reasons:

* * *

(C) military service....

Plaintiffs admit that no definition exists in Alaska law for "military service", except that the regulations have established an allowable absence for members on active duty in the U.S. armed

¹⁶ Interestingly, it is the delay associated with such an individual determination that plaintiff Howell challenges.

forces. See 15 AAC 23.163(c)(6); 15 AAC 23.150(b)(7); 15 AAC 23.665(b). At the same time, plaintiffs argue, spouses of military members effectively engage in military service, in light of the facts that the military pays spouses' moving expenses and allows them to take advantage of military benefits and that spouses lend familial support to the military members. Plaintiffs have not set forth sufficient grounds for this court to overturn the Department of Revenue's interpretation of the term "military service". Therefore, defendant's motion on this issue is DENIED, and plaintiffs' corresponding cross-motion is GRANTED.

B. The 1992 Amendment to AS 43.23.015(a) Renders Subsequent Inconsistent Regulatory Provisions Invalid

Asserting standing under AS 44.62.300,¹⁷ plaintiffs challenge the validity of the current and former regulations in light of AS 43.23.015(a). Prior to 1992, the statute read:

The commissioner shall adopt regulations under the Administrative Procedure Act (AS 44.62) for determining the eligibility of individuals for permanent fund dividends. The commissioner may require an individual to provide proof of eligibility, and the commissioner may use other information available from other state departments or agencies to determine the eligibility of an individual.

¹⁷ AS 44.62.300 provides that "[a]n interested person may get a judicial declaration on the validity of a regulation by bringing an action for declaratory relief in the superior court."

AS 43.23.015(a). The 1992 amendments added to the end of this provision the following sentences:

The commissioner shall consider all relevant circumstances in determining the eligibility of an individual. However, the residency of an individual's spouse may not be the principal factor relied upon by the commissioner in determining the residency of the individual.

Id. (emphasis added). Contrary to plaintiffs' contention, the legislative history does not show that the 1992 amendment to AS 43.23.015(a) was intended to merely clarify what had been the intent behind the law all along. Consequently, the amendment may not be considered by this court in evaluating the merits of plaintiffs' claims for Dividends issued or due for the periods prior to when the amendment took effect.

Subsequent to the 1992 amendment, the residency of an applicant's spouse was "the principal factor" in determining the residency of an applicant until the presumption against the Dividend eligibility of an applicant with a nonresident spouse was done away with by 15 AAC 23.143(j) on January 1, 1993. Any use of the presumption after the 1992 amendment became effective, therefore, violated AS 43.23.015(a), and any regulations requiring the presumption were and are invalid and ineffective under AS 44.62.030.¹⁸ Furthermore, because the residency of an applicant's spouse has been and continues to be "the principal

¹⁸ To the extent that it is inconsistent with 15 AAC 23.143(j), current 15 AAC 23.173(e) is invalid under the 1992 amendment. See supra note 10.

factor" in determining the residency of an applicant resident seeking to accompany that spouse on an allowable absence, regulation 15 AAC 23.163(c)(15) and its functionally equivalent predecessors are and were invalid as of the date that the 1992 amendment of AS 43.23.015(a) took effect.¹⁹

Consequently, this court GRANTS defendant's motion with respect to the regulations in effect prior to the effective date of the 1992 amendment of AS 43.23.015(a), and DENIES plaintiffs' corresponding cross-motion; however, defendant's motion with respect to regulations issued after the 1992 amendment became effective is DENIED, and plaintiffs' corresponding cross-motion is GRANTED.

¹⁹ Plaintiffs also argue that the regulations have been inconsistent with pre-1992 statutory authority. In particular, plaintiffs cite to AS 43.23.095(8), which provides:

"state resident" means an individual who is physically present in the state with the intent to remain permanently in the state or ...intends to return to the state and is absent only for any of the following reasons:

* * *

(F) other reasons which the commissioner may establish by regulation....

Plaintiffs argue that, because the regulations "may exclude individuals who would otherwise be included" under the definition of "state resident", the regulations are invalid and ineffective under AS 43.62.030. Plaintiffs do not indicate, however, how the regulations would have excluded anyone who otherwise would have been included.

DATED at Anchorage, Alaska this 16 day of December,
1993.

Dana Fabe

DANA FABE
SUPERIOR COURT JUDGE

I certify that on 12/20/93,
a copy of the above was mailed to each
of the following at their address of
record: K. Kirk / V. Usher
[Signature]

Secretary/Deputy Clerk

ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
1993 DIVIDEND PAYMENTS TO ELIGIBLE APPLICANTS WITH ABSENCES

As of December 20, 1993

93 Abs Code	Absence Reasons	Applicants			Amount Paid		
		Total	Days Absent		Total	Days Absent	
			91 - 180	>180		91 - 180	>180
<i>Adult</i>							
B	Full Time Student	5,892	2,185	3,707	\$5,594,218.32	\$2,074,570.10	\$3,519,648.22
C	Active Duty Armed Forces	3,417	756	2,661	3,244,304.82	717,791.76	2,526,513.06
J	Vacation	2,819	2,540	279	2,676,527.74	2,411,628.40	264,899.34
A	Accompany Eligible Alaskan	2,374	743	1,631	2,254,018.04	705,448.78	1,548,569.26
L	Other Including Business	1,307	1,156	151	1,240,944.22	1,097,575.76	143,368.46
D	Continuous Medical Treatment	397	312	85	376,935.62	296,231.52	80,704.10
K	Seek Employment or Employed	254	217	37	241,162.84	206,032.82	35,130.02
G	Full Time Charitable Service	83	75	8	78,805.18	71,209.50	7,595.68
H	Employed by the State of AK	64	42	22	60,765.44	39,877.32	20,888.12
E	AK Cong Delegation or Staff	51	17	34	48,422.46	16,140.82	32,281.64
F	Full Time Peace Corp Service	25	4	21	23,736.50	3,797.84	19,938.66
I	Custody of the State of AK	1	1	0	949.46	949.46	0.00
Total	<u>Eligible Adults with Absences</u>	<u>14,709</u>	<u>6,598</u>	<u>8,111</u>	<u>13,965,607.14</u>	<u>6,264,537.08</u>	<u>7,701,070.06</u>
<i>Child</i>							
A	Accompany Eligible Sponsor	5,552	1,649	3,903	5,271,401.92	1,565,659.54	3,705,742.38
74	Other Reasons	542	346	196	514,607.32	328,513.16	186,094.16
J1	Full Time Student	373	223	150	354,148.58	211,729.58	142,419.00
B3	Vacation	348	311	37	330,412.08	295,282.06	35,130.02
B2	Continuous Medical Treatment	50	35	15	47,473.00	33,231.10	14,241.90
Total	<u>Eligible Children with Absences</u>	<u>6,421</u>	<u>2,255</u>	<u>4,166</u>	<u>6,096,482.66</u>	<u>2,141,032.30</u>	<u>3,955,450.36</u>
Total	<u>Eligible Applicants with Absences</u>	<u>21,130</u>	<u>8,853</u>	<u>12,277</u>	<u>\$20,062,089.80</u>	<u>\$8,405,569.38</u>	<u>\$11,656,520.42</u>

Notes: Each row with an absence reason represents the number of applicants who listed that particular absence on their application.

The number of applications for individuals absent 91-180 days during 1992 plus the number of applications for individuals absent 181 or more days during 1992 equals the total number of applications with each listed absence.

The total number of adults with absences will always be less than or equal to the sum of column of the individual adult absences because some adults have more than one absence reason. Similarly, the total number of children with absences will always be less than or equal to the sum of column of the individual child absences because some children have more than one absence reason.

The total number of adults with absences plus the total number of children with absences equals the total number of applicants with absences.

H B

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1
Bill Version: HB 414
(H) Publish Date: 1/28/94

Revision Date: _____
Title: "An Act creating the Alaska Health Commission..."
Sponsor: Senate Rules Committee
Requestor: Governor

Department Affected: Office of the Governor
BRU: Commissions and Special Offices
Component: Alaska Health Commission

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	580.2	616.3	626.0	636.5	646.7	657.9
TRAVEL	17.0	17.0	17.0	17.0	17.0	17.0
CONTRACTUAL	226.3	226.3	226.3	226.3	226.3	226.3
SUPPLIES	8.0	8.0	8.0	8.0	8.0	8.0
EQUIPMENT	54.3	.5	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	885.8	868.1	877.8	888.3	898.5	909.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	885.8	868.1	877.8	888.3	898.5	909.7
1006 EXHIBITA						
OTHER						
TOTAL	885.8	868.1	877.8	888.3	898.5	909.7

POSITIONS	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME	9	9	9	9	9	9
PART-TIME						
TEMPORARY						

Estimate of any current year (FY94) cost: 0

ANALYSIS: (Attach a separate page if necessary.)
See attached analysis

Prepared by: Michael A. Nizich, Director *Man*
Division: Division of Administrative Services

Phone: 465-3876
Date: 1/27/94

Approved by Commissioner: Patrick P. Ryan, Chief of Staff
Agency: Office of the Governor

Patrick P. Ryan
Date: 1/27/94

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PERSONAL SERVICES

580.2

Fiscal note assumes Commissioners appointments on 7/1/94 and provides for 11 months of staff within first year. Subsequent years include merit increases for staff.

3	Commissioners	Rg. 26C	290.7
1	Special Assistant	Rg. 23A	70.9
3	Research Analysts	Rg. 18A	155.9
1	Secretary I	Rg. 10A/B	32.9
1	Clerk Typist III	Rg. 08A/B	29.8

TRAVEL

17.0

Travel costs and per diem associated with Commission activities -- research, investigation, public hearings

CONTRACTUAL

226.3

Professional Services:

technical/legal assistance contracts	150.0
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Communication:

Telephone (toll costs, base/local fixed costs, fax postage) 900/mo x 12	10.8
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Advertising, Printing:

Public hearing advertising, report printing	5.0
---	-----

Transportation:

Freight and express charges 75/mo x 12	.9
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Minor Repair, Maintenance:

.8

Equipment rental:

Photocopier 600/mo x 12	7.2
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Rental for space:

1433 sq. ft. x \$3.00/ft x 12 mos.	<u>51.6</u>
	226.3

SUPPLIES

8.0

Data processing and office supplies

EQUIPMENT

54.3

Communication:

Phone system	4.0
Fax Machine	2.8
Mailing equipment	3.0

Data Processing Equipment:

PCs, system printer, software for 9 work stations	26.0
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Furniture/Office equipment:

9 offices/work stations file cabinets, bookcases and miscellaneous office equipment	<u>18.5</u> 54.3
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FISCAL NOTE

No. 2
 Bill Version: HB 414
 (H) Publish Date: 1/28/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: _____
 Title: Creating the Alaska Health Commission
 Sponsor: _____
 Requestor: _____

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

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	91.5	91.5	91.5	91.5	91.5	91.5
TRAVEL	1.6	1.6	1.6	1.6	1.6	1.6
CONTRACTUAL	20.0	20.0	20.0	20.0	20.0	20.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	24.2	--	--	--	--	--
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	139.3	115.1	115.1	115.1	115.1	115.1

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

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

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	139.3	115.1	115.1	115.1	115.1	115.1
1006 GF/MHTIA						
Other						
TOTAL	139.3	115.1	115.1	115.1	115.1	115.1

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

POSITIONS

FULL-TIME	2.0	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Assumptions:

1. Staff will be located in Anchorage.
2. Office space will be \$1.50 per sq. ft. and 175 sq. ft. per sition.
3. There will be two trips costing \$800 each.
4. The furniture and equipment is a one-time cost.

Prepared by: Joan Brown, Administrative Officer
 Division: Insurance

Phone: 465-2597
 Date: 1/26/94

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

Date: 1-21-94

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COMMITTEE COPY

FISCAL NOTE

BILL NO. _____

STATE OF ALASKA
1994 LEGISLATIVE SESSION

ANALYSIS: (continued)

ALASKA HEALTH COMMISSION (CONTINUED)

Personal Services

Insurance Analyst III (Rates)	18A @ 12 months	\$58,168.15	
Clerk Typist III	8A/B @ 12 months	<u>33,333.67</u>	
			\$91,501.82

Travel

2 in-state trips @ \$800.00		1,600.00
-----------------------------	--	----------

Contractual

a. Office space rental for staff - \$6,400.00		
12 months x \$1.50 per sq. ft. x 175 sq. ft.		
@ position - \$3.2 per position		
b. Miscellaneous contractual costs \$13,600.00 -		
\$6.8 per position		
Total Contractual		20,000.00

Supplies

\$1.0 per position		2,000.00
--------------------	--	----------

Equipm

\$12.1 per position for office furniture and computer equipment		<u>24,200.00</u>
---	--	------------------

TOTAL		<u>\$139,301.82</u>
-------	--	---------------------

Position Title Clerk-Typist III		No. of Positions 1	Range / Step 8A/B	Barg. Unit CCU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 99
TYPE OF EXPENDITURE		AMOUNT		
Salary	22.3	Justification Additional clerical staff will be needed to support the insurance analysts responsible for the review of health insurance rates and forms. <u>Contractual</u> Office space expense 3,200 Miscellaneous 6,800 10,000 <u>Supplies</u> 1,000 <u>Equipment</u> Workstation, computers, and misc. office equipment 12,100		
Benefits	11.0			
Premium Pay				
Other				
Total Personal Services	33.3			
Travel				
Contractual	10.0			
Commodities	1.0			
Equipment	12.1			
Other				
Total Cost	56.4			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I-A Receipts	1007			
CIP Receipts	1061			
Other	1005 GF/PR	56.4		

014.bro

Request For New Position

AGENCY Commerce and Economic Development
BRU Insurance
COMPONENT Operations #354

FY 95

Page 4 of 4
Revised Date: _____

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 28, 1994

FURTHER REFERRALS:

Judiciary
Finance

Date of Committee Action: 3/23/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 414
HOUSE BILL NO. 414 COMPREHENSIVE HEALTH CARE

"An Act creating the Alaska Health Commission; relating to the delivery, quality, access, and financing of health care; relating to review and approval of rates and charges of health insurers; relating to certain civil actions against health care providers and health insurers; repealing Alaska Rule of Civil Procedure 72.1; and providing for an effective date."

RECOMMENDATIONS: the same title
be replaced with CS HB 414 (HESS) a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact Governor

fiscal note(s) _____

zero fiscal note Committee

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
John D. ...	<input checked="" type="checkbox"/>	John D. ...		<input checked="" type="checkbox"/>	
		Tom ...		<input checked="" type="checkbox"/>	
		Paul ...		<input checked="" type="checkbox"/>	
		Harley ...		<input checked="" type="checkbox"/>	
		Benny ...			<input checked="" type="checkbox"/>
		Tom ...			<input checked="" type="checkbox"/>
		Paul ...			<input checked="" type="checkbox"/>

Car Brude
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSHB 414 (HESS)

Revision Date: 3/24/94
Title: "An Act creating the Alaska Health Commission..."
Sponsor: House Rules Committee
Requestor: Governor

Department Affected: Office of the Governor
BRU: Commissions and Special Offices
Component: Alaska Health Commission
COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	640.2	820.9	884.0	907.4	931.1	956.6
TRAVEL	23.3	23.3	23.3	23.3	23.3	23.3
CONTRACTUAL	274.8	574.8	374.8	374.8	374.8	374.8
SUPPLIES	9.0	10.5	10.5	10.5	10.5	10.5
EQUIPMENT	65.6	10.0	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1012.9	1439.5	1293.1	1316.5	1340.2	1365.7

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

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

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
GF/Program Receipts	1012.9	1439.5	1293.1	1316.5	1340.2	1365.7
1006 GF/MHTIA						
OTHER						
TOTAL	1012.9	1439.5	1293.1	1316.5	1340.2	1365.7

POSITIONS

FULL-TIME	11	13	13	13	13	13
PART-TIME						
TEMPORARY						

Estimate of any current year (FY94) cost: 0

ANALYSIS: (Attach a separate page if necessary.)
See attached analysis

Prepared by: Michael A. Nizich, Director
Division: Division of Administrative Services
Approved by Commissioner: Patrick P. Ryan, Chief of Staff
Agency: Office of the Governor

Phone: 465-3876
Date: 3/24/94
Date: 3/24/94

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PERSONAL SERVICES

640.2

Fiscal note assumes Commissioners appointments on 7/1/94 and provides for 11 months of staff hours and 6 months of two additional research analysts in first year. Subsequent years include merit increases for staff and the addition of a data base manager and a research analyst in FY96.

FY95:

3	Commissioners	Rg. 26C	290.7 (12 mos)
1	Special Assistant	Rg. 23A	70.9 (11 mos)
3	Research Analysts	Rg. 18A	155.9 (11 mos)
1	Secretary I	Rg. 10A/B	32.9 (11 mos)
1	Clerk Typist III	Rg. 08A/B	29.8 (11 mos)
2	Research Analysts	Rg. 18A	60.0 (6 mos)

FY96:

1	Data Base Mngr.	Rg. 22A	55.8 (9 mos)
1	Research Analyst	Rg. 17A	28.8 (6 mos)

TRAVEL

23.3

Travel costs and per diem associated with Commission activities -- research, investigation, public hearings

CONTRACTUAL

274.8

Professional Services:

technical/legal assistance contracts	150.0
data collection contract starting FY96 for 300.0, subsequent years	
100.0	

Communication:

Telephone (toll costs, base/local fixed costs, fax postage) 1000/mo x 12	12.0
Teleconference costs assuming all sites for 3 hrs. per month	31.5

Advertising, Printing:

Public hearing advertising, report printing	5.0
---	-----

(Contractual - continued)

Transportation:		
Freight and express charges 75/mo x 12	.9	
Minor Repair, Maintenance:	.8	
Equipment rental:		
Photocopier 600/mo x 12	7.2	
Rental for space:		
1873 sq. ft. x \$3.00/ft x 12 mos.	<u>67.4</u>	
	274.8	
SUPPLIES		9.0
Data processing and office supplies		
EQUIPMENT		65.6
Communication:		
Phone system	6.0	
Fax Machine	2.8	
Mailing equipment	3.0	
Data Processing Equipment:		
PCs, system printer, software for 11 work stations	31.8	
additional 2 workstations in FY96 total 6.0		
Furniture/Office equipment:		
11 offices/work stations file cabinets, bookcases and miscellaneous office equipment	22.0	
2 additional workstations in FY 96 total 3.5		
	<u>65.6</u>	

Post-It™ brand fax transmittal memo 7671		# of pages	1
To	EILEEN PLATE		
From	JAY LIVERY		
Co.			
Dept.			
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FISCAL IMPACT OF PROPOSED AMENDMENTS TO SB 270/HB 414

Amendment 1: Public Health Committee

Assumptions:

Committee: has six members
 Assume staff work done by either Health Commission staff or
 Division of Public Health employees
 Committee meets 3 times per year in person (2 in FY 95)
 Committee has 4 additional teleconference meetings per year

	FY 95	FY 96 - FY 00
TRAVEL COST:	\$ 4,800	\$ 10,500 (each year)
CONTRACTUAL (Public Notice):	1,000	3,500 (each year)

Amendment 2: Single Payor Analysis

No Cost; Already assumed in original fiscal note

Amendment 3: Erisa Waiver:

Assumptions: Costs to be split between personnel and contracting line items. Requires one staff person to prepare application and possible contractual funds specialized assistance:

	FY 95	FY 96 - FY00
	\$ 100,000	\$ 100,000 →

Amendment 4: Pooling

No additional cost anticipated

Amendment 5: Disclosure of Prices

Assumptions: One research analyst is required to monitor compliance; travel included

	FY 95 (6 months)	FY 96 - FY00
Personnel	\$30,000	\$ 59,000 (inflate 5%)
Travel	1500	3000 ANNUALLY
Supplies	500	1000
Contractual	3.4	6.8
Equipment	12.1	0

A M E N D M E N T

In: House (Hes)

To: HB 414 "An Act Creating the Alaska Health Commission;....; and providing for an effective date."

Page 1, line 8 after "health care" add and maintenance of the public's health [IS] are vital to the public's interest.

Page 1, line 11 after "insurance" delete [, AND]

Page 1, line 12 after "malpractice" add and the lack of coordination of population based public health services.

Page 2, line 14 after "relating to" add the individual and public health care needs

Page 5, after line 6 add a new section (6) as follows:

- (6) Establish a Public Health Advisory Committee which
(A) consists of at least one member of the commission and other individuals with significant public health expertise appointed by the commission; and -
(B) Advises the commission on public health matters and the integration of public health services under AS 44.19.621.

AMENDMENT

IN: House (HES)
TO: HB 414 "An Act Creating the Alaska Health Commission;....; and providing for an effective date.

Page 2, line 23 after "proposals;" add "including a proposal which is based on a single payer strategy."

Page 8, after line 9 add a new section (9) as follows:

(9) "single payer strategy" means a method of financing health services so that every resident would receive at a minimum a uniform set of benefits and payment for services would be made primarily through a single entity.

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To	EILEEN PLATE	From	IAU LIVEY
Co.	"URGENT"	So.	
Dept.		Phone #	
Fax #	2135	Fax #	3068

AMENDMENT

IN: House (HES)
TO: HB 414 "An Act Creating the Alaska Health Commission;...; and providing for an effective date.

Page 5, after line 6 add a new section (6) as follows:

(6) Pursue necessary federal waivers from applicable federal law or other federal health care payers to the extent necessary to maximize the collection and analysis of health care data.

FEB-25-94 FRI 9:25
FEB-25-94 FRI 9:33

ALASKA ATTORNEY GENERAL
ANCHORAGE AGO

FAX NO. 9074656735
FAX NO. 2763897

P. 02
P. 02/02

773-94-0024
8-GH2024.A
4/24/94

AMENDMENT

OFFERED IN THE HOUSE/SENATE

TO: HB 414/SB 270

Page 2, line 20:

Following "pools":

Insert ", including pools for the primary benefit of
children,"

Page 13, line 5:

Following "pools":

Insert ", including pools for the primary benefit of
children,"

Page 14, line 6

Following "pools":

Insert ", including pools for the primary benefit of
children,"

Page 15, line 12:

Following "pools":

Insert ", including pools for the primary benefit of
children,"

3/1/94

A M E N D M E N T

FOR CHARGE DISCLOSURE BY HEALTH PROVIDER
OFFERED IN THE HOUSE/SENATE

TO: HB 414
SB 270

Page 2, line 18:

Following "health":

Delete "insurance"

Insert "care"

Page 2, line 19:

Following "insurers":

Insert "and disclosure of charges by health providers"

Page 7, following line 22:

Insert a new section to read:

"Sec. 44.19.635. DISCLOSURE OF PROVIDER CHARGES; FINE FOR NONDISCLOSURE. (a) At least annually, a provider shall compile a list of charges for the 20 health care services most commonly provided by that provider. Charges for hospital services may be prepared on the basis of diagnosis related groups. Upon request of a person who is considering obtaining services from a provider, that provider shall provide the list of charges to the person for use in comparing charges among providers.

(b) Upon the request of a patient and before the commencement of a medical procedure, the provider shall disclose to that patient the estimated charge for that procedure. The estimated charge must be made in good faith and must be based on the provider's history of charges for that procedure. Nothing in this subsection requires a provider to make a charge estimate if the provider does not agree to perform the procedure.

(c) A provider shall place the following statement either on a form to be signed by the patient or in a conspicuous location on an easily readable sign: "You are entitled to a charge estimate for a medical procedure before the procedure is performed by your health provider."

(d) If the commission, after investigation of a complaint by a patient, determines that a provider has not complied with (a) of this section, has not provided a charge estimate as required by (b) of this section, or has failed to comply with (c) of this section, the commission may assess a fine of up to \$500 against the provider. The commission may assess only one fine under this section against a provider in a calendar year. A provider's violation of this section does not preclude the provider from collecting payment for services provided.

(e) A provider aggrieved by a decision of the commission under this section may appeal the decision to the superior court under procedures provided by court rule."

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE KOTT

TO: HB 414

#2

Page ¹³ 2, line ²⁰ 27, after "~~1996~~,"
"state;"

Insert "a benefit package may not limit the covered health care services on the basis of a preexisting condition;"

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

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

MEMORANDUM

March 11, 1994

SUBJECT: Health care reform - (CSHB 414(HES))
TO: Representative Cynthia Toohey
FROM: Michael F. Ford *M.F. Ford*
Legislative Counsel

The attached work draft committee substitute contains the changes you requested to HB 414. The work draft also raises the following constitutional issues that the committee should carefully consider:

1. In sec. 25(b), the governor is permitted to extend certain deadlines on reports, recommendations and regulations. This provision probably constitutes an impermissible delegation of legislative authority, as well as a violation the constitutional separation of powers doctrine. Under our constitution, the legislature is given the power to legislate and the governor the power to execute law created by the legislature. Allowing the governor to change a deadline created by law may be a delegation of legislative authority that is not permissible under the state constitution.
2. In sec, 44.19.628(b), in sec. 16, the director of the division of insurance is allowed to adopt regulations that supersede a conflicting statutory provision in AS 21. This is also an unconstitutional delegation of legislative power. Again, the state constitution vests legislative power in the legislature, and the power to supersede existing law cannot be delegated to the director of the division of insurance.

Also please note that we have added court rule changes for AS 09.55.536(e) and (f). when AS 09.55.536 was enacted, changes to the discovery rules were noted, but since we are changing the panel to a single advisor and repealing the discovery limitation currently found in Civil Rule 72.1(g), we risk having AS 09.55.536(f) be ineffective without a court rule change. The change to the Evidence Rules 802 refers to statutory enactments, but because we are not sure whether that reference is to statutes enacted by a simple majority or only to statutes enacted by two-thirds, we are taking the cautious approach. In both cases, however, we have allowed the changes to become law, even if the two-thirds vote fails, because the need to change court rules is not absolutely certain in this case.

Please contact me if you have further questions.

JBC:gc
94-207.g1

8-GH2024E ✓
Ford
3/11/94

CS FOR HOUSE BILL NO. 414(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Health Commission; relating to the delivery, quality,
2 access, and financing of health care; relating to review and approval of rates and
3 charges of health insurers; relating to certain civil actions against health care
4 providers and health insurers; amending Alaska Rules of Civil Procedure 26 and
5 27 and Alaska Rules of Evidence 802, 803, and 804; repealing Alaska Rule of
6 Civil Procedure 72.1; and providing for an effective date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 * Section 1. FINDINGS AND INTENT. (a) The legislature finds that the access to
9 quality and affordable health care and maintenance of the public's health are vital to the public
10 interest. The legislature further finds that health care costs have grown at a rate far in excess
11 of the overall inflation rate in the economy due to several factors, including variations in
12 treatment practices of providers, cost shifting by health care providers, administrative costs
13 of insurance claims practices, unavailability of affordable insurance, costs of increasing claims

1 and liability for medical malpractice, and lack of coordination of population based public
2 health services. The legislature therefore finds a present need for long-term reform of the
3 health care system in the state.

4 (b) It is the intent of the legislature to promote access to affordable, quality health
5 care for Alaskans by establishing a mechanism for the review of health insurance rate filings,
6 the implementation of health care reform measures, the stabilization of health care service
7 costs, the collection and analysis of information and data concerning health care services, and
8 the making of recommendations based on that data to the governor and the legislature.

9 * Sec. 2. AS 08.64.326 is amended to read:

10 Sec. 08.64.326. GROUNDS FOR IMPOSITION OF DISCIPLINARY
11 SANCTIONS. (a) The board may impose a sanction if the board finds after a hearing
12 that a licensee

13 (1) secured a license through deceit, fraud, or intentional
14 misrepresentation;

15 (2) engaged in deceit, fraud, or intentional misrepresentation while
16 providing professional services or engaging in professional activities;

17 (3) advertised professional services in a false or misleading manner;

18 (4) has been convicted, including conviction based on a guilty plea or
19 plea of nolo contendere, of

20 (A) a felony or other crime if the felony or other crime is
21 substantially related to the qualifications, functions, or duties of the licensee;
22 or

23 (B) a crime involving the unlawful procurement, sale,
24 prescription, or dispensing of drugs;

25 (5) has procured, sold, prescribed, or dispensed drugs in violation of
26 a law, regardless of whether there has been a criminal action;

27 (6) intentionally or negligently permitted the performance of patient
28 care by persons under the licensee's supervision that does not conform to minimum
29 professional standards even if the patient was not injured;

30 (7) failed to comply with this chapter, a regulation adopted under this
31 chapter, or an order of the board;

1 (8) has demonstrated

2 (A) professional incompetence, gross negligence, or repeated
3 negligent conduct; the board may not base a finding of professional
4 incompetence solely on the basis that a licensee's practice is unconventional or
5 experimental in the absence of demonstrable physical harm to a patient;

6 (B) addiction to, severe dependency on, or habitual overuse of
7 alcohol or other drugs that impairs the licensee's ability to practice safely;

8 (C) unfitness because of physical or mental disability;

9 (9) engaged in unprofessional conduct or in lewd or immoral conduct
10 in connection with the delivery of professional services to patients;

11 (10) has violated AS 18.16.010;

12 (11) has violated any code of ethics adopted by regulation by the board;

13 or

14 (12) [HAS DENIED CARE OR TREATMENT TO A PATIENT OR
15 PERSON SEEKING ASSISTANCE FROM THE PHYSICIAN IF THE ONLY
16 REASON FOR THE DENIAL IS THE FAILURE OR REFUSAL OF THE PATIENT
17 TO AGREE TO ARBITRATE AS PROVIDED IN AS 09.55.535(a); OR

18 (13)] has had a license or certificate to practice medicine in another
19 state or territory of the United States, or a province or territory of Canada suspended
20 or revoked unless the suspension or revocation was caused by the failure of the
21 licensee to pay fees to that state, territory, or province.

22 (b) In a case involving (a)(12) [(a)(13)] of this section, the final findings of
23 fact, conclusions of law, and order of the authority that suspended or revoked a license
24 or certificate constitutes a prima facie case that the license or certificate was suspended
25 or revoked and the grounds under which the suspension or revocation was granted.

26 * Sec. 3. AS 08.68.270 is amended to read:

27 Sec. 08.68.270. GROUNDS FOR DENIAL, SUSPENSION, OR
28 REVOCATION. The board may deny, suspend, or revoke the license of a person who

29 (1) has obtained or attempted to obtain a license to practice nursing by
30 fraud or deceit;

31 (2) has been convicted of a felony or other crime if the felony or other

1 crime is substantially related to the qualifications, functions or duties of the licensee;

2 (3) habitually abuses alcoholic beverages, or illegally uses controlled
3 substances;

4 (4) has impersonated a registered or practical nurse;

5 (5) has intentionally or negligently engaged in conduct that has resulted
6 in a significant risk to the health or safety of a client or in injury to a client;

7 (6) practices or attempts to practice nursing while afflicted with
8 physical or mental illness, deterioration, or disability that interferes with the
9 individual's performance of nursing functions;

10 (7) is guilty of unprofessional conduct as defined by regulations
11 adopted by the board;

12 (8) has wilfully or repeatedly violated a provision of this chapter or
13 regulations adopted under it;

14 (9) is professionally incompetent [;

15 (10) DENIES CARE OR TREATMENT TO A PATIENT OR PERSON
16 SEEKING ASSISTANCE IF THE SOLE REASON FOR THE DENIAL IS THE
17 FAILURE OR REFUSAL OF THE PATIENT OR PERSON SEEKING ASSISTANCE
18 TO AGREE TO ARBITRATE AS PROVIDED IN AS 09.55.535(a)].

19 * Sec. 4. AS 09.55.535 is repealed and reenacted to read:

20 Sec. 09.55.535. MANDATORY ARBITRATION. (a) A person who files an
21 action for damages against a health care provider resulting from medical malpractice
22 shall also submit the claim to the court for arbitration.

23 (b) When a claim is submitted as required by (a) of this section, the court shall
24 appoint an arbitrator to review the claim. The arbitrator appointed to review the claim
25 shall interview the parties and examine all records or materials relating to the claim
26 and may compel the attendance of witnesses, interview the parties, or consult with
27 medical specialists.

28 (c) An arbitrator appointed under this section shall conduct a prehearing
29 settlement conference within 30 days after the appointment. The arbitrator shall
30 establish a period for discovery and a date for a hearing. The hearing date may not
31 be more than 120 days after the settlement conference.

1 (d) An arbitrator shall render a decision within 30 days after hearing a claim
2 under (c) of this section. The decision must contain findings of fact and conclusions
3 of law. The decision of the arbitrator may be rejected by a party.

4 (e) If the decision of the arbitrator is rejected by a party, the action may
5 proceed in the appropriate court. The arbitrator's decision is admissible evidence in
6 that action and may be used by a party to support or oppose a claim of damages.

7 (f) The provisions of AS 09.43.010 - 09.43.180 (Uniform Arbitration Act)
8 apply to an arbitration under this section to the extent the provisions do not conflict
9 with the provisions of this section.

10 * Sec. 5. AS 09.55.536 is amended to read:

11 Sec. 09.55.536. EXPERT ADVISOR [ADVISORY PANEL]. (a) In an action
12 for damages due to personal injury or death based upon the provision of professional
13 services by a health care provider [WHEN THE PARTIES HAVE NOT AGREED TO
14 ARBITRATION OF THE CLAIM UNDER AS 09.55.535,] the court shall appoint
15 within 20 days after filing of answer to a summons and complaint an [A THREE-
16 PERSON] expert medical advisor [EXPERT ADVISORY PANEL] unless the court
17 decides that an expert advisory opinion is not necessary for a decision in the case.
18 When the action is filed the court shall, by order, determine the professions or
19 specialties to be represented by [ON] the medical expert [ADVISORY PANEL],
20 giving the parties the opportunity to object or make suggestions.

21 (b) The expert advisor [ADVISORY PANEL] may compel the attendance of
22 witnesses, interview the parties, physically examine the injured person if alive, consult
23 with the specialists or learned works the advisor considers [THEY CONSIDER]
24 appropriate, and compel the production of and examine all relevant hospital, medical,
25 or other records or materials relating to the health care in issue. The advisor
26 [PANEL] may meet in camera, but shall maintain a record of any testimony or oral
27 statements of witnesses, and shall keep copies of all written statements received [IT
28 RECEIVES].

29 (c) Not more than 30 days after selection of the advisor, the advisor [PANEL,
30 IT] shall make a written report to the parties and to the court, answering the following
31 questions and other questions submitted to the advisor [PANEL] by the court:

- 1 (1) What was the disorder for which the plaintiff came to medical care?
- 2 (2) What would have been the probable outcome without medical care?
- 3 (3) Was the treatment selected appropriate for the case?
- 4 (4) Did an injury arise from the medical care?
- 5 (5) What is the nature and extent of the medical injury?
- 6 (6) What specifically caused the medical injury?
- 7 (7) Was the medical injury caused by unskillful care?
- 8 (8) If a medical injury had not occurred, how would the plaintiff's
- 9 condition differ from the plaintiff's present condition?

10 (d) In any case in which the answer to one or more of the questions submitted
11 to the advisor [PANEL] depends upon the resolution of factual questions that
12 [WHICH] are not the proper subject of expert opinion, the report shall so state and
13 may answer questions based upon hypothetical facts that are fully set out in the
14 opinion. The report must [SHALL] include copies of all written statements, opinions,
15 or records relied upon by the advisor [PANEL] and either a transcription or other
16 record of any oral statements or opinions; must [SHALL] specify any medical or
17 scientific authority relied upon by the advisor [PANEL]; and must [SHALL] include
18 the results of any physical or mental examination performed on the plaintiff. The
19 advisor [EACH MEMBER] shall sign the report and the signature constitutes the
20 advisor's [MEMBER'S] adoption of all statements and opinions contained in it. An
21 advisor [; HOWEVER, A MEMBER MAY, INSTEAD OF SIGNING THE REPORT,
22 SUBMIT A CONCURRING OR DISSENTING REPORT WHICH COMPLIES WITH
23 THE REQUIREMENTS OF THIS SUBSECTION. A MEMEER] may not attest to
24 any portion of the report as to which the advisor [MEMBER] is not qualified to give
25 expert testimony.

26 (e) The report of the advisor [PANEL WITH ANY DISSENTING OR
27 CONCURRING OPINION] is admissible in evidence to the same extent as though its
28 contents were orally testified to by the person [OR PERSONS] preparing it. The court
29 shall delete any portion that would not be admissible because of lack of foundation for
30 opinion testimony, or otherwise. Either party may submit testimony to support or
31 refute the report. The jury shall be instructed in general terms that the report shall be

1 considered and evaluated in the same manner as any other expert testimony. The
2 expert advisor [ANY MEMBER OF THE PANEL] may be called by any party and
3 may be cross-examined as to the contents of the report [OR OF THAT MEMBER'S
4 DISSENTING OR CONCURRING OPINION].

5 (f) Discovery [NO DISCOVERY] may not be undertaken in a case until the
6 report of the expert advisor [ADVISORY PANEL] is received. However, the court
7 may relax this prohibition upon a showing of good cause by a [ANY] party. If the
8 advisor [PANEL] has not completed the [ITS] report within the 30-day period
9 prescribed in (c) of this section, the court may, upon application, grant [IT] an
10 additional 30 days.

11 (g) The expert advisor is [MEMBERS OF A PANEL ARE] entitled to travel
12 expenses and per diem in accordance with state law pertaining to members of boards
13 and commissions for all time spent in preparing the [ITS] report. If an advisor [A
14 PANEL MEMBER] is called upon as a witness at trial or upon deposition, the advisor
15 [MEMBER] is entitled to payment of an expert witness fee, which may not exceed
16 \$150 per day. All expenses incurred by the advisor [PANEL] shall be paid by the
17 court. However, in any case in which the court determines that a party has made a
18 patently frivolous claim or a patently frivolous denial of liability, it shall order that all
19 costs of the expert advisor [ADVISORY PANEL] be borne by the party making that
20 claim or denial.

21 (h) Parties to the case and their counsel may not initiate communication out
22 of court with an expert advisor [MEMBERS OF THE PANEL] on the subject matter
23 of the advisor's [ITS] inquiry and report or cause or solicit others to do so, except
24 through ordinary discovery proceedings.

25 * Sec. 6. AS 09.55 is amended by adding a new section to read:

26 ARTICLE 5A. CERTAIN CLAIMS AGAINST HEALTH INSURERS.

27 Sec. 09.55.565. PROCEDURE FOR CERTAIN CLAIMS AGAINST A
28 HEALTH INSURER. (a) Unless preempted by federal law that provides otherwise,
29 a person who files an action against a health insurer resulting from a failure to timely
30 pay a claim or to authorize a health care service under a plan or policy shall also
31 submit the claim to the court for arbitration.

1 (b) When a claim is submitted as required by (a) of this section, the court shall
2 appoint an arbitrator to review the claim. The arbitrator appointed to review the claim
3 shall interview the parties and examine all records or materials relating to the claim
4 and may compel the attendance of witnesses, interview the parties, or consult with
5 medical specialists.

6 (c) An arbitrator appointed under this section shall conduct a prehearing
7 settlement conference within 30 days after the appointment. The arbitrator shall
8 establish a period for discovery and a date for a hearing. The hearing date may not
9 be more than 120 days after the settlement conference.

10 (d) An arbitrator shall render a decision within 30 days after hearing a claim
11 under (c) of this section. The decision must contain findings of fact and conclusions
12 of law. The decision of the arbitrator may be rejected by a party.

13 (e) If the decision of the arbitrator is rejected by a party, the action may
14 proceed in the appropriate court. The arbitrator's decision is admissible evidence in
15 that action and may be used by a party to support or oppose a claim of damages.

16 (f) The provisions of AS 09.43.010 - 09.43.180 (Uniform Arbitration Act)
17 apply to an arbitration under this section to the extent the provisions do not conflict
18 with the provisions of this section.

19 (g) In this section,

20 (1) "health care service" has the meaning given in AS 21.86.900;

21 (2) "health insurer" has the meaning given in AS 44.19.639.

22 * Sec. 7. AS 21.51 is amended by adding new sections to read:

23 Sec. 21.51.350. REVIEW AND APPROVAL OF RATES AND RATING
24 FACTORS. (a) A disability insurer shall file with the director and the Alaska Health
25 Commission rates or rating factors for disability insurance, including a change to such
26 a rate or factor. The filing must include detailed information that allows the director
27 and the commission to evaluate the appropriateness of the proposed rate or rating
28 factor. A disability insurer may furnish the following information in support of a
29 filing:

30 (1) actuarial judgment;

31 (2) interpretation of the statistical data relied upon by the disability

1 insurer;

2 (3) the loss and expense experience of the policy or plan or a similar
3 policy or plan; or

4 (4) other information or data requested by the director.

5 (b) A filing shall be made at least 75 days before the intended effective date
6 of the rate or rating factor and is subject to the approval of the Alaska Health
7 Commission. Within 45 days after a filing under this section, the director shall review
8 the filing and make a written recommendation to the Alaska Health Commission as to
9 whether the commission should approve or disapprove the filing. This
10 recommendation is not an order of the director and is not appealable under
11 AS 21.06.230.

12 Sec. 21.51.360. RISK SHARING AND PURCHASING POOLS. After
13 consulting with and considering any reports or recommendations of the Alaska Health
14 Commission, the director shall adopt regulations to allow for the creation of pools,
15 including pools for the primary benefit of children, for the purpose of sharing risks or
16 purchasing insurance under this chapter.

17 * Sec. 8. AS 21.86.070(g) is amended to read:

18 (g) The director may require that additional relevant material considered
19 necessary by the director be submitted in order to determine the acceptability of a
20 filing made under [EITHER] (b) [OR (e)] of this section.

21 * Sec. 9. AS 21.86 is amended by adding a new section to read:

22 Sec. 21.86.075. REVIEW AND APPROVAL OF RATES AND CHARGES.

23 (a) A health maintenance organization shall file with the director and the Alaska
24 Health Commission rates, rating factors, premiums, fees for services and enrollee fees,
25 including a change to such a rate, factor, premium, or fee, used in providing health
26 care services to enrollees of the health maintenance organization. The filing must
27 include detailed information that allows the director and the commission to evaluate
28 the appropriateness of the proposed rates, factors, premiums, and fees. A health
29 maintenance organization may furnish the following information in support of a filing:

30 (1) actuarial judgment;

31 (2) interpretation of the statistical data relied upon by the health

1 maintenance organization;

2 (3) the loss and expense experience of the policy or plan or a similar
3 policy or plan; or

4 (4) other information or data requested by the director.

5 (b) A filing required under this section shall be made at least 75 days before
6 the intended effective date of the rate, rating factor, premium, fee for services, or
7 enrollee fee and is subject to the approval of the Alaska Health Commission. Within
8 45 days after a filing under this section, the director shall review the filing and make
9 a written recommendation to the Alaska Health Commission as to whether the
10 commission should approve or disapprove the filing. This recommendation is not an
11 order of the director and is not appealable under AS 21.06.230.

12 * Sec. 10. AS 21.86 is amended by adding a new section to read:

13 Sec. 21.86.320. RISK SHARING AND PURCHASING POOLS. After
14 consulting with and considering any reports or recommendations of the Alaska Health
15 Commission, the director shall adopt regulations to allow for the creation of pools,
16 including pools for the primary benefit of children, for the purpose of sharing risks or
17 purchasing insurance under this chapter.

18 * Sec. 11. AS 21.87.190 is repealed and reenacted to read:

19 Sec. 21.87.190. REVIEW AND APPROVAL OF RATES AND CHARGES.

20 (a) Subscription rates, fees, and payments to be charged by a service corporation to
21 or on account of its subscribers may not be excessive, inadequate, or unfairly
22 discriminatory. Rates of payments to be made to participant providers and participant
23 hospitals for services rendered under a subscriber's contract must be fair and
24 reasonable.

25 (b) A service corporation shall file with the director and the Alaska Health
26 Commission subscription rates, rating factors, fees, and payments, including a change
27 to a rate, factor, fee, or payment, to be charged to or on account of the service
28 corporation's subscribers. The filing must include detailed information that allows the
29 director and the commission to evaluate the appropriateness of the proposed rates,
30 factors, fees, and payments. A service corporation may furnish the following
31 information in support of a filing:

- 1 (1) actuarial judgment;
2 (2) interpretation of the statistical data relied upon by the service
3 corporation;
4 (3) the loss and expense experience of the policy or plan or a similar
5 policy or plan; or
6 (4) other information or data requested by the director.

7 (c) A filing required under this section shall be made at least 75 days before
8 the intended effective date of the subscription rate, rating factor, fee, or payment and
9 is subject to the approval of the Alaska Health Commission. Within 45 days after a
10 filing under this section, the director shall review the filing and make a written
11 recommendation to the Alaska Health Commission as to whether the commission
12 should approve or disapprove the filing. This recommendation is not an order of the
13 director and is not appealable under AS 21.06.230.

14 (d) If a subscriber contract to be issued by the service corporation provides for
15 indemnity benefits and is permitted under this chapter, the service corporation shall
16 include in the rate, fee, or payment required of the subscriber an adequate additional
17 charge for the indemnity benefit, and shall separately set out the amount of the
18 additional charge in the filing required by this section and AS 44.19.629.

19 * Sec. 12. AS 21.87 is amended by adding a new section to read:

20 Sec. 21.87.285. RISK SHARING AND PURCHASING POOLS. After
21 consulting with and considering any reports or recommendations of the Alaska Health
22 Commission, the director shall adopt regulations to allow for the creation of pools,
23 including pools for the primary benefit of children, for the purpose of sharing risks or
24 purchasing insurance under this chapter.

25 * Sec. 13. AS 36.30.015 is amended by adding a new subsection to read:

26 (h) The Alaska Health Commission shall adopt regulations to manage the
27 procurement of supplies, services, and professional services necessary for its operations
28 under AS 44.19.620 - 44.19.639. The regulations must be based on principles of
29 competitive procurement, consistent with this chapter, to satisfy the requirements of
30 the Alaska Health Commission as determined by that commission.

31 * Sec. 14. AS 36.30.990(1) is amended to read:

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(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) the University of Alaska;

(ii) the Alaska Railroad Corporation;

(iii) the Alaska Housing Finance Corporation;

(iv) a regional Native housing authority created under AS 18.55.996 or a regional electrical authority created under AS 18.57.020;

(v) the Department of Transportation and Public Facilities, in regard to the repair, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the Alaska marine highway system;

(vi) the Alaska Aerospace Development Corporation;

(vii) the Alaska State Pension Investment Board;

(viii) the Alaska Health Commission;

* Sec. 15. AS 39.25.110(11) is amended to read:

(11) the officers and employees of the following boards, commissions, and authorities:

(A) Alaska Gas Pipeline Financing Authority;

(B) Alaska Permanent Fund Corporation;

(C) Alaska Industrial Development and Export Authority;

(D) Alaska Commercial Fisheries Entry Commission;

(E) Alaska Commission on Postsecondary Education;

(F) Alaska Aerospace Development Corporation;

(G) Alaska Health Commission;

* Sec. 16. AS 44.19 is amended by adding new sections to read:

ARTICLE 12. ALASKA HEALTH COMMISSION.

Sec. 44.19.620. CREATION OF COMMISSION. The Alaska Health

1 Commission is created in the Office of the Governor.

2 Sec. 44.19.621. PURPOSE OF COMMISSION. The purpose of the
3 commission is to improve health care in this state by

4 (1) establishing and implementing a system for collecting and analyzing
5 information and data relating to the individual and public health care needs of and
6 services provided to residents of the state;

7 (2) promoting the use of electronic data transfer and the implementation
8 of uniform procedures for billing, payment, and claim systems;

9 (3) promoting consumer confidence in the health care system through
10 approval of rate filings by health insurers and disclosure of charges by health care
11 providers;

12 (4) promoting the creation of pools, including pools for the primary
13 benefit of children, for the purpose of sharing risks or purchasing insurance for health
14 care services; and

15 (5) analyzing health care reform proposals, including a proposal that
16 is based on a single payor system; recommending health care reform proposals to the
17 governor and the legislature; and reporting to and making recommendations to the
18 governor and legislature on the following:

19 (A) defining a range of potential benefit packages for universal
20 health care coverage for residents of the state;

21 (B) determining the needs and requirements imposed on the
22 state by federal enactments that affect health care reform; the commission shall
23 make the determination required under this subparagraph within 60 days after
24 each measure is enacted into law;

25 (C) determining the prospective costs for recommended
26 comprehensive health care reform proposals, as requested by the governor or
27 as determined by a majority vote of the commission;

28 (D) determining financing plans for recommended proposals;

29 (E) describing administrative structures necessary to implement
30 recommended proposals;

31 (F) identifying a process to implement statewide expenditure

1 measures for health care goods and services;

2 (G) investigating health care standards of practice and
3 determining their effect on medical tort liability and other aspects of health care
4 delivery; and

5 (H) investigating alternatives to existing hospital licensing
6 requirements to allow for less use of acute care facilities.

7 Sec. 44.19.622. COMPOSITION; QUALIFICATIONS; TERMS; REMOVAL;
8 DESIGNATION OF CHAIR. (a) The commission consists of three members
9 appointed by the governor and confirmed by the legislature for six-year terms.

10 (b) A commission member may serve only one six-year term plus the
11 remainder of any unexpired term to which the member was appointed.

12 (c) The governor may remove a member of the commission only for cause.

13 (d) The governor shall designate a member of the commission to serve, at the
14 pleasure of the governor, as chair of the commission for a term of two years. The
15 governor may reappoint the same member for additional terms as chair.

16 (e) A commission member shall comply with the applicable requirements of
17 AS 39.50, and must be a state resident throughout the person's term as a member of
18 the commission.

19 Sec. 44.19.625. STAFF. The commission may employ staff as necessary to
20 carry out the purposes of this chapter. The staff of the commission is in the exempt
21 service.

22 Sec. 44.19.624. COMPENSATION. Members of the commission are in the
23 exempt service and are entitled to a monthly salary equal to Step C, Range 26, of the
24 salary schedule set out in AS 39.27.011(a) for Anchorage, Alaska. Subject to the
25 availability of appropriations, the chair may be paid at a higher step in the same range,
26 if approved by the governor.

27 Sec. 44.19.625. MEETINGS. (a) The commission shall meet publicly not less
28 than quarterly to accomplish its duties under AS 44.19.620 - 44.19.639. The
29 commission shall comply with AS 44.62.310 - 44.62.312.

30 (b) Two members of the commission constitute a quorum for the transaction
31 of business and the exercise of the powers and duties of the commission.

1 Sec. 44.19.626. POWERS AND DUTIES. (a) The commission may

2 (1) enter into contracts and execute instruments necessary for carrying
3 out its business;

4 (2) establish advisory committees to the commission to conduct
5 research or investigation and report back to the commission on findings; an advisory
6 committee must consist of at least one member of the commission and may include
7 other individuals with appropriate expertise appointed by the commission;

8 (3) adopt regulations necessary to interpret or implement
9 AS 44.19.620 - 44.19.639, including regulations establishing reasonable, necessary fees
10 for services provided by the commission.

11 (b) The commission shall

12 (1) conduct public meetings in accordance with AS 44.19.625,
13 including holding public hearings as necessary;

14 (2) collect and analyze data and information from public, private, or
15 other sources relating to the cost, delivery, or financing of health care services
16 provided to state residents;

17 (3) monitor the costs of and the access to health care services to state
18 residents;

19 (4) make reports and recommendations to the governor and legislature
20 in accordance with AS 44.19.620 - 44.19.639;

21 (5) review and either approve or disapprove filings of rates, rate factors,
22 and subscriber and enrollee fees as provided in AS 44.19.629;

23 (6) establish a public health advisory committee that

24 (A) consists of at least one member of the commission and
25 other individuals with significant public health expertise appointed by the
26 commission; the commission shall consider public and private health care
27 professionals, labor organizations, businesses, the education system, the Alaska
28 Public Health Association, the Alaska Mental Health Board, and the Alaska
29 Native Health Board for service on the public health advisory committee, as
30 well as recognizing the need for geographic, ethnic, and cultural diversity;

31 (B) advises the commission on public health matters and the

1 integration of public health services under AS 44.19.621;

2 (C) develops a public health improvement plan as described
3 under (c) of this section;

4 (7) obtain waivers from federal agencies or under applicable federal law
5 to the extent necessary to maximize the collection and analysis of health care data.

6 (c) The plan developed by the committee under (b)(6) of this section may

7 (1) recognize the need for

8 (A) community involvement in health care planning and
9 delivery;

10 (B) attention to local needs that may vary from place to place;

11 (C) accountability for the use of public funds;

12 (D) equity and stability in the distribution of public funds;

13 (E) shared responsibility of all levels of government for
14 administering and financing public health care delivery; and

15 (F) coordination of basic public health services; and

16 (2) include

17 (A) an analysis of the health status of the residents of the state;

18 (B) an assessment of the most appropriate role for various levels
19 of government to play in addressing the health care needs of the residents of
20 the state;

21 (C) a delineation of the standards that should be used in
22 performing assessment, policy development, and quality assurance in the
23 delivery of public health services;

24 (D) documentation of the extent to which the current public
25 health system implements or achieves the standards identified under (C) of this
26 paragraph;

27 (E) identification of interjurisdictional issues involved in health
28 care access and delivery;

29 (F) recommendations, including recommendations for specific
30 legislative action when necessary, pertaining to the following:

31 (i) strategies, time lines, financial needs, and specific

1 sources of stable revenue for bringing the state public health care
2 system up to standards identified by the committee;

3 (ii) appropriate sharing of the responsibility of local,
4 regional, state, and federal government entities to deliver public health
5 care services efficiently and effectively, including recommendations for
6 organization within state government;

7 (iii) integration of the public health care system with
8 state and national health care reform efforts;

9 (iv) the committee's estimate of the optimal share that
10 public health should represent in the total health care delivery system
11 of the state, expressed in terms of a percentage of health care dollars
12 spent or in terms of public dollars per state resident.

13 Sec. 44.19.627. DUTY TO REPORT. At the request of the governor, the
14 commission shall compile and issue to the governor, the legislature, and the public a
15 report concerning its activities.

16 Sec. 44.19.628. UNIFORM DATA AND PROCEDURES FOR HEALTH
17 CLAIMS. (a) The director of the division of insurance, after considering the advice
18 of the commission, shall adopt by regulation uniform claims forms, uniform standards,
19 and uniform procedures for the processing of data relating to billing for and payment
20 of health care services provided to state residents. All health insurers shall comply
21 with the uniform claims forms, standards, and procedures established under this
22 section.

23 (b) To the extent that there is a conflict or inconsistency between a provision
24 of AS 21 that applies to a health insurer and a provision of a regulation adopted under
25 (a) of this section, the regulation governs. The director of the division of insurance
26 shall ensure that regulations adopted by the director under AS 21 that apply to a health
27 insurer are not in conflict or inconsistent with regulations adopted under (a) of this
28 section.

29 Sec. 44.19.629. REVIEW AND APPROVAL OF RATES AND CHARGES.
30 (a) The commission shall review a rate filing and the recommendation of the division
31 of insurance made under AS 21.51.350, AS 21.86.075, or AS 21.87.190. In reviewing

1 a filing, the commission

2 (1) shall collect and analyze information and data from the health
3 insurer that made the filing;

4 (2) may use any information or data collected under AS 44.19.620 -
5 44.19.639; and

6 (3) shall hold a public hearing for comment on the filing and for
7 verifying the basis for the filing.

8 (b) After the commission completes the requirements of (a) of this section, the
9 commission shall issue a decision on the filing. The commission may approve or
10 disapprove a filing reviewed under this section. If the commission fails to issue a
11 decision within 75 days after the filing was made, the filing is considered to be
12 approved by the commission under this section.

13 Sec. 44.19.630. APPEALS OF COMMISSION DECISIONS. A health insurer
14 aggrieved by a decision of the commission under AS 44.19.629 concerning that
15 insurer's filing may appeal the decision to the superior court.

16 Sec. 44.19.631. DISCLOSURE OF INFORMATION; PENALTY. (a) A
17 person providing or insuring health care services in the state shall provide, upon
18 request or order of the commission, reports, data, health information, insurance
19 schedules, statistics, and other information, as determined necessary by the
20 commission, by regulation, to carry out the purposes of AS 44.19.620 - 44.19.639.
21 This subsection applies to the state and to a municipality; as well as to public and
22 private health care facilities and providers, and health care insurers and self-insurers.

23 (b) Information and data obtained or produced by the commission is subject
24 to AS 09.25.110 and 09.25.120 and regulations adopted under AS 09.25.110 and
25 09.25.120. Information or data that identifies a recipient of health care services is
26 considered to be a medical and related public health record that is subject to the
27 exception to public inspection under AS 09.25.120 and shall be kept confidential.

28 (c) A member, an employee, or an agent of the commission, or a member of
29 an advisory committee to the commission, who wrongfully discloses or who uses or
30 permits the use of confidential information or data in violation of (b) of this section
31 is guilty of a class B misdemeanor.

1 Sec. 44.19.632. IMMUNITY FROM LIABILITY. Members of the
2 commission, its employees, its agents, its advisory committee members, and persons
3 providing information and data to the commission as required under AS 44.19.620 -
4 44.19.639 are not liable for civil damages for an act or omission in the execution of
5 their authorized activities or duties under AS 44.19.620 - 44.19.639. This section does
6 not preclude liability for civil damages as a result of reckless or intentional
7 misconduct.

8 Sec. 44.19.633. OATHS; SUBPOENAS. (a) The commission may administer
9 oaths and may issue subpoenas to persons to require testimony or to require the
10 production of records, information, or data under AS 44.19.629 or 44.19.631.

11 (b) If a person disobeys or resists a lawful subpoena issued by the commission,
12 the commission may certify the facts to the superior court, and upon certification the
13 court shall issue an order directing the person to appear before the court and show
14 cause why the person should not be punished for contempt.

15 Sec. 44.19.634. APPROPRIATIONS. The legislature may appropriate a
16 portion of the proceeds of the tax on insurance premiums collected under
17 AS 21.09.210 to the Alaska Health Commission for the commission's operating costs.

18 Sec. 44.19.635. DISCLOSURE OF PROVIDER CHARGES; FINE FOR
19 NONDISCLOSURE. (a) At least annually, a provider shall compile a list of charges
20 for the 20 health care services most commonly provided by that provider. Charges for
21 hospital services may be prepared on the basis of diagnosis-related groups. Upon
22 request of a person who is considering obtaining services from a provider, the provider
23 shall provide the list of charges to the person for use in comparing charges among
24 providers.

25 (b) Upon the request of a patient and before the commencement of a medical
26 procedure, the provider shall disclose to that patient the estimated charge for the
27 procedure. The estimated charge shall be made in good faith and must be based on
28 the provider's history of charges for that procedure. Nothing in this subsection
29 requires a provider to make a charge estimate if the provider does not agree to perform
30 the procedure.

31 (c) A provider shall place the following statement either on a form to be

1 signed by the patient or in a conspicuous location on an easily readable sign: "You
2 are entitled to a charge estimate for a medical procedure before the procedure is
3 performed by your health provider."

4 (d) If the commission, after investigation of a complaint by a patient,
5 determines that a provider has not complied with this section, the commission may
6 impose a fine of up to \$1,000 against the provider. The commission may impose only
7 one fine under this section against a provider in a calendar year. A provider's
8 violation of this section does not preclude the provider from collecting payment for
9 services provided.

10 (e) A provider aggrieved by a decision of the commission under this section
11 may appeal the decision to the superior court.

12 Sec. 44.19.639. DEFINITIONS. In AS 44.19.620 - 44.19.639, unless the
13 context requires otherwise,

14 (1) "commission" means the Alaska Health Commission;

15 (2) "division of insurance" means the division of insurance in the
16 Department of Commerce and Economic Development;

17 (3) "health care services" has the meaning given in AS 21.86.900;

18 (4) "health information" means all information and data relating to
19 access to or delivery or financing of health care services;

20 (5) "health insurance" has the meaning given "disability insurance" in
21 AS 21.12.050;

22 (6) "health insurer" means an entity transacting the business of health
23 insurance, a health maintenance organization under AS 21.86, a hospital service
24 corporation under AS 21.87, a medical service corporation under AS 21.87, or a
25 combined medical service and hospital service corporation under AS 21.87;

26 (7) "pool" means a mechanism to facilitate or provide for sharing risks
27 or the purchase of health insurance in the event coverage is unavailable or
28 unobtainable;

29 (8) "provider" has the meaning given in AS 21.86.900;

30 (9) "single payor system" means a method of financing health care
31 services in a manner that provides every resident a minimum set of uniform benefits

1 and that requires payment for services be made through a single entity.

2 * Sec. 17. AS 44.62.310(d) is amended to read:

3 (d) This section does not apply to

4 (1) judicial or quasi-judicial bodies when holding a meeting solely to
5 make a decision in an adjudicatory proceeding;

6 (2) juries;

7 (3) parole or pardon boards;

8 (4) meetings of a hospital medical staff; or

9 (5) meetings of the governing body or any committee of a hospital
10 when holding a meeting solely to act upon matters of professional qualifications,
11 privileges or discipline; or

12 (6) meetings of the Alaska Health Commission, except for meetings
13 concerning the adoption of regulations or actions on filings under AS 44.19.629.

14 * Sec. 18. AS 44.66.010(a) is amended by adding a new paragraph to read:

15 (20) Alaska Health Commission (AS 44.19.620) -- June 30, 1999.

16 * Sec. 19. AS 09.55.560(2), 09.55.560(3); AS 21.86.070(e), and 21.86.070(f) are repealed.

17 * Sec. 20. Alaska Rule of Civil Procedure 72.1 is repealed.

18 * Sec. 21. APPLICABILITY. Sections 4, 5, and 6 of this Act apply to a cause of action
19 accruing on or after the effective date of this Act.

20 * Sec. 22. INITIAL APPOINTMENT OF COMMISSION MEMBERS. Notwithstanding
21 AS 44.19.622(a), enacted by sec. 16 of this Act, the terms of persons initially appointed to the
22 Alaska Health Commission under AS 44.19.622 shall be staggered as provided in
23 AS 39.05.055.

24 * Sec. 23. REAPPOINTMENT OF INITIAL APPOINTEES. Notwithstanding
25 AS 44.19.622(b), enacted by sec. 16 of this Act, a person initially appointed to the Alaska
26 Health Commission under (a) of this section may be reappointed to serve no more than one
27 six-year term as a member of the Alaska Health Commission.

28 * Sec. 24. PHASED TRANSITION PERIOD. (a) Notwithstanding the provisions of
29 AS 44.19.621 - 44.19.639, the Alaska Health Commission shall implement the provisions of
30 AS 44.19.621 - 44.19.639 on a orderly and gradual basis as follows:

31 (1) by January 1, 1996, the commission shall complete the research necessary

1 to report recommendations to the governor and the legislature on the issues described under
2 AS 44.19.621(a)(5)(A), (C), (D), (E), and (G);

3 (2) by July 1, 1996, the commission shall complete the research necessary to
4 report recommendations to the governor and the legislature on the issues described under
5 AS 44.19.621(a)(5)(F) and adopt regulations necessary to implement AS 44.19.628(a);

6 (3) by January 1, 1997, the commission shall complete the research necessary
7 to report recommendations to the governor and the legislature on the issues described under
8 AS 44.19.621(a)(5)(H).

9 (b) Upon request of the commission, and for good cause shown, the governor may
10 grant an extension of a deadline set in (a) of this section. The governor shall inform the
11 legislature of a decision on a request to extend a deadline.

12 * Sec. 25. AS 09.55.536(f), amended by sec. 5 of this Act, amends Alaska Rules of Civil
13 Procedure 26 and 27 by providing that discovery may not be undertaken until the expert
14 advisor's report is received.

15 * Sec. 26. AS 09.55.536(e), amended by sec. 5 of this Act, amends Alaska Rules of
16 Evidence 802, 803, and 804 by providing that the expert advisor's report is admissible in
17 evidence to the same extent as though its contents were orally testified to by the advisor.

18 * Sec. 27. Section 20 of this Act takes effect July 1, 1994, only if that section receives the
19 two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State
20 of Alaska.

21 * Sec. 28. This Act takes effect July 1, 1994.

#1
AMENDMENT

HB 414

Page 1, line 8

After "health care",

Delete "is a vital public interest."

Insert "and maintenance of the public's health are vital to the public's interest."

Page 1, line 11

After "insurance",

Delete "and"

Page 1, line 12

After "malpractice",

Insert "and the lack of population based public health services"

Page 2, line 14

After "relating to",

Insert "the individual and public"

Page 5, after line 6,

Add a new section

(6) establish a Public Health Advisory Committee which
(A) consists of at least one member of the commission and other individuals with significant public health expertise appointed by the commission; and
(B) advises the commission on public health matters and the integration of public health services under AS 44.19.621.

#2

8-GH2024A.1
Ford
2/15/94

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: HB 414

Page 2, line 5, after "services,":

Insert "the creation of a public health improvement plan,"

Page 2, line 21:

Delete "and"

Page 3, line 16, following "1997":

Delete "."

Insert "; and

(6) establishing a public health improvement plan advisory committee and developing a public health improvement plan as required under AS 44.19.636."

Page 5, line 6, after "AS 44.19.629":

Insert ";

(6) establish a public health improvement plan advisory committee to develop a public health improvement plan as required under AS 44.19.636."

Page 7, after line 22:

Insert a new section to read:

"Sec. 44.19.636. PUBLIC HEALTH IMPROVEMENT ADVISORY COMMITTEE. (a) The commission shall establish and appoint the members of an advisory committee for the purpose of developing a public health improvement plan. The committee must include at least one member of the commission. In appointing other members of the committee, the commission shall consider public and private health care professionals, labor organizations, businesses, the education system, the

Alaska Public Health Association, the Alaska Mental Health Board, the Alaska Native Health Board, as well as the need for geographic, ethnic, and cultural diversity on the committee.

- (b) The plan developed by the committee under (a) of this section must
 - (1) recognize the need for
 - (A) community involvement in health care planning and delivery;
 - (B) attention to local needs that may vary from place to place;
 - (C) accountability for the use of public funds;
 - (D) equity and stability in the distribution of public funds;
 - (E) shared responsibility of all levels of government for administering and financing public health care delivery; and
 - (F) coordination of basic public health services; and
 - (2) include
 - (A) an analysis of the health status of the residents of the state;
 - (B) an assessment of the most appropriate role for various levels of government to play in addressing the health care needs of the residents of the state;
 - (C) a delineation of the standards that should be used in performing assessment, policy development, and quality assurance in the delivery of public health services;
 - (D) documentation of the extent to which the current public health system implements or achieves the standards identified under (C) of this paragraph;
 - (E) identification of interjurisdictional issues involved in health care access and delivery;
 - (F) recommendations, including recommendations for specific legislative action when necessary, pertaining to the following:
 - (i) strategies, time lines, financial needs, and specific sources of stable revenue for bringing the state public health care system up to standards identified by the committee;
 - (ii) appropriate sharing of the responsibility of local,

regional, state, and federal government entities to deliver public health care services efficiently and effectively, including recommendations for organization within state government;

(iii) integration of the public health care system with state and national health care reform efforts;

(iv) the committee's estimate of the optimal share that public health should represent in the total health care delivery system of the state, expressed in terms of a percentage of health care dollars spent or in terms of public dollars per state resident."

Page 17, after line 12:

Insert a new bill section to read:

"* Sec. 22. TRANSITION. Notwithstanding AS 44.19.621(a)(6), enacted in sec. 3 of this Act, the Alaska Health Commission shall develop a public health improvement plan as described under AS 44.19.636 by January 1, 1996."

Renumber the following bill sections accordingly.

Page 17, line 16:

Delete "and 21"

Insert "21, and 22"

3

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 414

BY REPRESENTATIVE TOOHEY

Page 7, after line 22:

Insert a new section to read:

"Sec. 44.19.636. REQUIRED AVAILABILITY OF PRICE LIST. (a) A health care provider shall prepare a list of the provider's prices for common health care services that includes the time period in which the prices apply. The price list shall be made available by posting the price list in a conspicuous location in the health care provider's office. The commission shall determine by regulation the health care services that must be disclosed and the contents of the price list required under this section.

(b) If a health care provider charges a price for a health care service that differs from the posted price, the health care provider shall provide an explanation of the deviation to the person receiving the health care service.

(c) At least annually, a health care provider shall submit to the commission copies of the provider's current price list. The commission shall specify by regulation the date for submitting the price lists."

4

8-GH2024VA.3 ✓
Ford
3/9/94

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 414

BY REPRESENTATIVE TOOHEY

Page 7, after line 22:

Insert a new section to read:

"Sec. 44.19.635. PROHIBITED PRICE INCREASES. A health care provider may not increase the provider's prices for health care services more than once in a calendar year. The commission shall adopt regulations to implement this section."



Alaska State Legislature

Please enter into the record my testimony to the House H.E.S.S.
committee name

committee on HB 414, dated MARCH 4, 1994
bill/subject

Attached please find a copy of the current Health Care Financing Administration - 1500 medical services billing form (dated 12/90, in lower right corner). This standardized form is one of the things your proposed legislation would mandate. I thought you might like to know that one already exists. Also attached is the previous H.C.F.A.-1500 form (dated 1/84) which was replaced by the current version. I no longer have any copies of the H.C.F.A.-1500 designed in the 1970's.

The preceding is but one example from HB 414 showing that the bills were not researched well. Also note the attached copy of a page from Time Magazine: The graph shows the cost of U.S. medical care began increasing dramatically in 1987. The article (see underlined paragraph) never noted that in 1986 Congress enacted C.O.B.R.A., which forced hospital emergency rooms to treat all patients whether or not they paid. This is one of those "unfunded liabilities" that governments impose on lesser governments and the private sector.

However, notice on the graph that in 1990 the medical care inflation started to decrease dramatically. This was prior to the Clinton campaign's cry of "health care crisis". There was no great increase in HMO's that year that turned things around. The graph after 1990 shows the resourcefulness and responsiveness of the private sector: Medicine took a hit from Congress and still found a way to cut costs and maintain quality of care in only 3 years. And all this without a huge bureaucracy telling Medicine what to do! Has government ever cut costs and improved services at the same time?

Signed: Marlene M. Leak MARLENE M. LEAK
Testifier

SELF

Representing (Optional)

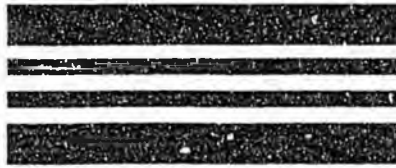
771 8th AVE. FAIRBANKS 99701

Address

452-1015

Phone No.

PLEASE DO NOT STAPLE IN THIS AREA



HEALTH INSURANCE CLAIM FORM

FORM APPROVED OMB NO. 0938-0008

READ INSTRUCTIONS BEFORE COMPLETING OR SIGNING THIS FORM (CHECK APPLICABLE PROGRAM BLOCK BELOW)

MEDICARE (MEDICARE NO.)
 MEDICAID (MEDICAID NO.)
 CHAMPUS (SPONSOR'S SSN)
 CHAMPVA (VA FILE NO.)
 FECA BLACK LUNG (SSN)
 OTHER (CERTIFICATE SSN)

PATIENT AND INSURED (SUBSCRIBER) INFORMATION

1. PATIENT'S NAME (LAST NAME, FIRST NAME, MIDDLE INITIAL)		2. PATIENT'S DATE OF BIRTH		3. INSURED'S NAME (LAST NAME, FIRST NAME, MIDDLE INITIAL)	
4. PATIENT'S ADDRESS (STREET, CITY, STATE, ZIP CODE)		5. PATIENT'S SEX MALE <input type="checkbox"/> FEMALE <input type="checkbox"/>		6. INSURED'S ID NO. (FOR PROGRAM CHECKED ABOVE, INCLUDE ALL LETTERS)	
7. PATIENT'S RELATIONSHIP TO INSURED SELF <input type="checkbox"/> SPOUSE <input type="checkbox"/> CHILD <input type="checkbox"/> OTHER <input type="checkbox"/>		8. INSURED'S GROUP NO. (OR GROUP NAME OR FECA CLAIM NO.)		<input type="checkbox"/> INSURED IS EMPLOYED AND COVERED BY EMPLOYER HEALTH PLAN	
9. OTHER HEALTH INSURANCE COVERAGE (ENTER NAME OF POLICYHOLDER AND PLAN NAME AND ADDRESS AND POLICY OR MEDICAL ASSISTANCE NUMBER)		10. WAS CONDITION RELATED TO A. PATIENT'S EMPLOYMENT YES <input type="checkbox"/> NO <input type="checkbox"/> B. ACCIDENT AUTO <input type="checkbox"/> OTHER <input type="checkbox"/>		11. INSURED'S ADDRESS (STREET, CITY, STATE, ZIP CODE)	
12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE (READ BACK BEFORE SIGNING) I AUTHORIZE THE RELEASE OF ANY MEDICAL INFORMATION NECESSARY TO PROCESS THIS CLAIM. I ALSO REQUEST PAYMENT OF GOVERNMENT BENEFITS EITHER TO MYSELF OR TO THE PARTY WHO ACCEPTS ASSIGNMENT BELOW.		13. I AUTHORIZE PAYMENT OF MEDICAL BENEFITS TO UNDERSIGNED PHYSICIAN OR SUPPLIER FOR SERVICE DESCRIBED BELOW.		11A. CHAMPUS SPONSOR'S STATUS <input type="checkbox"/> ACTIVE DUTY <input type="checkbox"/> DECEASED <input type="checkbox"/> RETIRED	
SIGNED _____ DATE _____		SIGNED (INSURED OR AUTHORIZED PERSON) _____		BRANCH OF SERVICE _____	

PHYSICIAN OR SUPPLIER INFORMATION

14. DATE OF: ILLNESS (FIRST SYMPTOM) OR INJURY (ACCIDENT) OR PREGNANCY (LMP)	15. DATE FIRST CONSULTED YOU FOR THIS CONDITION	16. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS OR INJURY, GIVE DATES	16A. IF EMERGENCY CHECK HERE <input type="checkbox"/>
17. DATE PATIENT ABLE TO RETURN TO WORK	18. DATES OF TOTAL DISABILITY FROM _____ THROUGH _____	DATES OF PARTIAL DISABILITY FROM _____ THROUGH _____	
19. NAME OF REFERRING PHYSICIAN OR OTHER SOURCE (E.G., PUBLIC HEALTH AGENCY)		20. FOR SERVICES RELATED TO HOSPITALIZATION GIVE HOSPITALIZATION DATES ADMITTED _____ DISCHARGED _____	
21. NAME AND ADDRESS OF FACILITY WHERE SERVICES RENDERED (IF OTHER THAN OFFICE)		22. WAS LABORATORY WORK PERFORMED OUTSIDE YOUR OFFICE? YES <input type="checkbox"/> NO <input type="checkbox"/> CHARGES _____	

23. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY; RELATE DIAGNOSIS TO PROCEDURE IN COL. D BY REFERENCE A-C'S. 1, 2, 3, ETC. OR DX CODE 8.

1. _____

2. _____

3. _____

4. _____

EPSDT YES NO

FAMILY PLANNING YES NO

PRIOR AUTHORIZATION NO. _____

A. DATE OF SERVICE		B. PLACE OF SERVICE	C. FULLY DESCRIBE PROCEDURES, MEDICAL SERVICES OR SUPPLIES FURNISHED FOR EACH DATE GIVEN		D. DIAGNOSIS CODE	E. CHARGES	F. DAYS OR UNITS	G. T.O.S.	H. LEAVE BLANK
FROM	TO		PROCEDURE CODE (IDENTIFY)	(EXPLAIN UNUSUAL SERVICES OR CIRCUMSTANCES)					

25. SIGNATURE OF PHYSICIAN OR SUPPLIER (INCLUDING DEGREE(S) OR CREDENTIALS). (I CERTIFY THAT THE STATEMENTS ON THE REVERSE APPLY TO THIS BILL AND ARE MADE A PART THEREOF.)		26. ACCEPT ASSIGNMENT (GOVERNMENT CLAIMS ONLY) (SEE BACK) YES <input type="checkbox"/> NO <input type="checkbox"/>		27. TOTAL CHARGE		28. AMOUNT PAID		29. BALANCE DUE	
DATE _____		30. YOUR SOCIAL SECURITY NO.		31. PHYSICIAN'S, SUPPLIER'S, AND/OR GROUP NAME, ADDRESS, ZIP CODE AND TELEPHONE NO.					
32. YOUR PATIENT'S ACCOUNT NO.		33. YOUR EMPLOYER ID NO.							

FORM 3330 COLLEGE SYSTEMS INC CHAMPAIGN IL

REFERS TO GOVERNMENT PROGRAMS ONLY

MEDICARE AND CHAMPUS PAYMENTS: A patient's signature requests that payment be made and authorizes release of medical information necessary to pay the claim. If item 9 is completed, the patient's signature authorizes releasing of the information to the insurer or agency shown. In Medicare assigned or CHAMPUS participation cases, the physician agrees to accept the charge determination of the Medicare carrier or CHAMPUS fiscal intermediary as the full charge, and the patient is responsible only for the deductible, coinsurance, and noncovered services. Coinsurance and the deductible are based upon the charge determination of the Medicare carrier or CHAMPUS fiscal intermediary if this is less than the charge

submitted. CHAMPUS is not a health insurance program and renders payment for health benefits provided through membership and affiliation with the Uniformed Services. Information on the patient's sponsor should be provided in those items captioned "Insured", i.e. items 3, 6, 7, 8, 9, and 11.

BLACK LUNG AND FECA CLAIMS: The provided agrees to accept the amount paid by the Government as payment in full. See Black Lung FECA instructions regarding required procedure and diagnosis coding systems.

SIGNATURE OF PHYSICIAN OR SUPPLIER (MEDICARE, CHAMPUS, FECA AND BLACK LUNG)

I certify that the services shown on this form were medically indicated and necessary for the health of the patient and were personally rendered by me or were rendered incident to my professional service by my employee under immediate personal supervision, except as otherwise expressly permitted by Medicare or CHAMPUS regulations.

although incidental part of a covered physician's service, 3) they must be of kinds commonly furnished in physician's offices, and 4) the services of nonphysicians must be included on the physician's bills.

For services to be considered an 'incident' to a physician's professional service, 1) they must be rendered under the physician's immediate personal supervision by his/her employee, 2) they must be an integral,

For CHAMPUS claims, I further certify that neither I nor any employee who rendered the services are employees or members of the Uniformed Services (refer to 5 USC 5536). For Black-Lung claims, I further certify that the services performed were for a Black Lung related disorder.

No Part B Medicare benefits may be paid unless this form is received as required by existing law and regulations (20 CFR 422.510).

NOTICE: Any one who misrepresents or falsifies essential information to receive payment from Federal funds requested by this form may upon conviction be subject to fine and imprisonment under applicable Federal laws.

NOTICE TO PATIENT ABOUT THE COLLECTION AND USE OF MEDICARE, CHAMPUS, FECA, AND BLACK LUNG INFORMATION

We are authorized by HCFA, CHAMPUS and OWCP to ask you for information needed in the administration of the Medicare, CHAMPUS, FECA, and BLACK LUNG programs. Authority to collect information is in section 205 (a), 1872 and 1875 of the Social Security Act as amended and 44 USC 3101, 41 CFR 101 et seq and 10 USC 1079 and 1086; 5 USC 8101 et seq; and 30 USC 901 et seq.

Federal agencies as necessary to administer these programs. For example, it may be necessary to disclose information about the benefits you have used to a hospital or doctor.

The information we obtain to complete claims under these programs is used to identify you and to determine your eligibility. It is also used to decide if the services and supplies you received are covered by these programs and to insure that proper payment is made.

With the one exception discussed below, there are no penalties under these Programs for refusing to supply information. However, failure to furnish information regarding the medical services rendered or the amount charged would prevent payment of claims under these programs. Failure to furnish any other information, such as name or claim number, would delay payment of the claim.

The information may also be given to other providers of services, carriers, intermediaries, medical review boards and other organizations or

It is mandatory that you tell us if you are being treated for a work related injury so we can determine whether workers' compensation will pay for treatment. Section 1877 (a) (3) of the Social Security Act provides criminal penalties for withholding this information.

MEDICAID PAYMENTS (PROVIDER CERTIFICATION)

I hereby agree to keep such records as are necessary to disclose fully the extent of services provided to individuals under the State's Title XIX plan and to furnish information regarding any payments claimed for providing such services as the State Agency or Dept. of Health and Human Services may request. I further agree to accept as payment in full the amount paid by the Medicaid program for those claims submitted for payment under that program, with the exception of authorized deductibles and coinsurance.

SIGNATURE OF PHYSICIAN (OR SUPPLIER): I certify that the services listed above were medically indicated and necessary to the health of this patient and were personally rendered by me or my employee under my personal direction.

NOTICE: This is to certify that the foregoing information is true, accurate and complete.

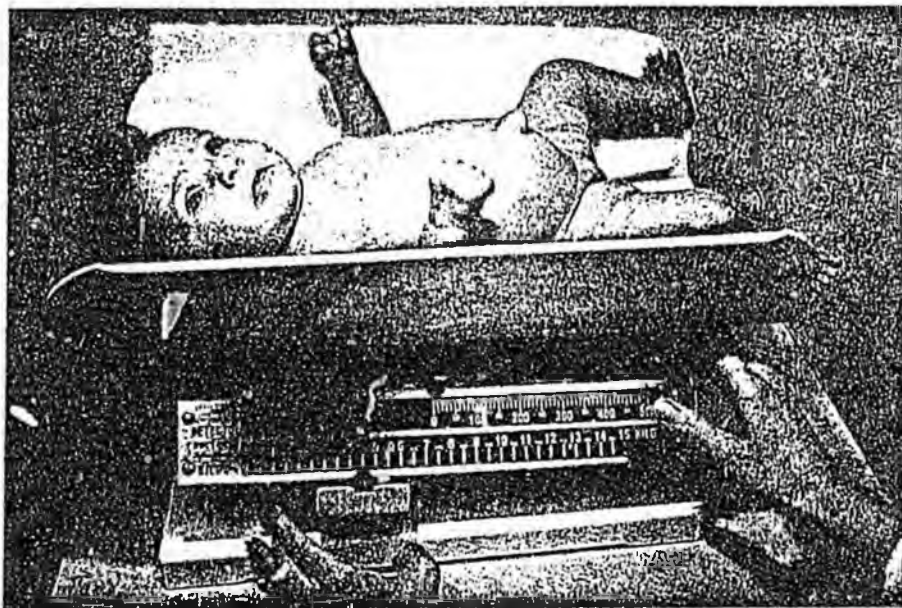
I understand that payment and satisfaction of this claim will be from Federal and/or State funds, and that any false claims, statements, or documents or concealment of a material fact, may be prosecuted under applicable Federal or State laws.

PLACE OF SERVICE CODES:

- 1 - (IH) - Inpatient Hospital
- 2 - (OH) - Outpatient Hospital
- 3 - (O) - Doctor's Office
- 4 - (H) - Patient's Home
- 5 - - Day Care Facility (PSY)
- 6 - - Night Care Facility (PSY)
- 7 - (NH) - Nursing Home
- 8 - (SNF) - Skilled Nursing Facility
- 9 - - Ambulance
- 0 - (OL) - Other Locations
- A - (IL) - Independent Laboratory
- B - (ASC) - Ambulatory Surgical Center
- C - (RTC) - Residential Treatment Center
- D - (STF) - Specialized Treatment Facility
- E - (COR) - Comprehensive Outpatient Rehabilitation Facility
- F - (KDC) - Independent Kidney Disease Treatment Center

TYPE OF SERVICE CODES:

- 1 - Medical Care
- 2 - Surgery
- 3 - Consultation
- 4 - Diagnostic X-Ray
- 5 - Diagnostic Laboratory
- 6 - Radiation Therapy
- 7 - Anesthesia
- 8 - Assistance at Surgery
- 9 - Other Medical Service
- 0 - Blood or Packed Red Cells
- A - Used DME
- F - Ambulatory Surgical Center
- H - Hospice
- L - Renal Supplies in the Home
- M - Alternate Payment for Maintenance Dialysis
- N - Kidney Donor
- V - Pneumococcal Vaccine
- Y - Second Opinion on Elective Surgery
- Z - Third Opinion on Elective Surgery



This infant's mom in California helps keep a lid on medical-cost inflation

■ HEALTH CARE

Crisis? What Crisis?

As medical inflation eases, so does the sense of urgency that Clinton needs to push his revolutionary plan

By ADAM ZAGORIN WASHINGTON

THE LATEST ASSAULT ON BILL CLINTON's top domestic goal began with 10 words on a Sunday-morning talk show last week. "We do not have a health-care crisis in America," declared Daniel Patrick Moynihan, the Senate Finance Committee chairman. His words sent shivers through the White House, where creating a national sense of urgency about health care is regarded as critical to propelling the President's reforms through Congress. As the week progressed, things only got worse. The American Medical Association, it was disclosed, is preparing a plan to lobby for 37 significant changes in Clinton's plan, including the elimination of proposed limits on doctors' fees. Then came a letter, signed by 565 economists, warning about fallout from the price controls contained in the Clinton proposal.

Administration officials quickly tried to dampen the rising rebellion. Senior economic advisers led a hushed but urgent campaign to prevent the influential Business Roundtable from endorsing a more modest alternative to the President's 1,300-page plan. White House economics chief Robert Rubin and Deputy Treasury Secretary Roger Altman telephoned insurance-company CEOs at Prudential, Chubb, American International Group

and CNA to urge them not to endorse the rival plan, backed by Representative Jim Cooper of Tennessee and Senator John Breaux of Louisiana. But the Administration's pre-emptive strike met with resistance. Late Friday an informal straw poll of the Roundtable's policy committee turned up broad support for Cooper-Breaux.

On his return from Europe this week, Clinton aims to launch an all-out campaign for passage with his Jan. 25 State of the Union speech. But attitudes about health-care reform have shifted in the months since Clinton unveiled his plan in September. The economy has rebounded smartly, and a growing number of legislators have been denying the existence of a national medical emergency. Certainly one aspect of the crisis, the skyrocketing cost of care, has abated. Medical inflation fell from an annual rate of 6.3% in the first half of last year to 4.4% in the second half, according to the consumer price index. New projections indicate that the Federal Government will spend \$120 billion less on Medicare and Medicaid through 1998 than was estimated only a year ago.

Behind the slowdown lie aggressive steps by several states including Maryland, Oregon and Florida to contain medical costs. Many private companies are taking their own measures. Typical is Intel, the microchip manufacturer, which suffered 20% annual increases in health-insurance premiums until the introduction of a managed-care program in 1990 that covers 20,000 U.S. employees. Now costs are edging up only 5% a year.

Another ingredient of medical-cost containment involves the decision by many hospitals, pharmaceutical companies and other providers to stabilize or lower their prices, perhaps in hopes of heading off congressional action on health-care reform. This, at least, is the argument advanced by Administration experts who caution that decelerating costs could prove illusory and that only a full-scale, Clinton-style reform with mandatory price restraints can tackle the job in the long run. "Medical inflation slowed in the late 1970s just in time to defeat a previous effort at cost containment," recalls Laura Tyson, chairman of the Council of Economic Advisers. "Later on, prices resumed their former upward spiral."

Moreover, advocates of reform argue, inflation is only one of many health-care problems that need fixing, most notable among them the lack of coverage for 37 million Americans, which the Clinton plan is designed to remedy. Warns Paul Begala, a senior Clinton political adviser: "The American people believe something serious must be done in a country where any one of us could lose our medical insurance tomorrow."

The sentiment among critics of Clinton's plan leans toward proposals that are more incremental, with less ambitious financing and lower costs. The one claiming the most support so far is the Cooper-Breaux plan, also known as "Clinton Lite." The proposal matches many features of the President's proposal but does not put limits on insurance premiums and will not yield universal coverage.

Several Republican legislators have developed their own, mostly incremental plans, hoping to avoid the awkward choice between opposing reform altogether and voting for some variation of the Clinton plan, for which the President will get most of the political credit. But, as the saying goes, you can't beat something with nothing. And the Republicans have yet to agree on an alternative that isn't Democratic in design. —With reporting by Michael Duffy and Dick Thompson/Washington



FEB 18 1994

**Anchorage Chamber of Commerce
Resolution On Health Care Reform
93/94-7**

WHEREAS quality, access, and the costs of health care are all critical to Alaskans; and

WHEREAS the cost of health care is being born by the state, the federal government, public and private sector employers and individuals collectively; and

WHEREAS certain legislation is pending which could significantly alter health care and the allocation of costs to pay for health care for Alaskans.

BE IT RESOLVED that the Anchorage Chamber of Commerce urges Alaska Legislators and the Governor to:

1. To clearly identify the cost implications (to the state, residents, public & private sector employers) of health care reform;
2. Avoid a single payor system;
3. Increase access to coverage for small employers through insurance company reform;
4. Address coverage for non-residents employed in seasonal industries in the state;
5. Thoroughly review entitlement to benefits if provided through taxes, assessments or premiums through employment;
6. Allow freedom of choice of employers to participate or not participate in any state mandated health care plan;
7. Address in advance how school districts, municipalities, boroughs or other public sector employers would have to increase budgets to cover any costs increase associated with health care reform;
8. Address how premiums will be paid by unemployed individuals and if premiums are not paid, who shares the burden of health care costs for those individuals;
9. Adopt a level of benefits which establishes the base benefit payment for all health care providers and allows residents to seek care from any provider in the state recognizing however, some providers will charge an amount greater than allowed by the plan which must be paid by the resident;
10. Address the number of employees/persons covered;
11. Address impact on collective bargaining agreements;
12. Address impact on national employers doing business in Alaska;
13. Address plan sponsors who currently give retiree welfare benefits to non-residents.

Be it further resolved that health care reform and the payment of health care costs should address all of the above areas and town meetings should be held to discuss the ramifications of any proposed amendments or changes prior to voting on reform; and

While the current health care system may need to be fine tuned and some changes made, it does not need to be dismantled.

George Wuerch
Chairman 1993-94

Carol Heyman
President

February 18, 1994



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508-6175

STUDENT HEALTH CENTER
(907) 786-4040

March 4, 1994

Dear Representative Toohey:

Re: Health Care Reform

I am a family nurse practitioner and the manager of the University of Alaska Anchorage Student Health Center.

The University of Alaska Anchorage - Student Health Center is an outpatient facility that provides diagnosis and treatment of episodic illnesses, health education and promotion, physical examination, family planning, mental health services, dispenses medications and provides other health related services.

The role of the Student Health Center is to empower students to make educated decisions regarding their health care needs and health status. The proactive position of health care advocacy, low cost-high quality health care, and accessibility promote a health-oriented lifestyle for students.

Health is viewed as a supporting and facilitating resource through which the welfare of individuals can be enhanced. An individual's health status has a profound effect on his/her ability to function at work, home, school, and in the community.

The Student Health Center is currently staffed by two family nurse practitioners, a mental health nurse practitioner, and two office support personnel. On an average we provide health care services to 60 individuals daily. The vast majority of these individuals do not have health insurance or financial resources to secure necessary health care services. Frequently students do not have money to pay for lab work, diagnostic procedures or prescription drugs. I perceive this to be a health care crisis.

The vast majority of students are in school to improve their lives. Frequently students are single parents who hope to become more financially secure, others are suddenly single people who desire to reclaim their lives or start anew and again hope to improve their life, earning potential and well-being. These individuals are in need of health care that meets their variable needs. This health care must be financially attainable and accessible.

Representative Toohy

March 4, 1994

Page 2

Students taking 6 or more credits on the Anchorage campus currently pay a \$12.00 Health Center fee each semester. This entitles them to health care services that includes: diagnosis and treatment of illnesses, family planning, treatment of sexually transmitted diseases, health screening, immunizations, psychiatric-mental health therapy and health education. These services are provided at minimal cost.

Although the Student Health Center is currently understaffed to meet the demand for services, health care is provided in a prompt and comprehensive manner while maintaining a high quality of health care delivery. A fee increase has been proposed in order to increase the staffing of the Health Center to meet the increased demand for services.

Frequently students come to the Health Center who have not had health care for 5 - 10 years because they have been unable to afford it. For example, we see women who have not had a Pap Test for 10 years. This simple test can detect cancer of the cervix which is treatable before becoming a life threatening disease. An advanced cervical or uterine cancer will cost a tremendous amount of money to maintain a reasonable quality of life for the "victim" of a detectable and treatable disease can cause. Other students have chronic illnesses and have not been able to be monitored and treated to improve their quality of life because of the expense of health services.

When students are asked where they would have been treated for the illness they present with, the answer is frequently, "I would have toughed it out until I needed to go to the emergency room." This is the wrong answer. This is a very expensive way to treat many illnesses. Bronchitis, pneumonia, and many other illness can be treated on an outpatient basis in a cost effective and efficient manner saving a great deal of money.

As you consider "Health Care Reform" keep in mind that preventive care is a way to reduce cost. The old adage, "An ounce of prevention is worth a pound of cure," is true for health care. Prompt, efficient, and cost effective health care is essential.

Health care is both a right and a privilege. As you consider the issue of "HEALTH CARE REFORM," keep your focus on the issue of optimal health care for every individual.

Representative Toohey
March 4, 1994
Page 3

As you continue to map a future for health care delivery in the State of Alaska, do not neglect the important contribution of nurse practitioners. Nurse practitioners and nurses have had a positive impact on the health of Alaska for many years. Often nurse practitioners provide health care in locations where physicians choose not to reside. The services provided help individuals maintain their optimal health.

Although I am sure you are aware of the role of nurse practitioner I would like to include the definition as set forth in the State of Alaska Statute:

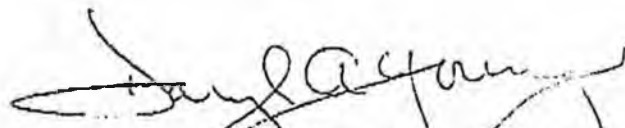
An advance nurse practitioner is a registered nurse authorized to practice in the State, who, because of specialized education and experience, is certified to perform acts of medical diagnosis and the prescription of medical, therapeutic, or corrective measures under regulations adopted by the Board of Nursing. AS03.68.410(1)

Nurse practitioners are primary "health" care providers. They provide health care to individuals, families and communities. The key words are **HEALTH CARE**. "Medicine" or "medical care" is really health care. Health care is provided by nurse practitioners and nurses and is not restricted to physicians. As you the plan for the future of health care delivery in Alaska please remember the important contribution of nurse practitioners.

I believe that health is the individual's obligation to preserve to the best of their ability with the assistance of health care professionals and not something that is surrendered to a physician or other health care provider. There is a health care crisis and it will take a collaborative effort on the part of all health care providers to relieve this crisis.

I appreciate your involvement in health care reform. If I can be of further assistance, please contact me at (907)786-4040.

Sincerely,



Daryl A. Young, MS, RN, CS, ANP
Family Nurse Practitioner

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: HB 414

Page 2, line 5, after "services,":

Insert "the creation of a public health improvement plan,"

Page 2, line 21:

Delete "and"

Page 3, line 16, following "1997":

Delete "."

Insert "; and

(6) establishing a public health improvement plan advisory committee and developing a public health improvement plan as required under AS 44.19.636."

Page 5, line 6, after "AS 44.19.629":

Insert ";

(6) establish a public health improvement plan advisory committee to develop a public health improvement plan as required under AS 44.19.636."

Page 7, after line 22:

Insert a new section to read:

"Sec. 44.19.636. PUBLIC HEALTH IMPROVEMENT ADVISORY COMMITTEE. (a) The commission shall establish and appoint the members of an advisory committee for the purpose of developing a public health improvement plan. The committee must include at least one member of the commission. In appointing other members of the committee, the commission shall consider public and private health care professionals, labor organizations, businesses, the education system, the

Alaska Public Health Association, the Alaska Mental Health Board, the Alaska Native Health Board, as well as the need for geographic, ethnic, and cultural diversity on the committee.

(b) The plan developed by the committee under (a) of this section must

(1) recognize the need for

(A) community involvement in health care planning and delivery;

(B) attention to local needs that may vary from place to place;

(C) accountability for the use of public funds;

(D) equity and stability in the distribution of public funds;

(E) shared responsibility of all levels of government for administering and financing public health care delivery; and

(F) coordination of basic public health services; and

(2) include

(A) an analysis of the health status of the residents of the state;

(B) an assessment of the most appropriate role for various levels of government to play in addressing the health care needs of the residents of the state;

(C) a delineation of the standards that should be used in performing assessment, policy development, and quality assurance in the delivery of public health services;

(D) documentation of the extent to which the current public health system implements or achieves the standards identified under (C) of this paragraph;

(E) identification of interjurisdictional issues involved in health care access and delivery;

(F) recommendations, including recommendations for specific legislative action when necessary, pertaining to the following:

(i) strategies, time lines, financial needs, and specific sources of stable revenue for bringing the state public health care system up to standards identified by the committee;

(ii) appropriate sharing of the responsibility of local,

regional, state, and federal government entities to deliver public health care services efficiently and effectively, including recommendations for organization within state government;

(iii) integration of the public health care system with state and national health care reform efforts;

(iv) the committee's estimate of the optimal share that public health should represent in the total health care delivery system of the state, expressed in terms of a percentage of health care dollars spent or in terms of public dollars per state resident."

Page 17, after line 12:

Insert a new bill section to read:

"* Sec. 22. TRANSITION. Notwithstanding AS 44.19.621(a)(6), enacted in sec. 3 of this Act, the Alaska Health Commission shall develop a public health improvement plan as described under AS 44.19.636 by January 1, 1996."

Renumber the following bill sections accordingly.

Page 17, line 16:

Delete "and 21"

Insert "21, and 22"



ALASKA NURSES ASSOCIATION

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

March 4, 1994

Representative Cynthia Toohey, Co-Chair
House of Representatives HESS Committee
Room 104-C
Capitol Building
Juneau, Alaska 99801-1182

Dear Representative Toohey:

On behalf of the Alaska Nurses Association (AaNA), I thank you for the opportunity to testify today on HB 414, an act creating the Alaska Health Commission. The AaNA commends governor Hickel in his recognition of the need for health care reform and his efforts to solve what is perhaps the largest long-term problem facing Alaskans.

The Alaska Nurses Association believes that there already has been a great deal of data collected and debate conducted related to the issues of universal coverage, access to care and mix of providers, data collection, cost control and utilization, a public health improvement plan, tort reform and health insurance reform which have occurred in officially sponsored functions of the legislature. Although there may be some disagreement about some of the data that has been collected, there is more than ample information with which to move forward with a specific plan for health care reform.

The Alaska Nurses Association strongly supports universal health care coverage for all Alaskans. We believe this is the single most important aspect of health care reform. The Association, knowing the value of guaranteed coverage to primary care services, supports a single payer approach to ensuring a basic set of benefits for every citizen in this state.

We believe that HB 414 should be amended to require the Alaska Health Commission to develop a plan of universal coverage for all Alaskans within the same time line outlined in the bill for recommendations from the Commission to the Governor and Legislature. The Commission should be specifically directed to present a preferred plan, and alternatives if it deems advisable, which guarantees universal health care under a single payer system. This plan(s) should detail the benefits package of coverage, costs, financing mechanism(s), cost containment measures, and other features which the Commission believes necessary.

Representative Cynthia Toohey

March 4, 1994

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The Alaska Nurses Association is committed to the belief that a strong consumer presence needs to be an inherent component of the Alaska Health Commission. We are convinced that it is only by empowering more consumers that the system will become more responsive to the concerns of those directly impacted by that system. We believe there needs to be significant consumer representation on the Commission itself and urge you to consider a larger number of commissioners which more broadly represents the concerns of the health care consumer.

As an organization that has long advocated the principles of disease prevention and health promotion we are disturbed that there is not a plan to provide for a strong public health structure within HB414. We strongly recommend that the aspects of HB332 which outline the need for a strong public health component in health care reform be incorporated into HB 414. Further, we believe that health promotion and disease prevention strategies must be recognized as appropriate strategies to address the goals of cost containment and improved health outcomes.

We strongly support Section 7 "Review and Approval of Rates and Rating Factors". We believe that the health insurance industry should receive the same public scrutiny as that enjoyed by other insurance providers in the state. We believe that such public review will aid in the forthcoming deliberations. We are encouraged by the health insurance industry's endorsement of the Governor's proposed legislation, including this particular aspect.

Overall, the Alaska Nurses Association is pleased that the Governor and legislature is addressing the issue of health care reform. However, we do not believe HB 414 in its present form goes far enough to move us forward. We recommend that the committee work to incorporate our suggestions in order to pass legislation which will be effective. Thank you.

Sincerely yours,

A handwritten signature in cursive script, reading "Jackie Pflaum". The signature is written in dark ink and is positioned above the typed name and title.

Jackie Pflaum
Legislative Chair

FEB 18 1994

**Anchorage Chamber of Commerce
Resolution On Health Care Reform
93/94-7**

WHEREAS quality, access, and the costs of health care are all critical to Alaskans; and

WHEREAS the cost of health care is being born by the state, the federal government, public and private sector employers and individuals collectively; and

WHEREAS certain legislation is pending which could significantly alter health care and the allocation of costs to pay for health care for Alaskans.

BE IT RESOLVED that the Anchorage Chamber of Commerce urges Alaska Legislators and the Governor to:

1. To clearly identify the cost implications (to the state, residents, public & private sector employers) of health care reform;
2. Avoid a single payor system;
3. Increase access to coverage for small employers through insurance company reform;
4. Address coverage for non-residents employed in seasonal industries in the state;
5. Thoroughly review entitlement to benefits if provided through taxes, assessments or premiums through employment;
6. Allow freedom of choice of employers to participate or not participate in any state mandated health care plan;
7. Address in advance how school districts, municipalities, boroughs or other public sector employers would have to increase budgets to cover any costs increase associated with health care reform;
8. Address how premiums will be paid by unemployed individuals and if premiums are not paid, who shares the burden of health care costs for those individuals;
9. Adopt a level of benefits which establishes the base benefit payment for all health care providers and allows residents to seek care from any provider in the state recognizing however, some providers will charge an amount greater than allowed by the plan which must be paid by the resident;
10. Address the number of employees/persons covered;
11. Address impact on collective bargaining agreements;
12. Address impact on national employers doing business in Alaska;
13. Address plan sponsors who currently give retiree welfare benefits to non-residents.

Be it further resolved that health care reform and the payment of health care costs should address all of the above areas and town meetings should be held to discuss the ramification of any proposed amendments or changes prior to voting on reform; and

While the current health care system may need to be fine tuned and some changes made, it does not need to be dismantled.

George Wuerch
Chairman 1993-94

Carol Heyman
President

February 18, 1994

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 455-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1994

*The Honorable Ramona Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to health care reform.

Alaskans' access to quality, affordable health care is a vital public interest. This bill addresses improvements to the delivery, quality, access, cost, and financing of health care services. The bill is not intended to be viewed as a comprehensive reform proposal. Rather, it is a measured, responsible step forward to set the stage for comprehensive reform.

At the same time, however, the bill makes immediate improvements to the current health care system. As importantly, it creates a process that will provide the governor, the legislature, and the public with the information necessary to make rational health care reform decisions. The bill does not foreclose any reform options, including those presently being considered by Congress and by the state legislature.

Immediate steps taken through this bill to close gaps in the health care system include: the adoption and implementation of a uniform claim form, the use of mandatory non-binding arbitration as an alternative to litigation in resolving certain health system disputes, facilitating the creation of pools for sharing risks or purchasing insurance relating to health care services, and requiring health insurers and related entities to obtain approval for certain rates or fees charged to consumers.

The creation of the Alaska Health Commission, together with the duties imposed upon it, constitutes a major part of the bill. Along with being given authority to approve

The Honorable Ramona Barnes
January 28, 1994
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health insurer rates and other filings, the commission is charged with collecting and analyzing health care information and data. This information will serve as the basis for formulating, for the governor's and legislature's consideration, proposals on the primary mechanisms needed to effect meaningful comprehensive health care reform.

This proposal allows a deliberate process for determining how Alaskans will reform their health care system. The proposal focuses on collecting Alaska health care data, and it allows for analysis of what other states have done in the area. It also provides time to synchronize state efforts with those of impending federal health care reform.

This bill requires that its objectives be completed within established time frames. The analysis to be provided by the commission, particularly with regard to the cost, financing, and implementation of health care reform, is critical given the current fiscal circumstances facing the state. It is essential that the fiscal impact of health care reform be fully considered before further action is taken.

Please contact my staff if you need a detailed section-by-section description or additional explanation of the bill.

I urge your favorable action on this important bill.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor