

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8278 SENATE HEALTH EDUCATION & SOCIAL SERVICES

April 14, 1994

Senate HESS Committee  
State Capitol  
Juneau, Alaska 99801



RE: SB 323

Dear members of the Hess Committee,

As I attempted to testify in person at the Anchorage LIO yesterday and the hearing was postponed, I am submitting this statement in favor of SB 323.

I would like to express our group's full support of SB 323.

We feel this legislation is desperately needed to correct the many problems inherent in the present system.

We have been the recipient of many calls from accused parties that have been denied due process in regards to accusations and are faced with difficulties in defending themselves against a vast bureaucracy tending towards secrecy. The present system is definitely biased against the accused, leaving them very little in the way of defenses to such accusations, and is especially harmful when the accused is innocent.

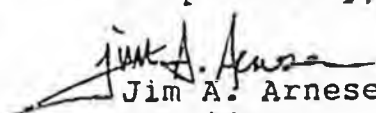
This bill would assist all involved in such actions, so that a proper and just result can be obtained from such investigations. The parties guilty of wrongdoing would face the consequences of their behaviors and the innocent would not be subjected to undue deprivation of their rights and unjust accusations.

We feel this bill is a positive move in the right direction, will balance and curb the offensive tactics of the DFYS and other agencies involved in such matters, and will benefit the parents and children of Alaska.

We urge you to support and pass this legislation.

Thank you.

Respectfully,

  
Jim A. Arnesen  
President

04/15/94  
15:24:03

TCN: 40662

PUBLIC HEARING

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
PARTICIPANT LIST (TESTIFIERS ONLY)

SCHEDULED FOR: 04/15/94 13:30 TO 15:30

SENATE HEALTH, EDUCATION & SOCIAL SERVIC

LTN1150  
BY: JNU  
FOR: DJT

LOCATION: DELTA JCT.

SB 323	MR.	GENE	OTTENSTADT
SB 323	MR.	JEANIE	BUIPES
SB 323	MS.	KRISTY	WASSERMAN
SB 323	MR.	KEITH	WASSERMAN

*says taping should not be done by DFYS personnel -- hmmm*

VICTIMS OF STATE TESTIFY  
GUARDS, FAN, RGTS TESTIFY  
TESTIFY  
TESTIFY

04/15/94  
15:25:45

TCN: 40662

PUBLIC HEARING

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
PARTICIPANT LIST (ALL PARTICIPANTS)

SCHEDULED FOR: 04/15/94 13:30 TO 15:30

SENATE HEALTH, EDUCATION & SOCIAL SERVIC

LTN1150  
BY: FBX  
FOR: FBX

LOCATION: AIRBANKS

SB 323	<del>TIME</del>	<del>BARKER</del>
SB 323	<del>ADRIE</del>	<del>RODGERS</del>
SB 323	<del>PAY</del>	<del>CHRIST BROOK</del>
SB 323	<del>PHOENI</del>	<del>ALBRIDGE</del>
SB 323	<del>JOEY</del>	<del>DEARLY</del>

TESTIFY  
TESTIFY  
TESTIFY  
TESTIFY  
TESTIFY

04/15/94 13:59:19 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
MESSAGE FROM: LI0CJ011 IN DELTA JCT.

LTN1120  
JNU

RE TCN: 40662 SCHEDULED FOR:04/15/94 13:30 TO 15:30  
SPONSOR: SENATE HEALTH, EDUCATION & SOCIAL SERV PURPOSE: PUBLIC HEARING

MESSAGE TEXT: KNOW ANY GOOD JOKES? (CLEAN)

04/15/94  
13:42:05

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
PARTICIPANT LIST (ALL PARTICIPANTS)  
TCN: 40662 SCHEDULED FOR: 04/15/94 13:30 TO 15:30  
PUBLIC HEARING SENATE HEALTH, EDUCATION & SOCIAL SERVICE

LIN1150  
BY: HON  
FOR: HON

LOCATION: ~~HOMER LTC~~  
SB 323

~~MR. WALTER BROTHIER~~

TESTIFY

*Says many workers in DEYS were abused  
themselves, packs mental baggage*

04/15/94  
13:44:06

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
PARTICIPANT LIST (ALL PARTICIPANTS)  
TCN: 40662 SCHEDULED FOR: 04/15/94 13:30 TO 15:30  
PUBLIC HEARING SENATE HEALTH, EDUCATION & SOCIAL SERVICE

LIN1150  
BY: SOL  
FOR: SOL

LOCATION: ~~KEN/SOL~~

SB 323 MR. RICHARD DEMELLO  
SB 323 ~~MR. HADJI HOBSON~~  
SB 323 ~~MR. RONALD HOBSON~~

P.A.C.T.  
P.A.C.T.  
P.A.C.T.  
TESTIFY  
TESTIFY  
TESTIFY

STATE OF ALASKA  
THE LEGISLATURE



LEGISLATIVE AFFAIRS AGENCY  
DIVISION OF PUBLIC SERVICES

RECEIVED APR 18 1994

Legislative Information Office  
P.O. Box 1189  
Delta Jct., AK 99757  
(907) 895-4236

DATE: April 13, 1994

Please accept the enclosed original(s) of written testimony for  
the Senate Health, Educ. & Soc. Ser. teleconference hearing that was  
scheduled on 4/13/94 on SB 323.

A copy of this testimony was transmitted to your committee via fax  
on 4/13/94.

Thank you,

Elizabeth A. Sarver for  
Elizabeth A. Sarver  
Information Officer

Enclosures: (3)



# Alaska State Legislature

Please enter into the record my testimony to the SH255  
 committee name  
 committee on SB 323 , dated April 13, 1994  
 bill/subject

I want to Thank you for canceling this conference. I took time off work to be here. concerning SB 323. I have a few comments. Who is going to decide reasonable cause. If it is a ~~person~~ school official or school counselor it will be Social Service operated. I agree there needs to be witnesses present while the child is questioned and I also agree it should be Video taped but it needs to be done by an Unbiased person so the tape cannot be Edited or turned on and off as the Social Service would DO. The parents also need to be notified before the interview and it should be up to them whether or not the child is to be interviewed. After all whos children are they or one they the States

Signed: [Signature]  
 Testifier

Representing (Optional) Victims of the State and Guardians of family rights  
 Address PO Box 1054 Delta Jet AK 99737  
 Phone No. 895 4805



# Alaska State Legislature

Please enter into the record my testimony to the SB 323 HESS  
 committee name  
SB 323  
 committee on Video Taping Minor, dated 7-13-1994  
 bill/subject

Our group from Delta waited patiently for two hours to find out if the conference had been cancelled. I surely understand that agendas are subject to "change" however, any notice in advance would be greatly appreciated. This would save your constituents (the voting public) valuable ~~any~~ working time.

About SB 323 - I agree with the idea of video taping any accusation. However the interviewer should be interviewed as well, so as to establish the demeanors of the questioning and any physical gestures of a leading nature. But above & beyond any of this I'm concerned with who is so qualified to usurp the constitutional rights of a families privacy and interview a minor child without their parents or guardian's knowledge & permission? This type of behavior could open up the interviewing agency to civil liabilities that are unlimited. Unfortunately or fortunately, a citizen is innocent until proven guilty and his/her rights, every last one, cannot be denied without a court order or what's known as due process. Questioning a child w/out a parents permission except under some felony charges is a violation of the Constitution of the U.S.A.

Signed: H. Wasserman

Testifier

self

Representing (Optional)

Delta Jet. AK

Address

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the SHSS  
committee name

committee on SB 323 / video taping, dated April 13, 1994  
bill/subject

I don't agree with the Department of Family and Youth Services, Law Enforcement Agencies and Personnel usurping the authority of parents and the Privacy of the Families.

School authorities and Counselors have already dug into invasions of family privacy. Admittedly, there are children who need protection, but by what right do the Agencies / Agent have to cause hardship on families on rumor, suspicion or tales and get away with no accountability. I believe every Agent / Agency should be held accountable for actions and they should have taping done by non-biased persons. This would insure that the tapes are not tampered with or edited by DFYS etc. So they get away with family destruction and harassment of children to make complaint against parents to justify their jobs due to budget cuts. Parents should be notified and present during interviews. Parents should decide if there should be an interview. Children belong to parents as gifts from God, the State does not own the children.

Signed: Jeanne Marie Pharis

Testifier Board of Directors

Guardians of Family Rights

Representing (Optional)

P.O. Box 704 Delta Junction, AK

Address

907-895-4805

Phone No.

"Trying to help my children"

Sept 9, 1993 Channel 11 "Live" News...

July 28, 1993 Newsmine

April '92 KFAA Talk Show

#### STATE AWARDS CUSTODY OF "HEALTHY AND WELL-ADJUSTED CHILDREN" TO MAN WITH SERIOUS PSYCHOLOGICAL PROBLEMS

M.B. and T.B. were two healthy and happy children living with their mother in a beautiful six-bedroom, three bath log home. The home which also boasts a sitting room, deck and picnic area provided part of the family support as a Bed & Breakfast enterprise. Additionally, its spacious nature allowed ample space for their mother, P.O-D., to operate a day care center and a small business selling cosmetics in order to further meet her family's needs.

The children's father, G.B., tends to view his role as a father not to go beyond that of providing support for his children although P.O-D. insists he rarely sent her money towards this end. He claims that his work as a pipefitter required him to spend most of his time in California or on the North Slope apart from P.O-D. and their children. He did, however, occasionally return for visits during times of unemployment, habitually spent the Christmas season with his children and once was convinced to go with them on vacation to aid their mother in moving some furniture from a former home.

The relationship between M.B. and T.B.'s parents appears to have been rocky from its beginning. Although G.B. maintained he divorced his second wife so he could marry P.O-D., the two were never married and according to him separated "shortly after T.B. was born." It was only when P.O-D. informed him she intended to marry someone else that G.B. seems to have suddenly developed a strong desire to have any significant involvement in the lives of his children.

During the pursuing argument for child custody a psychological test was administered to both parents. The results are as follows:

P.O-D.'s test results indicate she possesses a "great concern about the needs of other people. She sees herself as the caretaker of other people's needs and often doubts the competence of others in meeting them. She sees herself as on a mission and has an inflated sense of self importance. She strongly feels that she, and she alone is responsible for the happiness of not only herself and those that she cares about, but of all people," and "feels a strong need to protect her children from their father..."

G.B.'s psychological profile states, "...His particular profile suggests that he attempted to be seen in a favorable light and will also tend to minimize and overlook faults in himself. There is a high degree of defensiveness seen and a lack of insight into the impact of his behavior on others. People with scores similar to G.B.'s are often described as moody; changeable, opinionated and unstable. These people also tend to be rigid and inflexible and intolerant of the possibility of deviance in themselves..."

their father, "...the primary basis for my decision in this case is the inability of (P. O-D.) to foster a healthy, frequent and loving relationship with (G.B.)..."

P. O-D. has never claimed to be "the perfect parent" nor "the perfect human". She insists, like most parents, she was only doing what she thought was best for her children. "I'm only human," she professes, "We all make mistakes." Unfortunately, our governing bodies where children are involved no longer seem to allow or have tolerance for human error or misjudgments. No one ever told P. O-D. that giving her son enemas could result in allegations of sexual abuse because it requires penetrating the child's body. She wasn't aware that administering commercially available remedies to ill children is unlawful or abusive without obtaining a doctor's o.k. beforehand—even if the illness is of a reoccurring nature that has previously been diagnosed. Even so, she questions why the accusations center around her son while nothing seems to have been viewed wrongful about the administration of enemas to her daughter. Her son had either ulcerated colitis or food allergies as an infant resulting in extreme constipation according to his former pediatrician. When he was about seven, his doctor at that time recommended occasional enemas to relieve the child's migraine headaches caused by extreme constipation. Her daughter, who had been diagnosed as being allergic to milk products, also suffered from bouts with severe constipation. P. O-D. believes in good nutrition, herbs and enemas to relieve constipation lasting more than two or three days if her children start feeling ill because of these diagnosed conditions and the advice given by the children's doctors over time. "Parents know we are all human and this case has been blown out of proportion for what is supposed to be 'in the best interest of the child.' "

Custodial and single parents, even many couples, feel the pressure to be perfect without a precise definition as to what is to be considered perfect. A person accused of an abuse against a child by anyone is automatically presumed to be guilty despite the lack of any supportive evidence. As one attorney put it, "It's gotten in this country where the parent who accuses the other of sexual abuse first is the one who ends up with custody." Forget evidence. The word "abuse" is like raising a red flag attesting to the fact that a child is being "harmful". Many judges, prosecutors, court custody investigators, mental health workers and social workers seem to believe once someone—anyone— has uttered "the word" it is their duty not to seek the truth whereby justice can be done, but to find ways to justify at least among themselves of removing the child from the "harmful environment". The minds too often shut down; tunnel vision happens. The silent battle cry becomes "save the child!" rather than the careful weighing all available evidence to best determine what truly would be "in the best interest of the child." It's like they have all the real evidence required upon hearing the word, therefore, are in no need of any additional facts. Many times this leads to an envisioned need in some judges mind to discount or seek ways to discredit contrary information offered as a defense by the parent accused of abusing the child. Likewise, it can lead to the envisioned need to "white wash" the accuser's character. More often than not in child custody cases the accused parent comes to believe the scales of justice were tipped irreversibly in the others favor from the beginning.

"Thinking back," P. O-D. says, "It's like the judge decided the minute G.B. said he wanted the kids he should have them. And from then on there was nothing I could do to keep them or get them back and nothing he could do that would cause her to change her

"...(He) shows a significant degree of concern about physical integrity. He is also seen as immature, egocentric, and very demanding. He will tend to use repression quite often and will also manifest strong demands for affection, support and attention from others. (He) is seen as rebellious, resentful and limited in his frustration tolerance. He shows many characteristics often associated with the diagnoses of anti-social personality. Scores such as G.B.'s suggests that he will tend to use projection of blame and hostility quite significantly. People with profiles such as his tend to only care about others to the extent that they may further their own personal ends. He may tend, because of his defenses, to misperceive many social stimuli..." (Antisocial personalities are also called psychopathic personalities.)

"...(H)e can be described as immature, narcissistic and self indulgent. Often... codes such as his suggest that a person will be passive dependent and make excessive demands on others for attention and sympathy. They often become resentful, however, even at the most mild demands made on them by others. Individuals with similar scores... have a poor work history and marital problems are quite common. Often repressed anger and hostility are characteristic of such individuals. G.B. will tend to rationalize and transfer blame for his problems to others and he will accept little responsibility for his behavior. He will deny that he suffers serious psychological problems. (His)... Profile suggests that he may be diagnosed with a passive/aggressive personality disorder..."

Additional tests administered "enhance the themes of resentfulness, limited frustration intolerance and rigidity in his personality" and reinforce the evaluation that "he suffers from a character disturbance:"

G.B.'s first wife contended that a part of the difficulties endured in their marriage was his inability to maintain close personal relationships or to recognize and empathize with other people's feelings. Furthermore, the Custody Investigator stated in her report to the court that "(a) another difficulty with G.B. is his (in) ability to recognize and attend to children's developmental needs." The investigator makes reference to the fact that an older son was left unattended to manage a duplex owned by his dad while G.B. worked away from home when the boy was only fourteen-years-old. The report continues, "G.B. is also an angry and rebellious person who attributes all the problems to P.O-D. and accept little responsibility for his part in the problems. He also tends to rebel without thought to repercussions for his actions."

While it may be argued that some of P.O-D's parenting beliefs and practices, particularly those involving her children's health needs, were questionable; it does nothing to negate the numerous statements made throughout the entire case documents that while under her care M.B. and T.B. were considered to be both healthy and well-adjusted children.

AS 25:20.110 requires that change of circumstance be in the best interest of children. S.N.E. v. R.L.E. (Alaska-1985) established, "When a court determines the best interests of the child under the changed circumstances doctrine, the scope of judicial inquiry is limited to facts directly affecting the child's well-being." What possible motive and justification can exist for removing healthy and well-adjusted children from a home environment that allowed them to enjoy this sense of well-being? According to Superior Court Judge, Niesje J. Steinkruger, in her ruling awarding custody of M.B. and T.B. to

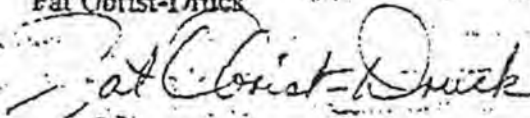
mind. It didn't matter that I'd raised them and supported them on my own for the last eight years. Or, that he came to visit only when he was "in the mood." Or, that I provided them with a beautiful home. Or, that the first thing the unemployed G.B. did when he was initially decreed their children's primary caregiver was to apply for welfare and stayed there despite court dictation that he seek employment as a condition of this award. Or, that the kids are confused and don't understand why they can't come home. Everything he did seemed to be o.k. or capable of being changed with therapy; the most he got was a verbal hand slap. Everything I did or said seemed to be wrong; I wasn't given the opportunity to change. No one seemed to want to consider anything favorable in my behalf. It's like all anyone cared about was finding fault. It's not like I couldn't change anything if it had meant being able to keep M. and T."

The Alaska Court System succeeded in "saving" these children from living in a stable, "abusive environment" that left them healthy and well-adjusted. The judge decreed, "This is not a dependency proceeding where the court decided that the children would be placed in the custody of the state rather than their parent. This is a custody proceeding between two parents. There is no performance order that P. O-D. must fulfill that will result in the court removing the children from G.B. and placing them with her.. This court has decided the primary caretaker of the children is G.B."

Upon receiving permanent custody, G.B. took M.B and T.B. and moved from the state ostensibly to seek employment.

"It's a never ending nightmare," P. O-D. whispered as unshed tears filled her eyes, "The price I'm paying in emotional pain is nothing compared to the destruction done to my children's lives."

Pat Obrist-Druck



557 Fairbanks St.  
Fairbanks, Alaska 99709

(907) 479-2447

August 31, 1993

# Local

Section  
B

B-2  
B-2  
B-4

8661 (Ext. 276)

Wednesday, July 28, 1993

## Emerging group critical of DFYS actions

By KATE RIPLEY  
Staff Writer

Out of control. Above the law. Accountable to no one.

These are phrases a new parent group uses to describe the state Division of Family and Youth Services, an agency of social workers and counselors that, among other things, tries to protect children from abuse and neglect in the home.

Some members of the group Concerned Parents for Reform go even further when describing perceived problems at the division. "DFYS will steal your children," one member said during a recent meeting in North Pole.

The group, about 15 active members, said the agency has a policy of "take the kids now, investigate later" by presuming the parents are always guilty.

"They're hiding behind confidentiality laws," said Mike Floto of Fairbanks, president of Concerned Parents. He argued that the agency lacks accountability to the public because it can hide behind laws that prohibit discussion of cases.

Many members of the group are parents in the final end of custody battles. Some claim their children, or their children's actual counselors, have filed false sexual or physical abuse reports. Some believe the state wrongfully took their children and placed them in foster care.

Mike Floto and his wife, Jackie, have been foster parents for the past three years. During that time, they saw caseworkers only a few times. Such workers, who are usually overwhelmed, cannot adequately oversee the foster care program, they said.

The Flotos said a third party is needed to serve as a liaison between hurt and angry parents and social workers. An external audit of DFYS is needed as well, they said.

Since the group formed in April it has attracted the attention of Lt. Gov. Jack Coghill and Health and Services Commissioner Ted Mela. DFYS director Debra Wing and the agency's north-south region administrator, Tom Parker, met with the group last week at

North Pole City Hall.

Parents presented a slew of allegations and asked dozens of questions, but few answers came that night. Later, Mela said his division will listen to concerns, but vague accusations won't help.

"Any system that is a human system will always have different interpretations of rules and regulations," Mela said. "When you're dealing with a sensitive issue like your children, sometimes it's difficult to be objective."

But Mela said he wants a conference in Fairbanks before summer is over to bring together representatives of his division, the courts, and attorney general's office. Police officers and legislators also may attend, he said. If change within the department is warranted, it likely would become obvious during such a gathering, Mela said.

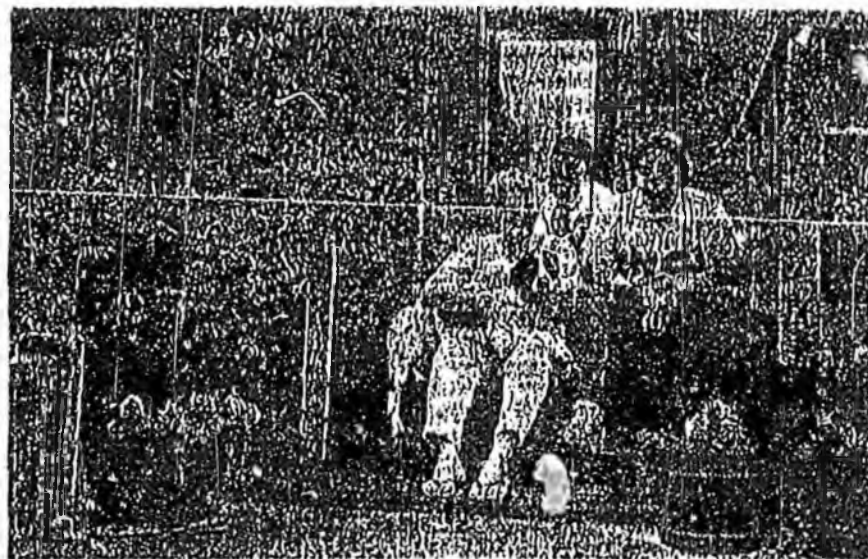
"Other than the Ten Commandments, everything is subject to change and updating," Mela said.

Asares Pal Obrist-Druck is incarcerated, the system must change. Obrist-Druck claims Fairbanks Superior Court Judge Neasa Stelniker this month wrongfully gave custody of her two children to their father, to whom she was never married. The judge allowed the father, who has been regularly unemployed in Fairbanks and supported himself and the children partially on welfare payments, to take the children to California with him to live. The father hopes to find more regular work there through his union.

The children, now 9 and 10, lived with Obrist-Druck until October 1991, when the court awarded the father primary custody. The court made the award after sexual abuse allegations were leveled at Obrist-Druck. The state never filed charges, and Obrist-Druck denies the allegations.

"To this day, I still don't know what I did wrong," she said. "There are no rights for parents. We're trying to explain the truth."

Obrist-Druck said she doesn't have the money to appeal the court's latest custody ruling, and doesn't know where to turn.



CONCERNED PARENTS—Mike and Jackie Floto say it's time for a change at the state Division of Family and Youth Services. The couple, pictured here with their 15-year-old son James, helped organize a group calling itself Concerned Parents for Reform. The group believes the DFYS has overstepped its bounds, and is stepping on parents' toes.

Rep. Harley Othurg, R-Delta Junction, said residents of his district seem to have constant run-ins with DFYS.

"The clearest thing that stands out is that kids know how the system works and how to play the game," Othurg said. "False reporting gets them out of the home, or exaggerated reporting, perhaps."

Othurg said he doesn't support creating more laws, but a critical review of existing laws might help.

Tina Barker of Fairbanks said existing laws are too liberal.

"The social worker has total control over the courtroom," Barker said. "Children are taught to use the system. If you can't get what you want, join the system."

Barker alleges a DFYS social worker encouraged her 12- and 14-year-old daughters to run away.

The children said Barker abused them, which Barker denies.

The girls currently are in foster care, per a court order Barker said she has another hearing in October and hopes to get them back.

During the 1992 fiscal year, the latest for which statistics are available, the division received 11,508 reports of harm to children in the home, according to the division's annual report. The number translates into 63 alleged victims per 1,000 children; the national rate is 39 per 1,000.

Of these 11,508 reports, the division conducted investigations on 8,468 of them. Social workers substantiated 42 percent of those cases as abuse, neglect or abandonment, the annual report says.

Less than a third of the children in those substantiated cases are

taken away from parents.

Wing, the statewide DFYS director, said her division over the past 1 1/2 years has shifted its emphasis from intervention to family preservation.

"We're trying to work with the entire family, not just one individual," Wing told Concerned Parents. "Change is not easy."

A child's safety is the division's ultimate goal, Wing said. "We had protection laws in place for criminals before we had them for children," she said.

Mela said he wants to keep talking with Concerned Parents and hopes the group recommends specific changes.

"We can't change all the laws for one or two cases," he said. "In an organized society, you're stuck with the law, like it or not."

APR-15-94 FRI 18:31

FAX INFO OFFICE

FAX NO. 307-5663346

F.09



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_  
 committee name  
 committee on SB-323 dated 4-15-94  
 bill/subject

The cost of implementing SB323 is stated to be \$2.3 million. The McMartin case alone cost the State of California \$15,000,000 just to prosecute ( \$2.1 million/yr for 7 years). The defendants were acquitted. The lesson learned was not to respect citizens rights and liberty, but an envisioned need to "get around" such constraints which "hamper children protective services ability to act". The bottom line was that the Buckley's and other co-defendants were innocent of the suspicions despite efforts to rally emotional support for the contention. The cost of incarcerating the innocent Raymond Buckley for 5 yrs in AK today would be \$206,608.25; his mother's 3 yrs wiykd be \$123,964.95.

Somehow, confidentiality supposedly intended to shield minors ( according to the *Alaska Bluebook*) now shields bureaucratic drunken spending. Statistics in themselves threaten no particular individual. Even so, a layman can determine the crude mean cost to the state in civil court is \$3,190.73/case. Of the 8,466 investigated cases completed in FY92 only 42% are reported by DFYS to have been substantiated. This figure does not include the 22% of all cases ruled "invalid" at onset. 58%, or 4,892 cases provenly do not represent what AK legislatively considers to be of compelling state interest. If each case requires some form of "court action" the mean dictates a \$15,609,051.16 state expenditure. Of course, not every case does. But, somehow those that don't require "mental health therapy" as much as those who do. The state would seem to pay approximately \$50/session for an average 8 sessions which means approximately \$160,000 annually is spent convincing parent "the State" has a compelling interest where legislatively it doesn't.

Worse, of the 826 children placed in foster homes 93% were returned. Just considering that 58% were erroneous at onset that would be 479 X \$3,619.80 (ave 6 mos. where federal incentives stop), or \$1,733,884.20 in wasted foster care payments. Characteristically, what research shows is that DFYS is so concerned with collecting available dollars for worker benefit that its forgotten what its intended mission was all about. \$2.1 million/year for seven years to prosecute just one case shows just how far controllers will go at someone else's expense to win. In the long run what is 2.3 million compared to the pursuit of self-righteousness?

Signed: Harry B. Nicholas (Harry B. Nicholas)  
 Testifier  
Guardians of Family Rights  
 Representing (Optional)  
P.O. Box 56044 N.P. AK 99705  
 Address

APR-15-94 FRI 18:27



FBX INFO OFFICE

FAX NO. 9074563346

P. 01

TELECOPY COVER SHEET

Fairbanks Legislative Information Office

Office - (907) 452-4448

Fax - (907) 458-3346

TO: Sen. Rogers FAX: 465-2069 PHONE: 465-3879  
Chair Senate HESS

FROM: Flint LIO PHONE: \_\_\_\_\_

INSTRUCTIONS: Written testimony for SB. 323 telecopied  
on 4/15/94

RECEIVED: Date \_\_\_\_\_ Time \_\_\_\_\_

SENT: Date 4/15/94 Time \_\_\_\_\_

DISPOSAL OF ORIGINAL: Discard \_\_\_\_\_ Hold for Pict p

NUMBER OF PAGES: \_\_\_\_\_ (Not counting cover sheet)

SENT BY: \_\_\_\_\_

To Whom it may concern:

Elsine Ponchione was assigned to my daughters April and Rebecca as their Guardian <sup>ad litem</sup>, almost a yr ago. During that time she done her best to destroy our family with great zeal in her personal vendetta.

Thou the case was closed 4-30-94 she is still involving herself in our family. Please help us stop this great injustice.

Lina Barker

Rebecca Winham, 8  
April Winham  
3568-B Tollewe Rd.  
Fairbanks, AK 99709

To Whom It May Concern:

We were given inappropriate advise about our case by the public advocates (Elsine Ponchione). We were told that the information that we told the courts would benefit all the Winham children. Our lawyer told us that we would benefit from the "Plan" by staying in the groups custody. We were also informed by our lawyer that it would not be advisable to return back to our mothers care due to the fact that our mother would send the both of us to a institution in Oct 1994. Due to our ignorance we caused several individuals to worry and search for us endlessly, including several Alaska State Troopers from Fairbanks to Kenai. Of whom we appreciate there concern, we would like to thank Trooper Hill for the care he gave us on the way back to Fairbanks. This was just one of many cases that arose with in the past year. The main problem that can be seen at this time is our lawyer who is against christian family's, and pin the mother against the daughters and the daughters against the mothers. Which in the long run would cause our family to have a "mental breakdown" and other problems could arise that are not wanted.

Sincerely,  
April-R. Winham,  
Rebecca Winham



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on SB 323 , dated 15 Apr  
bill/subject

*I fully support SB 323*  
*It seems that the proposed cost*  
*is out of line with reality.*  
*A video will assist Courts parents &*  
*social workers in decision making*

Signed: Betty Gullis  
Testifier

None  
Representing (Optional)

P.O. Box 55163 D.F.  
Address



# Alaska State Legislature

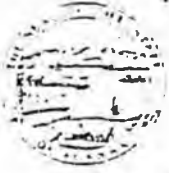
Please enter into the record my testimony to the Statewide Organization Guardians  
 committee name of Family Rights  
 committee on Senate Bill #323, dated 2-14-94  
 bill/subject:

As their mother, I was charged with sex abuse  
 of my own son - when he wasn't even born.  
 They gave my children to a father with mental  
 disorder of a psycopath & proudly states  
 he has a disease for 32 years to the court.  
 Judge Steinkruger has recently refused to hear  
 evidence of emotional & physical abuse to  
 keep them out of her jurisdiction, now that  
 they live in California, what can I do now?

Signed: [Signature]  
 Testifier

Self  
 Representing (Optional)  
557 Fairbanks St, Fairbanks, AK 99709  
 Address

STATE OF ALASKA  
THE LEGISLATURE



LEGISLATIVE AFFAIRS AGENCY  
DIVISION OF PUBLIC SERVICES

RECEIVED  
APR 20 1994

Legislative Information Office  
P.O. Box 1189  
Delta Jct., AK 99757  
(907) 85-4236

DATE: April 15, 1994

Please accept the enclosed original(s) of written testimony for  
the Senate Health, Educ. & Soc. Svcs. teleconference hearing that was  
scheduled on 4/15/94 on SB 323.

A copy of this testimony was transmitted to your committee via fax  
on 4/15/94.

Thank you,

Elizabeth A. Sarrar, for  
Elizabeth A. Sarrar  
Information Officer

Enclosures: (4)



# Alaska State Legislature

Please enter into the record my testimony to the SENATE HESS  
committee name

committee on SB333-, dated 4/15/94  
bill/subject

I support IF THE videotaping  
is performed by a independent  
person and ~~that~~ DFYS ALSO  
THE RIGHTS TO THE video tape  
SHOULD BELONG TO THE PARENTS  
OF THE CHILD OR CHILDREN  
NOT DFYS

Signed: *R. Koestel*  
Testifier

Representing (Optional)  
P.O. Box 205 UJ. 99737  
Address

595-1018  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_

committee name

committee on SB 317, SB 323, HB 350, SB 346, dated 4-15-94

bill/subject Vote No. SB 346

SB 317 This Bill will give Social Services more power than it already has. This Bill ~~is~~ is the opposite of SB 323 and HB 350. I believe 317 would be a very bad bill and it would be a sad day in all parents lives. It is one way to take away parental authority. Social Services has to many Department now. It needs to be cut not added to. Vote NO to this Bill

Bill 323 and 350 has some good parts to it but needs a few changes. The Video taping part is good but it needs to be done by a nonbiased person so it wont get edited. Also the parents need to be notified before the child's interview and it should be up to the parent whether or not there is an interview not Social Services

Signed: \_\_\_\_\_

Testifier Victims of State Police Beach  
Guardian of family rights

Representing (Optional)

PO Box 704 Pella IA IA

Address

99737

Phone No.

895 905



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on SB 317 / SB 346 , dated April 15, 1994

bill/subject SB 323 / HA 350 , dated April 15, 1994  
Vote No on SB 317 bill/subject SB 346 - Invasion of Privacy!

I'm all for video taping interviews with children, but I feel parents have the right to be there during the taping. Taping should be done by someone not associated with DFYS, or CPS or Any Law Enforcement Agency or Agent.

It used to be you were innocent until proven guilty, now the burden lies on the accused to prove their innocence. How can the accused do this when alone Agents / Agencies harass children and badger them into complaints on parents usually because children are angry because they didn't get their way or interviews are done on hearsay / rumors not fully investigated because DFYS etc... need to justify their jobs due to Departmental budget cuts etc. In case your wondering children do lie and tell stories, some will tell anyone what they want to hear if they are bribed or harassed enough. Constant questioning, and re-ordering of questions causes confusion and children become frightened and agitated. Videotaping would stop the badgering of children and others interviewed against the accused.

Signed: Jeanne Marie Propp Accused.

Testifier Board of Directors

Guardians of Family Rights

Representing (Optional)

P.O. Box 704 Delta Junction, Alaska 99737

Address

017-895-4805

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the SB committee name

committee on SB 323 dated April 15, 1994  
bill/subject

These teleconference cancellations or rather, postponements are completely ridiculous. Hard working voters take valuable time off from earning a living to pay your salaries and their treated like second class citizens. Why can't the "other" business wait until after a scheduled teleconference?

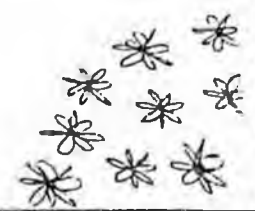
Once or twice would be understandable, par for the course, but over + over, time and time again makes one wonder just how much our input really counts anyway.

Signed Kriste Wanserman  
Testifier

Self

Representing (Optional)  
Delta Jet Alaska  
Address

Phone No.





STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

DIVISION OF PUBLIC SERVICES

RECEIVED APR 20 1994

DATE: 4/15/94

Please accept the enclosed original(s) of written testimony for the Senate HE-30 teleconference hearing that was scheduled on 4/15/94 at 10:00 AM.

A copy of this testimony was transmitted to your committee via fax on 4/15/94.

Thank you,

Tom Finkbeiner  
Tom Finkbeiner

To Whom it may concern:

Eloine Ponchione was assigned to my daughters April and Rebecca as their Guardian ad Litem, almost a yr ago. During that time she done her best to destroy our family with great zeal in her personal vendida.

Thou the case was closed 4-30-94 she is still involving herself in our family.

Please help us stop this great injustice.

Lina Barker

Rebecca Winham &  
April Winham  
2700-B College Rd.  
Fairbanks, AK 99709

To Whom It May Concern:

We were given inappropriate advise about our case by the Public advocates (Eloine Ponchione). We were told that the information that we told the courts would benefit all the Winham children. Our lawyer told us that we could benefit from the "lies" by staying in the states custody. We were also informed by our lawyer that it would not be advisable to return back to our mothers care due to the fact that our mother would send the both of us to a institution to get safe. Due to our ignorance we caused several individuals to worry and search for us endlessly, including several Alaska State Troopers from Fairbanks to Kenai. Of whom we appreciate there concern, we would like to thank Trooper Roll for the care he gave us on the way back to Fairbanks. This was just one of many cases that arose with in the past (see the main problem that can be just at this time is our lawyer who is assist christian family's, and pin the mother against the daughters and the daughters against the mothers. Wich in the long run would cause our family to have a 'mental breakdown' and other problems could arise that are not wanted'.

Sincerely,  
April R. Winham,  
Rebecca Winham



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on SB 323, dated 15 Apr  
bill/subject

*I fully support SB 323*

*It seems that the proposed act is out of line with reality*

*A video will assist courts parent & social workers in decision-making*

Signed: Betty DeLano  
Testifier

none  
Representing (Optional)

P.O. Box 5543 NP  
Address



# Alaska State Legislature

Please enter into the record my testimony to the Statewide Organization of Guardians  
 committee name of Family Rights  
 committee on Senate Bill #323, dated 2-14-94  
 bill/subject

As their mother, I was charged with sex abuse of my own son - when he wasn't even born. They gave my children to a father with mental disorder of a psycopath & proudly states he has a disease for 32 years to the court. Judge Steinkruger has recently refused to hear evidence of emotional & physical abuse to keep them out of her jurisdiction, now that they live in California. What can I do now?

Signed: Christ-Duck  
 Testifier  
Self  
 Representing (Optional)  
557 Fairbanks St. Fairbanks, AK 99709  
 Address

"Trying to help my children"

Sept. 9, 1993 Channel 11 "Live" News

July 28, 1993 Newsminer

April '92 KFAR Talk Show

#### STATE AWARDS CUSTODY OF "HEALTHY AND WELL-ADJUSTED CHILDREN" TO MAN WITH SERIOUS PSYCHOLOGICAL PROBLEMS

M.B. and T.B. were two healthy and happy children living with their mother in a beautiful six-bedroom, three bath log home. The home which also boasts a sitting room, deck and picnic area provided part of the family support as a Bed & Breakfast enterprise. Additionally, its spacious nature allowed ample space for their mother, P.O-D., to operate a day care center and a small business selling cosmetics in order to further meet her family's needs.

The children's father, G.B., tends to view his role as a father not to go beyond that of providing support for his children although P.O-D. insists he rarely sent her money towards this end. He claims that his work as a pipefitter required him to spend most of his time in California or on the North Slope apart from P.O-D. and their children. He did, however, occasionally return for visits during times of unemployment, habitually spent the Christmas season with his children and once was convinced to go with them on vacation to aid their mother in moving some furniture from a former home.

The relationship between M.B. and T.B.'s parents appears to have been rocky from its beginning. Although G.B. maintained he divorced his second wife so he could marry P.O-D., the two were never married and according to him separated "shortly after T.B. was born." It was only when P.O-D. informed him she intended to marry someone else that G.B. seems to have suddenly developed a strong desire to have any significant involvement in the lives of his children.

During the pursuing argument for child custody a psychological test was administered to both parents. The results are as follows:

P.O-D.'s test results indicate she possesses a "great concern about the needs of other people. She sees herself as the caretaker of other people's needs and often doubts the competence of others in meeting them. She sees herself as on a mission and has an inflated sense of self importance. She strongly feels that she, and she alone is responsible for the happiness of not only herself and those that she cares about, but of all people," and "feels a strong need to protect her children from their father..."

G.B.'s psychological profile states, "...His particular profile suggests that he attempted to be seen in a favorable light and will also tend to minimize and overlook faults in himself. There is a high degree of defensiveness seen and a lack of insight into the impact of his behavior on others. People with scores similar to G.B.'s are often described as moody, changeable, opinionated and unstable. These people also tend to be rigid and inflexible and intolerant of the possibility of deviance in themselves..."

their father, "...the primary basis for my decision in this case is the inability of (P.O-D.) to foster a healthy, frequent and loving relationship with (G.B.)..."

P.O-D. has never claimed to be "the perfect parent" nor "the perfect human". She insists, like most parents, she was only doing what she thought was best for her children. "I'm only human," she professes, "We all make mistakes." Unfortunately, our governing bodies where children are involved no longer seem to allow or have tolerance for human error or misjudgments. No one ever told P. O-D. that giving her son enemas could result in allegations of sexual abuse because it requires penetrating the child's body. She wasn't aware that administering commercially available remedies to ill children is unlawful or abusive without obtaining a doctor's o.k. beforehand—even if the illness is of a reoccurring nature that has previously been diagnosed. Even so, she questions why the accusations center around her son while nothing seems to have been viewed wrongful about the administration of enemas to her daughter. Her son had either ulcerated colitis or food allergies as an infant resulting in extreme constipation according to his former pediatrician. When he was about seven, his doctor at that time recommended occasional enemas to relieve the child's migraine headaches caused by extreme constipation. Her daughter, who had been diagnosed as being allergic to milk products, also suffered from bouts with severe constipation. P. O-D. believes in good nutrition, herbs and enemas to relieve constipation lasting more than two or three days if her children start feeling ill because of these diagnosed conditions and the advice given by the children's doctors over time. "Parents know we are all human and this case has been blown out of proportion for what is supposed to be 'in the best interest of the child.' "

Custodial and single parents, even many couples, feel the pressure to be perfect without a precise definition as to what is to be considered perfect. A person accused of an abuse against a child by anyone is automatically presumed to be guilty despite the lack of any supportive evidence. As one attorney put it, "It's gotten in this country where the parent who accuses the other of sexual abuse first is the one who ends up with custody." Forget evidence. The word "abuse" is like raising a red flag attesting to the fact that a child is being "harmed". Many judges, prosecutors, court custody investigators, mental health workers and social workers seem to believe once someone—anyone— has uttered "the word" it is their duty not to seek the truth whereby justice can be done; but to find ways to justify at least among themselves of removing the child from the "harmful environment". The minds too often shut down; tunnel vision happens. The silent battle cry becomes "save the child!" rather than the careful weighing all available evidence to best determine what truly would be "in the best interest of the child." It's like they have all the real evidence required upon hearing the word, therefore, are in no need of any additional facts. Many times this leads to an envisioned need in some judges mind to discount or seek ways to discredit contrary information offered as a defense by the parent accused of abusing the child. Likewise, it can lead to the envisioned need to "white wash" the accuser's character. More often than not in child custody cases the accused parent comes to believe the scales of justice were tipped irreversibly in the others favor from the beginning.

"Thinking back," P. O-D. says, "It's like the judge decided the minute G.B. said he wanted the kids he should have them. And from then on there was nothing I could do to keep them or get them back and nothing he could do that would cause her to change her

# Local

Section  
B

B-2  
B-2  
3-4

6661 (Ext. 276)

Wednesday, July 28, 1993

## Emerging group critical of DFYS actions

By KATE RIPLEY  
Staff Writer

Out of control. Above the law. Accountable to no one.

These are phrases a new parent group uses to describe the state Division of Family and Youth Services, an agency of social workers and counselors that, among other things, tries to protect children from abuse and neglect in the home.

Some members of the group Concerned Parents for Reform go even further when describing perceived problems at the division: "DFYS will steal your children," one member said during a recent meeting in North Pole.

The group, about 15 active members, said the agency has a policy of "take the kids now, investigate later" by presuming the parents are always guilty.

"They're hiding behind confidentiality laws," said Mike Floto of Fairbanks, president of Concerned Parents. He argued that the agency lacks accountability to the public because it can hide behind laws that prohibit discussion of cases.

Many members of the group are parents on the losing end of custody battles. Some claim their children, or their children's school counselors, have filed false sexual or physical abuse reports. Some believe the state wrongfully took their children and placed them in foster care.

Mike Floto and his wife have been foster parents for the past three years. During that time, they saw caseworkers visit 15 times. Such workers, who are usually overwhelmed, cannot adequately oversee the foster-care program, they said.

The Flotos said a third party is needed to serve as a liaison between hurt and angry parents and social workers. An external audit of DFYS is needed as well, they said.

Since the group formed in April it has attracted the attention of Lt. Gov. Jack Coghill and Health and Social Services Commissioner Ted Mala. Mala, DFYS director Deborah Wing and the agency's northern region administrator, Ron Parker, met with the group last week at

North Pole City Hall.

Parents presented a slew of allegations and asked dozens of questions, but few answers came that night. Later, Mala said his division will listen to concerns, but vague accusations won't help.

"Any system that is a human system will always have different interpretations of rules and regulations," Mala said. "When you're dealing with a sensitive issue like your children, sometimes it's difficult to be objective."

But Mala said he wants a conference in Fairbanks before summer is over to bring together representatives of his division, the courts, and attorney general's office. Police officers and legislators also may attend, he said. If change within the department is warranted, it likely would become obvious during such a gathering, Mala said.

"Other than the Ten Commandments, everything is subject to change and updating," Mala said.

As far as Pat Obrist-Druck is concerned, the system must change. Obrist-Druck claims Fairbanks Superior Court Judge Niesje Stelnkruger this month wrongfully gave custody of her two children to their father, to whom she was never married. The judge allowed the father, who has been regularly unemployed in Fairbanks and supported himself and the children only on welfare payments, to take the children to California with him to live. The father hopes to find more regular work there through a union.

The children, now 8 and 10, lived with Obrist-Druck until October 1991, when the court awarded the father primary custody. The court made the award after sexual abuse allegations were leveled at Obrist-Druck. The state never filed charges, and Obrist-Druck denies the allegations.

"To this day, I still don't know what I did wrong," she said. "There are no rights for parents. We're trying to explain the truth."

Obrist-Druck said she doesn't have the money to appeal the court's latest custody ruling, and doesn't know where to turn.



Kolu Illinyi/Nova Minu

**CONCERNED PARENTS**—Mike and Jacklu Floto say it's time for a change at the state Division of Family and Youth Services. The couple, pictured here with their 16-year-old son James, helped organize a group calling itself Concerned Parents for Reform. The group believes the DFYS has overstepped its bounds, and is stepping on parents' toes.

Rep. Harley Olberg, R-Delta Junction, said residents of his district seem to have constant run-ins with DFYS.

"The clearest thing that stands out is the kids know how the system works and how to play the game," Olberg said. "False reporting gets them out of the home, or exaggerated reporting, perhaps."

Olberg said he doesn't support creating more laws, but a critical review of existing laws might help. Tina Barker of Fairbanks said existing laws are too liberal.

"The social worker has total control over the courtroom," Barker said. "Children are taught to use the system. If you can't get what you want, join the system."

Barker alleges a DFYS social worker encouraged her 12- and 14-year-old daughters to run away.

The children said Barker abused them, which Barker denies.

The girls currently are in foster care, per a court order. Barker said she has another hearing in October and hopes to get them back.

During the 1992 fiscal year, the latest for which statistics are available, the division received 11,500 reports of harm to children in the home, according to the division's annual report. The number translates into 63 alleged victims per 1,000 children; the national rate is 39 per 1,000.

Of those 11,500 reports, the division conducted investigations on 8,468 of them. Social workers substantiated 32 percent of those cases as abuse, neglect or abandonment, the annual report says.

Less than a third of the children in those substantiated cases are

taken away from parents.

Wing, the statewide DFYS director, said her division over the past 1½ years has shifted its emphasis from intervention to family preservation.

"We're trying to work with the entire family, not just one individual," Wing told Concerned Parents. "Change is not easy."

A child's safety is the division's ultimate goal, Wing said. "We had protection laws in place for animals before we had them for children," she said.

Mala said he wants to keep talking with Concerned Parents and hopes the group recommends specific changes.

"We can't change all the laws for one or two cases," he said. "In an organized society, you're stuck with the law, like it or not."



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on SB-323 , dated 4-15-94  
bill/subject

The cost of implementing SB323 is stated to be \$2.3 million. The McMartin case alone cost the State of California \$15,000,000 just to prosecute ( \$2.1 million/yr for 7 years). The defendants were acquitted. The lesson learned was not to respect citizens rights and liberty, but an envisioned need to "get around" such constraints which "hamper children protective services ability to act". The bottom line was that the Buckley's and other co-defendants were innocent of the suspicions despite efforts to rally emotional support for the contention. The cost of incarcerating the innocent Raymond Buckley for 5 yrs in AK today would be \$206,678.25; his mother's 3 yrs wiykd be \$123,964.95.

Somehow, confidentiality supposedly intended to shield minors ( according to the *Alaska Bluebook*) now shields bureaucratic drunken spending. Statistics in themselves threaten no particular individual. Even so, a layman can determine the crude mean cost to the state in civil court is \$3,190.73/case. Of the 8,466 investigated cases completed in FY92 only 42% are reported by DFYS to have been substantiated. This figure does not include the 22% of all cases rendered "invalid" at onset. 58%, or 4,892 cases provenly do not represent what AK legislatively considers to be of compelling state interest. If each case requires some form of "court action" the mean dictates a \$15,609,051.16 state expenditure. Of course, not every case does. But, somehow those that don't require "mental health therapy" as much as those who do. The state would seem to pay approximately \$50/session for an average 8 sessions which means approximately \$160,000 annually is spent convincing parent "the State" has a compelling interest where legislatively it doesn't.

Worse, of the 826 children placed in foster homes 93% were returned. Just considering that 58% were erroneous at onset that would be 479 X \$3,619.80 (ave 6 mos. where federal incentives stop), or \$1,733,884.20 in wasted foster care payments. Characteristically, what research shows is that DFYS is so concerned with collecting available dollars for worker benefit that its forgotten what its intended mission was all about. \$2.1 million/year for seven years to prosecute just one case shows just how far controllers will go at someone else's expense to win. In the long run what is 2.3 million compared to the pursuit of self-righteousness?

Signed: Harry B. Nicholas (Harry B. Nicholas)

Testifier

Representing (Optional)

P.O. Box 5604 Sitka, AK 99705

Address

**SFB**

**346**

# SENATE COMMITTEE REPORT

DATE: 4/5/94

FURTHER: Judiciary  
Finance

DATE TURNED INTO OFFICE: 5/2/94

HSS Committee considered SENATE BILL NO. 346

Charitable gaming

and recommends:

- replace with \_\_\_\_\_ CS SB 346 (HES)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

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

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

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

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
DOR	2/25/94	✓	
HSS - Pub Asst	2/30/94		✓
HSS - AFDC	3/30/94	✓	

Appropriation No Fiscal Note

**DO PASS:**

Loren A. Leman  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

Mike Miller No Rec  
Jim ... no Rec  
Scott ... N R  
\_\_\_\_\_  
\_\_\_\_\_

Steve Kim No Recommendation  
Chair: Signature and Recommendation

8-LS1642K ✓  
Luckhaupt  
4/18/94

CS FOR SENATE BILL NO. 346(HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act providing that charitable gaming permittees, operators, and vendors may  
2 not turn over a pull tab or bingo prize of \$50 or more to a person entitled  
3 to that prize unless the person presents proper picture identification, provides  
4 certain information to the permittee, operator, or vendor, and signs a receipt for  
5 the prize; and requiring the reporting of winners of prizes of \$50 or more to  
6 the Department of Health and Social Services to ensure that recipients of services  
7 provided by the Department of Health and Social Services are reporting charitable  
8 gaming winnings and are eligible for those services."

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

10 \* Section 1. AS 05.15.187(i) is amended to read:

11 (i) A permittee, operator, or registered vendor may not turn over a prize of \$50  
12 or more to a person with a pull-tab card entitling the person to that prize unless the

1 person presents proper picture identification, the permittee, operator, or vendor  
2 records the person's name and social security number or date of birth on a  
3 receipt for the prize, and the person signs the [A] receipt [FOR THE PRIZE] and  
4 returns the receipt to the permittee, operator, or vendor. The receipt must be in a form  
5 approved by the department. A copy of the receipt shall be given to the  
6 Department of Health and Social Services as required under AS 05.15.196(b).

7 \* Sec. 2. AS 05.15 is amended by adding a new section to read:

8 Sec. 05.15.196. IDENTIFICATION AND REPORTING OF WINNERS OF  
9 BINGO AND PULL-TAB PRIZES OF \$50 OR MORE. (a) Notwithstanding another  
10 provision of this chapter, a permittee, operator, or vendor may not turn over a prize  
11 of \$50 or more from a bingo game to a person entitled to that prize unless the person  
12 presents proper picture identification, the permittee, operator, or vendor records the  
13 person's name and social security number or date of birth on a receipt for the prize,  
14 and the person signs the receipt and returns it to the permittee, operator, or vendor.  
15 The receipt must be in a form approved by the department.

16 (b) A permittee, operator, or vendor shall provide copies of receipts required  
17 for prizes of \$50 or more from bingo games under this section and from pull-tab  
18 games under AS 05.15.187(i) to the Department of Health and Social Services at  
19 periods set by the Department of Health and Social Services.

20 \* Sec. 3. AS 44.29.020 is amended by adding a new subsection to read:

21 (b) The department shall review charitable gaming prize receipts for pull-tab  
22 and bingo games received under AS 05.15.196 to verify that recipients of services  
23 provided by the department are fully and completely reporting income received from  
24 charitable gaming activities and to ensure that those recipients are eligible for the  
25 services provided by the department.

Department of Revenue  
Bill Analysis

\*\*\*\*\*

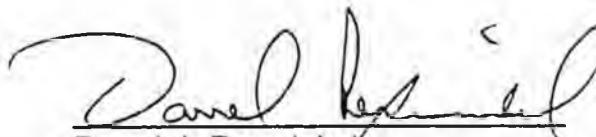
SB-346 "An Act requiring that charitable gaming permittees, operators, and vendors may not turn over a pull tab or bingo prize of \$50 or more to a person entitled to that prize unless the person provides certain information to the permittee, operator, or vendor and signs a receipt for the prize; requiring the reporting of winners of prizes of \$50 or more to the Department of Health and Social Services to ensure that recipients of services provided by the Department of Health and Social Services are reporting charitable gaming winnings and are eligible for those services."

\*\*\*\*\*

AS 05.15.187(i) already requires a person who wins \$50 or more from a pull tab game to complete a prize receipt on a form approved by the department. However, these prize receipts cannot require the winner to provide their social security number. Prize receipts are annually submitted to the Department of Revenue.

SB 346 would require prize receipts to include the person's name, social security number and date of birth. A copy of this receipt would then be furnished to the Department of Health and Social Services, who would use this information to discover whether recipients of public assistance are properly reporting winnings from charitable gaming activities. SB 346 expands prize receipting requirements to include bingo games.

3/29/94  
Date

  
Darrel J. Rexwinkel  
Commissioner

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. SB 346

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to charitable gaming and reports to DHSS BRU: Public Assistance Payments  
 Component: AFDC  
 Sponsor: Labor and Commerce Committee  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0220

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

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN
MISCELLANECUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>UNKNOWN</b>	<b>UNKNOWN</b>	<b>UNKNOWN</b>	<b>UNKNOWN</b>	<b>UNKNOWN</b>	<b>UNKNOWN</b>

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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**FUND SOURCE** (Thousands of Dollars)

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

**POSITIONS:**

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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Senate Bill 346 requires charitable gaming permittees, operators, and vendors to report bingo and pull-tab prizes of \$50.00 or more to the Department of Health and Social Services. Winners would be required to sign a receipt that included identifying information, and operators would be required to forward a copy of each receipt to DHSS. DHSS would be required to review the receipts submitted by the vendors, determine whether prizes had been reported by recipients of needs-based assistance, and take action to recover any assistance paid in error as a result of a recipient's failure to report winnings.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/30/94

Approved by Commissioner: Margaret R. Lowe  
 Agency: Department of Health & Social Services

Date: 3/30/94

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## ANALYSIS (cont.):

Bingo and pull-tab winnings count as income in public assistance programs. Public assistance recipients are required to report winnings to their eligibility worker, who takes action to make appropriate adjustments to their benefits. Failure to report bingo and pull-tab winnings is a significant potential cause of error in the administration of public assistance programs.

This legislation is aimed toward the problem of non-reporting of gaming prizes and would undoubtedly impact the accuracy of administration of assistance payments.

It is not possible to quantitatively assess the fiscal impact of this legislation on program costs. The savings that would be realized by discovery of unreported winnings could be offset by increased risk of federal fiscal sanctions if reports of winnings were received or processed too late to avoid overpayments. The Department has no information on which to assess the impact of this bill on each of the public assistance programs that would be effected. Savings in Food Stamp program costs are entirely federal. Federal fiscal sanctions are imposed if quality control error rates exceed federal targets for AFDC, Food Stamps, and Medicaid, even if the state discovers the errors and recovers the overpayments.

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. SB 346

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to charitable gaming and reports to DHSS BRU: Public Assistance Administration  
 Component: Eligibility Determination  
 Sponsor: Labor and Commerce Committee  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0236

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	410.3	492.6	492.6	492.6	492.6	492.6	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	44.0	52.8	52.8	52.8	52.8	52.8	
SUPPLIES	4.4	5.5	5.5	5.5	5.5	5.5	
EQUIPMENT	88.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANECUS							
<b>TOTAL OPERATING</b>	<b>546.7</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	235.0	236.9	236.9	236.9	236.9	236.9	
1003 GF Match	235.0	236.9	236.9	236.9	236.9	236.9	
1004 GF	76.7	77.1	77.1	77.1	77.1	77.1	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL</b>	<b>546.7</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	<b>550.9</b>	

POSITIONS:							
FULL-TIME	11	11	11	11	11	11	
PART-TIME	0	0	0	0	0	0	
TEMPORARY	0	0	0	0	0	0	

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Senate Bill 346 requires charitable gaming permittees, operators, and vendors to report bingo and pull-tab prizes of \$50 or more to the Department of Health and Social Services. Winners would be required to sign a receipt that includes identifying information, and operators would be required to forward a copy of each receipt to DHSS. DHSS would be required to review the receipts submitted by the vendors, determine whether the prizes had been reported by recipients of needs-based assistance, and take action to recover any assistance paid in error as a result of a recipient's failure to report winnings.

Prepared by: Jan L. Hansen, Director *Jan Hansen* Phone: 465-2680  
 Division: Division of Public Assistance Date: 3/30/94  
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. *Margaret R. Lowe* Date: 3/30/94  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):**

The large volume of unsorted reports of winnings produced by this legislation creates a need for administrative positions to sort the information, match it against caseload listings, and disseminate it to eligibility workers. Eligibility workers must then check each report to determine if the information has already been reported and take any necessary action on each case. If overpayments occur, claims specialists must establish and execute recovery claims.

**Assumptions:**

- This legislation is effective 9/1/94.
- There are 180,000 prizes of \$50 or more awarded annually (Based on Department of Revenue estimates).
- One Administrative Assistant position and two Clerk III positions will be needed to accept and review prize receipts, match the receipts against public assistance records, and notify DPA field staff of public assistance matches.
- There are approximately 31,000 households receiving public assistance each month.
- If 3100 prizes of \$50 or more are awarded to public assistance recipients each month, 3100 case actions by field staff will be required each month. One eligibility supervisor, 4 eligibility technicians, and one support clerk will be required for caseload administration.
- 2 new claims specialists will be needed to establish overpayment claims and take action to recover the funds.

**Calculations:**

FY 95 (Eligibility/Support Staff - 10 months)

1	Eligibility Tech IV	R16	43.3
1	Administrative Assistant	R16	43.3
1	Eligibility Tech III	R15	41.0
3	Eligibility Tech II	R14	127.0
2	Eligibility Tech 1 (Claims Specialists)	R13	71.8
3	Clerk III	R08	83.9
	Equipment		88.0
	Supplies		4.4
	Office Space		<u>44.0</u>
	Total		546.7

## ANALYSIS (cont.):

FY 96 through FY00 (Eligibility/Support Staff - 12 months)

1	Eligibility Tech IV	R16	52.0
1	Administrative Assistant	R16	52.0
1	Eligibility Tech III	R15	49.2
3	Eligibility Tech II	R14	152.5
2	Eligibility Tech 1 (Claims Specialists)	R13	86.2
3	Clerk III	R08	100.7
	Supplies		5.5
	Office Space		<u>52.8</u>
	Total		550.9

Position Title Eligibility Technician IV		No. of Positions 1	Range/Step R16	Bargaining Unit SS
Time Status FT	Staff Months 10 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		43.3		
Benefits				
Premium Pay				
Other				
Total Personal Services		43.3		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
Total Cost		55.7		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	24.0		
1003	GF Match	24.0		
1004	General Fund	7.7		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification This is the eligibility supervisor position needed to supervise the additional eligibility workers who will administer the additional case processing workload produced by SB 346.				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY95**

Position Title Administrative Assistant		No. of Positions 1	Range/Step R16	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		43.3		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>43.3</b>		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
<b>Total Cost</b>		<b>55.7</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	23.9		
1003	GF Match	23.9		
1004	General Fund	7.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>This administrative assistant position is the lead worker needed to accept and review prize receipt information, match it against caseload listings, and disseminate it to eligibility workers.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1  
 Revised Date:

**FY95**

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		41.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		41.0		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
Total Cost		53.4		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	23.0		
1003	GF Match	23.0		
1004	General Fund	7.4		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification  This is the eligibility lead worker/case worker needed to administer the additional case processing workload produced by SB 346.				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1  
 Revised Date:

**FY95**

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		38.1		
Benefits				
Premium Pay				
Other				
Total Personal Services		38.1		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
Total Cost		50.5		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	21.7		
1003	GF Match	21.7		
1004	General Fund	7.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification  This eligibility case worker position is needed to administer the additional case processing workload produced by SB 346.				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY95**

Position Title <b>Eligibility Technician I</b>		No. of Positions <b>2</b>	Range/Step <b>R13</b>	Bargaining Unit <b>GGU</b>
Time Status <b>FT</b>	Staff Months <b>10 months</b>	Location <b>Juneau</b>		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		71.8		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>71.8</b>		
Travel				
Contractual		8.0		
Commodities		0.8		
Equipment		16.0		
Other				
<b>Total Cost</b>		<b>96.6</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	41.5		
1003	GF Match	41.5		
1004	General Fund	13.6		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>These eligibility claims specialist positions are needed to establish overpayment claims and take action to recover the funds.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY95**

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Fairbanks		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		38.1		
Benefits				
Premium Pay				
Other				
Total Personal Services		38.1		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
Total Cost		50.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	21.7		
1003	GF Match	21.7		
1004	General Fund	7.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification  This eligibility case worker position is needed to administer the additional case processing workload produced by SB 346.				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1  
 Revised Date:

**FY95**

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Bethel		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		50.8		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>50.8</b>		
Travel				
Contractual		4.0		
Commodities		0.4		
Equipment		8.0		
Other				
<b>Total Cost</b>		<b>63.2</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	27.2		
1003	GF Match	27.2		
1004	General Fund	8.8		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification  This eligibility case worker position is needed to administer the additional case processing workload produced by SB 346.				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1  
 Revised Date:

**FY95**

Position Title Clerk III		No. of Positions 3	Range/Step R08	Bargaining Unit GGU
Time Status FT	Staff Months 10 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		83.9		
Benefits				
Premium Pay				
Other				
Total Personal Services		83.9		
Travel				
Contractual		12.0		
Commodities		1.2		
Equipment		24.0		
Other				
Total Cost		121.1		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	52.0		
1003	GF Match	52.0		
1004	General Fund	17.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Two clerical support positions are needed to accept and review prize receipt information, match it against caseload listings, and disseminate it to eligibility workers.</p> <p>One clerical support position is needed to support the additional case worker positions needed to administer the additional case processing workload produced by SB 346.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY95**

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. SB 346

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: "An Act requiring charitable gaming permittees, operators & vendors BRU: Revenue Operations  
to report prize winners of \$50 or more to Health & Social Services ..." Component: Charitable Gaming Division  
 Sponsor: Senator Kelly  
 Requestor: Senate Labor and Commerce COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229  
 Division: Charitable Gaming Division Date: March 25, 1994  
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: March 25, 1994  
 Agency: Department of Revenue

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March 29, 1994

TO: Sen. Tim Kelly  
State Capital, Room 101  
Juneau, Alaska 99801

The intent and purpose of SB346 is to curb the extensive welfare fraud taking place in the Anchorage Bingo Halls and Pull Tab Parlors.

At the present time when a welfare recipient wins a prize up to \$1,000.00, they sign the "Prize Receipt" with a phony name and social security number. Four of the seven Anchorage Bingo Halls condone and urge this practice, so the top gaming winners in the State appear to be Walter Hickel, Minnie Mouse, Daffy Duck and Hillary Clinton.

I play Bingo because I'm a Senior Citizen and I'm entitled. I've also been doing it in Alaska for over 50 years, so I hope I know what I'm talking about.

I've talked to a great many of the welfare recipients in the Bingo Halls, I like a lot of them, but I don't like what they're doing. I've had them tell me how they moved to Alaska just for the welfare benefits. I've heard young women say they need to get pregnant again soon to get more money. These are not just isolated cases. I'd say there is close to 5,000 welfare abusers in Anchorage alone, and it's not right, just as it's not right that a woman from Arkansas, dressed in her David Green mink, wins \$1,000.00, signs the prize receipt as Hillary Clinton, goes out and gets in her new car, drives to Safeway, picks up a couple of filets and some asparagus for dinner and pays with food stamps when she's got that \$1,000.00 Bingo win in her purse.

At this time of the month when the welfare checks come out, the recipients will clog the Bingo Halls until they have either lost everything and try to borrow money for necessities, or they hit big and buy new cars or go on trips.

SB346 will require a photo I.D. for any prize over \$100.00 and require that the Division of Gaming provide copies of the prize receipts to the Division of Health and Social Services, and for the amounts won to be deducted from a welfare recipients "dole". The abuses should, at least be severely curtailed, and should save the State at least enough money to hire a few more investigators in the Division of Gaming.

- LTR FROM SASHA HUGHES -

I realize a few legislators (with D's after their names) want  
 Alaska to be a welfare state, but I don't and I've been here longer  
 than all of them.

Bingo is a great game. It was invented by the Catholic Church  
 and perfected by the Indians and it doesn't need to be supported by  
 the great Alaska welfare system.

L (Sasha) Hughes  
 562-1189  
 Fax 276-0194

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IRST COMMITTEE OF REFERRAL

DATE: 3/24/94

FURTHER: Judiciary  
Finance

Date of 5-Day Notice: 3/24/94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/7/94

HESS Committee considered SB 367

Relating to health care and insurance for health care; to rates and rating factors and civil actions against health care providers; amending Alaska Rules of Civil Procedure and Evidence; etc.

and recommends:

replace with \_\_\_\_\_ CS SB 367 (HES)

same title  
 new title  
 technical title change (HB only)

attaches amendment(s)

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

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

do pass

do not pass

no recommendation

individual recommendations

*forthcoming  
FV from  
HSS or Gov.*

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
Revenue	3/25/94		✓

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

Mike Miller

OTHER RECOMMENDATIONS:

*Alaska - Do NOT PASS*  
*Ellis - Do Not Pass - constitutionally flawed & not comprehensive*  
*Gov. Thompson - No Rec*  
*J. Drew - Amend to limit basic plan to non-elective procedure*

Steve [Signature]  
Chair: Signature and Recommendation

8-LS1498K ✓

Ford

4/6/94

CS FOR SENATE BILL NO. 367(HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to health care and insurance for health care; to review and  
2 approval of health insurance rates and rating factors; relating to certain civil  
3 actions against health care providers; to coordination of insurance benefits and  
4 to determination and disclosure of fees paid to an insured or health care  
5 provider; relating to the offense of operating a commercial motor vehicle while  
6 intoxicated and the offense of operating a motor vehicle, aircraft, or watercraft  
7 while intoxicated; relating to presumptions arising from the amount of alcohol in  
8 a person's breath or blood; relating to the rate of interest on certain judgments  
9 and decrees; to excise taxes on cigarettes; amending Alaska Rules of Civil  
10 Procedure 26, 27, 68, 79, and 82 and Alaska Rules of Evidence 802, 803, and  
11 804; repealing Alaska Rule of Civil Procedure 72.1; and providing for an effective  
12 date."

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

2 \* Section 1. AS 08.64.326 is amended to read:

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

6 (1) secured a license through deceit, fraud, or intentional  
7 misrepresentation;

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

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

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

13 (A) a felony or other crime if the felony or other crime is  
14 substantially related to the qualifications, functions, or duties of the licensee;  
15 or

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

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

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

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

25 (8) has demonstrated

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

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

- 1 (C) unfitness because of physical or mental disability;  
2 (9) engaged in unprofessional conduct or in lewd or immoral conduct  
3 in connection with the delivery of professional services to patients;  
4 (10) has violated AS 18.16.010;  
5 (11) has violated any code of ethics adopted by regulation by the board;

6 or

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

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

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

19 \* Sec. 2. AS 08.68.270 is amended to read:

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

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

24 (2) has been convicted of a felony or other crime if the felony or other  
25 crime is substantially related to the qualifications, functions or duties of the licensee;

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

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

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

31 (6) practices or attempts to practice nursing while afflicted with

1 physical or mental illness, deterioration, or disability that interferes with the  
2 individual's performance of nursing functions;

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

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

7 (9) is professionally incompetent [;

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

12 \* Sec. 3. AS 09.10 is amended by adding a new section to read:

13 Sec. 09.10.065. LIMITATION ON ACTIONS BY CERTAIN MINORS  
14 AGAINST HEALTH CARE PROVIDERS. (a) Notwithstanding AS 09.10.140, an  
15 action based on professional negligence may not be brought against a health care  
16 provider by a person who is, on the date of the alleged negligent act or omission less  
17 than two years of age, unless the action is brought before the person's eighth birthday.

18 (b) The limitation imposed under (a) of this section is tolled during any period  
19 in which there exists

20 (1) fraud, including fraud or collusion by a parent, guardian, insurer,  
21 or health care provider, resulting in the failure to bring an action on behalf of an  
22 injured minor;

23 (2) intentional concealment; or

24 (3) the undiscovered presence of a foreign body, that has no therapeutic  
25 or diagnostic purpose or effect, in the body of the injured person and the action is  
26 based on the presence of the foreign body.

27 (c) In this section,

28 (1) "health care provider" has the meaning given in AS 21.58.400;

29 (2) "professional negligence" means a negligent act or omission by a  
30 physician in rendering professional services;

31 (3) "professional services" means services provided by a health care

1 provider that are within the scope of services for which the health care provider is  
2 licenscd, and that are not prohibited under the health care provider's license or by a  
3 hospital in which the health care provider practices.

4 \* Sec. 4. AS 09.30.070(a) is amended to read:

5 (a) The rate of interest on judgments and decrees for the payment of money  
6 is equal to the 12th Federal Reserve district discount rate as determined under  
7 AS 45.45.010(b) [10.5 PERCENT A YEAR], except that a judgment or decree founded  
8 on a contract in writing, providing for the payment of interest until paid at a specified  
9 rate not exceeding the legal rate of interest for that type of contract, bears interest at  
10 the rate specified in the contract if the interest rate is set out in the judgment or decree.

11 \* Sec. 5. AS 09.55.535 is repealed and reenacted to read:

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

15 (b) When a claim is submitted as required by (a) of this section, the court shall  
16 determine if the parties can agree on an arbitrator to review the claim. If the parties  
17 agree on an arbitrator, the court shall appoint that person to review the claim. If  
18 within 30 days after the filing of an answer to the complaint the parties have not  
19 agreed on an arbitrator, the court shall appoint an arbitrator to review the claim. The  
20 arbitrator appointed to review the claim shall interview the parties and examine all  
21 records or materials relating to the claim and may compel the attendance of witnesses,  
22 interview the parties, or consult with medical specialists.

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

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

30 (e) If the decision of the arbitrator is rejected by a party, the action may  
31 proceed in the appropriate court. The arbitrator's decision is admissible evidence in

1 that action and may be used by a party to support or oppose a claim of damages.

2 (f) A party that rejects the arbitrator's decision, proceeds in court as provided  
3 under (e) of this section, and obtains a final judgment that is not more favorable to that  
4 party than the arbitrator's decision, shall pay the opposing party's actual costs and  
5 attorney fees incurred during the court proceeding and may not be awarded its own  
6 costs or attorney fees. This subsection

7 (1) does not apply to costs or attorney fees incurred in an appeal of  
8 a court decision; and

9 (2) applies notwithstanding a different result required by an Alaska  
10 Rule of Civil Procedure relating to an offer of judgment.

11 (g) The provisions of AS 09.43.010 - 09.43.180 (Uniform Arbitration Act)  
12 apply to an arbitration under this section, if the provisions do not conflict with the  
13 provisions of this section.

14 \* Sec. 6. AS 09.55.536 is amended to read:

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

26 (b) The expert advisor [ADVISORY PANEL] may compel the attendance of  
27 witnesses, interview the parties, physically examine the injured person if alive, consult  
28 with the specialists or learned works they consider appropriate, and compel the  
29 production of and examine all relevant hospital, medical, or other records or materials  
30 relating to the health care in issue. The advisor [PANEL] may meet in camera, but  
31 shall maintain a record of any testimony or oral statements of witnesses, and shall keep

1 copies of all written statements received [IT RECEIVES].

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

5 (1) What was the disorder for which the plaintiff came to medical care?

6 (2) What would have been the probable outcome without medical care?

7 (3) Was the treatment selected appropriate for the case?

8 (4) Did an injury arise from the medical care?

9 (5) What is the nature and extent of the medical injury?

10 (6) What specifically caused the medical injury?

11 (7) Was the medical injury caused by unskillful care?

12 (8) If a medical injury had not occurred, how would the plaintiff's  
13 condition differ from the plaintiff's present condition?

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

30 (e) The report of the advisor [PANEL WITH ANY DISSENTING OR  
31 CONCURRING OPINION] is admissible in evidence to the same extent as though its

1 contents were orally testified to by the person or persons preparing it. The court shall  
2 delete any portion that would not be admissible because of lack of foundation for  
3 opinion testimony, or otherwise. Either party may submit testimony to support or refute  
4 the report. The jury shall be instructed in general terms that the report shall be  
5 considered and evaluated in the same manner as any other expert testimony. The  
6 expert advisor [ANY MEMBER OF THE PANEL] may be called by any party and  
7 may be cross-examined as to the contents of the report [OR OF THAT MEMBER'S  
8 DISSENTING OR CONCURRING OPINION].

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

14 (g) The expert advisor is [MEMBERS OF A PANEL ARE] entitled to a fee  
15 of \$500 and travel expenses and per diem in accordance with state law pertaining to  
16 members of boards and commissions for all time spent in preparing its report. If an  
17 advisor [A PANEL MEMBER] is called upon as a witness at trial or upon deposition,  
18 the advisor [MEMBER] is entitled to payment of an expert witness fee, which may  
19 not exceed \$300 [\$150] per day. All expenses incurred by the advisor [PANEL] shall  
20 be paid by the court. However, in any case in which the court determines that a party  
21 has made a patently frivolous claim or a patently frivolous denial of liability, it shall  
22 order that all costs of the expert advisor [ADVISORY PANEL] be borne by the party  
23 making that claim or denial.

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

28 \* Sec. 7. AS 21.51 is amended by adding a new section to read:

29 Sec. 21.51.350. PREMIUM RATES AND RATING FACTORS. (a) A  
30 disability insurer

31 (1) shall file with the director rates or rating factors for disability

1 insurance at least 90 days before the intended effective date of the rate or rating factor;  
2 and

3 (2) may not use a rate or rating factor that has not been filed with the  
4 director as required under this subsection.

5 (b) A rate or rating factor not disapproved by the director before the intended  
6 effective date of the rate or rating factor is considered approved by the director.

7 \* Sec. 8. AS 21 is amended by adding a new chapter to read:

8 CHAPTER 58. HEALTH CARE.

9 Sec. 21.58.010. REQUIRED AVAILABILITY OF PRICE LIST. A health care  
10 provider shall prepare a list of the provider's prices that includes the dates during  
11 which the prices will be applicable. The price list shall be made available either by  
12 posting the price list in a conspicuous location in the health care provider's office or  
13 by similarly posting a notice that the price list is available for review upon request.  
14 The contents of the price list required under this section must include the provider's  
15 40 most commonly provided health care services or those health care services provided  
16 more than five times in a calendar year, whichever would result in a shorter price list  
17 of health care services.

18 Sec. 21.58.020. HEALTH CARE DATA SYSTEM. (a) The Department of  
19 Commerce and Economic Development shall develop and periodically update a health  
20 care data system. To the extent practicable, the data system base year shall be  
21 calendar year 1995 and the system may include

22 (1) health care expenditures, including capital expenditures associated  
23 with receiving health care;

24 (2) demographic data;

25 (3) clinical information, including patient diagnosis, type of provider,  
26 type of service, location and length of care, referral patterns, quality of care, and result  
27 of care;

28 (4) billing and payment data; and

29 (5) public health data, including vital statistics and health status.

30 (b) The commissioner may, by regulation, require health care providers to  
31 submit claims data and additional information necessary to develop or update the data

1 system required under (a) of this section.

2 (c) The commissioner may pursue waivers from applicable federal law or from  
3 federal agencies to the extent necessary to maximize the collection and analysis of  
4 health care data.

5 (d) Information and data obtained or produced by the director under this  
6 section are subject to the disclosure requirements and exceptions of AS 09.25.110 and  
7 09.25.120 and the regulations adopted under those statutes. Information or data  
8 identifying a recipient of health care services is considered to be a medical and related  
9 public health record subject to the exception to public inspection under AS 09.25.120  
10 and, except as provided under (e) of this section, shall be kept confidential as a matter  
11 of law. A person who wrongfully discloses or who uses or permits the use of  
12 confidential information or data in violation of this subsection is guilty of a class B  
13 misdemeanor.

14 (e) Information or data regarding health care services

15 (1) may be disclosed in an aggregate form that does not identify an  
16 individual recipient; and

17 (2) that identify an individual recipient may be disclosed to a health  
18 care provider, if the individual recipient has agreed to release the information or data.

19 Sec. 21.58.030. UNIFORM DATA AND PROCEDURES FOR HEALTH  
20 CLAIMS. (a) The director shall adopt by regulation uniform claims forms, uniform  
21 standards, and uniform procedures for the processing of data relating to billing for and  
22 payment of health care services provided to residents of the state. A health insurance  
23 company shall comply with the uniform claims forms, standards, and procedures  
24 established under this section.

25 (b) The director shall ensure that other regulations adopted by the director  
26 under this title that apply to a health insurer are not in conflict or inconsistent with  
27 regulations adopted under (a) of this section.

28 Sec. 21.58.040. APPROPRIATIONS. The legislature may appropriate a  
29 portion of the proceeds of the tax on insurance premiums collected under  
30 AS 21.09.210 to pay the administrative costs of this chapter.

31 Sec. 21.58.400. DEFINITIONS. In this chapter,

1 (1) "commissioner" means the commissioner of commerce and  
2 economic development;

3 (2) "health care provider" means an acupuncturist licensed under  
4 AS 08.06; an audiologist licensed under AS 08.11; a chiropractor licensed under  
5 AS 08.20; a dental hygienist licensed under AS 08.32; a dentist licensed under  
6 AS 08.36; a marital or family therapist licensed under AS 08.63; a direct-entry  
7 midwife certified under AS 08.65; a nurse licensed under AS 08.68; a dispensing  
8 optician licensed under AS 08.71; a naturopath licensed under AS 08.45; an  
9 optometrist licensed under AS 08.72; a pharmacist licensed under AS 08.80; a physical  
10 therapist or occupational therapist licensed under AS 08.84; or a physician's assistant  
11 certified under AS 08.64; a physician licensed under AS 08.64; a podiatrist; a  
12 psychologist and a psychological associate licensed under AS 08.86; a clinical social  
13 worker licensed under AS 08.95; an emergency medical technician certified under  
14 AS 18.08.082; a mobile intensive care paramedic trained as required under  
15 AS 18.08.082; a health maintenance organization as defined in AS 21.86.900; a  
16 hospital or medical service corporation as defined in AS 21.87.330; a hospital as  
17 defined in AS 18.20.130, including a governmentally owned or operated hospital; and  
18 an employee of a health care provider acting within the course and scope of  
19 employment;

20 (3) "health care services" means preventive, diagnostic, medical,  
21 surgical, reproductive, psychiatric, psychologic, rehabilitative, health maintenance,  
22 dental, podiatric, optometric, optical, audiologic, nutritive, and chiropractic care;  
23 prescription drugs, laboratory and radiologic services, medical supplies, durable  
24 medical equipment and devices; personal assistance services; inpatient and outpatient  
25 care; home health care; hospice care; and long-term or institutional care;

26 (4) "health insurance" means an individual or group contract or other  
27 plan providing coverage of health care services that is issued by the corporation or by  
28 a health insurance company, a hospital service corporation, a medical service  
29 corporation, or a health maintenance organization; "health insurance" includes disability  
30 insurance under AS 21.12.050;

31 (5) "health insurance company" means an insurer that is authorized to

1 transact health insurance.

2 \* Sec. 9. AS 21.86.070(g) is amended to read:

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

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

7 Sec. 21.86.075. PREMIUM RATES AND CHARGES. (a) A health  
8 maintenance organization

9 (1) shall file with the director rates, rating factors, premiums, fees for  
10 services, and enrollee fees, including a change to a rate, rating factor, premium, or fee,  
11 used in providing health care services to enrollees of the health maintenance  
12 organization; a filing required under this paragraph must be made at least 90 days  
13 before the intended effective date of the filing; and

14 (2) may not use a rate, rating factor, premium, or fee that has not been  
15 filed with the director as required under this subsection.

16 (b) A filing under this section not disapproved by the director before its  
17 intended effective date is considered approved by the director.

18 \* Sec. 11. AS 21.86.260(a) is amended to read:

19 (a) Except as provided in AS 21.56, AS 21.89.100 - 21.89.120, and in this  
20 chapter, this title does not apply to a health maintenance organization that obtains a  
21 certificate of authority under this chapter. This subsection does not apply to an insurer  
22 licensed under AS 21.09 or a hospital or medical service corporation licensed under  
23 AS 21.87 except with respect to its health maintenance organization activities  
24 authorized by and regulated under this chapter.

25 \* Sec. 12. AS 21.87.190 is repealed and reenacted to read:

26 Sec. 21.87.190. RATES AND CHARGES. (a) A service corporation

27 (1) shall file with the director subscription rates, rating factors, fees,  
28 and payment charges, including a change to a rate, rating factor, fee, or payment  
29 charge, to be charged to or on account of the service corporation's subscribers; a filing  
30 required under this paragraph must be made at least 90 days before the intended  
31 effective date of the filing; and

1 (2) may not use a rate, rating factor, fee, or payment charge that has  
2 not been filed with the director as required under this subsection.

3 (b) A filing under this section not disapproved by the director before its  
4 intended effective date is considered approved by the director.

5 \* **Sec. 13.** AS 21.87.340 is amended to read:

6 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the  
7 provisions contained or referred to previously in this chapter, the following chapters  
8 and provisions of this title also apply with respect to service corporations to the extent  
9 applicable and not in conflict with the express provisions of this chapter and the  
10 reasonable implications of the express provisions, and for the purposes of the  
11 application the corporations shall be considered to be mutual "insurers":

12 (1) AS 21.03;

13 (2) AS 21.06;

14 (3) AS 21.09, except AS 21.09.090;

15 (4) AS 21.18.010;

16 (5) AS 21.18.030;

17 (6) AS 21.18.040;

18 (7) AS 21.18.120;

19 (8) AS 21.21.321;

20 (9) AS 21.36;

21 (10) AS 21.42.345 - 21.42.365, 21.42.375, 21.42.380, and 21.42.385;

22 (11) AS 21.51.120;

23 (12) AS 21.53;

24 (13) AS 21.54.020;

25 (14) AS 21.56;

26 (15) AS 21.69.400;

27 (16) AS 21.69.520;

28 (17) AS 21.69.600, 21.69.620, and 21.69.630;

29 (18) AS 21.78;

30 (19) AS 21.89.040;

31 (20) AS 21.89.060 and 21.89.100 - 21.89.120;

1 (21) AS 21.90.

2 \* Sec. 14. AS 21.89 is amended by adding new sections to read:

3 Sec. 21.89.100. REQUIRED PROVISIONS REGARDING COORDINATION  
4 OF BENEFITS. (a) When an insured has coverage under two or more plans that  
5 provide for coordination of benefits, the coverage from those plans must be  
6 coordinated so that the insured receives the maximum allowable benefit from each  
7 plan. The aggregate benefit should be more than that offered by any of the plans  
8 individually, but the insured may not receive more than the total of the charges for the  
9 health care services received.

10 (b) A plan that provides for coordination of benefits must contain a provision  
11 that

12 (1) discloses that coordination of benefits applies when the insured has  
13 health care coverage under more than one plan;

14 (2) states what benefits from the plan and other sources are recognized  
15 under the coordinating provision and that indicates if one or more plan benefits are  
16 exempt from the coordinating provision;

17 (3) states what health care expenses are allowable and what health care  
18 expenses are excluded under the coordinating provision;

19 (4) states the claim period to be used in applying the coordinating  
20 benefits provision; a claim period may not be less than 12 months, but may exclude  
21 a period before coverage starts or after coverage ends;

22 (5) indicates the manner in which benefits are reduced by coordination;  
23 a reduction in benefits is subject to the following order of benefit provisions:

24 (A) plan benefits applicable to an insured as an employee,  
25 member, or subscriber, and also as a dependent, are first determined as benefits  
26 applicable to the insured as employee, member, or subscriber;

27 (B) if a minor is eligible for benefits as a dependent of more  
28 than one insured, the plan of the insured whose date of birth falls earlier in the  
29 year is applied first, unless a different order of application is required by a  
30 court;

31 (C) benefits not determined under this paragraph that are

1 applicable under more than one plan are determined under that plan applicable  
2 to the insured for the longer period of time;

3 (D) when one of the plans is a medical plan and the other is a  
4 dental plan, and a determination cannot be made under the provisions of (A) -  
5 (C) of this paragraph, the medical plan shall be considered as the primary  
6 coverage;

7 (E) if under the provisions of (A) - (D) of this paragraph the  
8 plan is secondary to another source of benefits, the benefits of the plan may not  
9 be reduced unless the sum of benefits payable for allowable expenses and the  
10 benefits payable for allowable expenses under the other source exceed the  
11 allowable expenses in a claim determination period;

12 (6) provides that the insurer has the right to receive and to release  
13 information necessary to expedite a claim payment when coordinating benefits;

14 (7) allows the insurer to make a payment necessary to repay another  
15 insurer for a payment that should have been made under the policy applicable to the  
16 insured; and

17 (8) gives the insurer the right to recover excess payments from the  
18 insured paid to another insurer providing benefits to the insured.

19 (c) In coordinating benefits from a plan that contractually reduces the fees for  
20 services that participating health care providers accept as payment in full, the following  
21 rules apply:

22 (1) when the reduced fee plan is the primary coverage and treatment  
23 is provided by a participating health care provider, the reduced fee is that health care  
24 provider's full fee: a secondary plan shall pay the lesser of its allowed benefit or the  
25 difference between the primary plan's benefit and the reduced fee;

26 (2) when the reduced fee plan is the primary coverage and treatment  
27 is provided by a nonparticipating health care provider, the reduced fee plan shall  
28 provide its allowed amount for nonparticipating health care providers and the  
29 secondary plan shall pay the lesser of

30 (A) its allowed benefit for the service;

31 (B) the difference between the primary plan's benefits for the

1 service and the health care provider's full fee;

2 (3) when a full fee plan is the primary coverage and a reduced fee plan  
3 is secondary coverage, the full fee plan shall provide its allowed amount for the  
4 service and the secondary plan shall pay the lesser of its allowed benefit for the service  
5 or the difference between the primary plan's benefits and the health care provider's full  
6 fee.

7 (d) In coordinating benefits between an indemnity and a capitation plan, the  
8 following rules apply:

9 (1) when the capitation plan is the primary coverage, the capitation  
10 payments to the treating health care provider remain the capitation plan's usual  
11 benefits; the indemnity plan shall pay benefits for the patient's surcharges or  
12 copayments up to the indemnity plan's allowable benefit;

13 (2) when the indemnity plan is the primary coverage and treatment is  
14 received from a health care provider who is participating in a capitation plan, the  
15 indemnity plan shall pay its allowable benefits; the capitation payments to the health  
16 care provider are secondary coverage;

17 (3) when the indemnity plan or policy is the primary coverage, and  
18 treatment is received from a health care provider who is not participating in a  
19 capitation plan, the indemnity plan shall pay its allowable benefits; the capitation plan  
20 shall pay benefits, in keeping with the capitation plan's allowed amount for treatment  
21 by nonparticipating health care providers;

22 (4) a plan may not contractually direct a health care provider to charge  
23 a secondary insurer for more than the amount that would be charged to the insured  
24 absent secondary coverage.

25 (e) A certificate indicating insurance coverage must contain a summary of the  
26 provisions in this section regarding coordination of benefits.

27 Sec. 21.89.110. DETERMINATION AND DISCLOSURE OF USUAL,  
28 CUSTOMARY, AND REASONABLE FEES. An insurer who pays a claim under a  
29 disability policy or an indemnity under a group or blanket disability insurance policy,  
30 a health maintenance organization that adopts a schedule of charges, or a hospital or  
31 medical service corporation that pays a subscriber or compensates a health care

1 provider on the basis of a usual, customary, or reasonable fee or charge shall

2 (1) maintain and use a statistically credible profile of fees of health care  
3 providers in this state on which to base payment of the claim; the profile must (A) be  
4 updated at least once every six months and may not contain fees for services  
5 performed more than one year before the date of the most recent profile; (B) contain  
6 fees for the geographic area in which a claimant might receive treatment; and (C) may  
7 not include fees clearly marked "DO NOT PROFILE"; if statistically credible data for  
8 a particular health care service in a certain geographic area does not exist, the insurer  
9 may include in the profile a sufficient number of fees for that service from another  
10 geographic area in order to establish a reliable data base; however, the final basis for  
11 payment must be adjusted to reflect the general cost difference between the geographic  
12 area where the service was performed and the other geographic area used in  
13 establishing the statistically credible profile; the adjustment may be based upon the  
14 Consumer Price Index, the medical care component of the Consumer Price Index, or  
15 a reasonable basis stated in writing and determined acceptable by the director;

16 (2) respond within 15 working days after receiving a written request  
17 from an insured, a health care provider with a valid assignment of payments, or a  
18 health care provider engaged to provide services under a professional services contract,  
19 with a full written disclosure of the methods employed under (1) of this section that  
20 resulted in the difference between the amount paid on a claim for benefits and the  
21 actual charges submitted; and

22 (3) disclose in a proposal for insurance, a policy of insurance, a  
23 certificate of insurance, an employee benefit description or supplemental document, or  
24 a professional service contract between an insurer and a health care provider

25 (A) the frequency with which the insurer determines the usual,  
26 customary, and reasonable fee;

27 (B) a general description of the methodology used to determine  
28 the usual, customary, and reasonable fee;

29 (C) the percentile of usual, customary, and reasonable fees at  
30 which the insurer will reimburse the insured, or the contract health care  
31 provider.

1           Sec. 21.89.120. DEFINITIONS FOR AS 21.89.100 - 21.89.120. In  
2 AS 21.89.100 - 21.89.120,

3           (1) "health care provider" has the meaning given in AS 21.58.400;

4           (2) "health care service" has the meaning given in AS 21.87.330;

5           (3) "pian" means a group or blanket disability policy issued under  
6 AS 21.54, small employer coverage issued under AS 21.56, evidence of coverage  
7 issued under AS 21.86, or a subscriber contract issued under AS 21.87;

8           (4) "professional services contract" includes a contract for professional  
9 services between a health care provider and insurer or health maintenance corporation,  
10 and a service contract between a health care provider and a hospital or medical service  
11 corporation;

12           (5) "service corporation" has the meaning given in AS 21.87.330.

13 \* Sec. 15. AS 28.33.030(a) is amended to read:

14           (a) A person commits the crime of operating a commercial motor vehicle while  
15 intoxicated if the person operates a commercial motor vehicle

16           (1) while under the influence of intoxicating liquor or any controlled  
17 substance;

18           (2) when, as determined by a chemical test taken within four hours  
19 after the alleged offense was committed, there is at the time the test is taken 0.04  
20 percent or more by weight of alcohol in the person's blood or 40 milligrams or more  
21 of alcohol per 100 milliliters of blood, or when there is 0.04 grams or more of alcohol  
22 per 210 liters of the person's breath; or

23           (3) while under the combined influence of intoxicating liquor and a  
24 controlled substance.

25 \* Sec. 16. AS 28.35.030(a) is amended to read:

26           (a) A person commits the crime of driving while intoxicated if the person  
27 operates or drives a motor vehicle or operates an aircraft or a watercraft

28           (1) while under the influence of intoxicating liquor, or any controlled  
29 substance;

30           (2) when, as determined by a chemical test taken within four hours  
31 after the alleged offense was committed, there is at the time the test is taken 0.08

1 [0.10] percent or more by weight of alcohol in the person's blood or 80 [100]  
2 milligrams or more of alcohol per 100 milliliters of blood, or when there is 0.08 [0.10]  
3 grams or more of alcohol per 210 liters of the person's breath; or

4 (3) while the person is under the combined influence of intoxicating  
5 liquor and a controlled substance.

6 \* Sec. 17. AS 28.35.033(a) is amended to read:

7 (a) Upon the trial of a civil or criminal action or proceeding arising out of acts  
8 alleged to have been committed by a person while operating or driving a motor vehicle  
9 or operating an aircraft or a watercraft while intoxicated, the amount of alcohol in the  
10 person's blood or breath at the time alleged shall give rise to the following  
11 presumptions:

12 (1) If there was 0.04 [0.05] percent or less by weight of alcohol in the  
13 person's blood, or 40 [50] milligrams or less of alcohol per 100 milliliters of the  
14 person's blood, or 0.04 [0.05] grams or less of alcohol per 210 liters of the person's  
15 breath, it shall be presumed that the person was not under the influence of intoxicating  
16 liquor.

17 (2) If there was in excess of 0.04 [0.05] percent but less than 0.08  
18 [0.10] percent by weight of alcohol in the person's blood, or in excess of 40 [50] but  
19 less than 80 [100] milligrams of alcohol per 100 milliliters of the person's blood, or  
20 in excess of 0.04 [0.05] grams but less than 0.08 [0.10] grams of alcohol per 210 liters  
21 of the person's breath, that fact does not give rise to any presumption that the person  
22 was or was not under the influence of intoxicating liquor, but that fact may be  
23 considered with other competent evidence in determining whether the person was  
24 under the influence of intoxicating liquor.

25 (3) [REPEALED]

26 (4) If there was 0.08 [0.10] percent or more by weight of alcohol in  
27 the person's blood, or 80 [100] milligrams or more of alcohol per 100 milliliters of the  
28 person's blood, or 0.08 [0.10] grams or more of alcohol per 210 liters of the person's  
29 breath, it shall be presumed that the person was under the influence of intoxicating  
30 liquor.

31 \* Sec. 18. AS 28 35.033(c) is amended to read:

1 (c) The provisions of (a) of this section

2 (1) may not be construed to limit the introduction of any other  
3 competent evidence bearing upon the question of whether the person was or was not  
4 under the influence of intoxicating liquor; and

5 (2) do not apply to a civil action permitted under AS 04.21.020.

6 \* Sec. 19. AS 43.50.190(a) is amended to read:

7 (a) There is levied an excise tax of 17 [12] mills on each cigarette imported  
8 or acquired in this state.

9 \* Sec. 20. Section 7, ch. 39, SLA 1993, is amended to read:

10 Sec. 7. AS 21.86.260(a) is repealed and reenacted to read:

11 (a) Except as provided in AS 21.89.100 - 21.89.120 and this chapter, this title  
12 does not apply to a health maintenance organization that obtains a certificate of  
13 authority under this chapter. This subsection does not apply to an insurer licensed  
14 under AS 21.09 or a hospital or medical service corporation licensed under AS 21.87  
15 except with respect to its health maintenance organization activities authorized by and  
16 regulated under this chapter.

17 \* Sec. 21. Section 9, ch. 39, SLA 1993, is amended to read:

18 Sec. 9. AS 21.87.340 is repealed and reenacted to read:

19 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the  
20 provisions contained or referred to previously in this chapter, the following chapters  
21 and provisions of this title also apply with respect to service corporations to the extent  
22 applicable and not in conflict with the express provisions of this chapter and the  
23 reasonable implications of the express provisions, and for the purposes of the  
24 application the corporations shall be considered to be mutual "insurers":

25 (1) AS 21.03

26 (2) AS 21.06

27 (3) AS 21.09, except AS 21.09.090

28 (4) AS 21.18.010

29 (5) AS 21.18.030

30 (6) AS 21.18.040

31 (7) AS 21.18.120

- 1 (8) AS 21.21.321  
2 (9) AS 21.36  
3 (10) AS 21.42.345 - 21.42.365, 21.42.375, 21.42.380, and 21.42.385  
4 (11) AS 21.51.120  
5 (12) AS 21.53  
6 (13) AS 21.54.020  
7 (14) AS 21.69.400  
8 (15) AS 21.69.520  
9 (16) AS 21.69.600, 21.69.620, and 21.69.630  
10 (17) AS 21.78  
11 (18) AS 21.89.040  
12 (19) AS 21.89.060 and 21.89.100 - 21.89.120  
13 (20) AS 21.90.

14 \* Sec. 22. APPLICABILITY. Sections 11, 13, and 14 of this Act apply to a policy of  
15 insurance, evidence of coverage under AS 21.86, or a service agreement or subscriber's  
16 contract under AS 21.87, issued or renewed on or after the effective date of this Act.

17 \* Sec. 23. HEALTH CARE PLAN ADVISORY COMMITTEE. (a) The legislature finds  
18 that it is necessary to have reliable information on the specific content and cost of any  
19 proposed mandatory health care plan, before it can be taken to the public for review. The  
20 legislature further finds that questions of a single payer system versus a multi payer system  
21 for any mandatory coverage, and questions regarding inclusion or exclusion of certain groups  
22 of Alaskans who are covered by other federal health insurance, are not prejudiced by the  
23 direction given to the advisory committee created in this section.

24 (b) The Health Care Plan Advisory Committee is established in the Office of the  
25 Governor. The committee consists of seven members who are appointed by the governor as  
26 follows:

- 27 (1) one person with experience in providing health care services on an inpatient  
28 basis;  
29 (2) one person with experience in providing health care services on an  
30 outpatient basis;  
31 (3) one person with experience as a health care provider;

1 (4) one person who is an accountant who has experience in health care  
2 insurance;

3 (5) one person who has experience in health care insurance; and

4 (6) two persons who represent the public.

5 (c) A committee member is entitled to receive compensation at the rate of \$400 a day  
6 for each day spent in performing duties as a committee member and to travel and per diem  
7 expenses authorized by law for boards and commissions under AS 39.20.180.

8 (d) The committee may

9 (1) establish subcommittees;

10 (2) conduct hearings;

11 (3) employ personnel necessary to complete assigned duties;

12 (4) enter into contracts;

13 (5) subject to appropriation, expend money.

14 (e) By December 15, 1994, the committee shall report to the legislature on the scope  
15 of the health care insurance coverage and the cost of providing health care insurance if health  
16 care insurance were to be offered under the following conditions:

17 (1) participation is mandatory by all state residents; coverage shall include a  
18 spouse and dependent children;

19 (2) health care services that are covered must include preventive care and  
20 immunizations, prematernal care, children's health care, and catastrophic medical expense  
21 coverage;

22 (3) coverage shall be designed to impose a family deductible of \$3,000 for all  
23 covered health care services other than prematernal care, preventive care, and immunizations,  
24 and to allow reimbursement in a calendar year at not more than 80 percent for all covered  
25 health care services, other than prematernal care, preventive care, and immunizations, after the  
26 first \$3,000 in covered expenses; prematernal care, preventive care, and immunizations may  
27 be reimbursed at more than 80 percent for a covered expense; coverage for health care  
28 services that are offered on an outpatient basis shall provide reimbursement for outpatient  
29 health care services at a rate equal to or higher than the rate for inpatient services;

30 (4) premiums shall be set at a single rate for all covered individuals, except

31 (A) a surcharge for coverage of each dependent child or spouse may

1 be imposed; a surcharge may not exceed 50 percent of the individual premium; it is  
2 the intent of the legislature that the premium be set at a rate that does not exceed \$100  
3 per month or 14 percent of the individual's monthly gross income, whichever is lower;

4 (B) premium rates are allowed to vary depending on whether the  
5 individual smokes or any other factors within the control of an individual, and  
6 depending on whether the individual is less than 30 years of age; a premium may not  
7 vary under a community rating system, other than as specified in this section;

8 (5) a one-year exclusion for preexisting conditions for new enrollees is  
9 imposed; this paragraph does not apply to a person who has resided in the state for at least  
10 one year, or who is less than one year old and was born in this state.

11 (f) By December 15, 1995, the committee shall report to the legislature on

12 (1) the cost of providing health insurance coverage under the following  
13 conditions:

14 (A) coverage shall meet the conditions set out under (e)(1) - (5) of this  
15 section;

16 (B) additional medical benefits are included as recommended by the  
17 committee;

18 (C) the premium for a single person may not exceed \$150 per month;

19 (2) the effect of the following conditions assuming that insurance coverage as  
20 specified under (e) of this section is provided:

21 (A) premium payment is by payroll deduction, employer contribution,  
22 or a combination of employer contribution and payroll deduction;

23 (B) premium payment by an unemployed or self-employed person is  
24 by direct payment;

25 (3) assuming that the state requires all residents to participate in a state health  
26 insurance plan, changes necessary in existing provisions of law to

27 (A) allow integration of optional health insurance plans with the  
28 mandatory insurance plan; the integration should allow an individual or group to  
29 purchase supplemental insurance coverage without duplication of coverage; and

30 (B) discourage health insurance that reimburses covered benefits at a  
31 rate greater than 80 percent of the cost of the benefits;

- 1 (4) recommended legislation regarding public health issues;
- 2 (5) recommended legislation to simplify health care administration;
- 3 (6) recommended legislation regarding antitrust changes necessary to allow the
- 4 use of pooled purchasing to reduce the cost of health care if required under federal law;
- 5 (7) recommended legislation to enact tort reform measures intended to reduce
- 6 the cost of health care, including changes to statutes of limitation, contingent fee agreements,
- 7 and to the Alaska Rules of Civil Procedure;
- 8 (8) recommended legislation regarding long-term health care, including
- 9 methods to encourage individual savings for the cost of long-term health care;
- 10 (9) recommended legislation regarding how the state should educate residents
- 11 on health care, including how to be a prudent consumer, increasing awareness of provider
- 12 charges, and a curriculum that should be used in public schools in the state.
- 13 (g) By December 15, 1995, the committee shall recommend to the legislature
- 14 legislation necessary to improve data collection used to control health care expenditures or to
- 15 improve the efficiency of the health care system in the state.
- 16 (h) In this section, "health care provider" has the meaning given in AS 21.58.400.
- 17 \* Sec. 24. MEDICAL PRACTICE ADVISORY COMMITTEE. (a) The Medical Practice
- 18 Advisory Committee is established in the Office of the Governor. The committee consists of
- 19 four members who are appointed by the governor as follows:
- 20 (1) two persons licensed under AS 08.64;
- 21 (2) one person who is a health care provider licensed under AS 08 but who
- 22 is not licensed under AS 08.64; and
- 23 (3) one person who is a health care provider licensed under AS 08 and who
- 24 practices in a rural area of the state.
- 25 (b) A committee member is entitled to receive compensation at the rate of \$400 a day
- 26 for each day spent in performing duties as a committee member and to travel and per diem
- 27 expenses authorized by law for boards and commissions under AS 39.20.180.
- 28 (c) The committee may
- 29 (1) establish subcommittees;
- 30 (2) conduct hearings;
- 31 (3) employ personnel necessary to complete assigned duties;

1 (4) enter into contracts;

2 (5) subject to appropriation, expend money.

3 (d) By December 15 of each year, the committee shall provide recommendations for  
4 necessary health care reform legislation to the legislature on the following:

5 (1) training necessary for primary health care providers regarding proper  
6 referral of cases;

7 (2) medical practice parameters intended to reduce or eliminate medical  
8 malpractice claims;

9 (3) required additions or changes in the authority given to health care providers  
10 in order to prudently maximize a health care provider's scope of practice;

11 (4) obstacles that may arise from federal antitrust laws in allowing health care  
12 providers to join in a peer review process, share price information, or share equipment or  
13 facilities;

14 (5) recommendations to facilitate the use of video conferencing or other  
15 long-distance communications that allow health care providers with special skills to extend  
16 their practice to remote areas of the state;

17 (6) the creation of peer review boards to sanction health care providers, to  
18 require approval of certain medical procedures, and to recommend practice incentives.

19 (e) In this section, "health care provider" has the meaning given in AS 21.58.400.

20 \* Sec. 25. Alaska Rule of Civil Procedure 72.1 is repealed.

21 \* Sec. 26. AS 21.86.070(e) and 21.86.070(f) are repealed.

22 \* Sec. 27. AS 09.55.535(f), as enacted in sec. 5 of this Act, has the effect of amending  
23 Alaska Rules of Civil Procedure 68, 79, and 82 by providing that a party that rejects an  
24 arbitration decision and receives a judgment that is not more favorable than the decision  
25 obtained in arbitration is required to pay the opposing party's actual costs and attorney fees  
26 incurred in the court proceeding, and by providing that the provisions of AS 09.55.535(f)  
27 apply notwithstanding a different result required under an Alaska Rule of Civil Procedure  
28 relating to an offer of judgment.

29 \* Sec. 28. AS 09.55.536(f), amended by sec. 6 of this Act, amends Alaska Rules of Civil  
30 Procedure 26 and 27 by providing that discovery may not be undertaken until the expert  
31 advisor's report is received.

1 \* Sec. 29. AS 09.55.536(e), amended by sec. 6 of this Act, amends Alaska Rules of  
2 Evidence 802, 803, and 804 by providing that the expert advisor's report is admissible in  
3 evidence to the same extent as though its contents were orally testified to by the advisor.

4 \* Sec. 30. Section 25 of this Act takes effect July 1, 1994, only if that section receives the  
5 two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State  
6 of Alaska.

7 \* Sec. 31. Sections 23 and 24 of this Act are repealed June 30, 1996.

8 \* Sec. 32. This Act takes effect July 1, 1994.