

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8288 SENATE HEALTH EDUCATION & SOCIAL SERVICES

HB

472

SENATE COMMITTEE REPORT

DATE: 3/28/94

FURTHER: Judiciary

DATE TURNED INTO OFFICE: 4/30/94

HESS Committee considered HOUSE BILL NO. 472

"An Act relating to referrals involving dental services."

and recommends:

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

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

- adopts _____ Letter of Intent
- further referral to the _____

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
Commerce + Econ Dev	3/2/94	✓	

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

Mike Muller No REC

Do Pass

Andrew J. Lemen No Rec

Bob Sharp No Rec.

Steve King Do Pass
Chair: Signature and Recommendation

Alaska State Legislature

Interim:
P.O. Box 1287
Soldotna, AK 99669
(907) 262-8414




Session:
State Capitol
Juneau, AK 99801
(907) 465-2693

Representative Gary L. Davis

MEMORANDUM

TO: Senator Steve Rieger, Chairman
Senat HESS Committee

FROM: Representative Gary L. Davis 

DATE: March 28, 1994

RE: House Bill 472, "An Act relating to referrals involving dental services."

I respectfully request that House Bill 472 be scheduled for a hearing in the Senate HESS Committee at your earliest convenience."

House Bill 472 will prohibit the receipt of compensation by a dentist for referring a person to another dentist or dental practice. The American Dental Association Code of Ethics forbids dentists from profiting from referrals. This legislation codifies the ethical concern relating to referrals.

In Section 2, the receipt of compensation by a person or advertisement referring a dental service is prohibited unless the compensation for referral is disclosed at the time of referral. This legislation will help ensure that patients are being referred to a dentist or dental practice as a result of their quality service.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 472

Revision Date: 2/25/94
 Title: An Act relating to referrals involving dental services.
 Sponsor: Rep. G. Davis
 Requestor: Rep. G. Davis

Department: Commerce and Economic Dev.
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

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

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

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

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

ANALYSIS: (Attach a separate page if necessary)

HB 472 amends authority of the Board of Dental Examiners to discipline a licensee for receiving compensation for referring a person to another dentist or dental practice. If investigations arise as a result of this bill, it may be necessary to seek increased appropriation to recuperate those costs through other sources, such as the Legislative Budget and Audit Committee. However, until then, new funds are not required to implement HB 472.

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

Phone: 465-2144
 Date: 2/25/94
 Date: 2-28-94

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Session:
State Capitol
Juneau, AK 99801
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Representative Gary L. Davis

SECTIONAL ANALYSIS

HOUSE BILL 472

"An Act relating to referrals involving dental services."

Section 1 - Amends AS 08.36.315 by adding a new subsection relating to the grounds for discipline, suspension, or revocation of a license for the receipt of compensation for referring a person to another dentist or dental practice.

Section 2 - Amends AS 45.50.471 (b) by adding two new paragraphs relating to the receipt of compensation by a dentist or advertiser for referring a person to a dentist or dental practice.



Alaska Dental Society

1400 Southway Road, Suite 100
Anchorage, Alaska 99503
Phone: (907) 277-4875

Wednesday, February 23, 1994

Representative Gary Davis
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Davis:

The Alaska Dental Society is pleased to provide you with the attached information sheet relative to the following House and Senate Bills currently under review:

Senate Bill 201 - COORDINATING INSURANCE BENEFITS

House Bill 324 - KEEPING THE BOARD OF DENTAL EXAMINERS

House Bill 476 - ANY WILLING PROVIDER (Freedom of Choice for Dental Patients)

House Bill 472 - DENTAL REFERRAL SERVICES (Disclosure of fees paid)

The information sheet provides you with a comparison of the various types of dental reimbursement plans currently being offered to employees as well as a glossary of dental benefits terminology. We have devised this chart as a means of educating people about the differences between the various programs.

The Alaska Dental Society supports all of the above legislation because it helps protect the interests and freedoms of our patients. If you have any questions with regards to the information contained herein, please contact the Alaska Dental Society at (907) 277-4875.

Sincerely,

The Alaska Dental Society

American Dental Association

BACKGROUND FOR HB 472

~~REDACTED~~

E

ADA
PRINCIPLES OF
ETHICS
AND CODE OF

C
PROFESSIONAL
CONDUCT

American Dental Association
Council on Ethics, Bylaws and Judicial Affairs
211 East Chicago Avenue
Chicago, Illinois 60611
With official advisory opinions
revised to January, 1993.

With official advisory opinions
revised to January, 1993.

ADA.

3-28-54
BACKGROUND
HB 472

Principle - Section 5

PROFESSIONAL ANNOUNCEMENT.

In order to properly serve the public, dentists should represent themselves in a manner that contributes to the esteem of the profession. Dentists should not misrepresent their training and competence in any way that would be false or misleading in any material respect.*

Code of Professional Conduct

5-A. ADVERTISING.

Although any dentist may advertise, no dentist shall advertise or solicit patients in any form of communication in a manner that is false or misleading in any material respect.*

Advisory Opinions

1. If a dental health article, message, or newsletter is published under a dentist's byline to the public without making truthful disclosure of the source and authorship or is designed to give rise to questionable expectations for the purpose of inducing the public to utilize the services of the sponsoring dentist, the dentist is engaged in making a false or misleading representation to the public in a material respect.

2. The Council on Ethics, Bylaws and Judicial Affairs believes it would be of service to the members to provide some insight into the meaning of the term "false or misleading in a material respect." Therefore, the following examples are set forth. These examples are not meant to be all-inclusive. Rather by restating the concept in alternative language and giving general examples, it is hoped that the membership will gain a better understanding of the term. With this in mind, statements shall be avoided which would: a) contain a material misrepresentation of fact, b) omit a fact necessary to make the statement considered as a whole not materially misleading, c) contain a representation or implication regarding the quality of dental services which would suggest unique or general superiority to other practitioners which are not susceptible to reasonable verification by the public, and d) be intended or be likely to create an unjustified expectation about results the dentist can achieve.

3. The use of an unearned or nonhealth degree in any general announcements to the public by a dentist may be a representation to the public which is false or misleading in a material respect. A dentist may use the

of unearned or nonhealth degrees could be misleading because of the likelihood that it will indicate to the public the attainment of a specialty or diplomate status. It may also suggest that the dentist using such is claiming superior dental skills.

For purposes of this advisory opinion, an unearned academic degree is one which is awarded by an educational institution not accredited by a generally recognized accrediting body or is an honorary degree. Generally, the use of honorary degrees or nonhealth degrees should be limited to scientific papers and curriculum vitae. In all instances state law should be consulted. In any review by the council of the use of nonhealth degrees or honorary degrees, the council will apply the standard of whether the use of such is false or misleading in a material respect.

4. A dentist using the attainment of a fellowship in a direct advertisement to the general public may be making a representation to the public which is false or misleading in a material respect. Such use of a fellowship status may be misleading because of the likelihood that it will indicate to the dental consumer the attainment of a specialty status. It may also suggest that the dentist using such is claiming superior dental skills. However, when such use does not conflict with state law, the attainment of fellowship status may be indicated in scientific papers, curriculum vitae, third party payment forms, and letterhead and stationery which is not used for the direct solicitation of patients. In any review by the council of the use of the attainment of fellowship status, the council will apply the standard of whether the use of such is false or misleading in a material respect.

5. There are two basic types of referral services for dental care: not-for-profit and the commercial.

The not-for-profit is commonly organized by dental societies or community services. It is open to all qualified practitioners in the area served. A fee is sometimes charged the practitioner to be listed with the service. A fee for such referral services is for the purpose of covering the expenses of the service and has no relation to the number of patients referred.

In contrast, experience has shown that commercial referral services generally limit access to the referral service to one dentist in a particular geographic area. Patients calling the service are referred to a single subscribing dentist in the geographic area

the referral fee paid by the dentist. There is a connotation to such advertisements that the referral that is being made is in the nature of a public service.

A dentist is allowed to pay for any advertising permitted by the Code, but is generally not permitted to make payments to another person or entity for the referral of a patient for professional services. While the particular facts and circumstances relating to an individual commercial referral service will vary, the council believes that the aspects outlined above for commercial referral services violate the Code in that it constitutes advertising which is false or misleading in a material respect and violate the prohibitions in the Code against fee splitting.

6. An advertisement which omits a material fact or facts necessary to put the information conveyed in the advertisement in a proper context can be misleading in a material respect. An advertisement to the public of HIV negative test results, without conveying additional information that will clarify the scientific significance of this fact, is an example of a misleading omission. A dental practice should not seek to attract patients on the basis of partial truths which create a false impression.

5-B. NAME OF PRACTICE.

Since the name under which a dentist conducts his or her practice may be a factor in the selection process of the patient, the use of a trade name or an assumed name that is false or misleading in any material respect is unethical.

Use of the name of a dentist no longer actively associated with the practice may be continued for a period not to exceed one year.*

Opinion

1. Dentists leaving a practice who authorize continued use of their names should receive competent advice on the legal implications of this action. With permission of a departing dentist, his or her name may be used for more than one year, if, after the one year grace period has expired, prominent notice is provided to the public through such mediums as a sign at the office and a short statement on stationery and business cards that the departing dentist has retired from the practice.

5-C. ANNOUNCEMENT OF

BACKGROUND HG 472

February 25, 1994

Dr. Pitte -

These are the incidents that I know of that pertain to the dental referral service. Is this what you want?

In Fairbanks, a dentist called the dental referral service and was told that the service only referred to dentists:
who were in good standing with the dental society, and
who did high quality work

The dentist replied that this company must refer to most of the dentists in the Fairbanks area if that was the criteria which was used. The referral service then admitted that they refer to the dentists who pay them to refer.

In Anchorage a dentist expressed concern that one of his patients had called the dental referral service listed in the yellow pages for a referral to an orthodontist and made an appointment with the dentist to whom he was referred. During the initial evaluation the dentist related that because the nature of the case he would have to consult with an orthodontist.

The patient then questioned the dentist as to his qualifications because he was led to believe that he had come to an orthodontist, when in fact he had been referred to a general dentist.

Following this call to our office concerning the dental referral service, several people called the number listed in the telephone book, giving various names and home addresses in various parts of town, and requesting various specialists. No matter what zip code was given, no matter what specialist was requested, the referral service only referred to 2 practices in Anchorage. Neither office was a specialty practice. One was a member of the dental society, another was not. There are 150 dentists in the Anchorage area who are members of the dental society.

The dental referral service has never asked the dental society which dentists are in good standing.

Betty

Letter of Support - Betty Prentice
Director of Operations, AK Dental Society

DELIVERY SERVICE

continued

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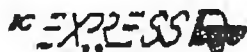
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(This Classification Continues)

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DEMOLITIONERS

See Wrecking Contractors

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Branch **338-6005**

TOOTHCRAFTERS
2805 Dawson **543-5891**

..... **561-3672**

Zundel Dental Laboratory Inc
4333 Fremont Av N Seattle WA
Dial Toll Free **800 248-1231**

DENTIST INFORMATION BUREAUS

DENTAL REFERRAL SERVICE INC **258-5572**

(See Advertisement On Page)

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dental referral service™

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8 2 7

B H

SENATE COMMITTEE REPORT

DATE: 4/7/94

FURTHER:

DATE TURNED INTO OFFICE: 4/30/94

HESS Committee considered CS FOR HOUSE BILL NO. 478(HES) am

"An Act relating to the authority of mobile intensive care paramedics, physician assistants, and emergency medical technicians to pronounce death under certain circumstances."

and recommends:

- replace with _____ CS _____ ()
 - or adopt previous _____ CS _____ ()
 - attaches amendment(s)
- same title
 - new title
 - technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
Health + Soc Sec	3/9/94	✓	
Health + Soc Sec	3/9/94	✓	

Appropriation No Fiscal Note

DO PASS:

_____ Mike Miller

 _____ Bob Sharp

OTHER RECOMMENDATIONS:

_____ Loren A. Penland NR

_____ Do Pass
 Chair: Signature and Recommendation

Alaska State Legislature

REPRESENTATIVE
GENE THERRIALT
P O Box 55326
North Pole, Alaska 99705
(907) 488-0862

House District: 33



While in session
State Capitol
Juneau Alaska
99801-1182
(907) 465-4787

House Of Representatives

SPONSOR STATEMENT

CS HB 478 (HES) am H

HB 478 The authority of mobile intensive care paramedics, physician assistants, and emergency medical technicians to pronounce death under certain circumstances.

SPONSOR: Rep. Gene Therriault

SPONSOR STATEMENT:

House Bill 478 proposes to allow mobile intensive care paramedics, physician assistants, and Emergency Medical Technicians (EMT) to determine and pronounce death under certain circumstances. Registered physician assistants, registered paramedics, and certified EMTs who are active members of a certified emergency medical service may make a determination and pronouncement of death upon determining that a person has suffered irreversible cessation of circulatory and respiratory functions while a physician is not immediately available for consultation by radio or telephone.

Currently, when a member of an emergency medical service begins CPR they are required to continue resuscitation until: the person recovers; the EMT, physician assistant, or paramedic is relieved by either a medical facility or physician; the responding parties become physically exhausted and no longer able to continue; their physical safety is seriously threatened; or a physician pronounces the person dead.

Many times, particularly in rural Alaska, physicians and medical facilities are not immediately available, and emergency medical response members are required to continue unproductive resuscitation for several hours.

HB 478 would allow an EMT, physician assistant, or paramedic to declare death in situations where a physician is not available. This will help emergency response teams to better attend to the emergency medical needs of Alaska.

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT
P O Box 55326
North Pole, Alaska 99705
(907) 488-0862



Write in Room
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4707

House District 33

House Of Representatives

SECTIONAL ANALYSIS

CS HB 478 (HES) am H

HB 478 The authority of mobile intensive care paramedics, physician assistants, and emergency medical technicians to pronounce death under certain circumstances.

SPONSOR: Rep. Gene Therriault

SECTION 1:

This section makes a technical amendment to AS 09.65.120 DEFINITION OF DEATH, to add mobile intensive care paramedics, physician assistants, and emergency medical technicians to the list of individuals who may pronounce death.

SECTION 2:

Section 2 of HB 478 proposes new language, AS 18.08.089 AUTHORITY TO PRONOUNCE DEATH, which introduces detailed circumstances in which a registered mobile intensive care paramedic, registered physician assistant, or a certified emergency medical technician may determine and pronounce the death of a person.

The paramedic, physician assistant, or EMT may pronounce a person dead when a physician is not immediately available for consultation by radio or telephone and they have determined, by "acceptable medical standards," that the person has suffered irreversible cessation of circulatory and respiratory functions. The EMT or paramedic who determines and pronounces death must be an active member of a certified emergency medical service.

The paramedic, physician assistant, or EMT who determines the death shall document the clinical criteria for the determination and pronouncement of death and notify the appropriate medical director as soon as communications can be established.

Proposed AS 18.08.089(f)(1) gives the definition of "acceptable medical standards" as injuries incompatible with life, the presence of rigor mortis, the presence of post mortem lividity, or a failure to show signs of spontaneous pulse or respiratory

functions in response to "properly administered resuscitation efforts." Injuries incompatible with life are defined in this section as cardiac arrest accompanied by incineration, decapitation, open head injury with loss of brain matter, or detruncation.

Proposed AS 18.08.089(f)(3) defines "properly administered resuscitation efforts" as at least 30 minutes of CPR on a non-hypothermic patient when a person authorized to perform advanced cardiac life support techniques is not available. When a patient is hypothermic at least 60 minutes of CPR in conjunction with rewarming techniques is required as described in the current State of Alaska Hypothermia and Cold Water Near-Drowning Guidelines published by the Division of Public Health. A minimum of 30 minutes of CPR combined with properly performed advanced life support techniques would be required when a person authorized to provide such services is present.

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



STATE CAPITOL, JUNEAU 99801
(907) 465-3759

HB 478

House Health, Education & Social
Services Committee Letter of Intent

1. HB 478 REQUIRES ADDITIONAL TRAINING FOR EMTs

The House Health, Education and Social Services committee notes that the range of responsibilities held by emergency medical technicians in Alaska would be expanded by House Bill 478. This expanded responsibility will require that emergency medical technicians be well-trained in recognizing signs of death. It is therefore the intent of the House Health, Education and Social Services committee that the training of emergency medical technicians include specific instruction on the recognition of rigor mortis and of post mortem lividity. This instruction should be part of both the initial training for emergency medical technicians and the continuing education required to maintain currency of an emergency medical technician certificate. It is also the intent of the House Health, Education and Social Services committee that the department, under the authority of AS 18.08.080, amend 7 AAC 26 to include this requirement.

2. HB 478 REQUIRES EXTENSIVE NOTIFICATION

The House Health, Education and Social Services committee notes that the provisions of HB 478 may affect all emergency medical technicians and mobile intensive care paramedics in the state of Alaska. It is therefore imperative that full notification take place as soon as possible after the bill becomes law. It is evident that emergency medical technicians and mobile intensive care paramedics must be notified of this new responsibility, but it is also important that all emergency physicians be notified of this change in a timely manner. It is the intent of the House Health, Education and Social Services committee that, at the earliest practical opportunity after HB 478 becomes law, the department dispatch notifications to each emergency physician in the state as well as to each emergency medical technician and mobile intensive care paramedic in the state.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1
BILL Bill Version: CSHB 478(HES)
(H) Publish Date: 3/9/94

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to paramedics and EMT's to BRU: State Health Services
pronounce death under certain circumstances. Component: EMS Training & Licensing
Sponsor: Therriault
Requestor: House HES COMPONENT SERIAL NO. #297

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) cost \$ NONE

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact.

Prepared by: Peter M. Nakamura, MD, MPH Phone: (907) 455-3090
Division: Public Health Date: 02/23/94

Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. Date: _____
Agency: Department of Health & Social Services

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FISCAL NOTE

No. 2

Bill Version: CSHB 478(HES)

BILL

(H) Publish Date: 3/9/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to paramedics and EMT's to BRU: State Health Services
pronounce death under certain circumstances. Component: Post Mortem Examinations
 Sponsor: Therriault
 Requestor: House HES COMPONENT SERIAL NO. #293

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) cost \$ NONE

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact.

Prepared by: Peter M. Nakamura, MD, MPH Phone: (907) 465-3090
 Division: Public Health Date: 02/23/94
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. Date: _____
 Agency: Department of Health & Social Services

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COMMITTEE COPY

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 14, 1994

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 3/7/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 478

HOUSE BILL NO. 478

EMT'S AUTHORITY TO PRONOUNCE DEATH

"An Act relating to the authority of mobile intensive care paramedics and emergency medical technicians to pronounce death under certain circumstances."

RECOMMENDATIONS:

be replaced with CS HB 478 (HESS) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: House HESS Comm letter of Intent

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

APPROVES PREVIOUS: _____ (DeputDate)

fiscal impact _____

fiscal note(s) _____

zero fiscal note H+SS⁽²⁾

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	X				
<i>[Signature]</i>	X				
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<i>[Signature]</i>	✓				
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CHAIRMAN'S SIGNATURE

HOUSE COMMITTEE REPORT

3/29/94
Rules

(7)
Date Referred: March 9, 1994

FURTHER REFERRALS:

Date of Committee Action: 3-28-94

The JUDICIARY Committee considered:

HB 478

HOUSE BILL NO. 478

EMT'S AUTHORITY TO PRONOUNCE DEATH

"An Act relating to the authority of mobile intensive care paramedics and emergency medical technicians to pronounce death under certain circumstances."

RECOMMENDATIONS:

- be replaced with CS HB 478 (HRS) the same title a new title
- have attached amendments(s)
- do pass
- do not pass
- no recommendations
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

- fiscal impact _____
- zero fiscal note _____
- (2) zero fiscal note(s) #455 3/9/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i> Kott	<input checked="" type="checkbox"/>	<i>[Signature]</i> Green			
<i>[Signature]</i> James	<input checked="" type="checkbox"/>	<i>[Signature]</i> Phillips			
<i>[Signature]</i> Porter	<input checked="" type="checkbox"/>	<i>[Signature]</i> Davidson			
	(3)			(3)	

[Signature] Porter
CHAIRMAN'S SIGNATURE

Making the call

Bill would let rescue workers declare death

By ED SCHOENFELD

THE JUNEAU EMPIRE

Joey Peyton still remembers the day he tried to resuscitate the victim of a plane crash near the Bethel Airport.

The emergency medical technician arrived to find a man mangled beyond recognition, bleeding profusely, with bone fragments jutting from his body.

But since there was a heart-beat, Peyton had to try to get air into his lungs and intravenous fluid into his bloodstream.

It didn't work.

"Air was blowing out holes in his chest and holes in his head and holes in his throat," said Peyton, an emergency medical trainer now based in Delta Junction. "The guy was obviously, hopelessly dead. In fact, he was bleeding IV fluid by the time the rescue helicopter got there."

Resuscitation, however, had to continue since there was no one present with sufficient medical authority to declare the man dead.

That would change under a bill that proposes giving some rescue crew workers the power to pronounce death.

House Bill 478 would end the obligation to continue fruitless resuscitation efforts when a doctor or other authority could not be reached to verify death, said sponsor Rep. Gene Therriault, a North Pole Republican.

Giving paramedics and emergency medical technicians the

Please see Bill, back page

Bill...

Continued from Page 1

power to declare death would lessen trauma to loved ones as well as rescue workers, said Janet North, a Galena EMS coordinator who was involved in an unsuccessful five-hour resuscitation effort last weekend in the community.

"It was pretty distressful to the family and to us," North told a House Health, Education and Social Services Committee hearing this week.

At the hearing, rescue workers from Ketchikan to Fort Yukon told lawmakers of dozens of hours-long resuscitation efforts that should have never taken place.

"Prolonged resuscitation is a mindless and barbaric tradition that will be broken by passing this bill," said Peyton, who now works with a rescue team that responds to accidents along the Alaska Highway. The incident in Bethel occurred about five years ago.

The bill does not give rescue workers permission to declare death in any situation.

It defines conditions, such as rigor mortis, that can be used to proclaim death. It also takes into account cases of drowning and hypothermia, where extended medical attention can revive a seemingly dead victim.

If the bill passes, additional details would also be added, Therriault said.

"I envision there would be some regulatory fleshing out of this so it became real clear to the EMS provider when they did have this authority and when they didn't," he told the committee before it passed out the bill.

Intent language attached to the bill also calls for emergency medical technicians and paramedics to receive additional training in recognizing signs of death.

The bill, recently endorsed by an Alaska State Medical Association's panel, would mostly affect rescue workers in rural areas where it can be hard to reach or locate a person with the authority to proclaim death.

But it would also be practical in Juneau and other cities, where air ambulance workers are sometimes required to continue resuscitation after a patient is beyond any chance of recovery, said Steve Iha, Capital City Fire-Rescue EMS captain.

"Significant amounts of money could be saved by allowing the pre-hospital advisers to stop a resuscitation in the field," Iha said.



INTERIOR REGION EMERGENCY MEDICAL SERVICES COUNCIL, INC.



1881 MARIKA ST • FAIRBANKS, ALASKA 99709
PHONE (907) 456-3979 • FAX 456-3970

RATIONALE:

NEED FOR AMMENDMENT:

Mobile intensive care paramedics (paramedics) and emergency medical technicians (EMTs) are often called to respond to medical emergencies in circumstances in which a patient has died, and can not be resuscitated. Under current law, these emergency care providers are generally required to initiate a resuscitation effort, and may not stop the resuscitation except under the following circumstances:

- (1) The patient develops spontaneous cardiac and respiratory activity (i.e. the patient recovers from the cardiac arrest, which is a rather rare outcome in the best of circumstances),
- (2) a physician or coronor determines and pronounces the death of the patient,
- (3) the resuscitation effort is turned over to health care providers with an equal or higher level of certification or licensure, or
- (4) the paramedics or EMTs are so exhausted they are not physically able to maintain the resuscitation effort.

In many areas of Alaska no physician or coronor is immediately available to determine and pronounce the death of a patient. Meanwhile, significant effort and resources are expended on resuscitation efforts that are clearly futile. This is especially true in isolated, rural settings where the combination of inadequate transportation and/or communication resources make it impossible for the paramedic or EMT to gain access to a physician.

The objectives of this proposed amendment to Alaska statutes is to help ensure that all patients receive appropriate emergency medical care, including resuscitation efforts, while allowing paramedics or EMTs to determine and pronounce death in circumstances where either starting or continuing a resuscitation effort are likely to be futile.

STATUTORY SAMPLE: This proposed amendment is written in the same format, using similar language as Sec. 08.68.395 of Alaska Statutes, allowing for determination of death by registered nurses. This format and language was used to promote uniformity and consistency with current statutes.

LIMITATIONS WRITTEN INTO THIS PROPOSAL:

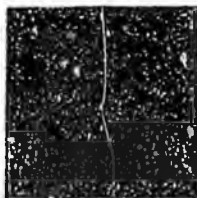
- The paramedic or EMT must be licensed or certified in accordance with Alaska EMS laws and regulations, and must be functioning as a member of a licensed EMS provider agency. This provision helps ensure that only people trained to currently accepted medical standards, and who are working as a part of Alaska's EMS system are authorized to determine and/or pronounce death.

- A licensed physician is not immediately available for consultation by radio or telephone communications. This provision helps ensure that a licensed physician is directly involved in the determination and pronouncement of death whenever it is possible to communicate with a physician. This provision limits the authority of the paramedic or EMT to those circumstances where a death occurs in an isolated or remote setting where radio or telephone communication with a physician is not possible.
- Subsections 3 - 5 limit the authority of the paramedic or EMT to determine and pronounce death only when a resuscitation effort is almost certain to be futile. These limitations include injuries that are incompatible with life, and situations in which a properly performed resuscitation effort fails to restore cardiac and respiratory activity in the patient.
- Subsections (b) and (c) require the paramedic or EMT to document those clinical criteria on which the decision to determine and pronounce death were made, and ensure that each pronouncement is reviewed by the paramedic or EMT's medical director for quality control purposes.

Craig Lewis

Director
Interior Emergency Medical Service Council

MAR 2 1994



ALASKA STATE MEDICAL ASSOCIATION

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

February 24, 1994

Representative Gene Therriault
Alaska State Legislature
P. O. Box 4 (MS 3100)
Juneau, AK 99811

Dear Representative Therriault,

Our Legislative Affairs Committee recently discussed your House Bill #478 that would allow paramedics and emergency medical technicians to pronounce death under certain circumstances. While generally supportive of your bill, we would like to suggest some language changes. As your bill is currently written on page two beginning on line eighteen, "Paramedics or EMTs would sign death certificates." As a medical association, we oppose this. There currently exists a medical examiner system which is responsible for signing death certificates for out-of-hospital deaths. We would encourage this system be preserved and lines 19 through 22 on page two be deleted. I would also suggest on page three, line two, the word "or" be changed to "and." This change would make findings of death a bit less subjective for personnel in the field.

If I can be of any other help to you regarding language changes on this bill, please do not hesitate to contact me.

Sincerely yours,

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

DRL:bj

HVB

506

SENATE COMMITTEE REPORT

DATE: 4/15/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/30/94

HES Committee considered CS FOR HOUSE BILL NO. 506(FIN) am

"An Act relating to student loans; to sanctions for defaulting on a student loan, including denial of a state occupational license; and providing for an effective date."

and recommends:

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

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

adopts _____ Letter of Intent

further referral to the _____

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
AK Com on Postsec & Edu	4/15/94		99.7
Administration	4/15/94	✓	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
AK Com on Postsec & Edu	4/15/94		157.2

Appropriation No Fiscal Note

DO PASS:

Lawrence A. Roman
John M. ...

OTHER RECOMMENDATIONS:

Mike Fuller No Rec
J. ... No Rec

Steve King Do Not Pass
Chair: Signature and Recommendation



House of Representatives

**SPONSOR STATEMENT
CSHB506 (FIN)**

“An Act relating to student loans; to sanctions for defaulting on a student loan, including denial of a state occupational license; and providing for an effective date.”

HB 506 authorizes variable interest rates on student loans. The annual interest on Alaska Student Loans will be set each year by adding to the true interest rate for that year's tax exempt bonds an additional percentage (not to exceed 2.5%) designed to cover the administrative costs of the program.

Included in this proposed legislation is a section that would make Alaska Student Loan applicants ineligible to receive a new student loan for five years if any portion of a previous Alaska Student Loan has been discharged or written-off for any reason.

HB 506 authorizes income withholding for borrowers in default on their Alaska Student Loans. Any judgements or court orders regarding a defaulted borrower must contain an income withholding order.

Borrowers in default on their Alaska Student Loans would be ineligible to renew an existing license to do business or practice an occupation in Alaska until the Department of Commerce is notified by the Commission that the applicant's loan account has been brought current. "Current" means the person in default has made arrangements in good faith to pay the amount owed.

This legislation will give borrowers the option to consolidate variable term loans into a single loan. The interest rate on the loan would be the weighted average of all loans included in the consolidation. A married couple may consolidate their individual loans if they agree to be held jointly and separately liable for repayment of the refinanced loan regardless of the amount of their previous individual debts, and in spite of any future change in their marital status. The loan is not dischargeable in the event that one spouse dies.

Finally, this bill expands the Family Education Loan Eligibility by removing the dependency requirement. This would allow one family member to borrow on behalf of another member of their immediate family. The removal of the dependency requirement will make it clear that it is the borrower "only" who must meet the Alaska residency requirement.

This legislation is necessary to protect the future of our Alaska State Student Loan program. I urge favorable consideration by the committee members.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS HB 506 (FIN) am

Revision Date: 04 -18- 94
 Title: An Act relating to student loans;to sanctions
for defaulting on a student loan, including denial of a state . . .
 Sponsor: House HESS by Request
 Requestor: Senate HES Committee

Dept Affected: Alaska Commission on Postsecondary Education
 BRU: Alaska Student Loan Corporation.
 Component: Student Loan Program

COMPONENT SERIAL NO. 218

Expenditures/Revenues	(thousands)					
OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	99.7	91.7	91.7	91.7	91.7	91.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	99.7	91.7	91.7	91.7	91.7	91.7
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES (1022)	1,408.3	1,451.9	1,534.2	1,621.5	1,714.3	1,812.6

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other Fund 1022	99.7	91.7	91.7	91.7	91.7	91.7
TOTAL	99.7	91.7	91.7	91.7	91.7	91.7

0.0

Estimate of any current year (FY94) costs (\$): _____

POSITIONS

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

ANALYSIS (Attach a separate page if necessary): Fiscal analysis of this bill is presented by bill section:

Section 1: this section directs Alaska Department of Commerce and Economic Development to withhold renewal of professional licenses upon notice from ACPE that a person has defaulted on an Alaskan Student Loan. Estimated cost to the ACPE to provide such notice:

FY95	FY96	FY97	FY98	FY99	FY00
0.0	0.0	0.0	0.0	0.0	0.0

(continued on reverse)

Prepared by: Diane M. Barrans
 Division: Alaska Commission on Postsecondary Education

Phone Number: (907) 465-6743
 Date: 4/18/94

Approved by Commissioner: Joe L. McCormick, Executive Director
 Agency: Alaska Commission on Postsecondary Education

Date: 4/18/94

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HB 506 Analysis (continued):

Section 2: this section creates a variable interest rate that is tied to the cost of money.

NO Fiscal Impact. Zero (0) fiscal note.

Section 3: this section amends the provisions defining the actions of the Commission if a loan is in default.

NO Fiscal Impact. Zero (0) fiscal note.

Section 4: this section provides for loan consolidation.

NO Fiscal Impact. Zero (0) fiscal note.

Section 5: this section changes eligibility for ASL if applicant has had a previous loan discharged through bankruptcy proceedings.

NO Fiscal Impact. Zero (0) fiscal note.

Section 6: this section provides for assignment of wages on a defaulted loan.

NO Fiscal Impact. Zero (0) fiscal note.

Section 7 and Section 8: these sections amend the requirements for family education loans.

NO Fiscal Impact. Zero (0) fiscal note.

These changes to the loan servicing will create significant opportunities for operational efficiencies and, more importantly, enhance the collection efforts of the program and increase the flow of student loan receipts. The following estimate of increased receipts as a result of these changes is based upon the following assumptions: 1) collection on defaulted loans increases 5 percent per year as a result of the assignment of wages and Commerce's withholding on renewal of professional licenses; 2) loan consolidation will reduce the number of loans going into default by 15 percent; and 3) loan consolidation will improve collection (accounts not going into default) by 2 percent per year.

Estimated increased revenues to the Corporation:

	in thousands					
	FY95	FY96	FY97	FY98	FY99	FY00
1) Increased collection vendor	208.3	215.9	235.7	257.3	281.0	306.8
2) loan consolidation	<u>1,200.0</u>	<u>1,236.0</u>	<u>1,298.5</u>	<u>1,364.2</u>	<u>1,433.3</u>	<u>1,505.8</u>
Total	1,408.3	1,451.9	1,534.2	1,621.5	1,714.3	1,812.6

Costs based on interagency RSA with Department of Commerce and Economic Development.

POSITION PAPER ON CSHB506(FIN) am
Alaska Commission on Postsecondary Education
April 15, 1994

House Bill 506--an act relating to student loans and to sanctions for defaulting on a student loan--was introduced by the House Committee on Health, Education and Social Services at the request of the Alaska Commission on Postsecondary Education (ACPE). The legislation has been crafted to address several significant administrative problems of the Alaska Student Loan program specifically, the need to protect an eroding capital base by increasing loan repayment and by lending at rates which reflect costs of capital.

This paper provided the context within which the bill should be considered as well as the rationale for each of the sections.

BACKGROUND

The Alaska Student Loan Program (ASL) began in 1971 as a student assistance program supported by the state General Fund. The program grew out of a widely-expressed desire that the state's new oil wealth be used, in part, to increase educational opportunities for Alaska students. For the first decade and a half, the program was generously supported by general fund appropriations. However, as oil prices and state oil revenues declined, full state funding could no longer be assured and a separate state entity--the Alaska Student Loan Corporation--was established by the legislature to raise alternative financing in the form of tax-exempt bonding. Since the first bond sale in spring of 1988, the Corporation has raised more than \$250 million in private capital markets to support student loans.

Over its 20 plus years of existence, the ASL program has undergone numerous legislative changes;

- loan maximums have been raised from \$2,500 to \$5,500 for undergraduate study;
- loan interest rates have increased from 5% to 8%;
- the loan repayment period has been extended from 6 to 10 years; and
- forgiveness benefits for those borrowers returning to the state have gone from 40% to 50% and then to zero.

By and large, program changes from 1971 to 1986 were made to benefit students by providing easier access to larger amounts of postsecondary education aid. although the program was originally created as a revolving loan fund, provisions such as forgiveness and interest subsidies while the student remained in school assured that the fund could not continue without infusions of state support. In 1986, forgiveness benefits were ended and interest subsidies reduced in an attempt to cut back--but not eliminate--this drain on state resources.

With the advent of private funding through tax-exempt bonds, the ASL began to shift from a student-centered program to one responsible to bondholders. Loan conditions which resulted in losses to fund principle or to earned interest--such as forgiveness provisions and in-school interest subsidies--could be continued only with state general fund appropriations to replace losses. Although such appropriations did continue through

FY92, the amount of the appropriation was never related to the losses incurred by mandate loan conditions. Today, the fund receives no state support. Thus, the student loan fund continues to expense forgiveness and interest subsidy benefits with no compensating revenue source.

Bad debts are a further drain on the capital base. The program has succeeded in reducing its default rates from the high levels of the mid-1980's; however, it continues to write off a portion of its portfolio as non-performing. In addition, some loans must be canceled because of death or disability of the borrower. The following table shows the annual and cumulative effect of the forgiveness and write off provisions since the program transitioned to bond funding.

TABLE 1
Losses to the Alaska Student Loan Fund

Fiscal Year	Forgiveness	Loan Write-Offs
FY88	\$5,612.5	\$500.0
FY89	\$6,050.6	\$800.0
FY90	\$6,598.2	\$5,001.0
FY91	\$8,801.4	\$6,426.3
FY92	\$7,894.8	\$6,753.0
FY93	\$7,675.9	\$8,454.8
TOTAL	\$42,633.4	\$27,935.1

A further erosion of the fund occurs because the statutorily-set interest rate on loans (8% simple interest since FY87) has, until this current year, resulted in a gap between the effective rate on loans and the true cost of capital. For a typical college student who borrows for four years, the effective rate over all of the loans is 5.8% because interest is waived while the student is in school. The following table displays the difference between the bond rates and the interest received on a four-year collegiate loan.

TABLE 2
Difference Between Cost of Capital to Program and to Borrower

School Year	True Interest Rate on Bonds	Effective Interest Rate on 4-Year Loan	Difference (Subsidy)
1988-89	8.4%	5.8%	-2.6%
1989-90	8.1%	5.8%	-2.3%
1990-91	7.3%	5.8%	-1.5%
1991-92	6.7%	5.8%	-0.9%
1992-93	6.0%	5.8%	-0.2%
1993-94	5.5%	5.8%	0.3%

At the present borrowing rate, effective interest just covers the cost of capital for the most recent bond sale; however, it does not allow the fund to recover any loan awarding and

servicing costs. In earlier days, administrative costs were supported by general fund appropriations. Since FY88, however, these program costs have been taken from program receipts--that is, from repayments on prior loans.

A recent legislative audit of the Alaska Student Loan Program¹ recognizes the changed fiscal situation of the program and the strains that earlier legislation and state policy have placed on maintaining fund viability. The report recommends that the loan fund be secured. The proposed legislation seeks to follow that recommendation by recognizing the true cost of capital, accounting for reasonable administrative expenses and increasing penalties for non-repayment of loans.

SECTIONAL ANALYSIS

Section 1 prohibits the Department of Commerce and Economic Development from renewing an occupational or professional license if the licensee is in default on an Alaska student loan. ACPE must notify the Department of defaulting borrowers. This section also provides for continuation of a license in the event that the borrower has a pending appeal of this action.

Rationale: Borrowers who have received state support for education or training leading to a occupational/professional license must honor their loan repayment obligations. The legislation allows the original license to be issued in order that the borrower may earn the income necessary to repay the loan. If repayment is not made in a consistent and timely manner, however, the borrower should not continue to benefit from the state's investment. It should also be noted that there currently are mechanisms in place such as unemployment deferment and hardship payment schedules to accommodate borrowers experiencing financial difficulties. This sanction is targeting those borrowers who fail to respond to any attempt to work with the Commission and must be transferred to collection agencies for more aggressive action on their defaulted account.

Section 2 ties the interest rate on a student loan to 1) the cost of the private capital backing that loan and 2) the administrative expense of disbursing and servicing the loan.

Rationale: The present interest rate of 8% bears no relationship to either the interest paid on bonds or the cost of running the loan program. today's capital market provides a very advantageous rate to tax-exempt bond issuers. Savings from low rates should benefit students. By the same token, in times of higher rates, the costs must be passed on to the borrowers if the fund is to remain sound.

Section 3 directs the Commission to notify the Department of Commerce and Economic Development when a borrower is in default.

Rationale: Since this department is charged with withholding license renewal, it is the Commission's responsibility to provide timely notification of default status.

¹ Division of Legislative Audit, *Alaska Student Loan Corporation Organizational and Operational Efficiency and Alternatives*, October 28, 1993 (Audit Control No. 05-4466-94). The findings were echoed by the Legislative Research Agency in *Privatizing the Alaska Student Loan Program*, a January 4, 1994 research report prepared at the request of Rep. Mark Hanley (Research Request 94.068).

Section 4 specifies that the Commission "ensures that the rate of interest is as low as possible without precluding" their ability to properly administer the loans and places a cap of 2.5% on that portion of the interest rate which is charged for administrative costs.

Rationale: This language provides incentive to loan administrators to operate loan servicing as efficiently and economically as possible by statutorily limiting the interest allowance available to cover loan origination and loan servicing expenses. This allowance does not cover losses to ASL funds due to forgiveness benefits and loan loss due to defaults.

Section 5 allows the Commission to consolidate a borrower's or a married couple's loans. Married borrowers must agree to be jointly and severally liable for repayment and the loan is not forgiven on the death of one of the borrowers.

Rationale: The existing loan portfolio is composed of varying conditions and interest rates, as shown in the following table.

TABLE 3
Difference Between Cost of Capital
to Program and to Borrower

Type of Loan	Percent of Portfolio
5% interest	27%
8% with no grace year interest	13%
8% with grace year interest	60%

Each loan is accounted for separately. Borrowers are often confused by the billing statement and by the apportionment of the monthly payment across the various loans. In some cases, a borrower may choose to pay off a higher interest loan more rapidly than a lower interest one. In order to split payment in such cases, staff must enter the payment manually. approximately one and three-quarters FTE staff Time is directed to manual posting of these payments each month. Because the loan consolidation will be eliminated. However, borrowers will be encouraged to take the option and a significant decrease in special payments is anticipated.

Section 6 excludes from eligibility any borrower who has had a previous loan written off by the Commission within the previous five years.

Rationale: Currently, a borrower can have a student loan written off if the borrower is certified as 50% or more permanently disabled by two doctors or if a loan has been discharged by a bankruptcy proceeding. Nothing in present statute prohibits a borrower from applying for and obtaining a new loan immediately. The proposed language would close this loop hole.

Section 7 allows the courts to assign to the Commission a portion of a defaulter's wages.

Rationale: Wage assignment is a powerful tool for enforcing loan repayment. In many cases, the threat of withholding wages is sufficient to encourage repayment. Where an assignment has been made, the loan fund benefits from at least partial payments. While wage garnishment can be done currently, this language would streamline the legal process by having the order included in the initial judgment by a court rather than having to request that by a separate action.

Section 8 applies the one-year residency requirement for Family Education Loans (FEL) to the borrower rather than the student.

Rationale: The Commission frequently encounters situations where a separated or divorced Alaskan resident parent wishes to borrow on behalf of a child for whom he/she does not have physical custody. In these cases, the parent with custody is often not a resident. The intent of the FEL program was to encourage parents to assist in funding a child's postsecondary education. FEL borrowers are generally very credit worthy and the default rate on these loans is only 4%. Therefore, it is in the best interests of the loan program to expand participation in this program to eligible Alaskans.

Section 9 deletes the requirement that an FEL can be made only on the behalf of a child who has been claimed as a dependent for federal tax purposes.

Rationale: Many potential FEL participants wish to borrow for children who are no longer claimed as dependents but who still need assistance in pursuing postsecondary education goals. Additionally, some parents object to sharing federal tax information with the loan program. The proposed changes would further encourage family responsibility and would provide relatively secure assets for the loan program without violating the financial privacy of the borrower.

CONCLUSION

The Commission supports CSHB 506(FIN) am because it provides the tools for fiscally-responsible management of the Alaska Student Loan program. Without the provisions of this bill, the fund will continue to erode. With it will erode the higher education opportunities for the coming generations of Alaskan students. Adoption of this bill will also strengthen our financial standing with New York bond firms such as AMBAC, Standard & Poors, and Moody's.

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To	Sen. Steve Rieger	From Steve Levinson
Co.	Chmn. Sen. HESS Comm.	Co. ASCC
Dept.	clo Sandy	Phone # 842-5744
Fax #	465-2069	Fax # 842-5883

ALASKA EUROPEAN SALES COMPANY
 BOX 930
 DILLINGHAM, AK 99576
 TEL 907/842-5994 ; FAX 907/842-5883

April 17, 1994

Senator Steve Rieger, Chairman
 Senate HESS Committee. and members

Dear Senators:

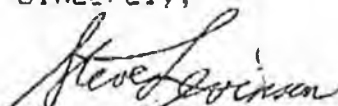
I want to offer very brief testimony in vigorous support of HB506 (Student Loan Reforms) as amended and passed by the House. My testimony is offered on behalf of the Alaska State Chamber of Commerce and the Dillingham Chamber of Commerce, both of which have adopted resolutions in support of this measure.

The key provisions contained in this bill that we support are the floating loan rate (keyed to cost of funds and administration), and the portions which attempt to tighten and clarify the student-borrower's obligation for timely repayment or conscientious effort to work with the ASLC for restructuring a payment schedule.

Viewing this bill as an effort to inject sound business practices into an important state program, both chambers give it their unqualified support and urge you to vote in favor so that it can move on to its final committee(s) and then go to the Senate floor for consideration and swift passage in the closing days of this session.

Thank you for taking the time to consider this testimony and thank you for your speedy deliberation of the bill.

Sincerely,



Steve Levinson
 Managing Director/USA
 and Director, ASCC and Dillingham CC

HB

507

SENATE COMMITTEE REPC

DATE: 4/13/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 5/2/94

HESS Committee considered CS FOR HOUSE BILL NO. 507(FIN)

"An Act relating to licensure by the State Medical Board and temporary permits for certain optometrists."

and recommends:

- replace with Senate CS CS HB 507 (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
Commerce & Econ Dev	2/3/94		2.5

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

Mike Miller No Rec
J. Duncan No Rec
Loren J. Leman NR
Bob Sharp NR

Steve Rein Do Pass
 Chair: Signature and Recommendation

8-LS1732K
Lauterbach
4/18/94

SENATE CS FOR CS FOR HOUSE BILL NO. 507(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): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE BY
REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to licensure by the State Medical Board and temporary permits
2 for certain optometrists."

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

4 * Section 1. AS 08.64.255 is amended to read:

5 Sec. 08.64.255. INTERVIEW REQUIRED. An applicant [ALL
6 APPLICANTS] for licensure shall be interviewed in person by at least one member
7 of the board or by a licensed physician designated for that purpose by the board
8 before a license will be issued. The interview must be recorded. If the application is
9 denied on the basis of the interview, the denial must be stated in writing, with the
10 reasons for it, and the record must be preserved.

11 * Sec. 2. AS 08.64.275(a) is amended to read:

12 (a) A member of the board or its executive secretary may grant a temporary
13 permit to a physician or osteopath for the purpose of substituting for another physician
14 or osteopath licensed in this state or for the purpose of providing health care

1 services on a temporary basis in an area of the state that is underserved, as
2 determined by the board under regulations. The permit is valid for 60 consecutive
3 days. If circumstances warrant, an extension of the permit may be granted by the
4 board.

5 * Sec. 3. AS 08.72 is amended by adding a new section to read:

6 Sec. 08.72.172. PERMIT FOR LOCUM TENENS PRACTICE. (a) A
7 member of the board may issue a temporary permit to a nonresident optometrist for
8 the purpose of assisting or substituting for an optometrist licensed under this chapter.
9 The office employing an optometrist with a permit under this section must be an
10 established practice, as determined under regulations adopted by the board, and be
11 owned by a licensed optometrist whose practice is full time.

12 (b) A permit issued under this section is valid for 60 consecutive days and
13 may be renewed up to three times within a 12-month period if circumstances warrant.
14 Permits issued under this section are not valid for more than 240 consecutive days of
15 practice within a 12-month period.

16 (c) A person who applies for a permit under this section shall pay the required
17 fee and furnish proof of

18 (1) meeting the requirements of AS 08.72.140; and

19 (2) holding a valid license to practice optometry issued by a state or
20 territory of the United States or by a province or territory of Canada.

21 (d) Within 10 days after a permit has been issued under this section, the board
22 member shall forward to the department a report of the issuance of the permit.

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

STATE CAPITOL, JUNEAU 99801
(907) 465-3759



CS HB 507 (Fin)

An Act relating to licensure by the State Medical Board and temporary permits for certain optometrists.

This bill was introduced by the House HESS Committee by the request of the State Medical Board and the Alaska Optometric Association.

Section 1 addresses the concerns of the State Medical Board for interviewing applicants for licensure in person. They would like it to be expanded to "the board or its designated representative". This would lessen the cost in time, money, and inconvenience for applicants who wish to practice medicine in the state.

Section 2 deals with granting a temporary permit for locum tenens for the purpose of providing temporary medical coverage for an underserved area as approved by the board.

Under current statute, locum tenens permits may only be issued to physicians who are substituting for an absent physician. With this change, a temporary permit may be issued to a physician who will be practicing in an area that does not have a regular, resident physician.

In Section 3 of this bill, a locum tenens permit may be issued to a nonresident optometrist for the purpose of assisting or substituting for an optometrist licensed under AS 08.72.

Alaska has a lot of solo practitioners in remote and semi-remote areas of the State. If the practitioner becomes injured, seriously ill or must leave temporarily, he presently must close down his clinic. This can bring a hardship to his patients, especially if the time away extends to several months.

Also, outside specialists in subnormal vision, visual therapy, etc, can be scheduled to assist local doctors where specialty care does not now exist.

The only difference between the original bill and the Finance Committee substitute is that interviews by a member of the medical board or its designated representative can also be conducted by telephone.

I urge your favorable consideration of this legislation.

FISCAL NOTE

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

Revision Date: 2/25/94 Department: Commerce and Economic Dev.
 Title: An Act relating to licensure by the BRU: Occupational Licensing
State Medical Board.... Component: Operations
 Sponsor: House HES
 Requestor: House HES COMPONENT SERIAL NO. 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	2.5					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.5	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	2.5					
1006 GF/MHTIA						
Other						
TOTAL	2.5	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)
 The bill provides for a designee of the State Medical Board to interview an applicant for licensure and expands the purpose of a medical temporary permit. -The bill also creates a locum tenens permit for nonresident optometrists. The bill calls for the State Medical Board and the Board of Examiners in Optometry to adopt regulations to define new phrases. The expenditures shown above are the estimated costs of the regulations projects and additional printing costs when the regulations become effective.

Prepared by: JoAnne Cummings, Regulations Specialist Phone: 465-2537
 Division: Occupational Licensing Date: 2/25/94
 Approved by Commissioner: Paul Fuhs Gary Bellfor Date: 2-28-94
 Agency: Commerce and Economic Development

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COMMITTEE COPY

Proposed revision to statute from a previous Board meeting:

PROPOSED REVISIONS TO STATUTES

New Agenda Item: Reword AS 08.64.255 Interview Required

Current Wording:

All applicants for licensure must be interviewed in person by at least one member of the board before a license will be issued.

Proposed Wording:

All applicants for licensure must be interviewed in person by at least one member of the board or its designated representative before a license will be issued.

Rationale:

Given the large geographical area of the state and the considerable expense involved in travelling this great expanse, this statute as currently worded often places an onerous burden on the applicant for licensure.

By inserting the words "... or its designated representative" interviews may be conducted by actively licensed physicians who have been previously approved by the Board. This will lessen the cost in time, money, and inconvenience for applicants who wish to practice medicine in the state.

1479M

* * D R A F T * *

Agenda Item 14: Reword Sec. 08.64.275(a)
Temporary permit for locum tenens practice.

Current Wording:

A member of the board or its executive secretary may grant a temporary permit to a physician or osteopath for the purpose of substituting for another physician or osteopath licensed in this state.

Proposed Wording:

A member of the board or its executive secretary may grant a temporary permit to a physician or osteopath for the purpose of substituting for another physician or osteopath licensed in this state or for the purpose of providing temporary medical coverage for an underserved area as approved by the board.

Rationale:

Many remote Alaskan communities do not have medical services available to them within the community. In many cases, there has never been a physician located in these areas. To provide periodic medical services, the Board wishes to amend this section of the statute to allow locum tenens physicians to practice for limited periods of time (locum tenens licenses are 60-day permits) in remote, underserved areas with the knowledge, scrutiny, and approval of the Board.

Under the current wording, locum tenens permits may only be issued to physicians who are substituting for an absent physician. With the revised wording, a temporary permit may be issued to a physician who will be practicing in an area that does not have a regular, resident physician.

The licensing approval process is not quite as rigorous for a locum tenens as it is for a full licensure; however, the essential elements of the individual's record are required the same as for full licensure and are carefully scrutinized. These elements include proof of education, residency or internship, FSMB approval, and at least one verification from another state where the physician is licensed.

1466M

PROPOSED:

- Sec. 08.XXXXXX Temporary permit for locum tenens practice.
- (a) A member of the board of examiners in Optometry may grant a temporary permit to an optometrist for the purpose of assisting or substituting for another optometrist licensed in this state. The office employing a Locum Optometrist must be an established practice, and the Locum employed by a resident Alaska licensed optometrist who owns and practices full time in that practice. The permit is valid for sixty (60) consecutive days. In circumstances warrant, an extension of the permit may be granted by the board.
- (b) A Locum Optometrist applying under (a) of this section shall pay the required fee and shall meet the requirements of AS 08.72-140. In addition, the optometrist shall submit evidence of holding a license to practice optometry in a state or territory of the United States or in a province or territory of Canada.
- (c) Within ten (10) days after the permit has been granted, the board member shall forward to the department a report of the issuance of the permit.
- (d) Permits and extensions of permits issued under this section to an individual are not valid for more than 240 (two hundred forty) consecutive days during any consecutive 12 (twelve) months.

RATIONALE:

Alaska has a lot of solo practitioners in remote and semi-remote areas of the State. If the practitioner becomes injured, seriously ill or must leave temporarily, he presently must close down his clinic. This can bring a hardship to his patients.

Also, outside specialists in subnormal vision, visual therapy etc. can be scheduled to assist local doctors where specialty care does not now exist.

The Locum Tenens statute would allow a temporary permit be issued to a nonresident optometrist for the purpose of assisting or substituting for an optometrist licensed under this chapter.

HB

538

STATE COMMITTEE REPORT

DATE: 4/12/94

FURTHER: L&C

DATE TURNED INTO OFFICE: 5/5/94

HESS Committee considered CS FOR HOUSE BILL NO. 538(L&C)

"An Act relating to uniform claims forms, uniform standards, and uniform procedures for processing data relating to billing and payment of health care services; and providing for an effective date."

and recommends:

- replace with S CS CS HB 538 (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
Commerce Econ Dev	3/29/94	✓	

Appropriation No Fiscal Note

DO PASS:

Ben Thompson

Judith E. Salo

OTHER RECOMMENDATIONS:

Mik Miller No Rec

Andrew A. Lewman No rec

Chair Do Pass

 Chair: Signature and Recommendation

8-LS1840J
Ford
5/2/94

**SENATE CS FOR CS FOR HOUSE BILL NO. 538(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): **HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to uniform claims forms, uniform standards, and uniform
2 procedures for processing data relating to billing and payment of health care
3 services; relating to the Comprehensive Health Insurance Association and to health
4 insurance provided to residents of the state who are high risks; and providing
5 for an effective date."

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

7 * Section 1. AS 21.06 is amended by adding a new section to read:

8 Sec. 21.06.085. UNIFORM DATA AND PROCEDURES FOR HEALTH
9 CLAIMS. (a) The director shall adopt by regulation uniform claims forms, uniform
10 standards, and uniform procedures for the processing of data relating to billing for and
11 payment of health care services provided to state residents. A health insurer shall use
12 the uniform claims forms and comply with the uniform standards and procedures
13 established under this section.

1 (b) In this section,

2 (1) "health care services" has the meaning given in AS 21.86.900;

3 (2) "health insurance" has the meaning given "disability insurance" in
4 AS 21.12.050;

5 (3) "health insurer" means an insurer transacting the business of health
6 insurance, a health maintenance organization under AS 21.86, a hospital service
7 corporation under AS 21.87, a medical service corporation under AS 21.87, or a
8 combined medical service and hospital service corporation under AS 21.87.

9 * Sec. 2. AS 21.55.010 is amended to read:

10 Sec. 21.55.010. CREATION; MEMBERSHIP. There is established a nonprofit
11 incorporated legal entity to be known as the Comprehensive Health Insurance
12 Association. Membership consists of all licensed hospital or medical service
13 corporations in the state that offer subscriber contracts for major medical coverage, all
14 health maintenance organizations or other managed care arrangements approved
15 by the director, and all insurers licensed to transact health insurance in the state that
16 offer policies for major medical coverage on an expense incurred basis. All members
17 shall maintain membership in the association as a condition of doing health insurance
18 business, or being able to offer subscriber contracts or enrollment in a health
19 maintenance organization or managed care arrangement, in the state.

20 * Sec. 3. AS 21.55.100 is amended by adding a new subsection to read:

21 (d) The association may make available to residents who are high risks
22 coverage through a health maintenance organization or other managed care
23 arrangement as approved by the director.

24 * Sec. 4. AS 21.55.120(c) is amended to read:

25 (c) Except as provided in (e) of this section, the [THE] sum of the
26 deductible and copayments required in any calendar year under a plan may not exceed
27 a maximum limit of \$2,000 per covered individual. Covered expenses incurred after
28 the applicable maximum limit has been reached shall be paid at the rate of 100 percent
29 of usual, customary, reasonable, or prevailing charges, except that expenses incurred
30 for treatment of mental and nervous conditions shall be paid at the rate of 50 percent.
31 The \$2,000 maximum shall be adjusted yearly to correspond with the change in the

1 medical care component of the Consumer Price Index as adjusted by the director.

2 * Sec. 5. AS 21.55.120 is amended by adding a new subsection to read:

3 (e) In addition to the deductible, copayment, and applicable maximums
4 described in this section, other deductible, copayment, or maximum limits may be
5 offered if approved by the director.

6 * Sec. 6. AS 21.55.150(b) is amended to read:

7 (b) The association shall use separate scales of premium rates based on age
8 and geographic location of the insured. The association may use separate scales of
9 premium rates based on other factors, including use or nonuse of tobacco, if
10 approved by the director.

11 * Sec. 7. AS 21.55.300 is repealed and reenacted to read:

12 Sec. 21.55.300. ELIGIBILITY FOR STATE HEALTH INSURANCE. (a)
13 Except as provided in this section, a state resident who is a high risk is eligible to
14 enroll in a state plan described in AS 21.55.100.

15 (b) A person may not be covered by the state plan

16 (1) while covered by another health insurance policy or subscriber
17 contract; or

18 (2) if the person is eligible to be covered by a plan subject to the
19 requirements of AS 21.56.110 - 21.56.250.

20 (c) Upon ceasing to be a resident, a person is not eligible to purchase or renew
21 coverage under a state plan, but previously purchased coverage remains in effect for
22 the period covered by payments made while a resident.

23 (d) Additional eligibility requirements for enrollment in a state plan may be
24 imposed if approved by the director.

25 * Sec. 8. AS 21.55.310 is amended to read:

26 Sec. 21.55.310. ENROLLMENT BY AN ELIGIBLE PERSON. A person may
27 enroll in a state plan by applying to the writing carrier. The application must include
28 the following:

29 (1) name, address, age, and length of residency of the applicant;

30 (2) a designation of the plan desired, including deductible option
31 chosen;

- 1 (3) information relevant to whether the person is a high risk; and
2 (4) pavment of the first premium.

3 * Sec. 9. AS 21.55.320 is amended to read:

4 Sec. 21.55.320. WRITING CARRIER'S RESPONSE. Within 30 days after
5 receiving the certificate described in AS 21.55.310, the writing carrier shall either
6 reject the application for failing to comply with the requirements of AS 21.55.300 and
7 21.55.310 or forward the eligible person a notice of acceptance [AND BILLING
8 INFORMATION].

9 * Sec. 10. AS 21.55.400 is amended to read:

10 Sec. 21.55.400. DUTIES OF DIRECTOR. The director may

11 (1) approve the selection of the writing carrier by the association and
12 approve the association's contract with the writing carrier, including the coverages and
13 premiums to be charged;

14 (2) contract with the federal government or another unit of government
15 to ensure coordination of the state plans with other governmental assistance programs;

16 (3) undertake directly or through contracts with other persons studies
17 or demonstration programs to develop awareness of the benefits of this chapter; and

18 (4) formulate general policy, adopt regulations that are reasonably
19 necessary to administer this chapter.

20 * Sec. 11. AS 21.55 is amended by adding a new section to read:

21 Sec. 21.55.420. BOARD MEMBER CIVIL AND CRIMINAL IMMUNITY.

22 A member of the board of directors of the association may not be held civilly or
23 criminally liable for an act or omission if the act or omission was in good faith and
24 within the scope of the director's duties under this chapter.

25 * Sec. 12. AS 21.55.500(10) is amended to read:

26 (10) "residents who are high risks" means residents who

27 (A) have been rejected for medical reasons after applying for
28 a subscriber contract, a policy of health insurance, or a Medicare supplement
29 policy by at least two association members within the six months immediately
30 preceding the date of application for a state plan; medical reasons may include
31 preexisting medical conditions, a family history that predicts future medical

1 conditions, or an occupation that generates a frequency or severity of injury or
2 disease that results in coverage not being generally available; [OR]

3 (B) have had a restrictive rider placed on a subscriber contract,
4 a health insurance policy, or a Medicare supplement policy that substantially
5 reduces coverage; or

6 (C) meet other requirements adopted by regulation by the
7 director that are consistent with this chapter and that indicate that a
8 person is unable to obtain coverage substantially similar to that which may
9 be obtained by a person who is considered a standard risk;

10 * Sec. 13. By July 1, 1995, the director of the division of insurance shall adopt regulations
11 necessary to implement the uniform claim form required under AS 21.06.085, added by sec. 1
12 of this Act.

13 * Sec. 14. This Act takes effect July 1, 1994.

HEALTH. EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



STATE CAPITOL, JUNEAU 99801
(907) 465-3759

CS HB 538 (L&C)

An Act relating to uniform claims forms, uniform standards, and uniform procedures for processing data relating to billing and payment of health care services.

This bill would give the Division of Insurance the ability to adopt, by regulation, uniform insurance claims forms.

This piece of legislation was derived from HB 414, the governor's comprehensive health care bill. While there is definitely the need for overall health care reform, there is the possibility that these comprehensive changes will not pass this year. I feel that it is important to have some mechanism in place for the development of the uniform claims form, which will at least get us started in the right direction.

The Division of Insurance has submitted a zero fiscal note for HB 538. I urge your favorable consideration of this important piece of legislation.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSHB538(L&C)

Revision Date: 4/1/94
Title: Uniform Health Care Claim Procedures
Sponsor: House HESS Committee
Requestor: _____

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

Expenditures/Revenues:

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

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

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

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer
Division: Insurance

Phone: 465-2597
Date: 4/1/94

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

Date: 4/5/94

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Sec. 08.72.115. Malpractice insurance. [Repealed. § 40 ch 117 SLA 1978.]

Sec. 08.72.120. Registration. [Repealed § 9 ch 50 SLA 1988.]

Sec. 08.72.125. Licensing of branch offices. (a) The board shall license each branch office of an Alaskan licensee.

(b) A person may not practice, or attempt or offer to practice, optometry without obtaining a license for each branch office from the board.

(c) The board shall prescribe in the regulations the factors to be considered in issuing a branch office license. (§ 2 ch 76 SLA 1969; am § 9 ch 75 SLA 1980; am § 12 ch 37 SLA 1986; am § 4 ch 50 SLA 1988)

Effect of amendments. — The 1988 amendment, effective May 26, 1988, substituted "Licensing" for "Registration" in the catchline, rewrote subsection (a), which read "The board shall issue a branch office certificate of registration to an Alaskan licensee," and substituted

"without obtaining a license for each branch office" for "in communities on a part-time basis without obtaining a branch office certificate of registration" in subsection (b) and "license" for "certificate of registration" in subsection (c).

Sec. 08.72.130. Optometry register. [Repealed, § 13 ch 37 SLA 1986.]

Sec. 08.72.140. Qualifications for examination. The board shall admit to the examination a person who furnishes proof that the person

(1) has a visual acuity of a standard of at least 20/40 in at least one eye as corrected;

(2) is not afflicted with a contagious or infectious disease;

(3) has had education equivalent to four years attendance at a state high school;

(4) is a graduate of a recognized school or college of optometry. (§ 35-3-141 ACLA 1949; am § 1 ch 95 SLA 1966; am §§ 3 — 5 ch 76 SLA 1969; am §§ 10, 23 ch 75 SLA 1980)

Sec. 08.72.150. Application for examination and issuance of license. An applicant shall apply for the examination by filing an application with the department together with the examination fee at least 15 days before the examination. Upon successful completion of the examination by the applicant and payment of the license fee, the board shall issue a license to the successful applicant. The applicant may practice optometry in the state upon receipt of the license. (§ 35-3-141 ACLA 1949; am § 6 ch 76 SLA 1969; am § 5 ch 50 SLA 1988)

(1) the amount that would have to be paid to an insurer on behalf of its employees for substantially similar health benefits; or

(2) the health maintenance organization's charge for coverage that is approved by the director under AS 21.86.070.

(c) This section does not apply to an employer whose employees or members reside in an area where health care services are not provided by a health maintenance organization. (§ 1 ch 95 SLA 1990)

Editor's notes. — Section 5, ch. 95, SLA 1990 provides that AS 21.86.310(a) "applies to an employer or a collective bargaining agreement upon the expiration or renewal date of a contract or policy under the employer's health benefit plan, or of the collective bargaining agreement."

Sec. 21.86.900. Definitions. In this chapter,

(1) "agent" means a person who is appointed by a health maintenance organization and who engages in solicitation of membership in the organization; "agent" does not include a person enrolling health maintenance organization members on behalf of an employer, a union, or other organization to whom a master subscriber contract has been issued, or an employee, who is not an independent contractor, of the health maintenance organization;

(2) "basic health care services" means emergency care, inpatient hospital and physician care, and outpatient medical services, but does not include mental health services or services for alcohol or drug abuse;

(3) "enrollee" means an individual who is enrolled in a health maintenance organization;

(4) "evidence of coverage" means a certificate, agreement, or contract issued to an enrollee, setting out the coverage to which the enrollee is entitled;

★ (5) "health care services" means services for medical or dental care, or hospitalization, or services incident to the furnishing of that care or hospitalization, and includes services for the purpose of preventing, alleviating, curing, or healing human illness, injury, or physical disability;

(6) "health maintenance organization" means a person that undertakes to provide or arrange for basic health care services to enrollees on a prepaid basis;

(7) "person" has the meaning given in AS 01.10.060 and includes a joint venture;

(8) "provider" means a physician, hospital, or other person licensed or otherwise authorized in this state to furnish health care services;

(9) "uncovered expenditures" means the costs of health care services that are covered by a health maintenance organization, but for which an enrollee would also be liable if the organization became insolvent. (§ 1 ch 95 SLA 1990)

insurance with its insured. (§ 1 ch 120 SLA 1966; am §§ 20, 21 ch 50 SLA 1990; am § 22 ch 21 SLA 1991; am §§ 19 — 22 ch 67 SLA 1992)

Revisor's notes. — Subsection (i) was formerly AS 21.12.120. Renumbered as (g) in 1991 and as (i) in 1993, at which time former (h) and (i) were relettered as (g) and (h), respectively. In 1991, the introductory clause of (i) was rewritten to reflect the reorganization and a manifest error in an internal reference in § 21, ch. 50, SLA 1990, which enacted former AS 21.12.120, was corrected.

Effect of amendments. — The 1991 amendment, effective June 11, 1991, corrected a drafting error in the second and third sentences in subsection (c) as enacted by § 20, ch. 50, SLA 1990.

The 1992 amendment by §§ 19, 21, and 22, ch. 67, SLA 1992, effective July 1, 1992, rewrote paragraph (a)(2); in item (a)(4)(A)(iv), substituted "\$100,000.000" for "\$50,000,000," inserted "certified" near the end, and added the phrase beginning "or for" at the end; added item (a)(4)(A)(v); inserted "that contain an ev-

ergreen clause" and the phrase beginning "not later than" and ending "annual statement" in paragraph (c)(3); and added subsections (h) and (i). The 1992 amendment by § 20, ch. 67, SLA 1992, effective January 1, 1994, rewrote subsection (a) to incorporate references to accreditation by the National Association of Insurance Commissioners and made related textual changes. The text of that subsection as it reads until that date may be found in the 1992 supplement, which may be retained for that purpose.

Editor's notes. — Section 83, ch. 50, SLA 1990 provides that this section as amended by § 20, ch. 50, SLA 1990, "applies to all reinsurance transactions having an inception, anniversary, or renewal date on or after July 1, 1991."

Collateral references. — 43 Am. Jur. 2d, Insurance, §§ 1831 to 1841.

46 C.J.S., Insurance, §§ 1220 to 1242.

Sec. 21.12.030. Definitions not mutually exclusive. It is intended that certain insurance coverages may come within the definitions of two or more kinds of insurance as defined in this chapter, and the inclusion of coverage within one definition does not exclude it from the definition of another kind of insurance coverage if the coverage may be reasonably included. (§ 1 ch 120 SLA 1966)

Sec. 21.12.040. Life insurance defined. Life insurance is insurance on human lives. The transaction of life insurance includes also the granting of endowment benefits, additional benefits for death or dismemberment by accident or accidental means, additional benefits for the insured's disability, and optional modes of settlement of proceeds of life insurance. Transaction of life insurance does not include workers' compensation insurance. (§ 1 ch 120 SLA 1966)

Collateral references. — 43 Am. Jur. 2d, Insurance, §§ 2, 3.

44 C.J.S., Insurance, §§ 1, 25 to 27.

Sec. 21.12.050. Disability insurance defined. Disability insurance is insurance of human beings against bodily injury, disablement, or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness or childbirth, or against expense incurred in prevention of sickness, or dental care and every insurance appertaining thereto. Transaction of disability insurance does not include workers' compensation insurance. (§ 1 ch 120 SLA 1966)

CSHS RE 538 SHORT TITLE: UNIFORM HEALTH CARE CLAIMS PROCEDURES
FULL VERSION: CSHS 538(L&C)
SPONSORING: HEALTH EDUCATION AND SOCIAL SERVICES

CURRENT STATUS: PASSED (H) STATUS DATE: 04/11/94

TITLE: "AN ACT RELATING TO UNIFORM CLAIMS FORMS, UNIFORM STANDARDS, AND UNIFORM PROCEDURES FOR PROCESSING DATA RELATING TO BILLING AND PAYMENT OF HEALTH CARE SERVICES, AND PROVIDING FOR AN EFFECTIVE DATE."

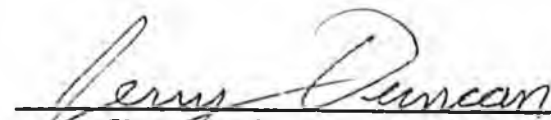
02/23/94	3235	(H)	READ THE FIRST TIME - REFERRAL (C)
03/23/94	3235	(H)	L&C FINANCE
03/31/94	3193	(H)	L&C RPT CS(L&C) SDP
03/31/94	3194	(H)	OP: POTTER, GREEN, WILLIAMS, MULDER, HUDSON
03/31/94	3194	(H)	-ZERO FISCAL NOTE (OCED) 3/31/94
04/06/94	3183	(H)	FIN REFERRAL MAIVED
04/06/94	3207	(H)	RULES TO CALENDAR 4/8/94
04/08/94	3207	(H)	READ THE SECOND TIME
04/08/94	3207	(H)	L&C CS ADOPTED UNAN CONSENT
04/08/94	3207	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/08/94	3207	(H)	READ THE THIRD TIME CSHS 538(L&C)
04/08/94	3208	(H)	PASSED BY HOUSE
04/08/94	3208	(H)	EFFECTIVE DATE SAME AS PASSAGE
04/08/94	3208	(H)	PRICED BY L&C FOR RECONSIDERATION
04/11/94		(H)	RECONSIDERATION NOT TAKEN UP

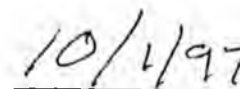


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7

FISCAL NOTE

No. 1

Bill Version: HCR 7

(H) Publish Date: 3/10/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____
Title: RELATING TO ALCOHOL-RELATED
BIRTH DEFECTS AWARENESS WEEK
Sponsor: REP. NICHOLIA
Requestor: _____

Dept. Affected: N/A
BRU: _____
Component: _____
COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: _____
Division: HOUSE HESS COMMITTEE
Approved by Commissioner: REPRESENTATIVE CON BUNDE CO-CHAIR
Agency: REPRESENTATIVE CYNTHIA D. TOCHEY, CO-CHAIR

Phone: 3759
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*Health, Education and
Social Services Committee
Special Committee on Fisheries*

House Concurrent Resolution 7

SPONSOR STATEMENT

HCR 7 relates to the declaration of May 9 - 15, 1993, as Fetal Alcohol Syndrome Awareness Week.

Fetal Alcohol Syndrome (FAS) has been found to be the number one identifiable cause of birth defects accompanied by mental retardation in the United States, and is the only preventable one. Children who are born with FAS suffer disastrous consequences from their mothers' choice to drink alcohol while pregnant. FAS-related birth defects include growth retardation, abnormal facial features, mental retardation, brain deformation, orthopedic and orthodontal problems, and vision loss. All of these effects are devastating to a child; all of them are preventable.

The Department of Health and Social Services, Division of Alcoholism and Drug Abuse is planning a statewide FAS Awareness campaign for Mother's Day Week, 1993. HCR 7 will assist the Division in its efforts to increase consciousness in Alaskan communities about FAS and how to prevent it.

This piece of legislation has the power to help halt the incidence of FAS by raising the awareness of health care providers, schools, and ultimately pregnant mothers. I strongly urge you to support HCR 7.

MY TURN

2-25-93 Empire

Alaska leads the nation in fetal alcohol syndrome

By ERMALEE HICKEL

Did you know that Alaska ranks No. 1 in the nation in the number of babies born each year with fetal alcohol syndrome? It is deeply troubling to me that this tragic problem has reached a crisis level in Alaska, as well as across the nation.

Fetal alcohol syndrome is the No. 1 cause of mental retardation in the western world, and it is also one of the three leading causes of birth defects. Many fetal alcohol syndrome and fetal alcohol effects children have developmental delays, learning disabilities, hyperactivity, attention and behavior problems, physical deformities and severe health problems. These birth defects simply will never go away, and a boy born with FAS or FAE never catches up mentally or physically to normal children.

Drinking any amount of alcohol while a woman is pregnant puts her unborn baby at risk of having FAS or FAE. Why? Because when a woman drinks alcohol, her baby drinks too, because the alcohol passes directly through the placenta to her baby.

Both FAS and FAE are 100 percent preventable. When a woman doesn't drink any alcohol (beer, wine, hard liquor or wine coolers) during pregnancy, her baby will not be at risk for FAS or FAE.

There is no known safe amount of alcohol for a pregnant woman, so she should just not drink alcohol at all.

For women who are planning a pregnancy, the best defense against FAS and FAE is to stop drinking alcohol before trying to conceive. When women who drink and have an unplanned pregnancy should quit drinking as soon as they suspect they are pregnant. It is never too late to stop drinking and get help for you and your baby.

Heavy drinkers should avoid pregnancy until they think they can stay away from alcohol for the nine months from conception to birth, and longer if they plan to breastfeed their babies.

There is no known safe amount of alcohol for a pregnant woman, so she should just not drink alcohol at all. I'd like to suggest that because of the tragic consequences of FAS and FAE, that woman should be free of drinking any alcohol for a year prior to conception in order to give the child the best chance at life.

Researchers are showing that many women inadvertently drink during the first three months of

pregnancy because they don't know they are pregnant, and this is very dangerous to the unborn baby.

I know this may be quite a sacrifice, but FAS and FAE are irreversible conditions. Although FAS is totally preventable, once a child has FAS or FAE, they don't grow out of it or get better. They will always have it - the damage is permanent. Babies with FAS or FAE have the disabilities they are born with throughout their lives.

What can we do as a community? One thing that is so important is public awareness. It's not reasonable to wait until women start prenatal care to advise them against drinking alcohol during pregnancy. A woman must be reached before she becomes pregnant and be taught that if she stays away from alcohol entirely during her pregnancy, her baby will not have FAS or FAE.

We can win this battle against FAS and FAE through education, and also by family, friends and communities standing alongside

expectant mothers who are struggling with alcohol. A woman battling alcohol can be helped to maintain abstinence through the caring of others.

We must use all of our means to reach women at risk of having babies with FAS and encourage them to believe in themselves and their own worth.

If you need help or know someone who does, please call the Alaska Council on Prevention of Alcohol and Drug Abuse at 1-800-478-PREV. They can refer you to good programs that can help, or you can contact your local alcohol program or health care provider.

Also you may want to contact the Dena A-Coy pre-maternal home in Anchorage at 333-6677. They offer both residential and outpatient treatment programs for pregnant women across the state who are suffering from alcohol and drug addiction. It is a pilot federal/state program that has helped many women have healthy babies.

FAS and FAE can be a thing of the past in just one generation if women just don't drink any alcohol during pregnancy. The choices women make for their lives will affect their babies' lives forever. We must each play our part in encouraging women to have strong, healthy babies.

**Economic Impact of
Fetal Alcohol Syndrome
in Alaska**

February 1989

by

**Maureen Weeks
Senate Advisory Council**

for

Senator John Binkley

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator John Binkley
Alaska State Senate

FROM: Maureen Weeks MWJ
Senate Advisory Council

DATE: February 17, 1989

SUBJECT: Economic impact of Fetal Alcohol Syndrome; IR # 89-100015

An estimated 29 babies with Fetal Alcohol Syndrome (FAS) are born in Alaska annually; of these 26 survive the first year. Two to 15 times this many babies are born with a lesser set of symptoms known as Fetal Alcohol Effects (FAE). Babies exposed to alcohol before birth may be too small when they are born. Just ten years ago all low birthweight babies died at birth. Today, increasingly expensive medical technology saves the lives of four out of five but cannot correct many defects already caused by alcohol. Fifty-eight percent of both FAS and FAE patients have IQ's below 70 (classified as Developmentally Disabled). Conservatively estimated, the lifetime cost per Alaska FAS birth is \$1.4 million. Lifetime cost for Alaska FAS babies born each year is \$39.8 million.

Senator John Binkley
February 17, 1989
Page 2

These are selected medical and social costs only; they do not include, among other things, costs of welfare, the justice system, mild physical problems, mild learning disabilities or loss of a useful member of society.¹

A table of costs associated with FAS and FAE follows page 18 of this report.

I. BACKGROUND.

Fetal Alcohol Syndrome (FAS) is caused when the alcohol which a pregnant woman drinks damages the brain and body of the fetus as it develops. Until 1973, alcohol was not suspected as toxic to an unborn baby. Respected medical authorities told pregnant women that the placenta protected their fetuses from harmful substances. Today we know these authorities were wrong. Babies who are exposed to alcohol before they are born can be irreversibly harmed for the rest of their lives.

The damage done by alcohol has profound implications for the victim and society. The harmful effects of alcohol on the fetus last a lifetime. A common problem is mental retardation. The average IQ of FAS patients is 66. Almost every child

¹ Harwood and Napolitano estimate direct average lifetime costs at \$405,000 per person and indirect costs at \$191,000, in 1980 dollars. Adjustment for inflation and cost of living differences (3 percent per year and 30 percent) yields direct costs of \$528,000 and indirect costs of \$249,000, for a total of \$1,010,000/person, Alaska 1989. Total costs for 29 Alaska FAS births would be \$29,290,000. (A 30 percent increase is conservative; the Bureau of Labor Statistics reports that medical services increased by 83.5 percent in Anchorage between 1980 and 1988.) It should be noted that some costs in the Harwood study are much less than Alaska costs. For example, intensive care hospitalization is estimated nationwide at \$2,500 per infant v. \$120,000/year per infant in Alaska; institutionalization is estimated at \$25,000/year nationwide v. \$109,000 in Alaska.

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February 17, 1989
Page 3

or adult with FAS needs lifelong care, supervision or support from family and society. Those most severely affected may spend their lives in institutions. Some suffer physical anomalies such as heart problems, cleft palate, kidney problems, blindness and deafness.

Few, if any, families can pay the enormous costs of supporting an FAS child or adult. Babies born with FAS may need intensive hospital care at birth at an average cost of \$2,400 a day. One in eight children born with FAS have cleft palates, requiring surgeries costing up to \$75,000 and long term speech therapy twice or three times a week at \$96 an hour. Fifty-eight percent of patients with FAS have IQ's below 70 and as such are classified as developmentally disabled. Cost of special education for a severely retarded child is \$20,000 a year. Average annual cost for each FAS patient in an institution is \$109,000.

Two national studies of the economic impact of Fetal Alcohol Syndrome have been published since the syndrome was discovered in 1973. Harwood and Napolitano in 1985 found the U.S. spends up to \$108.8 million a year on FAS births; Abel and Sokol in 1986 found annual costs of \$321 million a year. This report adapts the more conservative Harwood and Napolitano study to Alaska.

II. INCIDENCE OF FAS AND FAE

An estimated 29 Alaska babies are born a year with FAS. Experts believe between two and 15 times that many FAE babies are born annually.

A diagnosis of FAS requires signs in three areas:

- (1) Pre and/or post natal growth retardation (weight, length, and/or head circumference below the tenth percentile).
- (2) Central nervous system problems (neurological abnormality, developmental delay, or intellectual impairment).
- (3) Characteristic facial features (including small eyes, crossed eyes, short nose, or abnormalities of the mouth such as cleft palate).

FAS may be difficult to identify, especially among newborns. The identifying facial features may not be easily recognized and mental retardation may not be identified until years after birth.

U.S. researchers speculate that some racial groups, such as certain American Indian tribes, may be at greater risk for FAS than the population as a whole. A 1982-83 study of Indians on 26 reservations in New Mexico, Colorado, Utah and Arizona showed a wide variation in prevalence of FAS among cultural groups. For example, among Navajo Indians, the incidence was 1.4 FAS cases per 1,000 births; among Pueblo Indians it was 2 per 1,000 births and among Plains Indians it was 9.8 per 1,000 births.

Dr. James Berner of the Native Health Service, and Vicki Hild, FAS Coordinator for the Alaska Native Health Board, report statewide incidence of FAS between

1981 and 1988 at 4.2 per 1,000 live births. At an average of 2,700 deliveries annually, this would be about 12 FAS Native births a year.

The estimate comes from an Alaska Area Native Health Service survey of Alaska Native children born between 1981 and 1988. The study shows that the highest recorded FAS rate among any population in the world is in the Copper River area of Alaska: 250 FAS cases per 1,000 births (or one in every four births).

Estimated incidence among Alaska Natives in other areas:

Sitka region:	2.1 FAS cases per 1,000 births
Bethel region:	3.5 FAS cases per 1,000 births
Anchorage:	3.8 FAS cases per 1,000 births
Nome region:	4.0 FAS cases per 1,000 births
Tanana Chiefs:	5.9 FAS cases per 1,000 births

It would be a mistake to ignore FAS among non-Native Alaskans. Data shows, for example, that one non-Native woman in Southcentral Alaska has produced seven children with FAS. No one has studied the incidence of FAS among non-Native Alaskans. Indeed, relatively few studies of the incidence of FAS among the general population have been done in the U.S. The literature commonly estimates overall FAS prevalence at from 1 to 3 cases per 1,000 live births (see Sixth Special Report to the U.S. Congress on Alcohol and Health, January 1987).

Estimates in U.S. cities show:

Cleveland (1973-79)	.4 FAS cases per 1,000
Cleveland (1979-82)	3.0 FAS cases per 1,000
Seattle (1978)	1.3 FAS cases per 1,000
Boston (1977)	3.1 FAS cases per 1,000
Boston (1983)	2.1 FAS cases per 1,000

Estimates from Europe include:

Sweden (1979)	1.6 FAS cases per 1,000 births
	1.4 cases per 1,000 births
France (1977-79)	1.3 cases per 1,000 births
	2.9 cases per 1,000 births.

Abel and Sokol added together all FAS births reported worldwide in text or by personal communication and found a worldwide incidence of 1.9 FAS cases per 1,000 live births. Rates were higher in North America (2.2 cases per 1,000 live births) than in Europe and other countries (1.8 cases per 1,000 live births). They believe site, economic class and culture affect the reported FAS rate. Hild and Berner place national incidence at 1.7 per 1,000 live births. This study will use that conservative estimate. At an average of 10,000 deliveries annually, this would be about 17 non-Native babies born with FAS in Alaska a year. Added to the estimated 12 Native births, this brings the total Alaska FAS births per year to 29 babies. Of these, 26 babies survive their first year. See Table 1.

In the 16 years since U.S. doctors recognized that alcohol harms the fetus, researchers have concentrated on the more serious illness, FAS. However, patients with FAE have an average IQ of 73 and researchers now believe that in addition to lowered IQ, FAE causes hyperactivity, learning disorders, speech and hearing problems, perceptual problems and short attention span, among other problems. In some cases, these signs may not become evident until the child has trouble in school. Educators faced with a "difficult" child may not associate school problems with prenatal exposure to alcohol.

Researchers disagree on the incidence of FAE. Ann Streissguth of the University of Washington Medical School, an associate of the U.S. discoverers of FAS, estimates that FAE occurs twice as often as FAS. The National Institute on

Table 1
Incidence of FAS births in Alaska, 1988

Native births:

Deliveries (a)	2,736
Incidence of FAS births (b)	4.2/1000
Number of FAS births (2736 x .0042 = 11.)	12

Non-Native births:

Deliveries (a)	10,163
Incidence of FAS births (b)	1.7/1000
Number of FAS births (10163 x .0017 = 17.3)	17

Total FAS births: 29

First-year survivors:

Neonatal mortality rate, Alaska: (c)	5.1%
Neonatal survivors:	28
Postneonatal mortality rate: (c)	5.9%
FAS first-year survivors	26

-
- (a) Alaska Vital Statistics 1985, Department of Health and Social Services, Juneau, 1988.
- (b) J.E. Berner, "Update: Incidence of Fetal Alcohol Syndrome (FAS) In Alaska Natives", February 3, 1989.
- (c) Alaska Vital Statistics 1985, p. 7.

Alcohol Abuse and Alcoholism reports a ten times increase and Sokol estimates much as a 15 times increase. Hild believes the incidence of FAE in Alaska is ten times that of FAS, or higher. In an effort to be conservative, this report will use the lowest estimate (twice FAS). At this rate, 58 Alaska FAE babies are born a year.

Table 2 shows the number of FAE births per year at each estimate.

Table 2
Incidence of FAE, Alaska 1985 (a)

Estimate of times increase over FAS	Number of FAE born/year (FAS = 29/yr)
2	58
10	290
15	435

(a) Three estimates of the frequency of FAE are quoted in the literature:

- * 2 times FAS: Ann P. Streissguth, Ph.d, of the University of Washington Medical School. (Manual on Indian Adolescents and Adults with Fetal Alcohol Syndrome, July, 1986, p. 4)
- * 10 times FAS: National Clearinghouse for Alcohol Information at Rockville Maryland. (Fact Sheet, December 1985). V. Hild, FAS coordinator for the Alaska Native Health Board, estimates the FAE incidence in Alaska exceeds 10 times that of FAS.
- * 15 times FAS: R.J. Sokol. ("Alcohol Abuse During Pregnancy: An Epidemiologic Study", Alcoholism: Clinical and Experimental Research, April 1980, p. 135-145.

B. Medical costs associated with FAS and FAE.

FAS patients commonly require medical care for cleft palate, heart defects, kidney defects, visual and hearing defects, dental problems and skeletal and postural problems. When estimates of the prevalence of these anomalies are available, this report relies on Abel and Sokol, Harwood and Napolitano and Hild for accurate statistics. Unfortunately, the prevalence for the majority of physical problems has not been established and these costs are not included in this report. Table 6 shows costs of selected physical disorders. Hospital costs are explained below.

Alcohol can lower birthweight even in babies who do not have FAS. Ruth Little reports that when a pregnant woman drinks one ounce of alcohol a day, birthweight can fall by 160 grams. Alcohol also lowers birthweight in the majority of FAS births. Low birthweight babies are at risk to need intensive care. Just ten years ago almost all low birthweight babies died at birth. Today, newborn intensive care saves the lives of four out of five. This intense early care is increasingly expensive and cannot correct the lifelong and expensive defects already caused by prenatal exposure to alcohol. In some cases, the desperate effort to save a too-small baby's life adds to the irreversible burden of harm the child will carry with it for the rest of its life.

Abel and Sokol report that 79.8 percent of FAS babies are low birthweight (see Table 3). Of 29 Alaska babies born annually with FAS, 23 babies would be low birthweight. Alaska vital statistics records show that 4.6 percent of babies are born low birthweight despite their prenatal care. Thus, one Alaska baby would be low birthweight despite the best prenatal care, leaving 22 Alaska babies whose low birthweight is due to FAS. Abel and Sokol report that 74.3 percent of FAS low birthweight babies are moderately low birthweight, weighing between 1500 and 2500 grams. At this rate, 16 Alaska FAS babies would be

moderately low birthweight. The rest (six babies) are very low birthweight, weighing less than 1500 grams.

The National Institute of Medicine reports that 32.8 percent of moderately low birthweight babies need intensive care (see Table 4). Of the 16 moderately low birthweight Alaska babies, five would need intensive care. All of the very low birthweight babies (six babies) would need intensive care. The total number of FAS low birthweight babies needing intensive care is 11 per year. This estimate is corroborated by Dr. Jack Jacob, Providence Hospital neonatologist, who reports between ten and 15 FAS infants are treated in the intensive care unit each year.

Providence Hospital records show that in 1987, the average length of stay in intensive care for an FAS baby was 27 days and in 1988, it was 65 days.² Average FAS hospital costs in 1987-88 were \$99,740 per FAS child; average neonatal physician fees for FAS infants were \$11,065. These costs include all hospital costs except transport, other physicians and anesthesiology. Total average cost of intensive care for one FAS baby is \$110,805 per year. For 11 low birthweight babies, it is \$1,218,855 per year.

The Institute of Medicine estimates that 19 percent of all moderately low birthweight babies and 38.3 percent of very low birthweight babies must be rehospitalized during their first year. Streissguth of the University of Washington reports that it is "usual" for FAS babies to be rehospitalized for pneumonia and problems such as hip dysplasia; applying statistics for all low birthweight babies to FAS births may result in conservative estimates.

² To compare, average length of stay for all low birthweight babies in the intensive care unit at Providence was 19.7 days in 1987 and 23.7 days in 1988.

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Using the Institute of Medicine averages for all low birthweight babies, one FAS moderately low birthweight baby would be rehospitalized for 12.5 days and two very low birthweight babies would be rehospitalized for 16.2 days. Hospitalization for children not in intensive care was about \$900 a day at Providence Hospital in Anchorage in 1988. Rehospitalization for one baby for 12.5 days is \$11,250 and for two babies at 16.2 days it is \$29,160. Total cost of rehospitalization for low birthweight FAS babies: \$40,410. This does not include physicians, surgery, special procedures or transportation. See Table 5.

Table 3
Low birthweight of FAS births,
Alaska 1985

Alaska Low Birthweight Births (under 2500 grams) due to FAS.

FAS births which are Low Birthweight:

Total FAS births:	29
% FAS births which are under 2500 grams (a)	79.8%
LBW babies in 29 FAS births: (29 x .798 = 22.9)	23

Low Birthweight births not due to FAS:

% Alaska LBW births under 2500 grams not due to FAS (b)	4.6%
4.6% x 23 = 1 LBW birth not due to FAS	
LBW births due to FAS: (23 x .046 = 1.1)	22

Weight distribution of Alaska FAS Low Birthweight births:

1500-2500 grams (MLBW):	
% FAS births between 1500-2500 grams (a)	74.3%
FAS MLBW babies: (22 x .743 = 16.4)	16

Under 1500 grams (VLBW):	
All other LBW babies are VLBW (under 1500 grams)	6

(a) Abel and Sokol, "Incidence of Fetal Alcohol Syndrome and Economic Impact of FAS-Related Anomalies", Elsevier Scientific Publishers, Ireland, August, 1986, p. 58.

(b) If FAS were eliminated from Alaska, 4.6 percent of all births would still be low birthweight. Although they would still need treatment, the costs of their treatment should not be attributed to FAS. This number is the solution to the following equation: $4.8\% \times 12,900 \text{ births} = 79.8\% \times 24.6 \text{ FAS births} + p \times 12,869 \text{ non-FAS births}$, where 4.8% is low birthweight rate in Alaska; 12,900 is number of Alaska births in 1985; 79.8% is U.S. LBW rate for FAS births; 24.6 is FAS births in Alaska in 1985. Formula devised by J.W. Senner, Oregon State Health Division, "Revised Annual National Cost Estimates" (Portland), p. 2.

Table 4
 Costs of intensive care hospitalization for FAS LBW babies
 Alaska 1985

Moderately LBW (1500-2500 grams) Intensive Care hospitalization:	
% MLBW babies requiring intensive care (a)	32.8%
MLBW FAS babies requiring intensive care (16 x .328 = 5.4)	5
Very LBW (under 1500 grams) Intensive Care hospitalization:	
% VLBW babies requiring intensive care (a)	100%
VLBW FAS babies requiring intensive care	6
Total	11 babies
Hospital cost for 11 babies at \$99,740 (b)	\$1,097,140
Physician cost for 11 babies at \$11,065 (b)	\$ 121,715

(a) The Institute of Medicine reports that 32.8% of LBW infants and 100% of VLBW infants require newborn intensive care. Preventing low Birthweight, Institute of Medicine, (Washington, D.C.), 1985. This may be an underestimate for FAS babies who show a longer average length of stay in intensive care, an indication that they may be sicker than other low birthweight babies. Providence Hospital reports the following average lengths of stay in the newborn intensive care unit in 1987 and 1988.

	<u>1987</u>	<u>1988</u>
Low Birthweight	19.7 days	23.7 days
FAS Low Birthweight	27 days	65 days

(b) Costs do not include transportation, other physician or anesthesiology fees. Neonatologist Dr. Jack Jacob estimates between 10 and 15 FAS infants a year enter the unit (Lisa Wolf, pers. comm.).