

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 00/2

9331 HOUSE LABOR & COMMERCE

The Honorable Joseph P. Mazurek
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limited-panel programs would presumably mean that, in the consumers' view, these advantages would outweigh the disadvantages of limiting the choice of providers, such as reduced convenience or the occasional need to use a provider that is not part of the payor's contracted service. Limitations on choice are unlikely to be so severe that consumers' access to providers is inadequate. For just as competitive forces encourage providers to offer their best price and service to a payor in order to gain access to its subscribers, competition would also encourage payors to establish service arrangements that offer the level of accessibility that subscribers want. Consumers' ability to change programs or payors if they are dissatisfied with service availability would give payors an incentive to assure that the arrangements they make for delivery of covered health care services satisfy consumers.

IV. Effects of "any willing provider" requirements on limited-panel programs.

"Any willing provider" requirements may limit firms' ability to reduce the cost of delivering health care without providing any substantial public benefit. They may make it more difficult for third-party payors, including PPOs, to offer programs that have the cost savings and other advantages discussed above. Requiring that programs be open to all providers wishing to participate on the same terms may affect both cost and coverage. To the extent that opening programs to all providers reduces the portion of subscribers' business that each contracting provider can expect to obtain, these providers may be less willing to enter agreements that contemplate lower prices or additional services. Moreover, since any provider would be entitled to contract on the same terms as other providers, there would be little incentive for providers to compete in developing attractive or innovative proposals. Because all other providers can "free ride" on a successful proposal formulation, innovative providers may be unwilling to bear the costs of developing a proposal. Thus "any willing provider" requirements may substantially reduce provider competition for this segment of their business.

Reduced competition among providers for PPO business can result in higher prices for services through PPOs. The higher prices for covered services, as well as the increased administrative costs associated with having to deal with many more providers, may raise the prices to subscribers for prepaid health care programs, or may force those programs to reduce benefits to avoid raising those prices.

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Moreover, requiring programs to be open to more providers may not give the consumer benefits from greater choice. Subscribers may already choose other types of prepayment programs with fewer limits on the providers from which they may obtain covered services. Indeed, by reducing their competitiveness with other kinds of third-party payment programs, requiring PPOs to grant open participation may reduce the number, variety, and quality of prepayment programs available to consumers without providing any additional consumer benefit.

V. Conclusion.

In summary, we believe that "any willing provider" requirements may discourage competition among providers, in turn raising prices to consumers and unnecessarily restricting consumer choice in prepaid health care programs, without providing any substantial public benefit. We hope these comments are of assistance.

Sincerely,



Michael O. Wise
Acting Director



EC-9. MANAGED CARE AND HEALTH CARE REFORM

9.1 Preamble

As the nation moves to comprehensively reform its health care system, states are again at the forefront of change. A number of states have aggressively moved to reduce health care inflation, expand access for the working poor, and bring greater accountability to the system. Managed care has played an integral role in the efforts of many states to reform their health care systems and is an important part of national health care reform.

9.2 Any Willing Provider Legislation

So-called "any willing provider" legislation has appeared in a number of state legislatures recently and is usually framed as a patient choice issue. Such legislation may undermine state health care reform efforts and could roll back our significant state-by-state progress in this area.

Generally, the legislation requires that any health care provider who agrees to meet the terms and conditions of a health plan be allowed to participate in that plan. This type of legislation is problematic because it has the potential to undermine the efforts of managed care organizations to control costs and limit the size of networks in order to achieve maximum efficiency. The result may be decreased patient volume to managed care organizations, crippling their ability to control utilization of health care services. This type of legislation can have devastating effects on current managed care delivery systems by:

- destroying the gatekeeper concept essential to managed care, severely curtailing managed care organizations' ability to control health care costs and the quality of their provider networks;
- significantly increasing managed care organizations' administrative and claims costs;
- preventing managed care organizations from achieving significant provider discounts in exchange for patient volume;
- undercutting the administrative efficiencies of managed care;
- actually reducing consumer choice by limiting the patient's choice to indemnity plans; and
- impeding efforts to improve health care quality through contracting standards and information exchanges that can lead to better outcomes and higher quality care for patients.


9.3 Conclusion

"Any willing provider" laws arise from good motives—the desire to preserve existing patient-provider relations and to safeguard patients' access to care or choice of provider from arbitrary decisions by health plans to exclude or drop providers from their networks. These are legitimate goals that need to be addressed through vehicles that do not threaten the cost, quality, and access advantages that well-designed managed care delivery systems can provide.


The Honorable Richard Gephardt
August 1, 1994
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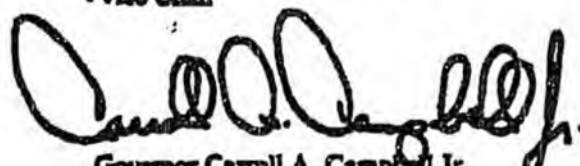
Thank you for your consideration of our views. We look forward to working with you in the next several weeks as you craft your final bill. Please do not hesitate to call on us.

Sincerely,


Governor Howard Dean, M.D.
Chair


Governor Tommy G. Thompson
Vice Chair


Governor Roy Romer
Co-chair
Health Care Leadership Team


Governor Carroll A. Campbell Jr.
Co-chair
Health Care Leadership Team

Terry Allard
The Wilson Agency
1600 A. Street, Suite 300
Anchorage, AK 99501

277-1616

I am the health committee chair person for the local chapter of Association of Health Insurance Agents. We are concerned about the impact of HB 300 to the employer clients we represent.

If approved HB 300 will:

1. By requiring carriers to pay all providers the same fee, carriers will lose the ability to negotiate favorable pricing on behalf of consumers and purchasers. This will increase premiums by eliminating carriers' and purchasers' ability to control or mitigate cost increases through the use of provider networks. Employers currently providing preferred provider health plans can expect to see costs increase 10-15% due to the carriers inability to steer patients to preferred facilities where discounts can be negotiated, in addition the increases of 6-10% we are experiencing due to inflation. It is estimated that approximately 80% or more of the employers in the Anchorage area are currently providing PPO plans for their employees.
2. Deny purchasers the choice of products that contain incentives to use provider networks. There are other options on the market that do not require members to use preferred providers.
3. Increase carrier administrative costs due to such provisions as requiring Alaska licenser for all medical professionals conducting utilization review in Alaska.
4. Create an unfavorable environment for doing business in Alaska by adding costs, placing restraints on carriers and exposing them to increased liability.
5. Restriction of choice in the marketplace and limitations on access to coverage could result.

It is my understanding that there has been a concern expressed by supporters of this bill that there are employees covered by PPO plans that are based out of state and the Alaska employees are being penalized in the payment of claims because of the fact there are no preferred providers in the area in which they live. I would like to point out that passage of this bill will not in any way impact this problem as the contracts that are in place to cover these employees are issues in other states, therefore those plans will not be required to comply.

Terry Allard

March 20, 1998

This bill would only impact fully insured plans. Larger employers who have self insured plans using preferred providers will still be able to require their employees to use the contracted providers.

Comments directed @ Blue Cross
FEP - Fed. contract - legislation
will not impact

My name is Debra Dunmann, and my family and I reside here in Anchorage. As a consumer, I am concerned after reading House Bill 300 - the act which says the Preferred Provider Arrangement may be legislated away. That scares me!

I am a 24 year union member of Teamsters Local 959. I have participated in our union/employer negotiations, and have been on the Teamsters Health & Welfare Task Force Committee for 3 years along with some other 15 members from around our State. I was recently asked to participate in a Parent Advisory Board at one of our local Hospitals. My husband and I were recently elected to share 1 board position for the National Mucopolysaccharide Society. This MPS is the group of disorders of which our youngest son suffers from. However, put that all aside, I feel that my greatest knowledge in the health care field comes from being a Mom! I am an informed, aware consumer, and must oppose your HB300.

I also feel that our 5,000 + statewide Teamster union members are informed consumers, and they all have a voice to express their questions or concerns when it comes to using PPO's.

Our task force members, as well as shop stewards work in the trenches with their fellow members on a daily basis, statewide. If their questions, concerns, or opinions by which the task force member or Shop Steward is unfamiliar, these members can phone their Business Agents, the local trust offices or continue up the ladder. The members comments are listened to and acted upon accordingly. As an example, our Trust discontinued using an insurance provider in 1996 because of poor service, but more importantly because of the concerns that were raised by our members. The Task Force was formed to look into these important health issues and we mailed some 5,000 questionnaires statewide to our members. We were shocked and amazed to receive over 3500 informative questionnaires back, which is a phenomenal statistic itself. These respondents didn't hold back, and yes, they participated in obtaining a new insurance provider.

Because of this, I know that our statewide membership has a voice which is a valuable tool when it comes to our union negotiating with our employers, to save 'me the consumer' money.

The negotiated PPO arrangements which I am familiar with, are negotiated to obtain a higher level of care for less money. Makes sense! However, if this negotiated arrangement is legislated away, that will result in higher costs to our Welfare Trust, our employers, employees and passed down to our families. An even worse scenario would be higher costs, with reduced coverage. Instead our Union has been on track to keep the rising costs of health care down, and to provide the utmost in quality care that our members deserve.

However, as I am writing this, I can see this issue goes even beyond being a Teamster. What about retirees in general that have other insurance and their own negotiated PPO's??? These are people who live on fixed incomes! How can you legislate away their PPO's??? How can you contain their costs??? Who is going to look out for them??? The PPO arrangements at least have a negotiated cost fixed for a specific period of time to edge out the continuous rise in health care costs.

Last but not least, I am disappointed at the notion that I am a trading chip in the insurance world and I continue to be apposed to HB 300. I do have a CHOICE !!! We all have a VOICE!!!

Thank you. I appreciate your time...

Alaa Samman
6721 St. Ves Pl.
Anchorage, AK 99504
(907) 337-6014 home
(907) 349-1023 FAX

1 March 20, 1998

2

3 **Re: HIB 300. An Act Relating to Patients Rights, et al**

4

5 **Testimony of Rosemarie Kalamarides, Administrator of the Alaska Teamster-Employer**
6 **Welfare Trust. Testifying against the proposed legislation.**

7

8 I've worked with the Teamster Trust funds for 18 years and I understand that the issues facing
9 this body are complex. I also know that many competing interests will provide compelling
10 testimony making your job even more difficult.

11

12 The sponsors of this bill are attempting to legislate patient choice. This is a noble goal.
13 Unfortunately, this bill is misguided and while it may initially give the patients more choice,
14 ultimately, it will increase the patient's health care costs.

15

16 Make no mistake; this legislation will force medical costs up. And who will pay the additional
17 costs? Not the employers who are struggling to compete in a tight marketplace. They will shift
18 the added costs to the employees, your constituents, many of whom are already struggling to
19 make ends meet.

20

21 Here is how the industry works. Employers pool their health care dollars and either purchase
22 health insurance or *self-fund* the benefits for all their employees. Smaller employers tend to
23 purchase insurance contracts while larger employers, with the economics to do so, self-fund their
24 benefits.

25

26 Our Trust funds the health care benefits of approximately 8,000 covered lives, most of them in
27 Alaska. Under our health care plan, over 100 employers have pooled their health care dollars and
28 assigned the task, of providing meaningful benefits with the dollars available, to me as the
29 Administrator. Health care plans are *pay-as-you-go*--the contributions received are used to pay
30 the medical bills received.

31

32 It is then my job to spend the limited dollars as effectively as possible. One way is to enter the
33 marketplace and negotiate reduced medical costs with providers, provider groups or hospitals.
34 The way these preferred arrangements are negotiated is very simple--for *volume referrals*,
35 providers and hospitals agree to *discounted rates*. They will only negotiate reduced rates with
36 some assurance that they will receive volume referrals in exchange for their discounts.

36

37 This legislation may sound good on the surface--typically called *Any Willing Provider*
38 *Legislation*, it says that we must pay any willing provider the amount that we would pay the
39 preferred provider. The irony is that plans will not be able to negotiate preferred arrangements if
40 this legislation is passed. Why would a provider agree to discounted rates or fees for services if
41 the volume is not sufficient to cover the deep discounts? They won't! There is no way to assure
42 volume if this legislation is passed.

43

44 This legislation also proposes additional oversight by requiring that plans have a physician

1 approve any action that may be deemed a reduction in benefits. Plans are already paying for this
2 type of oversight and now you would legislate increased administrative costs. More money would
3 be spent on administration, not medical costs, which is where these dollars belong.

4
5 The demand for health care will not change, but if this legislation passes, the cost of the services
6 will continue to increase with no ability of the consumer to control the cost. With this legislation,
7 you take the control from the consumer.

8
9 As an Administrator, I would prefer not to steer our members to certain hospitals or certain
10 doctors. But, without these arrangements in place, I would be telling them that their coverage is
11 no longer 90% (for preferred providers) or even 80% (for non-preferred providers), but 50%,
12 because misguided politicians passed ill thought-out legislation which undermined the ability to
13 negotiate reduced medical rates.

14
15 This legislation makes no sense in Alaska. Alaska Providers and consumers have agreed that
16 there is a reasonable balance between *quality care* and *affordable care*—that *patient centered*
17 *care* is everyone's goal. Patient centered care can only be attained through the teamwork of the
18 doctor, the patient and the health care payer.

19
20 This balance of patient centered care is reached through careful negotiations between providers
21 and consumers. These negotiations will not continue if this legislation is passed.

22
23 This legislation attempts to solve very complex problems with simplistic, uninformed solutions.
24 This legislation is a step backward. It is a hostile and divisive law, which will do more harm than
25 good.

26
27 Several years ago, when I testified against similar legislation, I quoted Henry Aaron of the
28 Brookings Institute who put it best when he said *Any Willing Provider Legislation " . . . is meant*
29 *to prevent the impairment of doctors' incomes. "* That is what this legislation is about, not
30 consumer choice.

31
32 You've heard from several doctors and their employees who support this legislation under the
33 banner of *consumer choice*. But they are not the consumers.

34
35 You did hear from a consumer. On Friday, you heard from Debbie Duraman. Ms. Dumman sits
36 on the Task Force, consisting of the rank & file Teamster members. They recognize that this
37 legislation would shift health care dollars from their pockets into the pockets of doctors and
38 hospitals. It will not improve their health care! It may give them more choice, but at too high a
39 price.

40
41 You heard from folks who fund health care. Employer, Walter Hickel, Jr., put it very well when
42 he said "*. . . there are not many options for Alaska Businesses to adequately manage the cost of*
43 *health insurance benefits for their employees.*"

44 The employers who fund health care will tell you that they cannot remain competitive and pay

1 more for medical costs. This means that their employees, your constituents, our members, will
2 have to pay the additional costs.

3

4 The message this legislation sends to Alaskans is simple, *doctors and hospitals do not have to*
5 *negotiate with anyone. They can set the price and Alaskans must pay. Competition be*
6 *damned.* This legislation is a thinly veiled protectionist law, which benefits a few wealthy
7 individuals and a huge, very profitable, national, hospital chain.

8

9 This legislation is anti-competition. It is all about regulating the free marketplace. Proponents
10 will tell you this legislation gives choice to consumers. That is baloney. If you pass this
11 legislation you will accomplish only one thing--you will drive health care costs up, and in doing so
12 you will shift dollars from the pockets of hard-working Alaskans, and increase the incomes of a
13 few doctors and hospitals. Period.

14

15 Thank you again for this opportunity.

465-5040

HB300

FACTS

- * HB300 would stifle or eliminate the use of HMO's or PPO's in Alaska by insured Clients
- * Costs of health care in Alaska are among the highest in the nation
- * Insurance companies do not mandate this type of coverage; they offer policies to employers. Employers accept policies, some with/some without Preferred Provider agreements.
- * The majority of benefit plan sponsors have some form of contractual agreement with hospitals/physicians/dentists using the clout of joint purchasing on behalf of employee to maintain or increase benefits
- * Generally benefits are increased not decreased when a PPO is adopted
- * Employees are advised in advance of implementing a PPO agreement not "when they come to use the plan" as stated in the Sponsor Statement

THE GUARANTEED RESULTS OF THE LEGISLATION WILL BE TO:

- Substantially increase costs to Alaska employers or reduce benefits to Alaskan employees currently needing to insure their benefits and are now using same form of PPO
- Financially damage small/medium size employers most
- Not have any material impact on larger self insured plans

- **Benefit provider community - hospitals/physicians/dentists**
- **Eliminate incentives to providers to be competitive with other (Alaska and Lower 48) providers on both costs and quality of service if patient does not have incentive to buy through a PPO network.**
- **Will force employers to move toward self-funded plans governed by ERISA and Federal Statutes thereby avoiding State of Alaska mandated benefits and legislation of this nature.**

At the very least, ask experts to determine the adverse cost impact to benefit plan sponsors if this legislation is passed

Howard Dean, M.D.
Governor of Vermont
Chair

Raymond C. Kelly, 21/24
Executive Director

Tommy G. Thompson
Governor of Wisconsin
Vice Chair

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Original also sent to
Republican Leader Robert Michel

August 1, 1994

The Honorable Richard Gephardt
Majority Leader, U.S. House of Representatives
U.S. Capitol, H-148
Washington, D.C. 20515-6502

Dear Congressman Gephardt:

As Congress begins its final deliberations, we are writing to reaffirm the Governors' commitment to national health care reform this year and offer some additional perspectives on aspects of the debate. As a framework, we believe that some national uniformity with state flexibility especially in service delivery systems makes practical sense and is good public policy. We remain committed to bi-partisan solutions that result in meaningful health care cost containment while affording universal access to care and believe that labels and political positioning in this debate are very much less important than meeting the health care challenge that continues to face both states and the federal government.

We call to your attention two issues that were discussed by Governors last month at our annual meeting in Boston. The first addresses the Medicare Part C proposal of the leadership bill and the second addresses "any willing provider" legislation. Governors oppose an expansion of the Medicare program to include a new Part C as the primary mechanism for expanding access for health care. We believe that America's health care system must remain responsive to market conditions and should operate only with selective regulation by both the federal and state governments. Medicare, a government run price controlled system, does not meet that goal. Moreover, expanding the use of Medicare reimbursement rates to major additional portions of the health care system would have disruptive, if not disastrous, effects on the health care delivery system. The Medicare program is also highly bureaucratic and unresponsive to local needs and has been ineffective at controlling overall costs. We urge you to consider a state-based model for expanding low-income coverage.

Our second concern is with the so-called "any willing provider" legislation. Consistent with our support of market-based approaches, we adopted a new policy in Boston that puts us squarely opposed to overly restrictive any willing provider laws at either the state or federal levels. While we agree that individual providers and patients must have protections in this new competitive health environment, health care networks must also be allowed to make the hard decisions necessary to control costs. If these networks are denied the tools they need to operate effectively, prices cannot be controlled. Government can then only blame itself for failing to meet the goal that all Americans value most - affordable, quality health care. Again we urge you to take great care in including any such provisions in your final bill.

The Governors do not support, at either the state or federal level, overly restrictive "any willing provider" laws. We remain committed to retaining the state flexibility that managed care delivery systems provide to us as we move to reform our health care system.

*Time limited (effective July 1994-July 1996).
Adopted July 1994.*

COALITION FOR AFFORDABLE HEALTHCARE

COST ESTIMATES RELATED TO THE IMPACT OF AN
"ANY-WILLING-PROVIDER" PROVISION IN THE STATE OF WASHINGTON

Brian S. Dialock, ASA, MAAA

Jay C. Ripps, FSA, MAAA

October 1, 1997

COALITION FOR AFFORDABLE HEALTHCARE

COST ESTIMATES RELATED TO THE IMPACT OF AN
"ANY-WILLING-PROVIDER" PROVISION IN THE STATE OF WASHINGTON

I. EXECUTIVE SUMMARY

At the request of the Coalition for Affordable Healthcare (CAH), Arthur Andersen LLP estimated the impact of health insurance premium increases (and increases in claim costs for self-insured groups) in the State of Washington related to "any-willing-provider" legislation being considered in the State of Washington. Cost estimates were developed for the following categories:

- Households - Individuals and families with private insurance;
- Businesses - Small and large employer groups, federal employees, military personnel; and
- State government - State employees, Medicaid, Basic Health Plan.

We developed estimates for 1996 and the five-year period from 1998 to 2002 for each of the categories identified above, based on CAH's estimate that, if the proposed "any-willing-provider" provision were enacted in the State of Washington, health plan premiums would increase by approximately 12%.

In the course of our engagement, we performed the following activities:

- Had discussions with members of the American Association of Health Plans' Public Policy and Research Department and representatives of the Washington Health Care Authority;
- Obtained and reviewed copies of key reports and documents providing data related to Washington State population projections, insurance coverage status, and historical insurance costs; and
- Obtained and reviewed 1996 Annual Reports filed with the Office of the Insurance Commissioner by fourteen health plans currently operating in the State of Washington.

Our actuarial consulting services were conducted in a manner consistent with the Code of Professional Conduct and Qualification Standards of the American Academy of Actuaries and the Standards of Practice of the Actuarial Standards Board.

Results

For households with private individual insurance coverage, we estimate that an "any-willing-provider" provision would increase health insurance costs by approximately \$235 in 1998 and approximately \$1,260 over the five-year period from 1998 to 2002. For households with private family insurance coverage, we estimate that an "any-willing-provider" provision would increase health insurance costs by approximately \$660 in 1998 and approximately \$3,530 over the five year period from 1998 to 2002.

For businesses (public and private) providing employer-sponsored coverage, we estimate that such a provision would increase health insurance costs by approximately \$455 per employee in 1998 and approximately \$2,435 per employee over the five-year period 1998 to 2002.

For Washington State government providing employer-sponsored coverage for state employees, and state-sponsored programs for health care coverage of Medicaid enrollees under Healthy Options and the "working poor" under the Basic Health Plan, we estimate that such a provision would increase aggregate costs by approximately \$175 million in 1998. Over the course of the five-year period from 1998 to 2002, we estimate an aggregate increase to the State of Washington of approximately \$965 million.

We were unable to determine separate results for local governments providing employer-sponsored coverage for employees within the available timeframe.

On a composite basis, our actuarial estimates of the marginal increases in the weighted-average cost of health insurance per person during calendar year 1998 are as follows, provided both on a monthly basis and annual basis, for a person with single coverage and family coverage, respectively:

Single coverage:	\$16.25 per month, or \$195.00 per year
Family coverage:	\$45.50 per month, or \$546.00 per year

In addition to the direct costs estimated above for households, businesses, and the State due to premium increases related to "any-willing-provider" provisions, federal tax revenues would decline. Individuals and families would have lower wages as a result of having to pay more for health insurance, and employers would have higher tax deductible employee benefits.

II. BACKGROUND

Over the past year, an increasing number of legislative proposals have been introduced which would significantly expand the regulation of the relationships between health plans, patients, and providers of health care. One such proposal prohibits a health plan ("payor") in a particular region from excluding any provider from their networks and in turn covering services to patients with insurance or HMO coverage from that payor if that provider agrees to accept the payment and other terms offered by the payor. The restrictions imposed by an "any-willing-provider" proposal may make it difficult for plans to use "traditional" managed care techniques to optimize the effectiveness of their provider networks and assure that networks are appropriate in size. Utilization management programs would be spread over a far greater number of physicians, possibly diluting their effectiveness and focus.

Restricting the ability of plans to selectively contract with health care providers may inhibit the ability of plans to provide quality care. In addition, payors would likely have far less leverage to negotiate fees with physicians. The combination of these effects would tend to eliminate much of the cost savings achievable through managed care. Furthermore, administrative expenses would increase, due to greater network size and diversity. If costs increase for health plans, they are likely to increase premiums.

CAH has estimated the impact on health insurance premiums of an "any-willing-provider" provision proposed in the State of Washington as a 12% increase in premiums for all health plan types. CAH has requested assistance from Arthur Andersen LLP in translating this estimated premium increase into its effects on households (individuals and families), businesses, and governments in the State of Washington.

III. LIMITATIONS and USES

Our cost estimates related to the impact of an "any-willing-provider" provision on health insurance premiums were based upon our review of existing literature, assumptions provided to us by CAH, analysis of State of Washington health care costs and trends thereof, and our expertise and experience in the health insurance market in general and specific to the State of Washington. Because of the limited time frame for our data accumulation and analysis, our work should be considered a limited-scope actuarial review and analysis rather than a comprehensive detailed analysis.

Arthur Andersen LLP has not audited the underlying base data and information. While we can not certify as to its accuracy or completeness, we have, however, performed the amount of due diligence which we considered appropriate to conclude as to the general reasonableness thereof. However, even accurate and applicable historical information may not be indicative of future events, and are subject to inherent volatility and chance events.

The actual results experienced by the households, businesses, the state government of Washington, and local governments will be influenced by external factors (practice patterns, social, demographic, economic, and regulatory changes) beyond the control of CAH and Arthur Andersen LLP. As a result, Arthur Andersen LLP makes no guarantee as to the accuracy of such estimated future costs or utilization demands and nothing in this report should be interpreted in such regard.

JERRY REINWAND

Consultant • Lobbyist
2 Marine Way - Suite 219
Juneau, Alaska 99801

02-25-98P04:35 RVC

MEMORANDUM

TO: The Honorable Norm Rokeberg
Chairman
House Labor and Commerce Committee

DATE: February 26, 1998

FROM: Jerry Reinwand

SUBJ.: H.B. 300

Mr. Chairman, as you know, your Committee now has H.B. 300 before it. H.B. 300 is essentially an "any willing provider" bill. *The net effect of this bill will be to raise premium costs to the more than 90,000 Alaskans who receive health care coverage from Blue Cross Blue Shield of Alaska.* I have attached the following "back-up" information for your review on the "any willing provider" issue:

1. A copy of Article 1, Section 15 of Alaska's constitution which prohibits the impairment of contracts. As you know, all of our PPO arrangements are contractual in nature and any legislation which prohibits us from entering into PPO contracts is of great concern to Blue Cross Blue Shield of Alaska. In addition, there may be legal questions surrounding the "Any Willing Provider" issue due to the strong statement which our Alaska Constitution makes regarding the potential impairment of contracts.
2. A copy of a letter from the National Association of Insurance Commissioners which comments on the "Any Willing Provider" issue. It is interesting to note that the letter was signed by Dave Walsh, in his capacity as President of the NAIC. As you will recall, Dave served as Director of the Alaska Division of Insurance during the Cowper and Hickel Administrations.
3. A copy of a letter written by the Federal Trade Commission staff, and authorized for public release by the full Commission, on the issue of "Any Willing Provider."
4. A copy of a letter, and accompanying information, from the National Governors' Association which states the nation's Governors concerns with "any willing provider" legislation.
5. A study conducted in the State of Washington which shows that health care premiums would increase by 12 percent. The 12 percent increase is particularly significant as Washington is a state which has substantial HMO penetration in the insurance market. In a non-HMO state--such as Alaska--the percentage would likely be considerably higher.

If you have any questions regarding this information, please do not hesitate to contact me.

Section 15. Prohibited State Action. No bill of attainder or ex post facto law shall be passed. No law impairing the obligation of contracts, and no law making any irrevocable grant of special privileges or immunities shall be passed. No conviction shall work corruption of blood or forfeiture of estate.

Opinions of attorney general. — The Utility Reimbursement Law is constitutional. 1961 Op. Att'y Gen., No. 12.

NOTES TO DECISIONS

- I. General Consideration.
- II. Ex Post Facto Laws.
- III. Obligation of Contracts.
- IV. Special Privileges and Immunities.

I. GENERAL CONSIDERATION.

Applied in *Harrison v. State*, 687 P.2d 332 (Alaska Ct. App. 1984).

Quoted in *State ex rel. Hammond v. Allen*, 625 P.2d 844 (Alaska 1981); *Falke v. Fairbanks N. Star Borough*, 648 P.2d 597 (Alaska 1982); *Stepanov v. Homer Elec. Ass'n*, 814 P.2d 731 (Alaska 1991); *Underwood v. State*, 881 P.2d 322 (Alaska 1994).

Stated in *Hood v. State, Workmen's Comp. Bd.*, 574 P.2d 811 (Alaska 1978).

Cited in *Lynden Transp., Inc. v. State*, 532 P.2d 700 (Alaska 1975); *Union Oil Co. v. State*, 574 P.2d 1266 (Alaska 1978); *Elsand v. State*, 599 P.2d 137 (Alaska 1979).

II. EX POST FACTO LAWS.

Ex post facto law defined. — An ex post facto law is a law passed after the occurrence of a fact or commission of an act, which retrospectively changes the legal consequences or relations of such fact or deed. *Danks v. State*, 619 P.2d 720 (Alaska 1980).

Constitutional prohibition broader than statutory prohibition. — The prohibition against ex post facto laws has been held to be broader than the prohibition against retrospective civil legislation contained in statutes like AS 01.10.100(a). *Parker v. State*, 667 P.2d 1272 (Alaska Ct. App. 1983).

Extension of criminal limitation period constitutional. — Extension of a criminal statute of limitations before the original period of limitation has run is not an unconstitutional ex post facto law under the constitutions of either Alaska or the United States. *State v. Creeknum*, 763 P.2d 1139 (Alaska 1988).

Determining habitual offender status. — Use of a conviction obtained before an enhanced punishment statute was enacted to determine if a defendant was a habitual offender under that statute did not violate this section because the statute provided a stiffened penalty for the latest crime which is considered aggravated because of the repetition involved. *Danks v. State*, 619 P.2d 720 (Alaska 1980).

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Release on bail prior to sentencing. — The 1982 amendment of AS 12.30.040(b), effective January 1,

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Statute limiting felons permanent fund dividends. — AS 43.23.005(d), which makes incarcerated felons ineligible for permanent fund dividends, does not violate the ex post facto clause of either the United States or the Alaska Constitutions. *State v. Anthony*, 816 P.2d 1377 (Alaska 1991).

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For discussion of whether the sanction of the Registration Act, ch. 41, SIA 1994, entails an affirmative disability or restraint, whether the sanction has historically been regarded as punitive, whether the sanction depends upon a finding of scienter, whether the sanction will operate to promote traditional punishment objectives, whether the sanction applies to behavior which is already a crime, whether there is an alternative non-punitive purpose for the sanction, and whether the sanction is excessive in relation to the alternative purpose, see *Rowe v. Burton*, 884 F. Supp. 1372 (D. Alaska 1994).

III. OBLIGATION OF CONTRACTS.

The maximum rate table in AS 23.30.175(a), specifying rates of workmen's compensation for disability or death, does not impair obligations under an employer's insurance contract although it ties compensation payments to an unknown variable, Alaska's future average weekly wage. *Wien Air Alaska v. Arant*, 592 P.2d 352 (Alaska 1979).

The maximum rate table in AS 23.30.175 prospectively phases in an increase. It has no retroactive effect because it does not grant increases to claimants injured before the new maximum rates were passed. *Wien Air Alaska v. Arant*, 592 P.2d 352 (Alaska 1979).

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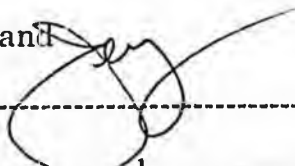
JERRY REINWAND

Consultant • Lobbyist
2 Marine Way - Suite 219
Juneau, Alaska 99801

MEMORANDUM

TO: The Honorable Norm Rokeberg
Chairman
House Labor and Commerce Committee

DATE: February 26, 1998

FROM: Jerry Reinwand 

SUBJ.: H.B. 300

Mr. Chairman, as you know, your Committee now has H.B. 300 before it. H.B. 300 is essentially an "any willing provider" bill. *The net effect of this bill will be to raise premium costs to the more than 90,000 Alaskans who receive health care coverage from Blue Cross Blue Shield of Alaska.* I have attached the following "back-up" information for your review on the "any willing provider" issue:

1. A copy of Article 1, Section 15 of Alaska's constitution which prohibits the impairment of contracts. As you know, all of our PPO arrangements are contractual in nature and any legislation which prohibits us from entering into PPO contracts is of great concern to Blue Cross Blue Shield of Alaska. In addition, there may be legal questions surrounding the "Any Willing Provider" issue due to the strong statement which our Alaska Constitution makes regarding the potential impairment of contracts.
2. A copy of a letter from the National Association of Insurance Commissioners which comments on the "Any Willing Provider" issue. It is interesting to note that the letter was signed by Dave Walsh, in his capacity as President of the NAIC. As you will recall, Dave served as Director of the Alaska Division of Insurance during the Cowper and Hickel Administrations.
3. A copy of a letter written by the Federal Trade Commission staff, and authorized for public release by the full Commission, on the issue of "Any Willing Provider."
4. A copy of a letter, and accompanying information, from the National Governors' Association which states the nation's Governors concerns with "any willing provider" legislation.
5. A study conducted in the State of Washington which shows that health care premiums would increase by 12 percent. The 12 percent increase is particularly significant as Washington is a state which has substantial HMO penetration in the insurance market. In a non-HMO state--such as Alaska--the percentage would likely be considerably higher.

If you have any questions regarding this information, please do not hesitate to contact me.

Section 15. Prohibited State Action. No bill of attainder or ex post facto law shall be passed. No law impairing the obligation of contracts, and no law making any irrevocable grant of special privileges or immunities shall be passed. No conviction shall work corruption of blood or forfeiture of estate.

Opinions of attorney general. — The Utility Reimbursement Law is constitutional. 1961 Op. Att'y Gen., No. 12.

NOTES TO DECISIONS

- I. General Consideration.
- II. Ex Post Facto Laws.
- III. Obligation of Contracts.
- IV. Special Privileges and Immunities.

I. GENERAL CONSIDERATION.

Applied in *Harrison v. State*, 687 P.2d 332 (Alaska Ct. App. 1984).

Quoted in *State ex rel. Hammond v. Allen*, 625 P.2d 844 (Alaska 1981); *Falke v. Fairbanks N. Star Borough*, 648 P.2d 597 (Alaska 1982); *Stepanov v. Homer Elec. Ass'n*, 814 P.2d 731 (Alaska 1991); *Underwood v. State*, 881 P.2d 322 (Alaska 1994).

Stated in *Hood v. State, Workmen's Comp. Bd.*, 574 P.2d 811 (Alaska 1978).

Cited in *Lynden Transp., Inc. v. State*, 532 P.2d 700 (Alaska 1975); *Union Oil Co. v. State*, 574 P.2d 1266 (Alaska 1978); *Elatad v. State*, 599 P.2d 137 (Alaska 1979).

II. EX POST FACTO LAWS.

Ex post facto law defined. — An ex post facto law is a law passed after the occurrence of a fact or commission of an act, which retrospectively changes the legal consequences or relations of such fact or deed. *Danks v. State*, 619 P.2d 720 (Alaska 1980).

Constitutional prohibition broader than statutory prohibition. — The prohibition against ex post facto laws has been held to be broader than the prohibition against retrospective civil legislation contained in statutes like AS 01.10.100(a). *Parker v. State*, 667 P.2d 1272 (Alaska Ct. App. 1983).

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FAX to Norm Rokeberg, House Labor and Commerce Committee, 907-465-2040

April 29, 1998

Testimony of Rosemarie Kalamarides, Administrator of the Alaska Teamster-Employer Welfare Trust.

Re: House Bill 300, Labor & Commerce Committee

While speaking Teamster employers, I am also speaking as an Alaskan and on behalf of other working Alaskans.

HB300 is a *fish wrapper*. I understand that when a legislator submits a bill, you must give it adequate attention. However, this is a waste of time. It is poorly written legislation and would make very ineffective law.

On the surface it may sound like a fine, benevolent idea. But it is not a patient's bill of rights, it is legislation which protects the incomes of doctors and one big, Outside hospital chain. It would be truly unbelievable if it even passes out of committee.

The dichotomy we are all faced with is this; there is only a limited amount of money to pay for health care costs and doctors and hospitals are expensive. Who pays these costs? Employers do, (unless you work for the government).

In private industry, an employer must consider the cost of medical coverage in their budget. A building contractor's bid will include the cost of employees' medical. The cost of a day in a local hotel will include the cost of the hotel's employees, including their medical expenses. When the legislature begins to draft legislation which ultimately increases medical costs, they directly, adversely affect the employer's ability to compete.

If you pass legislation that increases the cost of doing business in this state to the benefit of a few doctors and one big, for-profit, Outside hospital chain, it will accomplish only one thing - it will provide great election year fodder. This is quintessential, socialist legislation - make everyone pay for the benefit of a few.

This is not important legislation. If it were, you would have a line out the door of Alaskans who would be protected by this bill. The supporters of this bill have all been doctors and other folks who have come from the medical community--not the patient, those hard working Alaskans this bill is supposed to protect. That is because working Alaskans know that increased medical costs will likely come out of their pockets.

There is a direct contradiction in the bill. Section 21.07.030, states that *a subscriber* [an undefined term] may be required to pay *a higher deductible or copayment and higher premium for the plan if the higher deductible, copayment, or premium results from increased costs caused by the use of an out-of-network provider*. Then in Section 21.42.390(b) states that an insurer may not *directly or indirectly reimburse a covered person at a different rate because of the person's choice of provider*. . . So what is it?

There are several problems with this bill. In Section 21.07.020 an insurer must pay emergency room services if the patient reasonably believes the services are required. Any patient who goes to an emergency room will tell you they believe it was necessary. An emergency room visit is four times higher than an office visit. Did you consider the impact of such language? This Section also requires that pharmacy and dental services be located in the community in which the covered person resides. Does this mean that the insurer must provide the services or that the patient does not have the choice of going to another community for services? With either response, what are the penalties for failure of compliance? 21.07.020 (5) requires utilization review by specialists'-- now that would be a hefty price tag! 21.42.390 (2)(b) requires an Alaska physician to review every denial, reduction or termination. Does this mean that if a patient submits a bill for services which are clearly not covered by the policy, a *physician* will need to approve the denial? If so, this is expensive, burdensome and unnecessary. I bet it will buy a nice pair of 206 floats or a new lake cabin for a few physicians though!

Addressing issues in a vacuum makes for bad legislation. If you are truly interested in substantive discussions on *all* issues relating to health care, consider a community-based task force to address the many complex issues relating to health care and pass legislation which helps *all Alaskans!*

I urge you to put this bill out of its miserable existence and kill it now.

Thank you for the opportunity to testify.

Bob Kalamonde

Headquarters:
217 2nd Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323 FAX 463-5515



April 29, 1998

Representative Norman Rokeberg
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Representative Rokeberg,

The Alaska State Chamber of Commerce wishes to register its opposition to HB 300, relating to health insurance, as we believe the impact of this legislation would be to increase the cost of health care benefits for employers and their employees.

The provision that prohibits an insurer from reimbursing a covered person at a different rate because of the person's choice of provider eliminates the option an employer now has of negotiating on the free market for the best buy in health care services. The only option left for many employers will be to reduce the level of health care coverage they presently provide, either by offering less coverage or by passing a greater portion of the cost onto the employee. For small businesses, it could even mean an inability to offer any health care benefits at any level.

Alaska's employers are already struggling with the high cost of health care benefits. We urge the committee to consider the negative impact associated with this legislation and hold it in the Labor and Commerce Committee.

Sincerely,

A handwritten signature in cursive script that reads "Pamela La Bolle".

Pamela La Bolle
President

Randall Wolf, D.D.S.
Excellence in Periodontics



State of Alaska Legislature

April 1, 1998

Re: HB 300

Dear Legislator

I'm writing in support of HB 300 which protects a persons right to choose their own doctor and to be made aware of the treatment options available to them.

I'm sure the insurance industry has lobbied heavily to persuade you to believe this legislation will inhibit their ability to form closed PPO panels and therefore increase the premiums for health insurance ... this is not true. This bill will not impact an insurance company negotiating a discount rate for health services with a group of doctors. But the insurance company then places a financial restriction on the patients choice of doctors by stipulating that if you see a doctor outside the panel, then you have a lower reimbursement than the discount rate. If the patient is willing to pay the difference between the discount rate and their chosen doctor's fee then that should be their prerogative.

The premium for a policy is based on the level of care covered. If the patient elects to enter the discount plan then they choose a lower reimbursement rate available at a lower premium. If they choose to see a doctor outside the closed panel and the insurance company is obligated to pay no more than the discount rate, can you tell me how does that cost the insurance company more than the discount rate? It's the same dollar amount. The patient has chosen to pay the difference between the chosen doctors fee and the discount fee, but it does not cost the insurance company a penny more.

The gold standard for determining the best treatment plan for a patient has always been what would you recommend if this patient was your parent, spouse or child. If your family member became gravely ill, and your research showed one doctor to be clearly superior in this specific area, would you want the insurance company restricting your choice of doctor; of course not. In your position as a legislator, you are making this decision for Alaska's public. *Think about it, are you going to go on record as voting against a persons right to choose their own doctor?*

Please support HB 300. Thank you for reading my opinion.

Sincerely,

Randall C. Wolf, D.D.S.



FAX TRANSMISSION

ALASKA TEAMSTER-EMPLOYER SERVICE CORP

Rose Kalamarides/Administrator

PO Box 240887

ANCHORAGE AK 99524-0887

907-565-8310

FAX: 907-565-8339

To: House Labor and Commerce Committee **Date:** April 27, 1998
Fax #: 907-465-2040 **Pages:** 2, including this cover sheet.
From: Rose Kalamarides *(RSK)*
Subject: HB 300

Please enter my written testimony into record. Thank You.

Note: The information contained in this transmission is privileged and confidential. It is intended for the use of the named recipient only. If you are not the named recipient, you are hereby notified that any disclosure, copying, distribution or use of the contents of this transmission is strictly prohibited. If you receive this message in error, please notify us by telephone.

HOUSE BILL 300**Position: Opposed****Reason: Most Alaskans covered by health plans, are covered by health plans which must comply with federal law, not state insurance law.**

Employers who do not participate in self-funded plans are affected by this legislation. Generally, these are small employers. The Teamsters Union represents several small employers who buy insured products and they are affected.

The premiums charged these small groups are directly based on the medical costs in this state, which are higher than any other state. This legislation only serves to restrict insurers by creating more compliance. Compliance is expensive.

Affected employers will have several choices - to pay increased premiums; to pass the increase to their employees, or to stop providing medical coverage altogether.

This legislation will not help too many Alaskans. It will negatively impact a few Alaskans and those Alaskans can afford it the very least.

Alaska Chiropractic Society

April 27, 1998

To: Representative Norm Rokeberg, Chairman
Representative John Cowdery, Member
Representative Bill Hudson, Member
Representative Joe Ryan, Member
Representative Jerry Sanders, Member
Representative Tom Brice, Member
Representative Gene Kubina, Member
House Labor and Commerce Committee

From: R. H. Banks, D.C.
President

Subject: House Bill 300

I understand House Bill 300, the "Alaska Patients' Bill of Rights" legislation, is scheduled this afternoon in the House Labor and Commerce Committee.

On behalf of the Alaska Chiropractic Society, I urge your favorable consideration in passing HB 300 out of your committee today. This legislation is an important step in protecting Alaskans from insurers that want to limit patients' treatment options or deny coverage when patients are most in need.

Your favorable consideration of this valuable legislation during the last days of the session will be appreciated.

Thank you.

cc: Representative Con Bunde

04-24-98 11:23

BRADY & COMPANY FAX TRANSMITTAL

Page 1 of 6

TO:	The Honorable Norm Rokeberg	FROM:	COLLEEN M. SAVOIE
COMPANY:	House of Representatives		ACCOUNT ASSISTANT
CITY:	Juneau		BRADY & COMPANY
FAX NO:	907-465-2040		PO BOX 107502
			ANCHORAGE, AK 99510-7502
			TELEPHONE: 907/276-5617
			FACSIMILE: 907/276-6292

DATE: 24 April, 1998

Ed Burgan asked me to fax the following documents regarding HB 300 to you.

1. Notes on his testimony.
2. Memo to Rep. Con Bunde
3. Reply to Patricia Swenson of Rep. Bunde's office. She had asked for a cost comparison showing current costs vs. increased cost due to the proposed legislation.

All of the above documents have been provided to Rep. Bunde's office.

HB300**FACTS**

- * **HB300 would stifle or eliminate the use of HMO's or PPO's in Alaska by insured Clients**
- * **Costs of health care in Alaska are among the highest in the nation**
- * **Insurance companies do not mandate this type of coverage; they offer policies to employers. Employers accept policies, some with/some without Preferred Provider agreements.**
- * **The majority of benefit plan sponsors have some form of contractual agreement with hospitals/physicians/dentists using the clout of joint purchasing on behalf of employee to maintain or increase benefits**
- * **Generally benefits are increased not decreased when a PPO is adopted**
- * **Employees are advised in advance of implementing a PPO agreement not "when they come to use the plan" as stated in the Sponsor Statement**

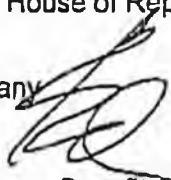
THE GUARANTEED RESULTS OF THE LEGISLATION WILL BE TO:

- **Substantially increase costs to Alaska employers or reduce benefits to Alaskan employees currently needing to insure their benefits and are now using same form of PPO**
- **Financially damage small/medium size employers most**
- **Not have any material impact on larger self insured plans**

- **Benefit provider community - hospitals/physicians/dentists**
- **Eliminate incentives to providers to be competitive with other (Alaska and Lower 48) providers on both costs and quality of service if patient does not have incentive to buy through a PPO network.**
- **Will force employers to move toward self-funded plans governed by ERISA and Federal Statutes thereby avoiding State of Alaska mandated benefits and legislation of this nature.**

At the very least, ask experts to determine the adverse cost impact to benefit plan sponsors if this legislation is passed

M E M O R A N D U M

DATE: April 22, 1998
TO: The Honorable Con Bunde, House of Representatives
- State of Alaska
FROM: Ed Burgan - Brady & Company 
RE: House Bill No. 300
CC: All Brady & Company Employee Benefit Clients and
The Anchorage Chamber of Commerce

I have reviewed the 4/17/98 version of the above bill. It is BAD legislation for the following major reasons:

- 1) It will stifle or eliminate competition in certain areas of the state primarily among Pharmacies and Dentists
- 2) It will restrict plan sponsors ability to provide cost effective health care to their employees and/or participants by increasing costs
- 3) It is totally impractical to administer the utilization review procedures in a state having a total population of approximately 600,000 - even less when you remove from that population native Americans and federal employees and their dependents. The number of reviewed occurrences would not be sufficient to have any chance at a statistically sound data base.
- 4) Remember, the plan sponsors and employers pay the vast majority of the expenses of providing health insurance plans. If passed this bill WILL INCREASE THEIR COSTS! This will be particularly true for small employers that, because of size, must insure their benefit plans while larger employers or plan sponsors that can self insure their plans can continue to effectively and competitively administer their plans because they would be exempt under Federal law as would be native Americans and Federal employees and their dependents.
- 5) We all have to be willing to accept change. To protect selected classes of Alaskans at the expense of other Alaskans is akin to telling us we must buy Studebakers even though competition has passed them by.

I respectfully request you consider this memo and my prior written and verbal testimony before moving this bill forward.

Thank you for your consideration.

BRADY & COMPANY FAX TRANSMITTAL

Page 1 of 2

TO: Patricia Swenson
COMPANY: AK State Legislature
CITY:
FAX NO: 907-465-3871

FROM: COLLEEN M. SAVOIE
ACCOUNT ASSISTANT
BRADY & COMPANY
PO BOX 107502
ANCHORAGE, AK 99510-7502
TELEPHONE: 907/276-5617
FACSIMILE: 907/276-6292

DATE: 23 April, 1998

Ms. Swenson-

Ed asked me to fax the following suggestion to you.

Rather than developing a detailed analysis of the increased cost of the proposed legislation, and getting into a "he said, she said" situation, Ed proposes adding the following wording to HB300. In effect, if the proposed legislation causes costs to increase, as Ed feels they will, the act will no longer apply. If costs do not increase, then no harm has been done.

Sec. 5. Increased cost exemption.

This act shall not apply with respect to a group health plan (or health insurance coverage offered in connection with a group health plan) if the application of this act to such plan (or to such coverage) results in an increase in the cost under the plan (or for such coverage) of at least 1 percent.

Sec. 6. This act takes effect July 1, 1998.

Colleen

Attachment D
Special Committee on Health Care
Reform
7/1/94

NAIC

Hall of the States
444 N. Capitol Street, N.W., Suite 309
Washington, D.C. 20001-1872
202-624-7780

FAX 202-624-8378 Washington Counsel
FAX 202-624-8460 Financial Analysis

National
Association
of Insurance
Commissioners

August 10, 1994

Via Hand Delivery

The Honorable George J. Mitchell
U.S. Senate
Washington, DC 20510

Dear Senator Mitchell:

In an effort to promote basic consumer protections, the National Association of Insurance Commissioners' Special Committee on Health Care Reform (the "NAIC Committee")¹ has recently sent two letters to you and your fellow Congressional leaders setting forth several recommendations relating to self-funded plans and community-rating (the last correspondence, dated July 27, 1994, is enclosed for your convenience). This letter expands upon the recommendations in our prior correspondence.

Solvency Requirements for Self-Funded Plans

In July, the NAIC Committee recommended that the self-funding threshold for employers be set at a group size of 500 or more employees. The NAIC Committee recommends further that minimum solvency requirements be established for all employer-sponsored self-funded plans that provide health care coverage. Under any federal health care reform proposal, the NAIC Committee believes that states should be charged with implementing these solvency standards.

Over the years, states have gained experience in developing and enforcing solvency standards in connection with the regulation of various types of health coverages. For example, states actively supervise the financial condition of insurance companies, Blue Cross/Blue Shield plans, health maintenance organizations, preferred provider organizations, workers' compensation carriers, and disability insurers, among others. Traditionally, states have used a myriad of solvency tools to protect consumers from the potential harm of health plan insolvencies, including: minimum deposit and reserve requirements; capital and surplus or risk-based capital requirements; financial reviews and audits; reinsurance or stop/loss provisions; hold/harmless requirements; and/or guaranty funds.

¹ As you know, the National Association of Insurance Commissioners (NAIC), founded in 1871, is the nation's oldest association of state public officials, composed of the chief insurance regulators in the fifty states, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands.

August 10, 1994
Page Three

Supplemental Coverage

The NAIC Committee recommends that coverage supplemental to the standard benefit package be community-rated as referenced above. The NAIC Committee supports the requirement of health plans offering these supplemental policies on a guaranteed issue basis and opposes the offering of supplemental coverage that in any way duplicates coverage provided in the standard benefits plan (such as dread disease coverage).


Any Willing Provider Provisions

The NAIC Committee believes that "any willing provider" provisions compromise the ability of managed care organizations to offer quality and cost-effective care. This type of provision may force managed care organizations to accept any provider that is willing to meet the terms and conditions of the health plan. Consumers would not be well-served if health plans have to accept less qualified providers in their provider networks and if the ability of health plans to negotiate volume discounts is reduced as the number of participating providers in the networks increase. Moreover, state insurance regulators do not believe that the adoption of an "any willing provider" requirement is the proper means to ensure appropriate consumer access to providers or consumer choice of providers.

The NAIC members continue to look forward to working with Congress on the technical insurance-related details of federal reform measures to help ensure its proper direction and successful implementation. We would be happy to answer any questions and provide you with any additional background information upon request. If you have any questions, please contact Garry Carneal or Nicole Tapay in the NAIC's Washington, D.C. office at (202) 624-7790.

Thank you for your consideration of these recommendations.

Sincerely,



David J. Walsh
President, NAIC
Director, Alaska Division of Insurance

Enclosure

cc: Members of Congress

4/27/95

ACT 505 of 1995 (As Amended by Act 1193 of 1995)

For An Act To Be Entitled

"AN ACT TO ENSURE CONSUMER CHOICE OF HEALTH CARE PROVIDER; AND FOR OTHER PURPOSES."

Subtitle

"TO ENSURE CONSUMER CHOICE OF HEALTH CARE PROVIDER."

BE IT ENACTED BY THE GENERAL ASSEMBLY STATE OF ARKANSAS:

SECTION 1. This act may be cited as the "Patient Protection Act of 1995."

SECTION 2. The General Assembly finds that patients should be given the opportunity to see the health care provider of their choice. In order to assure the citizens of the state of Arkansas the right to choose the provider of their choice, it is the intent of the General Assembly to provide the opportunity of providers to participate in health benefit plans.

SECTION 3. As used in this act:

(a) "Copayment" means a type of cost sharing whereby insured or covered persons pay a specified predetermined amount per unit of service or percentage of health care costs with their health care insurer paying the remainder of the charge. The copayment is incurred at the time the service is rendered. The copayment may be a fixed or variable amount.

(b) "Gatekeeper system" means a system of administration used by any health benefit plan in which a primary care provider furnishes basic patient care and coordinates diagnostic testing, indicated treatment, and specialty referral for persons covered by the health benefit plan.

(c) "Health benefit plan" means any entity or program that provides reimbursement, including capitation, for health care services, except and excluding any entity or program that provides reimbursement and benefits pursuant to Amendment 26 to the Constitution of the State of Arkansas, Act 796 of 1993, or the Public Employee Workers' Compensation Act, and rules, regulations and schedules adopted thereunder.

(d) "Health care provider" means those individuals or entities licensed by the state of Arkansas to provide health care services limited to the following: physicians and surgeons (*M.D.'s and D.O.'s*), podiatrists, chiropractors, physical therapists, speech pathologists, audiologists, dentists, optometrists, hospitals, hospital based services, psychologists, licensed professional counselors, respiratory therapists, pharmacists, occupational therapists and long-term care facilities, home health care and hospice care, licensed ambulatory surgery centers, rural health clinics, licensed certified social workers, licensed psychological examiners, advanced practice nurses, licensed dieticians and community mental health centers or clinics, certified orthotists and prosthetists.

(e) "Health care services" means services and products provided by a health care provider within the scope of the provider's license.

(f) "Health care insurer" means any entity, including but not limited to insurance companies, hospital and medical services corporations, health maintenance organizations,

preferred provider organizations, physician hospital organizations, third-party administrators, and prescription benefit management companies authorized to administer, offer or provide health benefit plans.

SECTION 4. (a) A health care insurer shall not, directly or indirectly:

(1) Impose a monetary advantage or penalty under a health benefit plan that would affect a beneficiary's choice among those health care providers who participate in the health benefit plan according to the terms offered. Monetary advantage or penalty includes higher copayment, a reduction in reimbursement for services, or promotion of one health care provider over another by these methods; or

(2) Impose upon a beneficiary of health care services under a health benefit plan any copayment, fee or condition that is not equally imposed upon all beneficiaries in the same benefit category, class or copayment level under that health benefit plan when the beneficiary is receiving services from a participating health care provider pursuant to that health benefit plan.

(3) Prohibit or limit a health care provider that is qualified under Section 3(d) and is willing to accept the health benefit plan's operating terms and conditions, its schedule of fees, covered expenses, utilization regulations and quality standards, the opportunity to participate in that plan.

(b) Nothing in this act shall prevent a health benefit plan from instituting measures designed to maintain quality and to control costs, including but not limited to the utilization of a gatekeeper system, as long as such measures are imposed equally on all providers in the same class.

SECTION 5. Nothing in this act shall be construed to require any health care insurer to cover any specific health care service. Provided, however, no condition or measure shall have the effect of excluding any type or class of provider qualified under Section 4(a)(3) to provide that service.

SECTION 6. Any person adversely affected by a violation of this act may sue in a court of competent jurisdiction for injunctive relief against the health care insurer and, upon prevailing, shall, in addition to such relief, recover damages not less than one thousand dollars (\$1,000), attorney fees and costs.

SECTION 7. To avoid impairment of existing contracts, the Patient Protection Act of 1995 shall only apply to contracts issued or renewed after the effective date of the act. Any provision in a health benefit plan which is executed, delivered or renewed, or otherwise contracts for provision of services in this state that is contrary to this act shall, to the extent of the conflict, be void.

SECTION 8. It is a violation of this act for any health care insurer or other person or entity to provide any health benefit plan providing for health care services to residents of this state that does not conform to this act, but nothing in this act shall constitute a violation on the basis of actions taken by the health benefit plan to maintain quality, enforce utilization regulations, and to control costs.

SECTION 9. The provisions of the Patient Protection Act of 1995, Act 505 of 1995, shall not apply to self-funded or other health benefit plans that are exempt from state regulation by virtue of the federal Employee Retirement Income Security Act of 1974, as amended.

SECTION 10. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this and the provisions of this act are declared to be severable.

SECTION 12. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 13. In the event any portion of this act is found to be in violation of federal law or in conflict therewith, or held to be unconstitutional, that portion shall hereby be repealed and all other portions of this act shall remain in force.

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4425
<http://www.ci.anchorage.ak.us>

Rick Mystrom, Mayor

DEPARTMENT OF EMPLOYEE RELATIONS

March 6, 1998

Representative Norm Rokeberg
Chairman, Labor and Commerce Committee
Alaska State House of Representatives
State Capitol, Room 24
Juneau, AK 99801-1182

Re: House Bill No. 300

Dear Chairman Rokeberg:

The Municipality of Anchorage has been following the proposed House Bill No. 300 and the recent HES Committee Substitute to the bill. We are very concerned about this proposed legislation and what we strongly believe would be its serious negative impact on the cost of the Municipality's employee group health insurance program.

Under this proposed legislation, our insurance company would not be able to negotiate lower prices with a provider in exchange for the Municipality's commitment to "steer" customers (patients) to their facility by means of differential reimbursement levels. Unfortunately, rising costs have forced the Municipality's group health insurance program to adopt cost containment strategies. One of the principle cost containment techniques is preferred provider hospital arrangements, which our program has had since 1993. These preferred arrangements provide the benefits of volume purchasing power to achieve discounted prices and reflect a common purchasing practice used in all other business arenas.

Our health insurance claims costs have been significantly dampened by the discounts provided by preferred hospitals. In 1997, for example, total medical claims for over 8000 Municipal employees and family members were \$13,551,326. However, \$2,186,682 was saved as a result of preferred hospital discounts. If the Legislature takes away this important cost containment tool, the end result will be higher costs to both the taxpayers of Anchorage and to our employees.

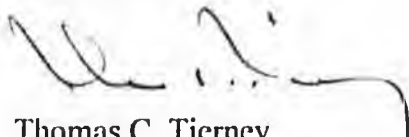
The bill's sponsors are concerned about patient choice. However, in these times of reduced budgets and limited financial resources, increases in the costs of providing health insurance coverage lead to hard choices for employers who are the primary purchasers of health care services: whether to reduce the benefits offered, charge employees to maintain the level of benefits, or whether to do both. Preferred provider arrangements help us to contain costs and maintain benefits, and thus avoid some of the hard choices.

We are also concerned about the provisions of the proposed legislation having to do with denials and reductions of benefits. While we were heartened to see the HES Committee Substitute for the original bill eliminated the requirement to have any utilization review carried out by a health care provider licensed in the State of Alaska, the replacement paragraph is still flawed. Section 2 (b) of the substitute prohibits any denial, reduction or termination of "health care benefits" without the approval of a physician. "Benefits" as used in this paragraph is not defined. However, insurance company claims processors (who are not physicians) routinely examine claims for insurance benefits and apply the plan's coverage standards against those claims, and sometimes deny insurance plan coverage. If prohibition of this process is contemplated by this paragraph, it will seriously hamper the provision of insurance coverage and raise the cost significantly to both the taxpayers of Anchorage and our employees. If a different process, such as review for medical necessity of treatment, was the intended target, then the authors need to re-describe it.

We have no objections to the bill's provisions to protect an individual's right to information on treatment options or to assert the protections of law. However, those protections are offered in the wrong package and we suggest they be addressed in separate legislation.

I urge you and the Committee to consider the impact of this proposed legislation on employers' abilities to provide affordable insurance coverage for their employees. On behalf of the Municipality of Anchorage, I ask that you vote against HB 300 and the HES Committee Substitute version. I would be happy to discuss our concerns with you, your staff, or other legislators.

Sincerely,



Thomas C. Tierney
Employee Relations Director

cc: Mayor Rick Mystrom
Tim Rogers, Municipal Manager's Office

Alaska State Legislature

CHAIR
HOUSE HEALTH, EDUCATION
& SOCIAL SERVICES COMMITTEE

VICE-CHAIR
HOUSE JUDICIARY COMMITTEE

MEMBER
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HOUSE SPECIAL COMMITTEE ON OIL & GAS
SELECT COMMITTEE ON LEGISLATIVE ETHICS



REPRESENTATIVE CON BUNDE

District 18

DURING SESSION
STATE CAPITOL, ROOM 104
JUNEAU, AK 99801-1182
(907) 465-4843 (800) 892-4843

DURING INTERIM
716 W. FOURTH AVE.
ANCHORAGE, AK 99501-2133
(907) 258-8168

E-MAIL
Representative_Con_Bunde@legis.state.ak.us

MEMORANDUM

02-20-98P05-ALT 31X0

DATE: February 25, 1998

TO: Representative Norman Rokeberg
Chairman, House Labor and Commerce Committee

FROM: Representative Con Bunde

RE: CSHB 300 (HES)

The purpose of this memo is to request a Labor and Commerce Committee hearing for HB 300, "An Act relating to patients' rights under health insurance; relating to review of health insurance treatment plans; prohibiting certain health insurance practices."

A packet of supporting information will be available within the next two days. If you have any questions or concerns please contact my office at your convenience. Thank you for your cooperation with this legislation.

HB

304

FISCAL NOTE

No: 1

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: HB 304

(H) Publish Date: 2/11/98

Revision Date (Note if correction) _____ Dept. Affected All _____
 Title Relocate the legislature to Anchorage BRU _____
 Component _____
 Sponsor Green and Rokeberg _____
 Requester State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	2,736.5	2,805.0	2,875.1	2,947.0	3,020.6	3,096.1

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

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	2,736.5	2,805.0	2,875.1	2,947.0	3,020.6	3,096.1

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Consolidated fiscal note for Executive Branch. Utilizes same methodology as SB 19 (1995 Session, Phillips) with an annual inflation adjustment of 2.5%.

Prepared by *Chanelle McInnis* Phone 465-4660
 Division AMB Date 1/23/98
 Approved by Commissioner *D. Rawson* Date _____
 Agency Office of the Governor

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
1998 LEGISLATIVE SESSION

HB 304
Relocating the Legislature to Anchorage
Consolidated Fiscal Note for Executive Branch*

Department	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Governor	773.9	793.2	813.1	833.4	854.2	875.6
Administration	76.6	79.5	80.4	82.5	84.5	86.6
DCED	107.7	110.4	113.2	116.0	118.9	121.9
DCRA	46.6	47.8	49.0	50.2	51.5	52.8
Corrections	61.4	62.9	64.5	66.1	67.8	69.5
Education	95.0	97.4	99.8	102.3	104.9	107.5
DEC	88.9	91.1	93.4	95.7	98.1	100.5
ADF&G	211.9	217.2	222.6	228.2	233.9	239.7
DH&SS	572.4	586.7	601.3	616.4	631.8	647.6
Labor	56.8	58.2	59.7	61.2	62.7	64.2
Law	326.7	334.8	343.2	351.8	360.6	369.6
DMVA	8.2	8.4	8.6	8.8	9.1	9.3
DNR	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety	72.5	74.3	76.1	78.0	80.0	82.0
DOR	149.0	152.8	156.6	160.5	164.5	168.6
DOTPF	89.1	91.3	93.6	95.9	98.3	100.8
Total	2,736.5	2,805.0	2,875.1	2,947.0	3,020.6	3,096.1

*Uses same departmental totals as SB 19 (1995 Session) with an inflation rate of 2.5%/yr.

OMB/BP
1/23/98 15:56

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 11, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/20/98

The LABOR AND COMMERCE Committee considered:

HB 304

HOUSE BILL NO. 304

MOVE LEGISLATURE TO ANCHORAGE

"An Act relating to the location of the convening of the legislature in regular session; repealing provisions relating to student guests of the legislature; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)
[X] fiscal note(s) ALL [] fiscal note(s)
[] zero fiscal note(s) [] zero fiscal note(s)

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures of John J. Buckley, John Sandlin, and others.

CHAIR'S SIGNATURE

[Signature] 3/20/98



INVITATION , O BID # 5401

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES
2400 VIKING DRIVE
ANCHORAGE, AK 99501

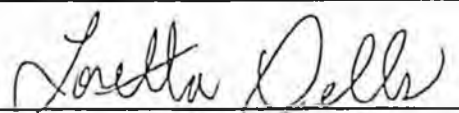
THIS IS NOT AN ORDER

DATE ITB ISSUED: February 24, 1998

SEALED BIDS WILL BE RECEIVED AT THE ABOVE ADDRESS UNTIL 2:30 P.M. ON WEDNESDAY, MARCH 18, 1998, AT WHICH TIME THEY WILL BE PUBLICLY OPENED.

BID TITLE: LEASE OF APPROXIMATELY 7,100 SQUARE FEET OF NET USABLE OFFICE SPACE IN DOWNTOWN ANCHORAGE FOR THE ADULT PUBLIC ASSISTANCE OFFICE.

BIDDER'S NOTICE: By signature on this form, the bidder certifies that; (1) the bidder has a valid Alaska business license and has written the license number below or has submitted one of the following forms of evidence of an Alaska business license with the bid: (a) a canceled check for the business license fee; (b) a copy of a business license application with a receipt date stamp from the state's business license office; (c) a receipt from the state's business license office for the license fee; (d) a copy of the bidder's valid business license; (e) a sworn notarized affidavit that the bidder has applied and paid for a business license; (2) the price(s) submitted was arrived at independently and without collusion and that the bidder is complying with; (a) the laws of the State of Alaska; (b) the applicable portion of the Federal Civil Rights Act of 1964; (c) the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and (d) all terms and conditions set out in this Invitation to Bid (ITB). If any bidder fails to comply with (1) or (2) of this paragraph, the State may reject the bid, terminate the contract, or consider the contractor in default.

<p> LORETTA DELK, C.P.M. CONTRACTING OFFICER</p> <p>TELEPHONE NUMBER: 276-3320 TTD NUMBER: 276-0502 FAX: 278-0352</p>	<p>BID PAGE 1 OF 27 PLUS (+) ATTCHMENTS 1-A and 1-B</p> <p>COMPANY SUBMITTING BID</p> <p>AUTHORIZED SIGNATURE</p> <p>PRINTED NAME</p> <p>DATE</p>	<p>DOES YOUR BUSINESS QUALIFY FOR THE ALASKA BIDDER'S PREFERENCE? [] YES [] NO SEE STANDARD TERMS & CONDITIONS FOR CRITERIA TO QUALIFY.</p> <p>TAX ID #</p> <p>ALASKA BUSINESS LICENSE #</p> <p>TELEPHONE NUMBER</p>
--	---	--

3. TYPE OF BUILDING:

- A. The space offered shall be in a building of sound and substantial construction, and shall meet all applicable building codes, life safety codes, regulations and standard building practices of the City, Borough and State in which located. The building shall be protected against fire and other hazards and shall be provided with ventilation. The building shall also conform to applicable thermo and energy standards, and shall comply with OSHA safety codes. The building and the area in which it is located shall be clean and free from objectionable tenancy, odors, vermin, rodents, or other conditions which, in the opinion of the State, will be detrimental to agency operation.
- B. Natural Light: The space offered for lease shall have direct natural light through windows, not skylights, in the areas designated as work station/office areas for employees. The State recognizes that floor plans may need to be devised which do not allow for natural light to fall in each and every work station/office, but the predominate character of the area to be occupied by employees shall be one of good access to natural light. Any devices for controlling the natural light coming into the lease space, such as curtains, blinds, shades, or screens shall be solely under the control of the State. Basement space is not acceptable for employee work stations/offices nor conference rooms.

4. TYPE AND ARRANGEMENT OF SPACE: Modern space with ventilation, acoustical properties, electrical outlets, heating, and lighting, floor covering and separate lavatory facilities for men and women, as more particularly set forth herein, is required. Space is to be in the confines of one building in a contiguous area. The exclusive right of the State to the entire building is not mandatory. However, the building shall be so arranged as to permit exclusive right and entry to the leased area and the occupancy by other parties shall be restricted to those functions which will not detract from the dignity of the State and related functions.

The Contracting Officer will review and approve/disapprove proposed space plans prior to renovation/construction of "Special Building Requirements" as required herein.

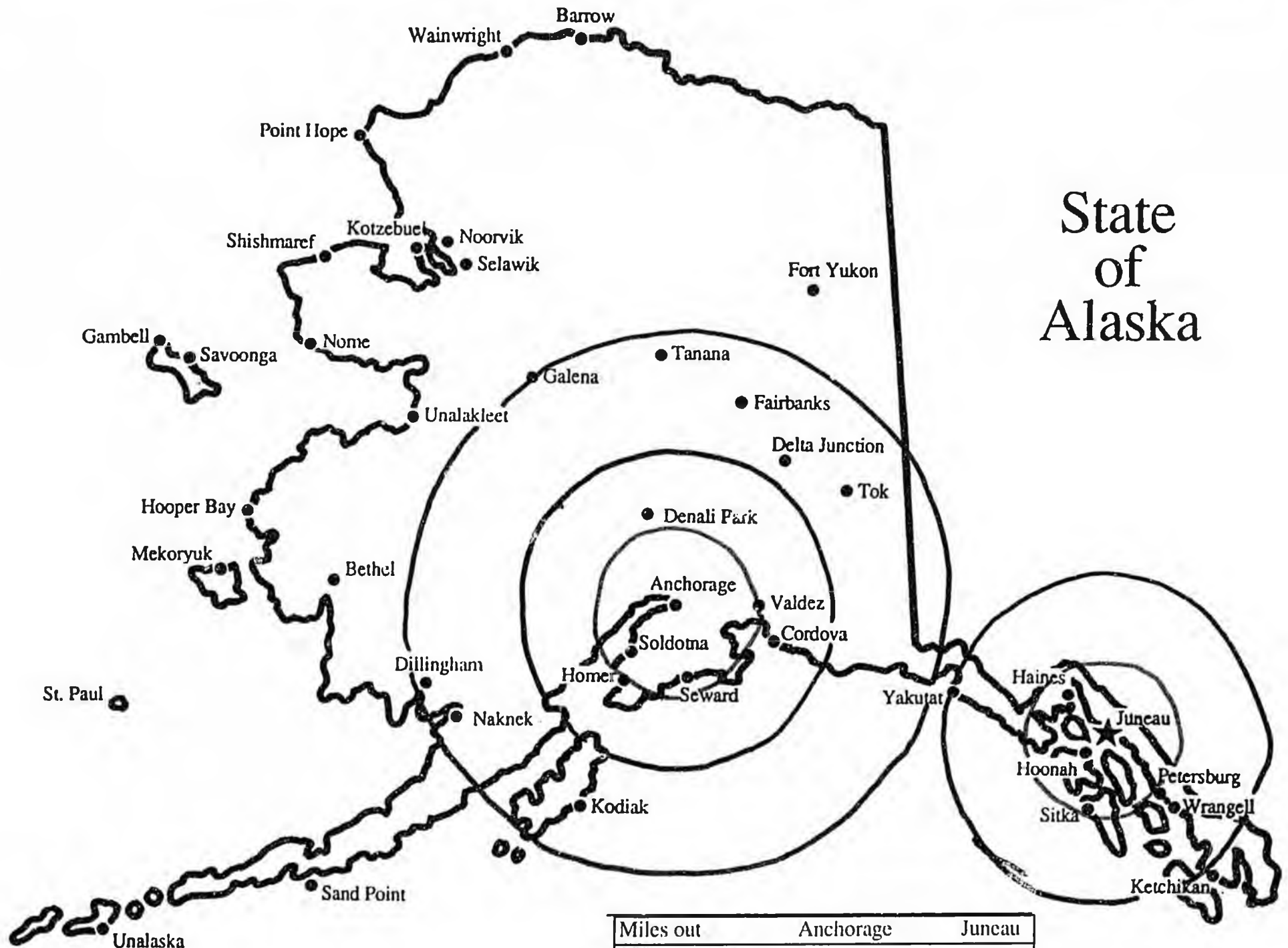
5. NET USABLE AREA: The net usable area of leased space shall be computed by measuring to the finished surface of the office side of corridor and other permanent walls; to the center of partitions that separate the office from adjoining usable areas; and to the inside finished surface of the dominant portion of the permanent outer building walls.

No deductions shall be made for columns and projections necessary to the building.

The State shall have full access to and use of all common areas of the building including, but not limited to, elevators, lobbies, stairwells and restrooms.

6. INGRESS AND EGRESS: All space shall be available on a 24 hour day, seven (7) days a week basis. Elevator service, if required or available, must be at least on call or on automatic basis during other than regular building service hours.

State of Alaska



Miles out	Anchorage	Juneau
100	361,000	50,000
200	7,100	24,000
300	115,000	
Total Population	483,100	74,000



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

Sponsor Statement

HB 304 - Legislative Move

By Representatives Joe Green and Norman Rokeberg

House Bill 304 calls for the legislature to convene in the Municipality of Anchorage beginning in 2001. HB 304 does not propose to move the capital; it only addresses where the legislature meets.

The majority of Alaska's population lives well away from the committee hearings, floor sessions, and daily business of the legislature. Access to legislators is limited only to those Alaskans who can afford the expensive and irregular travel to Juneau. Special interest groups, lobbyists, and individuals with the financial means can access the legislature in its current remote location, but representative government demands that legislators hear from all citizens, not just the wealthy. The statewide teleconference system is a necessary improvement, but insufficient solution, to this problem.

The Anchorage area offers the advantages of access, including superior transportation access by rail, road, or air; superior commercial office space available at competitive rates; larger and more varied residential space for legislators and staff; and a larger labor pool from which to draw professional and clerical staff. There are also outstanding visitor facilities for individuals and groups doing business with the legislature. Both the private and public section will realize savings from such a move.

The legislature is presently housed in an obsolete building, constructed in 1931. The State Capitol and surrounding parking, are grossly inadequate and were not constructed for the primary purpose of conducting today's legislative activities. The building is clearly unsafe as it violates numerous life-safety and building codes. It does not have an automatic sprinkler system for fire suppression, has antiquated electrical service, fails to meet structural requirements for earthquakes, contains countless fire code violations, does not provide adequate access for the disabled community, and is inefficiently laid out and expensive to maintain and operate.

In Anchorage, where the bulk of the legislators are from and where they conduct their business during the legislative interim, a leased building provides year-round offices for 19 House members, 10 Senate members, the Ethics Committee, and the Anchorage Legislative Information office. It contains five conference rooms and various other rooms used by the Legislature. All in all, the Legislature leases 22,792 square feet in this building at the rate of \$1.63 per foot or a total cost during FY '97 of \$444,841.33. The Legislature's lease expires on May 31, 1998, and the lease has five 1-year renewal options.

Sponsor Statement
HB 304 - Legislative Move
Representatives Green & Rokeberg

Suitable premises for the chambers and associated office premises are readily available in the Anchorage commercial real estate market. The dimensions of the current House chamber are 60 feet by 52 feet; space is readily available in the Anchorage market. A minimum of cost would be necessary to refit the premises, and given current market conditions could be bargained for as part of the leasehold obligation. Additionally, the need for larger office space and chamber space would also allow the legislature to relocate what are now the offices of the Anchorage Legislative Information office and the associated interim offices. Economies of scale could be gained by this.

There is concern regarding the potential loss of jobs in Juneau. This could be offset by Juneau's economy becoming more dependent on private businesses: tourism, timber, fishing, mining, etc., together with the continued presence of the Executive branch of government could fill those jobs. In the short term, the economy in Juneau may feel the effects of a legislative move, but a majority of Alaskans would benefit during the long term.

Session per diem rates would be impacted as well as the legislature's travel budget. With more than three legislators being paid at the lower per diem rate and with less moving costs for the Anchorage-based legislators, savings could definitely be accomplished. Currently, the Municipality of Anchorage is home to approximately 9 senators and 15 representatives.

We have both recently asked our constituents in House Districts 10 and 11: "Should legislative sessions be held in Anchorage rather than in Juneau?". Overwhelming, they said "yes."

Moving the legislature to Anchorage would: (1) increase citizen access; (2) save money; and (3) provide a safer, more efficient premises to conduct the people's business.

We would appreciate your support of this bill.

Fog keeps Juneau fuzzy, causes airport, road woes

By LORI THOMSON

THE JUNEAU EMPIRE

Thick fog socked in the capital city Monday night and today, keeping flights from taking off or landing at the Juneau Airport.

The dense fog also led to four accidents at Egan Drive and Vanderbilt Hill Road.

The National Weather Service issued a fog advisory because of the unusually low visibility that settled in around 10 p.m. Monday, said weather forecaster Andy King.

"At the airport we've been down to a quarter of a mile visibility this morning. That's getting down pretty low," King said.

Airplanes have trouble landing in less than two miles of visibility, according to the forecaster.

The two Alaska Airlines flights that normally arrive around 9:30 p.m. didn't make it in Monday. Both flights took off for Juneau and tried landings this morning. One headed to Sitka for more fuel, while the other headed to Yakutat on its way to Anchorage, said Jerry Kvasnikoff of Alaska Airlines.

"The airport's pretty tough right now," Kvasnikoff said about 11:15 a.m.

Police attributed all four vehicle accidents near the intersection of Vanderbilt and Egan to fog.

The first and most serious collision was at about 7:30 a.m. A

man in a white pickup was driving too fast for weather conditions and couldn't see well, sliding through a red light and hitting two other vehicles turning from Vanderbilt onto Egan, said police Capt. Michael DeCapua.

A half-hour later, DeCapua said, fog and heavy traffic resulting from the first accident led to one vehicle rear-ending another near the same spot. A third accident occurred at about 9:30 a.m., again at the same place, "again, people driving too fast in the fog," DeCapua said.

He said traffic resulting from that accident contributed to a fourth collision about 10 minutes later.

Wind was expected to pick up by this afternoon, moving out the fog, according to King.

"It's unusual for it to stay down this long," King said. "Usually we have enough air motion it doesn't stay down for this long."

The fog is caused by a temperature inversion, in which warm air is above cold air that's heavier and cannot rise, he said. Temperatures this morning, for example, were about 40 degrees up on the Mount Roberts Tramway, but about 32 degrees at the airport.

Empire writer Mike Rogoway contributed to this report.

A New Capitol Building — Where and When

by Rep. Norman Rokeberg (R)
House District 11

Have you been to the State Capitol Building in our state capital of Juneau? Even though I've been an Alaskan since 1946, when I walked into the Capitol Building in 1995 to be sworn in — it was my first visit to the building.

Alaskans' access to their legislature in Juneau is a major concern. Because Juneau is expensive and difficult to reach by car/ferry and air, I have sponsored, with Rep. Joe Green, HB 304 (moving the Legislature to Anchorage).

Committee hearings, floor sessions, daily business of the Legislature, constituent meetings — all are far away from the population center of Alaska. In no other state does one have to travel through a foreign country and take a ferry in order to reach the state capital by car. Many Alaskans cannot afford

to take off work, pay the airfare and the hotel fare, and pay for meals, etc. just to express their view to the Legislature.

Of chief concern to me is the Capitol Building itself. Regardless of whether the seat of government moves, the Capitol Building needs to be replaced. Constructed in 1931, the building is clearly unsafe as it violates numerous life-safety and building codes. It does not have a sprinkler system, has antiquated electrical service, fails to meet structural requirements for earthquakes, contains countless fire code violations, does not provide adequate access for the disabled community, and is inefficiently laid out and expensive to maintain and operate.

As the chairman of the House Labor and Commerce Committee, it is my hope to look at the various alternatives for development of a new Capitol Building.

Among these are: (1) remodel the existing structure; (2) move to leased premises in Anchorage; (3) build a 75,000 square-foot addition to the Bank of America Building (which was developed for expansion); (4) draft a request for proposal for any community in the state to respond to (including Juneau); (5) gear up a Willow Capital move initiative with truthful cost analysis; (6) rotate legislative sessions between cities; or (7) what's your idea?

Let me know what you think. My mailing address is State Capitol, Juneau, AK 99811-1182; my toll-free telephone number (from Anchorage) is 1-800-773-4968; a public opinion message may be sent by calling 258-8111; my Juneau telephone number is (907) 465-4968; and my e-mail address is: Representative_Norman_Rokeberg@legis.state.ak.us

Around the State

Weather grounds Juneau flights

JUNEAU — About 550 Alaska Airlines passengers flew to Juneau and back again Thursday when their planes couldn't land due to low clouds and freezing rain.

Only one of 10 scheduled flights into and out of Juneau on Thursday made it through, said Alaska Airlines spokesman Jack Evans. Another flight was canceled and one was delayed this morning because the planes that usually overnight weren't able to land last night.

"The culprit that's been at play here as well as in Seattle is old man winter," Evans said.

Pilots must be able to see at least two miles when they are at 800 feet altitude to be able to land in Juneau, Evans said. The pilots usually make the determination whether or not to land as the plane comes in, based on whether they can see the landing strip lights.

Fog fuels fight over legislative move

Arch. Daily 1/22/97

By DAVID GERMAIN
The Associated Press

JUNEAU — Lawmakers who want to move the Alaska Legislature's session to Anchorage say fog that socked in Juneau's airport points out the need for a more accessible place to conduct state business.

A House committee had to cancel a hearing Tuesday on a key budget issue — a dollar-a-pack increase in cigarette taxes — because some legislators returning from a long weekend were stranded by bad weather the day before.

House Republicans also had to hold off a discussion Monday on an ethics case against a legislator because about 10 of their members could not get to the state capital.



Rep. Joe Green, R-Anchorage, said the latest weather problems point up the

need for moving the Legislature's meeting place closer to Alaska's population center. Green has introduced a bill to shift the session to Anchorage.

"We've got more than half of the Legislature living in the area around Anchorage," Green said. "It would save us time and money because most of us are already there, and it's easier for people in the Bush to get to Anchorage than Juneau."

There are no roads into Juneau, and critics say the city's mountainous terrain and overcast skies delay too many flights.

"My wife does not like to fly down here. It's the white-knuckle ride," said Rep. Norm Rokeberg, R-Anchorage, who also has spon-

City leaders want say in budget cuts

By DIRK MILLER
The Associated Press

JUNEAU — Alaska's mayors and city officials say they want to work with lawmakers on cutting the state budget and finding money to repair roads and buildings.

Local leaders told lawmakers Tuesday that the way to resolve some of the problems facing Alaska is to form partnerships between the state and communities.

"Just like two people rowing a boat, unless both work together, the boat is going to go around in circles and never arrive at its destination," said Kodiak Mayor Carolyn Floyd. "In the case of balancing the state budget, unless the state and municipalities row together, the people of Alaska

TIME OUT: Proposed measure would give lawmakers a 10-day recess midway through the legislative session. B-2

may not arrive at a safe harbor or the journey may be too costly."

Floyd and other officials from the Alaska Conference of Mayors and the Alaska Municipal League delivered their comments to a handful of lawmakers in the state Capitol. The two organizations were meeting in Juneau this week.

Juneau Assembly member Rosemary Hagevig said the state's maintenance prob-

Please see Page B-3, CITIES

sored a bill to move the session to Anchorage.

Moving the Legislature is a perennial proposal, but opponents say it would be too expensive to set up work space in Anchorage for the 60 lawmakers and their staffs. In 1994, voters rejected a costly proposal to move the entire capital closer to Anchorage.

"In Alaska, you've just got to go with the flow of the weather," said House Minority Leader Gene Kubina, D-Valdez, who got stuck in Petersburg Monday and had to take a ferry back to Juneau. "I got a great ferry ride, a good night's sleep on board, a nice shower this morning, and here I am."

Rep. Ethan Berkowitz, D-Anchorage,

sworn in for his first term last week, said he also got stranded in Petersburg and hopped on the ferry at 2 a.m. Tuesday. He said Alaskans are used to such travel inconveniences.

"If you're going to make the weather the factor for moving the Legislature, then we'd have to move the whole state," Berkowitz said.

Alaska Airlines is outfitting the jets it flies in Alaska with new satellite-navigation equipment to cut down on weather delays and cancellations. The equipment should be installed on all the planes by the end of the year, said airline spokesman Lou Cancellmi.

Moving legislature

Continued from page A-1

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Ke. *Juneau Daily News* 22 Jan 1997

Fog fuels debate

Some lawmakers say Juneau inaccessible for session

By DAVID GERMAIN
Associated Press Writer

JUNEAU — Lawmakers who want to move the Alaska Legislature's session to Anchorage say fog that socked in Juneau's airport points out the need for a more accessible place to conduct state business.

A House committee had to cancel a hearing Tuesday on a key budget issue, a dollar-a-pack increase in cigarette taxes, because some legislators returning from a long weekend were stranded by bad weather the day before.

House Republicans also had to hold off a discussion Monday on an ethics case against a legislator because about 10 of their members could not get to the state capital.

'If you're going to make the weather the factor for moving the Legislature, then we'd have to move the whole state.'

— Rep. Ethan Berkowitz,
D-Anchorage

Rep. Joe Green, R-Anchorage, said the latest weather problems point up the need for moving the Legislature's meeting place closer to Alaska's population center. Green has introduced a bill to shift the session to Anchorage.

"We've got more than half of the Legislature living in the area around Anchorage," Green said. "It would save us time and money because most of us are already there, and it's easier for people in the Bush to get to Anchorage than Juneau."

There are no roads into Juneau, and critics say the city's mountainous terrain and overcast skies delay too many flights.

"My wife does not like to fly down here. It's the white-knuckle ride," said Rep. Norm Rokeberg, R-Anchorage, who also has sponsored a bill to move the session to Anchorage.

Moving the Legislature is a perennial proposal, but opponents say it would be too expensive to set up work space in Anchorage for the 60 lawmakers and their staffs. In 1994, voters rejected a costly proposal to move the entire capital closer to Anchorage.

"In Alaska, you've just got to go with

See 'Moving Legislature,' page A-3



■ **The long reach**

Michael Jordan of the Chicago Bulls reaches for a rebound past Shawn Kemp of the Seattle Sonics during Sunday's NBA All Star game. The East beat the West 132-120. **Page 9**

■ **Land for housing**

City land in the Mendenhall Valley may soon be sold to first-time home-buyers. The Juneau Assembly is considering selling about 15 lots to middle-income people. **Page 3**

■ **Comtech a success**

About 300 people attended the second annual Comtech conference. Many at the Juneau communications and computer conference called it a good place to make connections. **Page 7**

■ **Muslims riot in China**

Crowds of young Muslims beat people to death and torched cars during pro-independence riots in western China. The riots were the worst fighting in the province of Xinjiang since the 1949 Communist takeover. **Page 6**

■ **More near collisions**

The Air Force extended its suspension of training flights to the Gulf of Mexico today after two new reports of close encounters between F-16s and commercial aircraft. Both the close encounters occurred Friday. **Page 5**

STOCKS

The Dow Jones industrial average fell 49.26 to 6,806.54 today.

Declining issues outnumbered advancers by an 8-to-7 margin on the New York Stock Exchange, with 1,172 up, 1,340 down and 825 unchanged.

NYSE volume totaled 467.56



By JEANINE POHL SMITH

THE JUNEAU EMPIRE

A federal mediator will step in between ferry engineers and state negotiators, who are stalled in their contract talks.

The two parties agreed to the measure last week in an effort to prevent a strike that would shut

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 ...Ferry system director Gary Hayden said the state made an offer and the union rejected it, although he wouldn't provide details.
 ...The state and union made an...
 ...mediator...
 ...represents about...
 ...engine rooms...
 ...Highway System...
 ...I think both parties...
 ...ested in getting this...
 ...solved at the ear...

Victorious Bears return

*Juneau Empire
10 Feb 1997*

■ **It's Juneau's first men's basketball title in 15 years**

By LORI THOMSON

THE JUNEAU EMPIRE

Fog blotted out a big welcoming party for the Crimson Bears on Sunday, but not the excitement over Juneau's first men's state basketball championship in 15 years.

Approximately 50 people waited at the Juneau Airport at about 9:30 a.m. Sunday to congratulate the Juneau-Douglas High School men's team for its 67-59 victory over the Colony Knights on Saturday night at Bartlett High School in Anchorage, according to Jim Hamey, coach of the women's basketball team.

The flight never made it in because of heavy fog, and the team spent the night in Sitka. Other Juneau fans were diverted to various Southeast locations.

"They were all still sort of on Cloud 9, but disappointed they weren't able to get back because they heard people were going to be at the airport," said Walter "Bud" Carpeneti, a Juneau judge whose son Christian is a sophomore on the team.

"It was certainly a very happy and satisfied group," said Carpeneti, who spent the day in Petersburg and then took an overnight ferry back to Juneau. "I'm not sure it totally set in. They were a little bit stunned."

The team, which hadn't won a state title since 1982, was ranked fifth in the state going into the men's 4A state basketball championships. This is the second consecutive year Juneau has brought home a state basketball title, with the women's team winning the championship last year.

Carpeneti was one of a number of parents who went to Anchorage for the tournament who arrived in Juneau early this morning after a tiring return trip.

"It was a little bit of a nightmare. But that's all right. We were smiling," said a groggy Becky Kemp, mother of Juneau senior Joe Kemp.

Becky Kemp and others were getting balloons, **Please see Homecoming, Page 8**



Blow-out: Northwest Pipeline pers Nugents Corner, Wash. The flames

Shifting s

■ **Natural-gas pipelines explode in Washington over the weekend**

THE SEATTLE TIMES

SEATTLE - Ground movement caused by saturated soil is being investigated as a possible cause of two spectacular natural-gas pipeline explosions in Western Washington over the weekend.

John Nicksich, spokesman for Northwest Pipeline, said it's too early to say conclusively, but that shifting, soggy soil is one type of pressure that can cause an underground pipe to rupture.

Homecoming...

Continued from Page 1

confetti and poppers to welcome the team, which was scheduled to arrive by airplane at 1 this afternoon.

Some who planned to greet the champions on Sunday said they were disappointed they won't be able to meet them today because of work or other commitments.

"That's too bad," said Mayor Dennis Egan, who went out to the airport on Sunday to welcome the players. "I would seriously like to get a great big fan (for the fog)."

The Juneau Assembly plans to issue a proclamation of appreciation and individually recognize everyone on the team at a March 3 meeting, Egan said. He said the assembly didn't have enough time to prepare the presentation for tonight's

meeting and the Feb. 17 meeting was canceled because of Presidents Day.

A school assembly to honor the team will be held, but hasn't been scheduled yet, said Cricket Curtain, administrative assistant in the high school activities office.

At least a dozen parents were in Anchorage for the state championships, Kemp said.

After the Saturday night game, an impromptu party was held in a hotel conference room, where the team and parents celebrated with pizza and a video of the game, parents said.

The Crimson Bears have had a strong following this year, with membership in the Fast Break Club, a booster organization, doubling to more than 40 this year, said Jeff Kemp, treasurer of the organization.

"I think people knew Juneau was due. And I think a lot of people were pulling for Coach (George) Houston," Kemp said.

Ashes of Leary head

THE ASSOCIATED PRESS

LOS ANGELES — It's a frontier for "Star Trek" Gene Roddenberry. For Timothy Leary, it may be the strangest trip.

Their ashes were loaded on a rocket strapped to the tail of a jet Sunday that left California for Spain. The next destination is outer space.

Their remains were packed in those of 24 people pack-stick-sized capsules and sealed into a metal canister by a company formed in Houston-based Inc.

The others include spaceman Gerard O'Neill, rock musician Krafft Ehricke and an old Japanese boy.

Their families each paid for the service, which included a 25-character inscription choice on the small capsule launched next month.

The enterprising venture seemed a perfect final frontier for Roddenberry, who sought TV viewers and filmgoers on the final frontier "on the st outer space."

"Who better deserve to go into space than Gene Leary?" his widow, Marge Roddenberry, said Sunday.

Dog survives trap at Eagle River

By JEANINE POHL SMITH

THE JUNEAU EMPIRE

A Juneau dog caught in steel traps off a popular trail over the weekend prompted its owners to warn people to watch out for their pets.

Sue Hargis and Carol Anderson's 50-pound Norwegian elkhound, Salty, was walking with them Saturday on the trail to the Boy Scout camp, near Eagle River, when it was caught in three connected leg-hold traps tethered to a tree.

Hargis said the traps were about 100 yards off the trail and baited with a crow. She didn't know who had set the traps.

No bones were broken, but Salty sustained a broken tooth and soft-tissue damage. Hargis and Anderson had to cut the wire connecting the traps and then carry the dog out in a sling with the three traps still attached to two of the dog's legs and its tail.

Hargis said she wanted to publicize the incident to let dog owners and trappers know that dogs

can be hurt.

"I feel incredibly lucky that our dog survived," she said. The trail to the camp isn't closed to trapping, except for the quarter-mile next to the mainland coastline, said Trooper Andy Savland of the state Division of Fish and Wildlife Protection.

Hargis said it's a popular dog-walking trail and she is considering proposing it be closed when the Alaska Board of Game next considers such regulations.

Mining hours...

Continued from Page 1

Knox gold mine employees near Fairbanks to work under federally established standards. He said the bill originally allowed any company to establish 12-hour shifts, if employees consented, but he twice narrowed the bill's scope to match his intent.

"The testimony that it was going to impact tens of thousands of people was never my intent," Therriault said.

The mining bill would not apply to major Juneau mines, since the Greens Creek silver, lead and gold mine on Admiralty Island is an under-

ground operation. The Kensington gold mine, which may reopen near Berners Bay, will also extract ore underground.

A bill passed last year allows 10-hour shifts at the face of those mines instead of eight, but overtime is paid for extra hours.

Therriault's bill allows shifts up to 12 hours, but requires overtime pay for employees working more than 40 hours a week. Officials with the Fort Knox mine have testified that 95 percent of its employees support the proposal, but union and other officials have expressed opposition.

Supporters of both mining bills note workers receive additional days off with the longer shifts, often a benefit at remote sites where commuting daily can take several hours. Longer shifts at Greens Creek mean workers can remain at on-site camps during the work week, before going home for extended time off.

Knowles spokeswoman Claire Richardson said Therriault's bill is designed largely to help Fort Knox officials control labor costs. Officials for the mine testified they want to switch workers from eight-hour shifts to 12-hour shifts, but overtime would make the move too expensive.

Seattle f

Continued 1

"We were surprised and pointed that skim milk found in all the airport inhaled," said ADA spokeswoman Cathy Kapica. "With a routine part of man lives, we had hoped it been available everywhere."

Milwaukee Mitchell International was one of two airports that did not have salads readily available, and was one of four that did not have low-fat or non-fat muffins. It also didn't have fresh fruit.

And while all the airports offered fresh fruit, Milwaukee

Pipelines explode ...

a 30-inch-diameter pipe, to about

O.J. ver



CLAUDIO SCACCINI / THE ASSOCIATED PRESS

...ses a gate on her to setting the fastest time in World Alpine Ski Championships in Sestriere.

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by Michaela Dorfmeister of Austria in 1:43.95 and Regine Cavagnoud of France in 1:44.12.

The women's downhill, set for Saturday in this ski resort in the Italian Alps, has lost some of its glamor with the absence of American Picabo Street.

Street, the gold medalist at the 1996 worlds in Sierra Nevada, Spain, and the silver medalist in the 1994 Olympics, injured a knee earlier in the season.

The American probably the

State winners lost in the fog

■ *Weather reroutes celebration for Crimson Bears and their fans*

By MIKE STEWART

THE JUNEAU EMPIRE

PETERSBURG — Partying in Sitka and Petersburg wasn't the sort of celebration the Crimson Bears and their fans had in mind for Sunday.

But that's where they found themselves, thanks to the never-dependable Juneau weather. A heavy fog bank settled over the Gastineau Channel most of the day, diverting air traffic to various Southeast locations.

So, after winning its first 4A state championship in 15 years on Saturday night at Bartlett High School in Anchorage, the Crimson Bears men's team had to wait at least one more day to bring home the trophy that had eluded them for so long.

The Bears were scheduled to fly into Juneau this afternoon.

On Sunday, the team and many of its fans ended up in Sitka. Another handful of Juneau backers spent the day in Petersburg.

Juneau Fast Break Club booster Mike Bavard said the delay in getting home wouldn't dampen the thrill of the Bears state championship.

"I don't think it matters too much to them," Bavard said as he munched on pizza at the Harbor Lights restaurant in Petersburg. "They're on cloud nine. I'm sure they'd like to be enjoying the hubbub at home, but they're still caught up in the fun of it

The team's flight pattern was the only thing that didn't go according to plan over the week-end.

The Bears played near-perfect ball in recording wins over Soldotna on Thursday, 71-40, against top-ranked East High School in Friday's semifinals, 66-61, and over second-ranked Colony High School in the championship game on Saturday night at Bartlett High School, 67-59.

The East game was a classic. After losing to the T-birds in the state playoffs in 1993, 1994 and 1995, the Bears finally overcame the East mystique.

They refused to buckle under the suffocating full-court T-bird press, building a 14-point fourth-quarter lead before fending off a furious rally.

It was the first time since 1991 the Bears beat the T-birds, and the first time in George Houston's five-year stay as head coach.

Senior guard Travis Dybdahl said the team had a closed-door, no-coaches-allowed meeting after splitting a two-game series on Dec. 20-21 in Sitka to sort out the team's problems. This year's team lost more games than any other in Houston's reign. Then, before the state tournament, the team met again to renew its focus.

"I wasn't nervous (of East), but I was scared the other guys might not be ready, the younger guys," Dybdahl said. "They don't understand like the seniors how big this is. We wanted to be sure they came in prepared — and they played like they should."

SPORTS

Bears...

Continued from Page 9

That is to say, extremely aggressive. That might be the key word to describe all three of the wins over the weekend, but the T-bird victory in particular.

"That's the only way to beat East," said coach Houston. "We wanted to score off their pressure."

Though it sounds like a classic cliché, the championship truly was a team effort.

Saturday's stats bear this out. Senior forward Joe Kemp (13 points, 8 rebounds), senior guard Dybdahl (15 points, 7 rebounds) and sophomore center Carlos Boozer (10 points, 11 rebounds) were all voted to the tournament

team.

Juneau held a comfortable lead for most of the second half, but senior guard Carl Bogren (12 points, 3 rebounds) and Dybdahl had to can 10-of-12 free throws in the home stretch to fend off a late Colony uprising, spurred by a late flurry of long, long 3-point shots. The Knights, who had beaten the Bears in their two previous meetings this season, never got closer than five points.

And it went beyond just those four players. Sophomore swingman Christian Carpeneti had three key steals and hit all four of his free throws - including a very important pair with a minute left after Colony had closed to within seven points of the lead.

Senior guard Joe Pelayo had three assists and hit two clutch free throws late in the game. The shots had a calming effect on the team after it had missed three straight attempts at the foul line, including the front end of two one-and-one situations.

Junior forward Joe Chapman had four points and a crucial offensive board late in the game. Sophomore Robert Ridgeway played turnover-free basketball in spelling the Bears' backcourt. Junior forward David Paavola scored four points and had a big basket at the start of the fourth quarter to cap a 6-0 run, giving the Bears a 45-34 lead.

In fact, said Houston, even kids not on the team contributed to the championship.

"This win is for all of the guys who've played for Juneau and came close to a state title, teams that were good enough but for whatever reason didn't make it," Houston said. "Because of them, this year's team was able to do it."

But assistant coach Kevin Casperson, who played for the 1982 Crimson Bear champs, said Houston forgot one key person.

"Coach Houston," Casperson noted. "It's a great accomplishment for him. He's given so much time to these kids, and they really wanted to do something special for him. He's really deserving."

Booster Bavard, a longtime friend of Houston's, agreed.

"I grew up just three houses

down from him," Bavard said. "It's really great to see. It's so much effort into the pro-

CRIMSON BEARS KNIGHTS 59

Men's (A state final), Sat., Feb. JUNEAU-DOUGLAS (17)
Evan Tromble 0 0 0 0, Dave P. 0 0 4, Robert Ridgeway 0 0 0 0, Dybdahl 1 1-11 15, Christian Carpeneti 4, Joe Pelayo 1 3-3 10, Joe Chapman 4, Carlos Boozer 1 3-4 10, Carl Booser, Joe Kemp 1 1-2 11. Totals - 20 14 31; COLONY (19)
Jon Conn 4 4 4 20, Crly Almore Justin Donnell 0 0 0 0, Cll Wilson, Eric Grauvogel 0 0 0 0, Tom Nero Corey Moffitt 1 0 0 2, Peter Hughes, Darr VanSoest 0 0 0 0, Josh Leva 7 7-11 19. Totals - 12 7 18 37.
Juneau 17 8 11
Colony 9 13 11
Three point goals - Juneau 3, 2, Broner; Colony 4 (Conn 4, Wilson 1) fouls - Juneau 18, Colony 21, 1 fouls - none, Fouled out - Ronnie Technical fouls - none, Attendance

Scoreboard

HOCKEY

'HL STANDINGS

All Times EST		EASTERN CONFERENCE		Atlantic Division									
W	L	T	Pts	GF	GA								
Philadelphia	30	14	8	48	123	134							
Florida	27	15	12	47	154	124							
N.Y. Rangers	26	21	7	43	187	158							
New Jersey	24	27	9	41	129	128							
Washington	21	27	4	40	129	150							
Tampa Bay	19	27	6	44	140	143							
N.Y. Islanders	17	28	1	43	144	141							
Northwest Division		W		L		T		Pts		GF		GA	
Buffalo	29	19	4	46	157	129							
Pittsburgh	20	19	5	43	205	148							
Montreal	20	27	10	50	179	204							
Hartford	21	25	7	49	155	174							
Dallas	20	27	3	47	154	187							
Ottawa	18	24	11	42	148	154							
WESTERN CONFERENCE		W		L		T		Pts		GF		GA	
Dallas	31	20	4	68	172	138							
Detroit	25	18	10	60	182	178							
St. Louis	24	24	4	58	170	173							
Phoenix	23	21	4	50	147	170							
Chicago	21	21	8	50	142	148							
Edmonton	21	21	1	43	158	192							
Pacific Division		W		L		T		Pts		GF		GA	
Vancouver	27	16	3	57	164	118							

Second Period - Calgary, Gagner 14 (Flury), 4:03, 4, Calgary, Hoglund 12 (Gagner, Flury), 14:39.
Third Period - 3, Anaheim, Selanne 37 (Rurchin, Marshall), 3:20, 4, Calgary, Gagner 17 (Flury, Racine), 12:09 (pp), 7, Calgary, Sullivan 4 (Millen, Chlsson), 17:24.
Shots on goal - Anaheim 11-4-0-25, Calgary 10-8-11-37.
Goalies - Anaheim, Hebert, Shalatenkov, Calgary, Kidd, A-14, 219 (18, 810).

OILERS 4 CAPITALS 1

Edmonton, Alberta
Washington
Edmonton
Edmonton, 1-0-1
1-1-1-4
First Period - 1, Edmonton, Smith 23 (Welch, Norum), 7:01 (pp), 2, Edmonton, Giles & Murray, Czechowski, 14:50.
Second Period - 3, Washington, Svehla 13 (Hrabek, Hunter), 3:07, 4, Edmonton, Aernit 14 (Welch, Smyth), 18:30 (pp).
Third Period - 3, Edmonton, Czechowski 13 (Lowe), 5:24.
Shots on goal - Washington 9-12-9-31, Edmonton 11-10-11-31.
Goalies - Washington, Koltso, Carey, Edmonton, Esteva, A-15, 341 (17, 921).

Monday's Game
No names scheduled
Tuesday's Game
Richmond at Atlanta, 7:30 p.m.
NBA STANDINGS
All Times EST
EASTERN CONFERENCE
Atlantic Division
Miami 34 1 750 -
New York 34 14 708 3
Orlando 24 20 545 10
Washington 22 25 441 13 1/2
New Jersey 13 32 281 21
Philadelphia 13 34 281 22
Boston 11 35 239 24
Central Division
Chicago 42 4 822 -
Detroit 34 12 739 7
Atlanta 31 13 674 10
Charlotte 29 19 604 12
Cleveland 25 22 512 16 1/2
Indiana 21 23 500 18
Milwaukee 21 24 487 20 1/2
Toronto 11 29 370 24
WESTERN CONFERENCE
Midwest Division
Utah 31 14 702 -
Houston 22 16 487 19 1/2
Minnesota 22 25 149 20 1/2
Dallas 18 28 344 15 1/2
Monday's Game
No. 3 North Carolina (20-1) beat Maryland (22-4).
No. 6 Georgia (18-4) beat North Carolina-Asheville (8) 41; beat Kentucky 80-67.
No. 7 Alabama (19-4) beat No. 12 Arkansas 102-41; beat South Carolina 97-38.
No. 8 Texas (16-4) lost to No. 14 Texas Tech 98-73; beat Oklahoma State 70-63.
No. 9 Tennessee (18-7) beat No. 22 Wisconsin 78-74; beat Mississippi State 104-39.
No. 10 Virginia (18-4) beat Maryland 73-49; beat Virginia Tech 70-47; beat No. 23 North Carolina State 91-64.
No. 11 LSU (19-2) beat Southeastern Louisiana 79-57; lost to No. 14 Vanderbilt 77-58.
No. 12 Kansas (22-4) lost to Missouri 68-64; beat Iowa State 81-78.
No. 13 Florida (17-5) beat Mississippi 64-54.
No. 14 Texas Tech (14-4) beat No. 8 Texas 98-73; lost to Nebraska 82-57.
No. 15 Notre Dame (20-1) beat Syracuse 90-72; lost to No. 1 Connecticut 77-45.
No. 16 Vanderbilt (16-4) beat Southern Illinois 77-47; beat No. 11 LSU 77-58.
No. 17 Arkansas (15-1) lost to No. 5 Alabama 102-41; lost to Auburn 85-77.
No. 18 Illinois (18-4) beat Minnesota 95-74.
No. 19 Clemson (15-2) lost to No. 23 North Carolina State 84-53; beat Georgia Tech 52-50.
No. 20 Duke (14-4) beat Wake Forest 81-50; beat Maryland 84-57.
No. 21 Stephen L. Austin (20-3) beat Northeast Louisiana 78-60; beat Northwest

1981 - Ish Thomas, Detroit
1982 - Tom Chambers, Seattle
1983 - Michael Jordan, Chicago
1984 - Karl Malone, Utah
1985 - Magic Johnson, LA Lakers
1986 - Charles Barkley, Philadelphia
1987 - Magic Johnson, LA Lakers
1988 - Karl Malone and John Stockton,
1989 - Scottie Pippen, Chicago
1990 - Mitch Richmond, Sacramento
1991 - Michael Jordan, Chicago
1992 - Glen Rice, Charlotte
1993 - Greg Sacks, Matlitch, N.Y., Ford, 188, 201.
1994 - Dale Earnhardt, Kannapolis, N.C., Chevrolet, 188, 151.
1995 - Geoff Bodine, Chermuno, N.Y., Ford, 148, 014.
1996 - (40) Robby Gordon, Orange, Calif., Chevrolet, 181, 031.
1997 - Dick Trickle, Wisconsin Rapids, Wis., Ford, 187, 891.
1998 - (12) Darrell Walcott, Owenston, Ky., Chevrolet, 187, 267.
1999 - (22) Jimmy Spencer, Berwick, Pa., Ford, 187, 345.
2000 - (18) Bill Elliott, Dawsonville, Ga., Ford, 187, 516.
2001 - (34) Derrile Cole, Seaway, Waltham, Pennac, 117, 467.
2002 - (41) Kenny Wallace, St. Louis, Ford, 117, 433.
2003 - (18) Bobby Labonte, Corpus Christi, Texas, Pennac, 187, 343.
2004 - (44) Wally Dallenbach Jr., Basalt, Colo., Chevrolet, 187, 334.
2005 - (10) Ricky Rudd, Chesapeake, Va., Ford, 187, 201.
2006 - (22) Jeff Gordon, Pittsboro, Ind., Chevrolet, 181, 278.
2007 - (1) Mark Martin, Batesville, Ark., Ford, 184, 951.
2008 - (51) Terry Labonte, Corpus Christi, Texas, Chevrolet, 184, 254.
2009 - (11) Phil Barkdoll, Phoenix, Chevy 181, 188, 889.
2010 - (33) Mike Cerven, Newburgh, Maine, Chevrolet, 184, 111.
2011 - (21) Rick Mast, Rockbridge Baths, Va., Ford, 184, 414.

GOLF

BUICK INVITE.

LA JOLLA, Calif. (AP) - Final scores, money winners and relation to par Sunday at the \$1 million Buick Invitational, played on the Torrey Pines Golf Club's 7,000-yard, par-71 South Course and 4,572-yard, par-71 North Course:
Mark O'Meara, 170, 000 47 64 71-71-73-73-73 David Ogden, 178, 107 47 64 70-69-72-71-71 Billy Walker, 178, 107 70-65 73-69-72-71-71 Tomo Morimond, 178, 107 73 67 68 69-72-71-71
Lee Janzen, 178, 107 71-65 71-70-72-71-71
Jesse Parsenich, 178, 107 70-64 69-72-72-71-71
Craig Stadler, 178, 107 61-64 70-71-72-71-71
Alec Hultgren, 178, 107 64-64 67-73-72-71-71
Skip Kendall, 177, 200 62-71 71-63-72-71-70

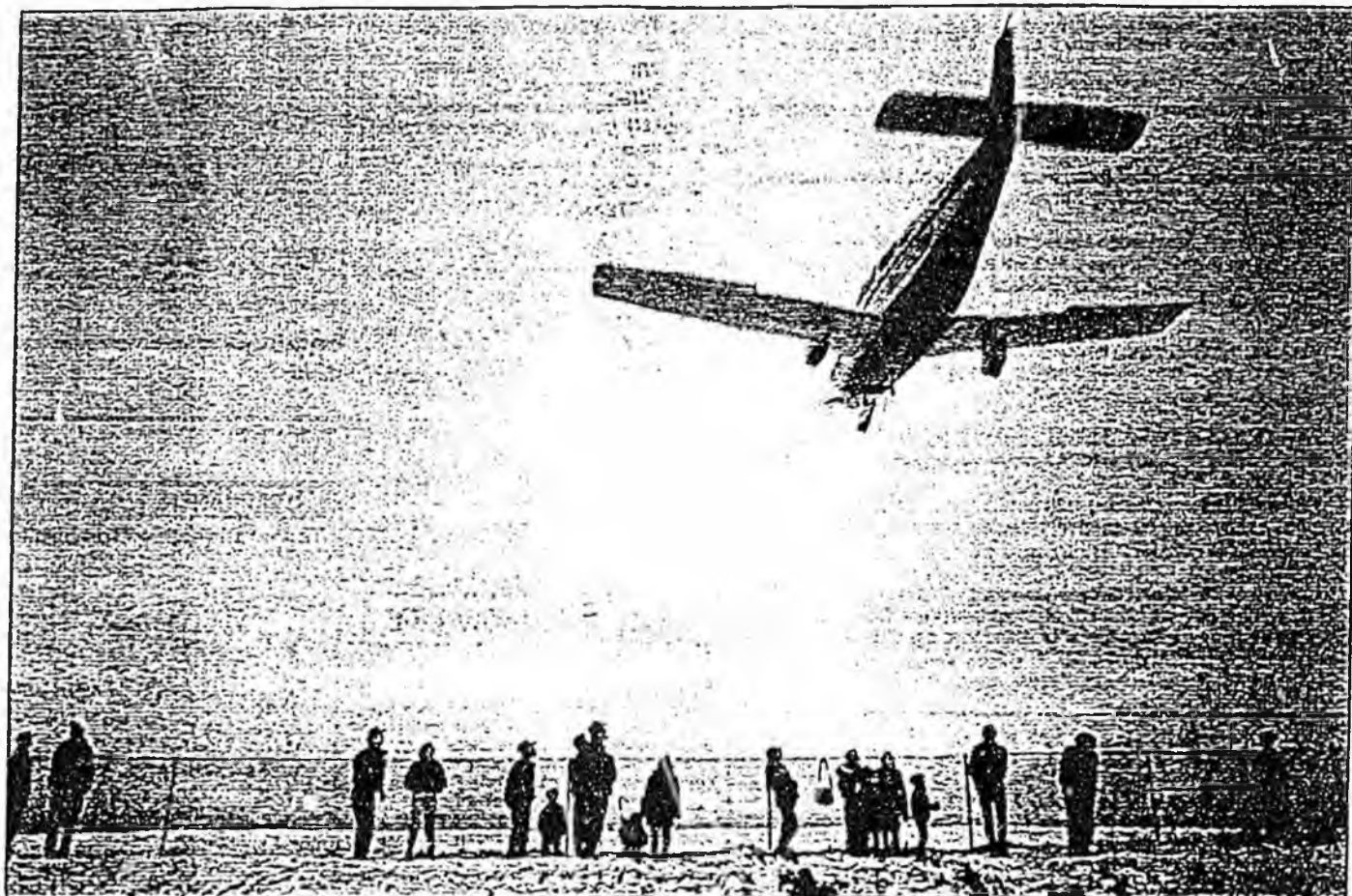
Tue

Crim
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Floyd D
League

Wed

Voll
dle Sch
players
6:4
7:1
Info

Sat



MICHAEL PENN / THE JUNEAU EMPIRE

That can't be the one: As a small plane comes in for a landing, people gather at the end of the Juneau Airport runway Tuesday, waiting to see the Army's C-5A land. Weather postponed the landing.

Waiting for the big plane

By MIKE ROGOWAY

THE JUNEAU EMPIRE

It was close.

The U.S. Air Force C-5A Galaxy, the second biggest plane in the world, came near enough to Juneau on Tuesday evening that crowds gathered to witness its arrival could hear it. But cloudy conditions obscured the crew's view and they passed on Juneau, proceeding instead to Elmendorf Air Force Base in Anchorage.

The plane began its Tuesday ap-

proach before determining visibility was simply too poor to allow a landing, according to Allan Hesse, an administrative officer at the Juneau Airport.

"This is the first time the aircraft had ever been here, the first time the crew had been here, and it's a challenging approach," Hesse said. He said there was no point in taking unnecessary risks for a peacetime operation.

Still, airport and Alaska Army National Guard officials were hopeful the plane, nicknamed "Fat Albert," might

be able to land in better conditions today.

As of the Empire's midday deadline, the plane was expected to attempt a landing at about 1 p.m., said Maj. Gretchen Brand of the Army National Guard.

The plane, almost as long as a football field and with a wingspan more than 220 feet, would be the largest aircraft ever to visit Juneau. It is exceeded in size only by a Russian cargo plane.

Fog delays, cancels flights

By MARK SABBATINI

THE JUNEAU EMPIRE

Fog has canceled virtually all flights at the Juneau Airport since Saturday night, although skies are expected to clear at least briefly tonight and Tuesday.

A total of 11 Alaska Airlines flights were canceled as of this morning, said airlines spokesman Jack Evans. He said only two flights departed, bound for Anchorage and Seattle, both at midday Sunday.

There were no Alaska Airline planes at

the airport this morning, meaning delays will continue even after the fog lifts, Evans added.

"The fog's bad enough that we haven't had any planes in," he said today from Seattle. "I know people see planes go out without passengers, but we haven't done that."

Virtually all other traffic at the airport has also come to standstill, said Airport Manager Dave Miller.

Please see Fogged, Page 8

Fogged out...

Continued from Page 1

"It's not just the ceiling and visibility," he said. "The temperature has also been right at the freezing point. The smaller aircraft have an icing problem."

A cloud ceiling of about 800 feet and visibility of one to six miles is well below recently relaxed guidelines from the Federal Aviation Administration allowing a 3,000-foot ceiling and three-mile visibility at the airport, Miller said. He said officials hope new navigation equipment will eventually lower the permissible ceiling for Alaska Airlines to 300 feet and one mile of visibility.

"We would have been able to get in and out with this," he said.

An Alaska Airlines flight scheduled to depart from Anchorage last night finally took off at about 5

a.m. this morning with 103 passengers, but was forced to land in Sitka. Aboard were several legislators, reigniting plenty of comments about moving the Capitol.

"I've already heard comments laughingly made about it this morning and that the folks that are on the plane are saying 'Good, there's a lot of legislators - maybe they'll try to get (the session out of) Juneau,'" said state Sen. Georgianna Lincoln, a Rampart Democrat who was among those in Sitka this morning. "A lot of residents from Southeast who are here are saying 'Oh my God, a lot of legislators are here. There goes our Capitol move again.'"

"It's all being done in humor right now," she added.

Winds are expected to blow the fog out of the airport area by Tuesday, said Paul Shannon, a meteor-

ologist with the National Weather Service. He said another storm is likely to bring fog and snow by Tuesday afternoon, but that could change to rain - and consequently less fog - by Tuesday night.

The problem has been worse at some other Southeast airports.

Dale Garwood, a pilot for Skagway Air, said all flights beyond Haines except one on Saturday have been canceled since Tuesday because of fog. He said mail is being shipped on the ferry and bananas are in short supply since they are shipped by air. He also said a couple on vacation in Skagway has been waiting a week for luggage left in Juneau.

"But I did manage to bring the flowers for Valentine's Day with me when I came back Saturday, even though they were one day late," Garwood said.

HB

319

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 319 | _____

Revision Date (Note if correction) _____ Dept. Affected Law
 Title An Act relating to an employee's expectation of BRU Civil Division
privacy in employer premises. Component Governmental Affairs
 Sponsor Representative Rokeberg
 Requester House Labor and Commerce Committee Component Serial No. 2207

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 319 amends AS 23.10, relating to employment practices and working conditions, to add a new section concerning employee expectation of privacy with respect to premises and equipment supplied by the employer. Unless there is an specific agreement to the contrary, the bill would provide no expectation of privacy, and the employer would have reasonable access to the employer's premises and equipment, including information stored on a computer or computer network supplied by the employer.

This bill will have no fiscal impact on the Department of Law.

Prepared by Joan M. Kasson *Joan M. Kasson*
 Division Attorney General's Office
 Approved by Commissioner Bruce M. Botelho, Attorney General
 Agency Department of Law

Phone 465-5370
 Date 3/25/98
 Date 3/25/98

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House of Representatives

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Labor and Commerce Committee

L&C Has Not Received A Fiscal Note

From The Effected Departments

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: January 14, 1998

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 3/25/98

The LABOR AND COMMERCE Committee considered:

HB 319

HOUSE BILL NO. 319

EMPLOYEES: NO EXPECTATION OF PRIVACY

"An Act relating to an employee's expectation of privacy in employer premises."

recommends it be replaced with the following committee substitute (S.H.B. 319(24)) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

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

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) BLAW!

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Sub J C... ..</i>			✓	
<i>Dem Sanders</i>			✓	
<i>Rep K... ..</i>			✓	
<i>Bill H... ..</i>			✓	
<i>Jan... ..</i>			✓	
<i>N... ..</i>	✓			

CHAIR'S SIGNATURE N... .. 3/25/98

0-LS1211E
Cramo.
3/26/98

CS FOR HOUSE BILL NO. 319(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an employee's expectation of privacy in employer premises."**

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

3 *** Section 1. AS 23.10 is amended by adding a new section to article 7 to read:**

4 **Sec. 23.10.450. No employee expectation of privacy in employment site.**

5 (a) In the absence of a specific written agreement to the contrary, an employee has
6 no expectation of privacy with respect to business premises, business equipment, and
7 services supplied by the employer, and an employer may have reasonable access to
8 business premises, business equipment, and services supplied by the employer to the
9 employee. In the absence of a written agreement permitting the employee to limit the
10 employer's access to business premises, business equipment, and services, an employee
11 shall permit the employer to have access to the employer's business premises, business
12 equipment, and services, including information stored on a computer or computer
13 network or other service supplied by the employer.

14 (b) An elected official is not an employee for purposes of this section.

15 (c) In this section,

1
2
3
4
5

(1) "elected official" means the governor, the lieutenant governor, a member of the legislature, a justice or judge, or a person elected to municipal office;

(2) "employer" means a person who has one or more employees and includes the state, the University of Alaska, the Alaska Railroad, and political subdivisions and public corporations of the state.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

March 26, 1998

SUBJECT: Application of statutes to legislators

TO: Representative Norman Rokeberg, Chair
House Labor and Commerce Committee
Attn: Shirley Armstrong

FROM: Tamara Brandt Cook
Director *TBC*

Ms. Shirley Armstrong informed me that a question regarding the treatment of legislators as employees in statute came up. She asked me to identify statutes that define "employee" to include a legislator. I have found only two statutes that explicitly define "employee" to include a legislator. AS 39.30.090(b)(1)(B) (procurement of group insurance) defines "eligible employee" to include an elected official of a governmental unit. AS 39.45.060 (deferred compensation program) defines "employee" to include an elected person.

However, other statutes that do not use the word "employee" apply to legislators. For example, the criminal code uses the word "public servant" in AS 11.56.850 (official misconduct) and in AS 11.56.860 (misuse of confidential information). Legislators are included in the definition of "public servant" (AS 11.81.900(50)). Additionally, some statutes apply generally to the legislative branch, and, thus, to legislators. For example, the Legislative Council is charged with adopting procurement procedures applicable to the legislative branch (AS 36.30.020) and a public records policy (AS 09.25.123).

TBC:glc
98-175.glc



Anchorage • Star of the North
Chamber of Commerce

**In Support of HB 319 Employee Expectation of Privacy
Anchorage Chamber of Commerce
Resolution 97/98-20**

WHEREAS, the Anchorage Chamber of Commerce recognizes the importance of allowing employers to control and direct the manner in which work is accomplished in their businesses and on their premises; and

WHEREAS, employers provide equipment, tools and other materials to employees to allow those employees to perform their job duties; and

WHEREAS, in the absence of an express agreement to the contrary, employees have no right to use equipment, tools or other materials provided by their employers for their own personal purposes nor should they have an expectation of privacy with respect to any equipment, tools or other materials provided by their employers; and

WHEREAS, employers have a legitimate expectation that the equipment, tools and other materials provided to employees will be used solely for authorized business activities on behalf of the employers; and

WHEREAS, the pace of technological change has made it difficult for employers to control the proper use of equipment, tools and other materials provided to employees; and

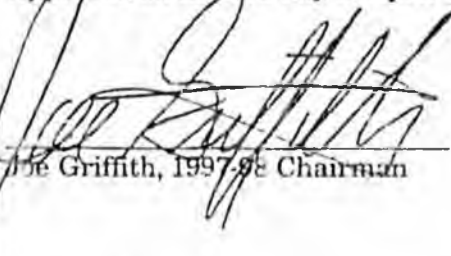
WHEREAS, employers may feel constrained in investigating the improper use, or possible theft, of equipment, tools and other materials provided to employees for fear of invading a right of privacy employees may have; and

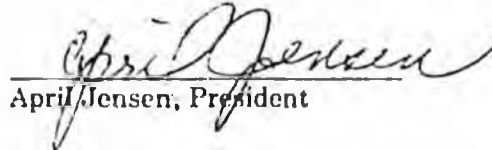
WHEREAS, passage of House Bill No. 319 will allow employers to have full and complete access to their own premises and equipment, including information stored on a computer or a computer network supplied by them, and will allow employers to take those actions deemed necessary to the management and operation of their businesses without fear of litigation from employees based on invasion of privacy;

NOW THEREFORE BE IT RESOLVED that the Anchorage Chamber of Commerce Board of Directors supports passage of House Bill No. 319; and

BE IT FURTHER RESOLVED that copies of this resolution be sent to the Governor and members of the Alaska Legislature.

Approved on this 3rd day of April 1998.


Joe Griffith, 1997-98 Chairman


April Jensen, President

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

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SPECIAL COMMITTEE ON OIL & GAS, MEMBER
JUDICIARY COMMITTEE, MEMBER
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER
HESS BUDGET SUBCOMMITTEE, MEMBER



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Representative Norman Rokeberg


MEMORANDUM

TO: House Labor & Commerce Committee Members

FROM: Representative Norman Rokeberg

DATE: March 27, 1998

RE: HB 319



During the committee meeting on the captioned bill, questions were asked about legislative policy. For your information:

1. Confidentiality of Information on Desktop Computers. In accordance with the Public Records Policy regarding Legislators' records adopted by the Legislative Council on March 14, 1997, the Agency shall treat all documents, files and data on Legislators' desktop computer systems as confidential information. (Source: Legislative Council, Policy on Desktop Computer Support, Software and Hardware, Amended April 29, 1997, page 3.)
2. Personally Owned Desktop Computers. The Agency shall support personally owned desktop computer systems until such time as they are replaced with standard systems. The Agency shall review each personally owned desktop computer before connecting it to the network and may restrict the connection if the system is determined to be incompatible with the network. Support for standard desktop computer software and hardware shall take precedence over personally owned systems. (Source: Legislative Council, Policy on Desktop Computer Support, Software and Hardware, Amended April 29, 1997, page 6.)
3. Legislator's Records. The Legislative Council finds that records of a legislator while in the possession of that legislator are not public records based on the deliberative process privilege and on Art. II, sec. 6, Alaska Constitution. Therefore a legislator's records are not subject to disclosure under AS 09.25.110-09.25.122. Each legislator may, at his or her discretion, elect to release or not to

House Labor & Commerce Committee Members
March 27, 1998
Page Two

release information from that legislator's own records. However, the Council recognizes that public information that is available from another agency or governmental entity may be obtained by any person directly from that agency even if a legislator declines to make the same information available from the legislator's own records. (Source: Records Policy which accompanied a December 24, 1997 memorandum from Pamela Varni, p. 1)

If you would like complete copies of the referenced policies, please contact Pamela Varni, Executive Director, Legislative Affairs Agency, 465-3800.

ATTENTION STAFF:**MARCH 25, 1998**

PLEASE SEE THAT THIS FAX GETS TO YOUR LEGISLATOR FOR THE 3:15 P.M. LABOR & COMMERCE HEARING IN CAPITOL ROOM 17 FOR TELECONFERENCE ON H.B.319.

03-25-98P01:56 RCVD

ALSO PLEASE SEND US A COPY OF THE DRAFTING ATTORNEY'S "MEMORANDUM" ON THIS BILL NOW, VIA FAX. WE WERE JUST NOTIFIED ABOUT THIS BILL. THANK YOU.

FAX NUMBER IS: 1907-835-3729

WE WOULD ALSO LIKE A COPY OF THE "SPONSORS STATEMENT".

ALASKANS FOR A JUST SOCIETY

SYLVIA SULLIVAN, PRESIDENT

P.O. BOX 2684

VALDEZ, ALASKA 99686

907-835-3729 (ALSO FAX #)

(THE BLINDFOLD ON THE FIGURE OF JUSTICE,
IS A SHIELD FROM PARTIALITY, NOT FROM REALITY)
(JUSTICE SCOLNIK-1988)

TO: HOUSE

LABOR AND COMMERCE COMMITTEE
NORMAN ROKEBERG-CHAIR-465-2040
JOHN COWDREY-465-2069
BILL HUDSON-465-2273
JOE RYAN-465-4588
JERRY SANDERS-465-3476
GENE KUBINA-465-3799

RE: H.B. 319-EMPLOYEE'S PRIVACY

MARCH 25 1998

AS MOST OF YOU KNOW BY NOW, THIS ASSOCIATION IS REPRESENTING OVER 130,000 "NON-UNION" PRIVATE SECTOR EMPLOYEES THROUGHOUT ALASKA, WHICH THIS STATE GOVERNMENT HAS SEEN FIT TO "TAKE AWAY ALL HUMAN AND CIVIL RIGHTS OF THESE WORKERS".

NOT ONLY ARE THESE ALASKANS LIVING IN POVERTY DUE TO THE PRIVATE SECTOR REFUSING TO INCREASE WAGES, SO THEY CAN SURVIVE, THESE EMPLOYEES CAN ONLY OBTAIN ABOUT 4 MONTHS WORK PER YEAR BECAUSE ALMOST ALL EMPLOYERS ARE TIED TO THE TOURIST-TRADE, WHICH BEGINS IN APRIL OR MAY AND ENDS IN SEPTEMBER.

THEN, THIS GOVERNMENT ILLEGALLY PLACES THE BURDEN OF PROOF "ON THE EMPLOYEE" RATHER THAN THE "EMPLOYER" TO PROVE THAT THEY HAD WORKED FOR THIS EMPLOYER WHEN THEY ATTEMPT TO APPLY FOR THEIR UNEMPLOYMENT BENEFITS.

THOUSANDS OF EMPLOYERS "REFUSE TO OBEY THE ALASKA LABOR LAW, BY PROVIDING A "HIRING AGREEMENT" TO THE EMPLOYEE BEFORE HE IS HIRED, STATING WHAT POSITION HE IS HIRED FOR; THE WAGES TO BE PAID; WHEN THEY ARE TO BE PAID; AND HOURS OF WORK. IN FACT, THESE ILLEGALLY OPERATING EMPLOYERS, ARE INTENTIONALLY PAYING "CASH ONLY" TO THESE EMPLOYEES SO "THERE ARE NO RECORDS OF EMPLOYMENT". THEY ARE ALSO "NOT REPORTING THESE EMPLOYEES TO THE STATE ON THE QUARTERLY REPORTS, NOR PAYING INTO THE UNEMPLOYMENT AND WORKMAN'S COMPENSATION PROGRAMS, MANDATED BY FEDERAL LAW.

WE DEMAND A "UNIFORM STATE HIRING AGREEMENT FORM" DRAFTED PER LEGISLATION, THAT EVERY EMPLOYER MUST FILL OUT AND FILE WITH THE DEPARTMENT OF LABOR ON EVERY EMPLOYEE THEY HIRE, WITH A PENALTY OF LOSING THEIR BUSINESS LICENSE IF THEY VIOLATE THIS LAW. (WE HAVE ALREADY PUT THIS BEFORE THE U.S. DEPT. OF LABOR AS A FEDERAL MANDATE, IN ORDER FOR THIS STATE TO CONTINUE GETTING THE APPROXIMATELY \$34 MILLION THEY ARE RECEIVING EACH YEAR "JUST TO PAY

AFJS

PAGE 2

FOR THE EMPLOYEES AT THE STATE LABOR DEPARTMENT. AS YOU CAN SEE, WE HAVE THE DEPARTMENT'S "OWN HARD EVIDENCE" OF IT'S CONDONED CORRUPTION). YOU CAN WAIT AND LET THE FEDS DO IT, OR YOU CAN DO IT. IT MUST BE DONE THIS SESSION AND BY THIS COMMITTEE. WE HAVE SUBMITTED A DRAFT TO THE FEDS THAT FIT "ALASKA BUSINESSES" IF YOU WANT TO SEE IT.

HOW MANY ILLEGAL EMPLOYERS ARE THERE IN THIS STATE? TAKE A LOOK AT THE ENCLOSED TWO REPORTS FOR 1995 AND 1996 AND LOOK UNDER THE "TRADE & SERVICE" BUSINESSES.

- (1) 1995-THERE WERE 12,495 BUSINESSES IN THE STATE AND 9,505 WERE IN TRADE & SERVICE, OR, 64.6% OF ALL ALASKA BUSINESSES. OF THOSE T & S BUSINESSES, 61.4% WERE C-RATED, IN OTHER WORDS, "NOT REPORTING THE ABOVE TO THE STATE".
- (2) 1996-THERE WERE 12,930 TOTAL BUSINESSES AND 9,774 WERE IN "TRADE & SERVICE" OR A TOTAL OF 65.1% OF THE ENTIRE STATE BUSINESSES WERE IN T&S. OF THAT NUMBER, 56.9% WERE STILL OPERATING ILLEGALLY FOR FAILURE TO REPORT AND PAY MANDATED TAXES.

WHAT DOES THE ALASKA LABOR DEPARTMENT DO TO THESE ILLEGALLY OPERATING EMPLOYERS? ABSOLUTELY NOTHING! WHY? BECAUSE THE MAJORITY OF THE LEGISLATORS "OWN BUSINESSES OR ARE TIED TO THE PRIVATE SECTOR BUSINESS FOR INCOME", AS ARE THE GOVERNORS AS OLD TONY BLATANTLY STATES, "MY POLICY IS GOVERNMENT PARTNERING WITH BUSINESS" AND WE HAVE HIM COLD ON PASSING ILLEGAL REGULATIONS THAT HAVE ACTUALLY "CHANGED EXISTING LABOR LAWS, AND TOTALLY USURPED HIS AUTHORITY, BY BY-PASSING THE STATE LEGISLATURE. HIS ILLEGAL ACTIVITY WAS TO TOTALLY ELIMINATE UNEMPLOYMENT BENEFITS FROM THE PRIVATE SECTOR ALASKANS.

BECAUSE OF THIS AND HUNDREDS OF PAGES OF MORE "EVIDENCE" BY THIS LEGISLATURE AND THE GOVERNOR, WE HAVE NOW FILED FORMAL COMPLAINTS WITH THE DEPARTMENT OF LABOR AND IRS. YOU SEE, THAT THE FEDERAL TAX EXEMPTIONS AND DEDUCTIONS ALL OF YOU BUSINESS-OWNER LEGISLATORS HAVE BEEN ENJOYING, ARE ABOUT TO BE TAKEN AWAY, BECAUSE OF THIS "INTENTIONAL AND ILLEGAL POLITICAL CORRUPTION" AND THAT IS JUST FOR STARTERS, AND GUESS WHO IS SUPPORTING THESE ABUSED WORKERS, "YOUR OWN U.S. SENATOR, TED STEVENS WHO HAS CONTACTED THE U.S. AGENCIES FOR US TO MAKE SURE THIS ACTION IS INVESTIGATED

THIS BILL, IS AGAIN JUST ANOTHER "KNIFE IN THE BACK OF THE ALASKAN "PRIVATE SECTOR WORKER" WHICH IS CLEARLY INDICATED BY YOUR DISCRIMINATORY WORDS OF "IN THE ABSENCE OF A "SPECIFIC AGREEMENT" SINCE ILLEGAL PRIVATE SECTOR EMPLOYERS "REFUSE" TO EVEN PROVIDE A LEGALLY MANDATED "HIRING AGREEMENT" TO THEIR EMPLOYEES, "BUT UNION CONTRACTS" DO, IT IS CLEAR TO SEE, WHO YOU AGAIN HAVE TARGETED, THE "WORKING-POOR" WHO YOU THINK ARE LESS THAN SLAVES TO YOU "MASTERS"

THIS BILL "APPEARS" TO WANT "EMPLOYERS TO HAVE ACCESS TO THE COMPUTERS THEY HAVE PAID FOR AND THEIR EMPLOYEES ARE USING." WE HAVE NO PROBLEM AT ALL WITH THAT, BUT THIS BILL GOES "FAR BEYOND THAT". IT IS ALSO STATING THAT "NO EMPLOYEE CAN EXPECT ANY PRIVACY WITH RESPECT TO THE PREMISES, SUPPLIED BY THE EMPLOYER TO THE EMPLOYEE".

YOU HAVE NOW CROSSED THE LEGAL AND CONSTITUTIONAL LINE. THERE ARE LITERALLY THOUSANDS OF "PRIVATE SECTOR EMPLOYEES" WHO ARE WORKING "AND LIVING" AT BUSH LODGES; CAMPS OF ALL SORTS, THROUGHOUT THE STATE. I HAVE PERSONALLY WORKED AT ABOUT 14 IN THE PAST 7 YEARS

NOT ONLY WAS I PUTTING IN ABOUT 12-14 HOURS A DAY BECAUSE OF THE HEAVY TOURIST TRADE AND 24 HOUR OPERATION, I WAS AWAKENED IN THE MIDDLE OF THE NIGHT, OR CALLED OUT OF MY LIVING QUARTERS TO "TAKE CARE OF MORE TOURISTS". THE EMPLOYER FELT "HE/HAD THE RIGHT AND CONTROL OVER ME AND ALL OTHER EMPLOYEES", TO DO THIS, I.E. THE "MASTER AND HIS SLAVES"

THE EMPLOYERS HAD KEYS TO ALL OF THE QUARTERS AND "FELT THEY HAD THE RIGHT TO NOT ONLY

AFJS

PAGE. 3

COME IN OUR LIVING QUARTERS, BUT TO RIFLE THROUGH OUR PERSONAL BELONGINGS " IN MY FIRST TWO MONTHS AS A LODGE WORKER, I HAD OVER \$1,400 OF PERSONAL BELONGINGS STOLEN FROM ME, WHICH CONSISTED OF BRAND NEW WINTER CLOTHING AND CAMERA EQUIPMENT, AND OF COURSE, THE EMPLOYER DENIED THAT HE STOLE IT AND STATED THAT "ANY" EMPLOYEE COULD HAVE GOTTEN THE "MASTER KEY" WHICH WAS HUNG BY THE FRONT DESK. AND, OF COURSE, HE HAD "NO INSURANCE" TO COVER MY LOSSES.

MUST Be

WE WANT THIS BILL, BUT WE WANT IT AMENDED. IT IS TIME THAT YOU LEGISLATORS "PROVIDE SOME LEGISLATION THAT WILL ACTUALLY "PROTECT ALASKAN WORKERS" BY "INCLUDING EMPLOYEE'S RIGHTS TO AN EXPECTANCY OF PRIVACY IN THEIR "LIVING QUARTERS", WHICH IS PROVIDED BY EMPLOYERS. THESE LIVING QUARTERS ARE "OFF LIMITS" TO ALL EMPLOYERS, THEIR MANAGERS AND REPRESENTATIVES, EXCEPT IN CASES OF EMERGENCY. THE SAME RIGHTS THAT THIS STATE HOLDS UNDER THE TENANT/LANDLORD LAWS, THAT YOU, REPRESENTATIVE ROKEBERG, KNOW VERY WELL, BEING IN THE BUSINESS OF "REAL ESTATE".

WE ALSO WANT LANGUAGE THAT INCLUDES THE "RIGHT OF PRIVACY AND SECURITY" OF OUR PERSONAL BELONGINGS THAT ARE "STORED ON THE EMPLOYER'S PREMISE" AND THAT THESE "STORAGE AREAS" BE INSURED

ONE OTHER CONDITION WE WANT AND NEED IS, THE ABILITY TO USE THE EMPLOYER'S U.S. MAIL BOX FOR THE RECEIPT OF MAIL WHEN IN "REMOTE LOCATIONS". IT WAS A YEAR AND HALF "AFTER" MY MOTHER DIED THAT I FOUND OUT ABOUT IT. THE EMPLOYER HAD NO PROBLEM WITH MY USING THE ADDRESS OF THE LODGE TO RECEIVE MAIL, WHICH EITHER HE PICKED UP OR ONE OF THE OTHER LODGE OWNERS PICKED UP AT THE GLENNALLEN POST OFFICE WHICH WAS OVER 60 MILES AWAY FROM THE LODGE, BUT WHEN I WAS LAID-OFF AND SENT A LETTER TO THE POST OFFICE ASKING FOR MY MAIL TO BE TRANSFERRED TO MY NEW LOCATION, I RECEIVED A LETTER FROM THE GLENNALLEN POST OFFICE STATING "ONLY THE OWNER OF THE MAIL BOX CAN REQUEST THE FORWARDING OF MAIL AND UNTIL I GOT ON THE "SIGNATURE CARD" FOR THE MAIL BOX, THEY WERE REFUSING TO FORWARD MY MAIL

I HAD NO IDEA THAT MY SISTER HAD SENT A LETTER TO ME TELLING ME THAT MY MOTHER "WAS ABOUT TO DIE AND TO COME TO CALIFORNIA, NOR THAT "SHE HAD DIED" BECAUSE OF THIS FEDERAL LAW. I KNOW YOU CAN'T DO ANYTHING ABOUT FEDERAL LAWS, BUT THIS STATE CAN CERTAINLY MAKE A STATE LAW, "REQUIRING OWNERS OF REMOTE LODGES AND CAMPS, WHERE EMPLOYEES WORK AND ARE TOTALLY CUT OFF FROM CIVILIZATION, TO TAKE THE RESPONSIBILITY OF "FORWARDING THE MAIL OF EMPLOYEES" TO THE ADDRESSES THE EMPLOYEE LEAVES WITH THE EMPLOYER.

ALL OF THE ABOVE IS INEXCUSABLE BECAUSE ^{OF} "REMOTE ALASKAN CONDITIONS" ^{WE} WARRANT SOME SPECIFIC "HUMANE CONDITIONS" APPLIED FOR THE WORKER, WE WANT THESE TWO AMENDMENTS ADDED IN YOUR BILL AND THE LANGUAGE TAKEN OUT AS TO "NO PRIVACY ON EMPLOYER PREMISES".

WE HAVE NO OBJECTION TO WHAT WE BELIEVE "WAS YOUR INTENT" AS TO THE EMPLOYER BEING ABLE TO ACCESS A COMPUTER THAT THE EMPLOYEE "DOES NOT OWN" AND IS TO BE USED EXCLUSIVELY FOR THE PURPOSE OF CONDUCTING THE EMPLOYER'S BUSINESS". I WILL WARN YOU, THAT IN SOME CASES, IN BUSH LODGES, THE OWNER OF THE LODGE DID NOT HAVE A COMPUTER AND INSTEAD, THE EMPLOYEE BROUGHT HIS/HER COMPUTER WHICH THE EMPLOYEE USES FOR BOTH PERSONAL AND BUSINESS USE.

AS TO THE DESKS AND "WORK AREA" OF THE EMPLOYEE, THIS MUST ALSO BE CLARIFIED BECAUSE IN SOME INSTANCES, THESE SAME AREAS ARE "IN THE EMPLOYEE'S LIVING QUARTERS". FOR AN EXAMPLE, IN KODIAK, THERE IS A LARGE ROOMING HOUSE, WHICH WAS ORIGINALLY USED TO HOUSE CANNERY WORKERS IT WAS CHANGED TO ALSO TAKE IN THE PUBLIC, I.E. PEOPLE WHO NEEDED LOW-COST HOUSING, AND THEY WERE NOT EMPLOYED BY THE CANNERY. THE MANAGER OF THIS 200 ROOM HOUSING UNIT, PERFORMED ALL OF HER WORK "IN HER LIVING QUARTERS", I.E. RENTING/CHECK OUT OF ROOMS, COMPLAINTS AND REPAIR BUSINESS THERE WAS "NO SEPARATE OFFICE" UNDER YOUR BILL, THE