

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9336 HOUSE LABOR & COMMERCE

HB

350

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 350

Revision Date (Note if correction) _____ Dept. Affected Commerce & Economic Development
 Title Insurance Coverage for Contraceptives SRU Insurance
 Component Insurance
 Sponsor Representative Croft
 Requester (H) HES Component Serial No. 354

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

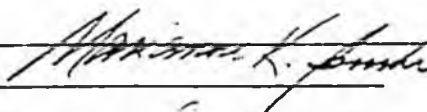
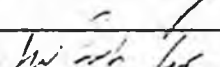
Estimate of any current year (FY98) cost: 00

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on this component,

Prepared by Marianna K. Burke, Director  Phone 465-2515
 Division Insurance Date 2-5-98
 Approved by Commissioner Deborah B. Sedwick  Date 2-5-98
 Agency Commerce & Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

HOUSE COMMITTEE REPORT

(7)
 Date Referred to Committee: January 26, 1998 FURTHER REFERRALS: Labor and Commerce

Date of Committee Action: 2/19/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 350

HOUSE BILL NO. 350 INSURANCE COVERAGE FOR CONTRACEPTIVES

“An Act requiring that the cost of contraceptives and related health care services be included in health insurance coverage.”

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

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: House HESS Committee Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) LED zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Paul Dyer</i>		✓		
<i>Joseph [unclear]</i>	✓			
<i>Car Bunch</i>	✓			
<i>Joseph D. Porter</i>		✓		
<i>Allen [unclear]</i>	✓			
<i>Tom Bunch</i>			✓	

CHAIR'S SIGNATURE *Car Bunch*

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 20, 1998

FURTHER REFERRALS:

Date of Committee Action: 4/29/98

The LABOR AND COMMERCE Committee considered:

HB 350

HOUSE BILL NO. 350

INSURANCE COVERAGE FOR CONTRACEPTIVES

"An Act requiring that the cost of contraceptives and related health care services be included in health insurance coverage."

recommends it be replaced with the following committee substitute CSHB 350(LYC) 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) _____ zero fiscal note(s) DCED

SIGNING WIT' RECOMMENDATIONS	DP	DNP	NR	AM
<i>John Caudery</i>			✓	
<i>Joe Ryan</i>				✓
<i>Gene Haberman</i>	✓			
<i>Bill Huds</i>	✓			
<i>Nancy Kately</i>			✓	
<i>Wendy Beine</i>	✓			

CHAIR'S SIGNATURE *Nancy Kately* 4-29-98

0-23-5214179 8000

REPRESENTATIVE ERIC CROFT

MEMORANDUM

To: Rep. Norm Rokeberg, Chair, House Labor & Comm. Cmte.
From: Rep. Eric Croft *Eric Croft*
Date: February 23, 1998
Re: HB350

Please schedule a hearing for HB350 at your earliest convenience.

Please find enclosed:

- Sponsor Statement
- Fiscal Note
- Letter of Intent (adopted in House HSS Committee)
- Back-up information regarding unintended pregnancies in Alaska
- Additional back-up materials.

We would like for the committee to hear teleconferenced testimony.

If you have any questions, please don't hesitate to call Tom Atkinson of my staff at 465-2116.

REPRESENTATIVE ERIC CROFT

Sponsor Statement

The Contraceptive Coverage Act of 1998

"Fewer Abortions, Fewer Orphans"

Most health insurance plans do not routinely cover contraceptives. Nationwide, only one third of health insurers cover oral contraceptives, the most popular method. Only 15% cover diaphragms, only 18% cover IUD's and only 24% cover hormonal implants.

Coverage in Alaska is worse: the three insurance companies which sell the most policies in this state provide no routine coverage for any type of contraceptive (unless the policy purchaser pays extra for it). Neither Blue Cross nor NYLCare (the company that insures state employees) provides contraceptive coverage in their basic package.

While non-prescription contraceptive methods (such as condoms and spermicides) are widely available, the most effective methods (such as oral contraceptives and hormonal implants) are more costly and are obtainable only from a health care provider. Thus, women whose



health care plan does not cover contraceptives **do not have access to the most effective methods.**

Though most insurance plans provide no contraceptive coverage, they routinely cover abortions, sterilizations, and tubal ligations—all more dangerous and more expensive procedures.

“Fewer Abortions, Fewer Orphans”

Improving private insurance coverage for contraceptive services will increase access to contraception and reduce barriers to effective family planning. It will help more women prevent unintended pregnancy and reduce demand for abortions.

Increased access to contraceptive services will help families plan to bring children into healthy homes when the time is right. Wanted children and their mothers are much less likely to become victims of abuse and neglect. Wanted children tend to succeed more easily in school and in life.

Please join me in this effort to strengthen Alaskan families by broadening the range of contraceptive options available to them.

REPRESENTATIVE ERIC CROFT

The Contraceptive Coverage Act

House Bill 350

Letter of Intent

Contraceptive technology is constantly changing, and even medical experts disagree on how certain methods of contraception work. Thus, the sponsor believes it is unwise for the legislature to dispute specific methods, but that it is very important to clarify the intent of House Bill 350.

This legislation is intended to require insurance providers in Alaska to cover contraceptives and contraceptive services.

Contraceptives have the primary purpose of, or special utility for, preventing conception.

The sponsor intends that conception be understood as the fertilization of an ovum.

The sponsor does **not** intend to require insurance coverage for any appliance, drug or medicinal preparation (or related health care service) the primary purpose of which is to affect a fertilized ovum. Put more plainly, the sponsor does not intend to mandate coverage for abortions.



HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

The Contraceptive Coverage Act

House Bill 350

Letter of Intent

Contraceptive technology is constantly changing, and even medical experts disagree on how certain methods of contraception work. Thus, this committee believes it is unwise for the legislature to dispute specific methods, but that it is very important to clarify the intent of HB 350.

This legislation is intended to require insurance providers in Alaska to cover contraceptives and contraceptive services.

Contraceptives have the primary purpose of, or special utility for, preventing conception.

The committee intends that conception be understood as the fertilization of an ovum.

The committee does **not** intend to require insurance coverage for any appliance, drug or medicinal preparation (or related health care service) the primary purpose of which is to affect a fertilized ovum. Put more plainly, the committee does not intend to mandate coverage for abortions.

A handwritten signature in cursive script that reads "Con Bunde".

Representative Con Bunde
Chairman



Pregnancy Planning and Wantedness Among Mothers of Alaskan Newborns

In this issue PRAMS data are used to look at pregnancy planning and wantedness for Alaskan mothers who delivered a live birth during 1990-1993.*

- 50% of pregnancies resulting in a live birth during 1990-93 were unplanned.
- 9% of women who gave birth during 1990-93 were at risk of unintended pregnancy in the postpartum period.
- Among recent mothers, teenagers were least likely to use birth control during the postpartum period.
- An estimated 23,312 children born during 1990-93 were the result of unplanned pregnancies.

*Some of the data in this Dataline was presented at the 1994 Alaska Health Summit.

Federal funding of the national network of family planning clinics has dropped drastically since 1980.¹ This decrease in funding limits access to family planning services and may directly or indirectly result in unplanned or unwanted pregnancies. Women at-risk for unintended pregnancies are often simultaneously at risk for contracting a sexually transmitted disease² and women with unwanted pregnancies have been found to have four times the odds of experiencing physical violence during or immediately before pregnancy as women with intended pregnancies.³

In addition to harmful consequences for the woman, unintended pregnancies may be associated with behaviors during pregnancy that increase the risk for adverse birth outcomes, including a delay of initiation of prenatal care.⁴ A recent study also suggests that wantedness may be a predictor of a child's low educational attainment.⁵

It is important for health and social services providers to identify women at greatest risk of unintended pregnancy so that public health interventions and educational efforts can be directed to the appropriate groups. We used data from the Alaska Pregnancy Risk Assessment Monitoring System (PRAMS) covering birth years 1990-93 to determine the following: indicators of unintended pregnancy, the percentage of unplanned or unwanted births, and birth control practices of postpartum women.

PRAMS is an ongoing survey of mothers of newborns (see May 1995 Dataline for survey methodology). We evaluated answers to the following questions:

1. "Thinking back to just before you were pregnant, how did you feel about becoming pregnant?"
2. "When you got pregnant with this baby were you doing anything to prevent pregnancy?"
3. "Are you now doing anything to prevent pregnancy?"
4. If no to #3: "Why are you not doing anything to prevent pregnancy?"
5. If yes to #3: "What are you using now to prevent pregnancy?"

1993. In Alaska, those women who were <20 years of age, had <12 years of education, were not married, or had a family income of \$10,000 or less were at greater risk of an unintended pregnancy (Table 2). The risk for unintended pregnancy varied by race with the highest percentage among Alaska Natives (19.4%) followed by Asians (10.2%), whites (5.7%) and blacks (5.1%).

If our results are applied to the total Alaska population (using 1990 census data), 23,312 children born during 1990 to 1993 were the result of unplanned pregnancies and 5,233 were the result of an unwanted pregnancy. These unplanned, mistimed, and unwanted pregnancies occurred disproportionately among teenage mothers, poor women, and women of black or Alaska Native race. Because a number of serious adverse health and education outcomes to both the mother and infant may result from unwanted or unplanned pregnancies, these results suggest the potential for a crisis situation, particularly among those groups who are already most disadvantaged.

The high percentage of postpartum teenagers who had an unplanned or unwanted birth suggests that increased emphasis should be placed on providing families or schools with the resources to teach family planning concepts. Additionally, clinics in the national network of family planning clinics provide the primary source of contraceptive services for women with low income, particularly teenagers. These clinics provide sites where increased outreach efforts may be effective. In particular, effective family planning methods which

Table 1. Percent of women with unplanned, mistimed or unwanted* pregnancies resulting in a live birth by age and race, Alaska, 1990-93.

Indicator	% Unplanned (SE†)	% Mistimed (SE)	% Unwanted (SE)
<u>Maternal Age at Delivery</u>			
<20 years	74.2 (2.1)	53.2 (2.5)	14.1 (1.5)
20-29 years	49.9 (1.0)	34.6 (1.0)	9.7 (0.6)
30 years and older	41.4 (1.3)	19.4 (1.1)	15.5 (1.0)
<u>Race</u>			
White	45.8 (1.0)	30.0 (1.0)	9.9 (0.6)
Black	68.7 (4.2)	42.1 (4.6)	23.4 (4.0)
Alaska Native	58.7 (0.8)	35.7 (0.8)	16.3 (0.6)
Asian/Other	48.8 (3.5)	29.8 (3.4)	11.8 (2.5)
<u>Annual Family Income</u>			
<\$10,000	68.5 (1.4)	42.6 (1.7)	17.3 (1.3)
\$10,001-30,000	54.6 (1.2)	35.4 (1.2)	12.9 (0.8)
\$30,001-50,000	40.3 (1.7)	27.6 (1.6)	9.0 (0.9)
>\$50,000	31.6 (1.7)	20.6 (1.5)	8.4 (1.0)
Overall 1990-93	49.7 (0.7)	31.7 (0.7)	12.0 (0.5)

* Mistimed and unwanted categories are mutually exclusive.
† Standard error

Table 2. Percent of postpartum* Alaska women who were at-risk† for having an unintended pregnancy, 1990-93.

Indicator	%	(SE‡)
<u>Maternal Age at Delivery</u>		
<20 years	12.8	(1.3)
20-29 years	8.7	(0.4)
30 years and older	8.1	(0.6)
<u>Race</u>		
White	5.7	(0.4)
Black	5.1§	(1.7)
Alaska Native	19.1	(0.6)
Asian/Other	10.1	(2.0)
<u>Education</u>		
<12 years	17.3	(1.2)
12 years	9.1	(0.5)
>12 years	6.1	(0.6)
<u>Marital Status</u>		
Married	8.0	(0.4)
Other	11.6	(0.6)
<u>Annual Family Income</u>		
<\$10,000	15.1	(1.0)
\$10,001-30,000	9.4	(0.6)
\$30,001-50,000	6.4	(0.8)
>\$50,000	4.7	(0.7)
Overall 1990-93	9.0	(0.3)

* On average, 5 months postpartum

† Women who were using contraception, sterile, pregnant, trying to become pregnant, or not having intercourse were considered not at risk of an unintended pregnancy; all other women were considered at risk.

‡ Standard error

§ Cell size < 20

are appropriate to the individual seeking services should be emphasized. We found that most postpartum women choose oral contraceptives, condoms, and sterilization although an increasing number of postpartum women are choosing abstinence or progestin implants or injections for contraception.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska



Pregnancy Planning and Wantedness Among Mothers of Alaskan Newborns

In this issue PRAMS data are used to look at pregnancy planning and wantedness for Alaskan mothers who delivered a live birth during 1990-1993.*

- 50% of pregnancies resulting in a live birth during 1990-93 were unplanned.
- 9% of women who gave birth during 1990-93 were at risk of unintended pregnancy in the postpartum period.
- Among recent mothers, teenagers were least likely to use birth control during the postpartum period.
- An estimated 23,312 children born during 1990-93 were the result of unplanned pregnancies.

*Some of the data in this Dataline was presented at the 1994 Alaska Health Summit.

Federal funding of the national network of family planning clinics has dropped drastically since 1980.¹ This decrease in funding limits access to family planning services and may directly or indirectly result in unplanned or unwanted pregnancies. Women at-risk for unintended pregnancies are often simultaneously at risk for contracting a sexually transmitted disease² and women with unwanted pregnancies have been found to have four times the odds of experiencing physical violence during or immediately before pregnancy as women with intended pregnancies.³

In addition to harmful consequences for the woman, unintended pregnancies may be associated with behaviors during pregnancy that increase the risk for adverse birth outcomes, including a delay of initiation of prenatal care.⁴ A recent study also suggests that wantedness may be a predictor of a child's low educational attainment.⁵

It is important for health and social services providers to identify women at greatest risk of unintended pregnancy so that public health interventions and educational efforts can be directed to the appropriate groups. We used data from the Alaska Pregnancy Risk Assessment Monitoring System (PRAMS) covering birth years 1990-93 to determine the following: indicators of unintended pregnancy, the percentage of unplanned or unwanted births, and birth control practices of postpartum women.

PRAMS is an ongoing survey of mothers of newborns (see May 1995 Dataline for survey methodology). We evaluated answers to the following questions:

1. "Thinking back to just before you were pregnant, how did you feel about becoming pregnant?"
2. "When you got pregnant with this baby were you doing anything to prevent pregnancy?"
3. "Are you now doing anything to prevent pregnancy?"
4. If no to #3: "Why are you not doing anything to prevent pregnancy?"
5. If yes to #3: "What are you using now to prevent pregnancy?"

Question #1 was used as a measure of pregnancy wantedness. Women who answered that they wanted to become pregnant "then" or "sooner" were considered to have had a wanted pregnancy. Women who answered that they wanted to become pregnant "later" or "didn't want to be pregnant then or at any time in the future" were considered to have had a mistimed or unwanted pregnancy, respectively.

Question #2 offered three choices of answers and was used as a measure of pregnancy planning. Women who answered "No, because I planned to get pregnant" were considered to have had a planned pregnancy. Those who answered "No, but I did not plan to get pregnant," or those who answered "Yes, but I got pregnant anyway," were considered to have had an unplanned pregnancy.

Questions #3 through #5 measured the risk of having an unintended pregnancy during the postpartum period. Women who were using contraception, sterile, pregnant, trying to become pregnant, or not having intercourse were considered not at risk of an unintended pregnancy; all other women were considered at risk.

We analyzed data from 6,551 respondents surveyed when their newborn was 5 months old on average. The overall response rate was 75%. Since PRAMS is a population-based survey, the percentages reported reflect the percentages of Alaskan resident women who had a live birth during the period 1990-93. Women who had a live birth but put their baby up for adoption at birth or shortly thereafter are excluded from PRAMS.

Pregnancy Planning and Wantedness

From 1990 to 1993 no trends were apparent for the percentages of unplanned, mistimed, or unwanted pregnancies. During this period, 49.7% of all pregnancies were unplanned, 31.7% were mistimed, and 12.0% were unwanted. Over one-third (38.8%) of live births to Alaska residents during 1990-93 were both unplanned and mistimed or unwanted.

Women less than 20 years of age at the time of delivery had the highest percentage of unplanned (74.2%) and mistimed (53.2%) pregnancies, whereas women 30 years and older had the highest percentage of unwanted pregnancies (15.5%) (Table 1). Among different racial groups, blacks had the highest percentage of unplanned (68.7%), mistimed (42.1%), and unwanted (23.4%) pregnancies followed by Alaska Natives (58.7, 35.7, and 16.8%, respectively). Annual family income was inversely related to the percentage of unplanned, mistimed or unwanted pregnancies for all income groups evaluated.

For the period 1990-93, 22.4% of Alaska women reported they were attempting to prevent pregnancy but they got pregnant anyway.

Birth Control Choices

We found that 86.6% of respondents were currently doing something to prevent pregnancy, including 80.6% who used a method other than abstinence. The most common methods of birth control were, in descending order: oral contraceptives ("the pill"), condoms, and sterilization (either the woman or her partner). Sterilization decreased by 17% from 1990 (15.4%)

to 1993 (12.8%). By contrast, write-in responses of Norplant and Depo Provera (these two contraceptives were not listed as specific response options on the survey) increased substantially during 1990-93 (0 to 2.6% and 0 to 6.7%, respectively). Reported abstinence increased 34% from 1990 (5.6%) to 1993 (7.5%). Postpartum abstinence during the four-year period for teen mothers was 12.9%, compared with 5.4% for 20-29 year olds and 4.8% for mothers 30 years and older.

Use of birth control methods other than abstinence differed dramatically by race with the lowest percentage of reported users among Alaska Natives (67.4%) followed by Asians (77.8%), whites (84.6%), and blacks (88.1%). Recent mothers <20 years old were the age group least likely to use birth control (70.5%) followed by 30 years and older (81.1%) and 20-29 year olds (82.2%). Women whose family income was \$10,000 or less had the lowest percentage of current use of birth control (67.5%) followed by women with an annual income of \$10,001-30,000 (82.4%), \$30,001-50,000 (84.7%), and greater than \$50,000 (86.2%).

Thirteen percent of women responded that they were currently not doing anything to prevent pregnancy. The most common reasons for not using a method to prevent pregnancy were the respondent wanted to get pregnant again or was already pregnant, she did not believe in the use of birth control, and her husband or boyfriend didn't want her to use birth control.

At Risk of Unintended Pregnancy

The percentage of postpartum Alaska women at risk of unintended pregnancy during 1990-1993 was 9%; this percentage declined 34%, from 10.2% in 1990 to 6.8% in

1993. In Alaska, those women who were <20 years of age, had <12 years of education, were not married, or had a family income of \$10,000 or less were at greater risk of an unintended pregnancy (Table 2). The risk for unintended pregnancy varied by race with the highest percentage among Alaska Natives (19.4%) followed by Asians (10.2%), whites (5.7%) and blacks (5.1%).

If our results are applied to the total Alaska population (using 1990 census data), 23,312 children born during 1990 to 1993 were the result of unplanned pregnancies and 5,233 were the result of an unwanted pregnancy. These unplanned, mistimed, and unwanted pregnancies occurred disproportionately among teenage mothers, poor women, and women of black or Alaska Native race. Because a number of serious adverse health and education outcomes to both the mother and infant may result from unwanted or unplanned pregnancies, these results suggest the potential for a crisis situation, particularly among those groups who are already most disadvantaged.

The high percentage of postpartum teenagers who had an unplanned or unwanted birth suggests that increased emphasis should be placed on providing families or schools with the resources to teach family planning concepts. Additionally, clinics in the national network of family planning clinics provide the primary source of contraceptive services for women with low income, particularly teenagers. These clinics provide sites where increased outreach efforts may be effective. In particular, effective family planning methods which

Table 1. Percent of women with unplanned, mistimed or unwanted* pregnancies resulting in a live birth by age and race, Alaska, 1990-93.

Indicator	% Unplanned (SE†)	% Mistimed (SE)	% Unwanted (SE)
<i>Maternal Age at Delivery</i>			
<20 years	74.2 (2.1)	53.2 (2.5)	14.1 (1.5)
20-29 years	49.9 (1.0)	34.6 (1.0)	9.7 (0.6)
30 years and older	41.4 (1.3)	19.4 (1.1)	15.5 (1.0)
<i>Race</i>			
White	45.8 (1.0)	30.0 (1.0)	9.9 (0.6)
Black	68.7 (4.2)	42.1 (4.6)	23.4 (4.0)
Alaska Native	58.7 (0.8)	35.7 (0.8)	16.8 (0.6)
Asian/Other	48.8 (3.5)	29.8 (3.4)	11.8 (2.5)
<i>Annual Family Income</i>			
<\$10,000	68.5 (1.4)	42.6 (1.7)	17.3 (1.3)
\$10,001-30,000	54.6 (1.2)	35.4 (1.2)	12.9 (0.8)
\$30,001-50,000	40.3 (1.7)	27.6 (1.6)	9.0 (0.9)
>\$50,000	31.6 (1.7)	20.6 (1.5)	8.4 (1.0)
Overall 1990-93	49.7 (0.7)	31.7 (0.7)	12.0 (0.5)

* Mistimed and unwanted categories are mutually exclusive.

† Standard error

Table 2. Percent of postpartum* Alaska women who were at-risk† for having an unintended pregnancy, 1990-93.

Indicator	%	(SE‡)
<i>Maternal Age at Delivery</i>		
<20 years	12.8	(1.3)
20-29 years	8.7	(0.4)
30 years and older	8.1	(0.6)
<i>Race</i>		
White	5.7	(0.4)
Black	5.1§	(1.7)
Alaska Native	19.1	(0.6)
Asian/Other	10.1	(2.0)
<i>Education</i>		
<12 years	17.3	(1.2)
12 years	9.1	(0.5)
>12 years	6.1	(0.6)
<i>Marital Status</i>		
Married	8.0	(0.4)
Other	11.6	(0.6)
<i>Annual Family Income</i>		
<\$10,000	15.1	(1.0)
\$10,001-30,000	9.4	(0.6)
\$30,001-50,000	6.4	(0.8)
>\$50,000	4.7	(0.7)
Overall 1990-93	9.0	(0.3)

* On average, 5 months postpartum

† Women who were using contraception, sterile, pregnant, trying to become pregnant, or not having intercourse were considered not at risk of an unintended pregnancy; all other women were considered at risk.

‡ Standard error

§ Cell size < 20

are appropriate to the individual seeking services should be emphasized. We found that most postpartum women choose oral contraceptives, condoms, and sterilization although an increasing number of postpartum women are choosing abstinence or progestin implants or injections for contraception.

National data from 1988 showed that 7% of females aged 15-44 years were at risk of unintended pregnancy.⁶ By comparison, Alaska's prevalence of 9% of postpartum women at risk of an unintended pregnancy may be an underestimate since we assumed that all women using contraception are fully protected. Interestingly, while the percentage of Alaskan women at risk of an unintended pregnancy decreased by 34% from 1990 to 1993, the percentage of unplanned or unwanted births showed no distinct trend during this time period. As suggested by the 22% of women who attempted to prevent pregnancy but got pregnant anyway, one explanation for these results may be that many women use contraceptive methods

incorrectly or inconsistently. Persons teaching family planning methods should emphasize the correct and consistent use of the various contraceptive methods.

Our data have two significant limitations. PRAMS collects information from postpartum women and this data may not be generalizable to all women of childbearing age. In addition, PRAMS cannot provide a true contraceptive failure rate since it does not ascertain details of use.

¹ Alan Guttmacher Institute. Even as politics improve, challenges facing family planning providers mount. Washington Memo. Jan 12, 1993, pp3-4.

² Kost K, Forrest JD. American women's sexual behavior and exposure to risk of sexually transmitted diseases. *Fam Plann Perspect* 1992;24:244-54.

³ Gazmararian JA, Adams MM, Saltzman LE, et. al. The relationship between pregnancy intendedness and physical violence in mothers of newborns. *Obstet Gynecol* 1995 Jun; 85(6):1031-8.


⁴ Cartwright A. Unintended pregnancy that leads to babies. *Soc Sci Med* 1988;27:249-54.

⁵ Myhrman A, Olsén P, Rantakallio P, Läärä E. Does the wantedness of a pregnancy predict a child's educational attainment? *Fam Plann Perspect* 1995;27:116-9.

⁶ From Data to Action: CDC's public health surveillance for women, infants, and children. US Department of Health and Human Services, Public Health Service, Centers for Disease Control and Prevention.

Family Health Dataline is a monthly publication of the Alaska Department of Health and Social Services; Division of Public Health; Section of Maternal, Child, and Family Health, 1231 Gambell Street, Anchorage, AK 99501, (907) 274-7626 (fax) 277-6814.

Section Chief	Karen Pearson
Editor/Unit Manager	Brad Gessner
Staff	Kathy Perham-Hester
Design/Layout	Kaye Saxon
Printing	Continuous Printing of Alaska



Vol. 1, No. 4

Contributed by:
Kathy Perham-Hester, MS, MPH

State of Alaska, MCFH
1231 Gambell Street
Anchorage, Alaska 99501

Address Correction Requested

BULK RATE
U.S. POSTAGE
PAID
ANCHORAGE, AK
PERMIT NO. 297

INSURANCE COVERAGE FOR FAMILY PLANNING SERVICES

In 1995 there were 10,222 births recorded to residents of the State of Alaska. The following information describes demographics of this cohort.

Age of Mother: ¹

- 1140 (11%) births were to adolescents <20 years of age
- 9072 (89%) births were to adult women

Funding for the Birth: ¹

- 39% of all births in the state were funded through Medicaid
- 66% of births to adolescents were funded through Medicaid

Unintended Pregnancies: ²

- 41% of all births were unintended
- 74% of births to adolescents were unintended
- 55% of Medicaid-funded births were unintended
- 69% of Medicaid-funded births to adolescents were unintended

Cost of Medicaid-Funded Births: ³

- Prenatal Care and follow-up care (1993 data) \$6172/year
- Infant Health Care for first year of life (1995 data) \$4256/year

Additional Costs to the State for an unintended pregnancy: ⁴

- ~~TANF~~ ATAP \$9852/year
- Food Stamps \$2772/year
- Child Care (school, job training, etc.) \$6000/year
- JOBS Services (Case Mgt., support services) \$2133/year

Birth Control Usage:

- 61% of women who had an unintended pregnancy were not using any method of contraception at the time of conception.²
- 90% of women who had an unintended pregnancy were not using a birth control method or were using it ineffectively at the time of conception.²
- 94% of adolescents who had an unintended pregnancy were not using any method of contraception or were using it ineffectively at the time of conception.²
- During 1991-1994, 16% of Alaskan teen mothers less than 18 years of age were currently sexually active yet not doing anything to prevent a future pregnancy.⁵
- National data has shown that, within a year, a sexually active teenager who does not use a contraceptive has a 90% chance of becoming pregnant.⁶

Cost of Family Planning Services:

- In Alaska, the average cost to Medicaid for family planning services is approximately \$300/yr dependent upon the method of contraception selected and its effectiveness.³
- The cost per method ranges from \$16/year for a diaphragm to \$450 for a Norplant (lasts for 5 years).⁷
- By far, the most common contraceptive used in Alaska are oral contraceptives – costs for this method are approximately \$300/year if purchased through a pharmacy.⁷
- Nationally, it has been shown that every dollar spent for contraceptive services saves an average of \$3 in Medicaid costs for pregnancy-related health care and for medical care of newborns alone.⁸ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- A study completed in California in 1995 showed that the financial cost savings related to contraceptive use to prevent unplanned pregnancies were between \$8,933 and \$14,122, in medical costs, per individual over a five year period, depending on the method of contraception selected and its effectiveness.⁹ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- According to data from the Women's Research and Education Institute, women of reproductive age spend 68% more in out-of-pocket costs than do men, with reproductive health costs accounting for much of the difference. Further, while women may in fact purchase contraceptives on their own, many may choose less expensive and sometimes less effective or medically appropriate methods as a result.¹⁰

Insurance Coverage for Contraceptive Care:

- In general, most women in the U.S. rely on some form of health insurance to help them defray some of their medical expenses. According to a recent study conducted by the Women's Research and Education Institute, 67% of women of reproductive age rely on private, employment-related coverage, obtained through either their own employer or a family member's employer.¹¹
- In the 1993 Alan Guttmacher Institute study of Private Sector Insurance Coverage of Reproductive Health Services, almost half of all typical large group plans (49%) do not routinely cover any contraceptive method at all. Only 15% cover all reversible methods including IUD insertion, diaphragm fitting, Norplant insertion, DepoProvera injection and oral contraception.¹¹
- 97% of traditional fee-for-service plans typically cover prescription drugs in general, however, only 33% cover oral contraceptives, the most commonly used reversible contraceptive method in the United States.¹¹
- 92% of typical large-group plans routinely cover medical devices in general, however, only 18% routinely cover IUDs, 15% cover diaphragms and 24% cover the Norplant device.¹¹

Summary:

Clearly, Alaska has a high rate of unintended pregnancy. Providing appropriate contraceptive services to these women, before they become pregnant, would result in significant cost savings to the State Medicaid program and to private insurers. As illustrated above, the average cost for one year of contraceptive services is approximately \$300, the cost for prenatal care, delivery expenses, and follow-up medical expenses for the mother and child alone is over \$10,000 per year.

Many women in Alaska have access to health insurance, however, private insurance companies typically do not cover contraceptive services. Therefore, women, especially moderate to low income women must make a choice between paying for essential living expenses or paying for contraception. Reproductive health services should be a part of insurance packages offered to people of this state. An ideal plan would recognize the multifaceted nature of individual reproductive health care needs and would include the following core services:

- contraceptive services and supplies,
- contraceptive sterilization (male and female),
- basic infertility services,
- screening for sexually transmitted diseases and cancers of the reproductive system,
- medical services and risk assessment prior to pregnancy, and
- maternity care.¹¹

References

1. Bureau of Vital Statistics/Division of Public Health/DIISS - 1995
2. Pregnancy Risk Assessment Monitoring System (PRAMS)/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1995
3. Division of Medical Assistance/DHSS - 1995-1997
4. Division of Public Assistance/DHSS - 1995
5. PRAMS/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1991-1994. Family Health Dataline, 1997 Vol. 3 No. 1. "Teen Live Births in Alaska During 1991-1994.
6. Sex and America's Teenagers, The Alan Guttmacher Institute, New York and Washington, ISBN 0-939253-34-8;1994.
7. Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1996-1997 Family Planning Contraceptive Use Report.
8. Contraceptive Services, Facts in Brief. The Alan Guttmacher Institute, 1997.
9. Trusell et al., "The Economic Value of Contraception: A Comparison of 15 Methods", American Journal of Public Health, April 1995, Vol 85 No. 4.
10. Washington Memo, Bills Aimed at Bolstering Coverage of Contraception Under Private Insurance, No. 3. April 21, 1997.
11. Uneven and Unequal Insurance Coverage and Reproductive Health Services, The Alan Guttmacher Institute, New York and Washington, 1994, ISBN 0-030253-35-6.

AMENDMENT 2

OFFERED IN THE HOUSE

TO: HB 350

- 1 Page 1, line 8, following "society":
- 2 Insert "or a policy issued to an individual"

*Erigle
@ @ @
called*

AMENDMENT

*Hudson
Moral
no objection*

0-LS1297 B.4
Ford
4/20/98

OFFERED IN THE HOUSE

TO: HB 350

1 Page 1, line 8, following "society":

2 Insert "or a qualified church-controlled organization with a religious-based objection"

3 Page 2, line 3, following "contraceptives":

4 Insert ";

5 (3) "qualified church-controlled organization" has the meaning given
6 in 26 U.S.C. 3121(w)(3)"

DIALOG Search for Janet, Rep. Rokeberg's Office
File 630: Los Angeles Times
March 25, 1998

COMPLIMENTS OF THE
ALASKA STATE LIBRARY

California and the West
CONTRACEPTIVE MANDATE FOR INSURERS VETOED

Capitol: Wilson rejects bill requiring policies to cover birth control prescriptions, because it did not properly exempt employers who object on moral grounds. Legislator says he tried to meet governor's concerns.

by Max Vanzi, Times Staff Writer
Los Angeles Times, Thursday, February 12, 1998
Home Edition, Page: 3 Pt. A
Word Count: 650

SACRAMENTO - Despite intense daylong negotiations between a Los Angeles lawmaker and administration officials, Gov. Pete Wilson on Wednesday vetoed a bill that would have required health insurers to offer prescription contraceptives as a paid benefit in workplace health plans.

As he had declared earlier, Wilson said he would sign the bill by Assemblyman Bob Hertzberg (D-Sherman Oaks) only if it included a "conscience clause" allowing employers to opt out of such coverage on moral or religious grounds.

Hertzberg said that he went as far as he could toward meeting the governor's demands but that "it just wasn't good enough."

Wilson said he vetoed the measure because Hertzberg offered amendments that were "deemed unconstitutional by legal counsel."

The governor called on the Legislature to send him a similar bill that meets legal requirements. The Hertzberg measure failed to do that, he said, because it was so narrowly drawn that many religious organizations would not have qualified for the exemptions that Hertzberg offered.

The effect, he said, would have been to deny needed health coverage to women who work for such organizations that could not, in good conscience, have agreed to offer contraceptive coverage.

About 97% of HMO health plans in California already cover contraceptives, including prescription birth-control pills. But other types of insurance plans, including physician groups and fee-for-service arrangements, offer paid contraceptives to only about one-third of their 7 million California enrollees, according to consumer groups.

Hertzberg and administration officials in the Capitol, who were in touch with Wilson by telephone while the governor was in Los Angeles, held discussions throughout the day, the assemblyman said. Hertzberg "gave them huge exemptions in terms of the conscience clause," he said.

But he said he refused to go beyond his final offer to win the governor's signature: agreeing to exemptions only for employees of church organizations and church-affiliated hospitals.

"I was willing to allow an employer an exemption if there is the connection between someone's employment and their faith," Hertzberg said. "But if someone worked for a (university) or a hotel chain that's owned by a religious organization, then they wouldn't have been exempt."

Wilson had been threatening a veto ever since the Assembly gave final legislative passage to the measure (AB 160) Jan. 28. Hertzberg at that point had refused to amend the bill along lines that Wilson wanted.

Any such legislation, Wilson's office said, should allow businesses an exemption on conscientious or religious grounds. The issue remained up in the air until the veto was announced in late afternoon.

"We are very disappointed . . . and surprised by the governor's action because of his long-standing support for access to family planning," said Nancy Sasaki, president of Planned Parenthood Los Angeles.

Wilson has consistently favored a woman's right to choose whether to have a child.

Ned Dolejsi, executive director of the California Catholic Conference, however, said Wilson's veto of the bill was "consistent with the governor's belief in expanding contraceptive services . . . but in a way that is respectful of the religious freedom of people who do not share that view."

Enactment of the bill, he said, would have made it difficult for Catholic organizations to purchase health insurance consistent with church beliefs.

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Births and Contraception

Gov. Pete Wilson on Wednesday vetoed a bill to require health insurance companies to cover prescription contraceptives. Here are some related statistics:

- * 97% of HMOs in California cover costs of contraceptive medication and devices. About 14 million Californians are enrolled in HMOs.

- * 33% of non-HMO insurance plans cover contraceptives; 66% cover sterilization; 66% cover abortions. About 7 million Californians are enrolled in such plans.

- * Adoption of the measure would have cost affected businesses about \$16 per employee per year.

- * The abortion rate in California is 42 per 1,000 women ages 15 to 44; the rate nationally is 26 per 1,000.

- * California's family planning clinics served 804,000 women in 1994, and in clinics nationally, 5.5 million.

- * Publicly funded clinics avert 187,000 pregnancies per year in California; nationally, 1.5 million.

Sources: Health Insurance Assn. of America; Alan Guttmacher Institute; Women's Research and Education Institute

Copyright (c) 1998, Times Mirror Company

PHONE MESSAGE

DATE 3/9/98

TIME 11:25

A.M.
P.M.

FOR *Na*
M *Bonnie Jack*
OF
PHONE () EXT.

FAX MOBILE PAGER ()

MESSAGE *AB-350 - She believes that the bill is beneficial. Says that it will prevent pregnancy at the state would not be loaded with children & we meet also that come with a over child being age with the excerpt.*

- URGENT
- PHONED
- RETURNED YOUR CALL
- PLEASE CALL BACK
- WILL CALL AGAIN
- WAS IN
- WANTS TO SEE YOU

AVERY

04-24-98 11:22 BC/D

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**

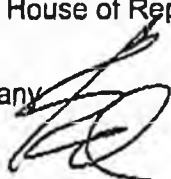
THE GUARANTEED RESULTS OF THE LEGISLATION WILL BE TO:

- **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

Author: Tom Atkinson at LAA_TRANS
Date: 4/21/98 1:23 PM
Priority: Normal
TO: Shirley Armstrong
Subject: Amendment possibility for HB350

Shirley-

The insurance lobby has indicated that they would like to see HB350 amended to provide for an exemption from the mandate for individuals who buy policies covering only themselves.

Rep. Croft agrees that this is an eminently reasonable suggestion. So, we have had an amendment prepared that effects this change.

Please let Rep. Rokeberg know that Rep. Croft has this amendment prepared, and a member of the committee may offer it on Friday if that is the chair's desire.

It is highly unlikely that Rep. Croft will be present to present HB350 personally on Friday, as he jetted off this afternoon to join his wife, who is in labor with their first child. Nevertheless, he wishes for the committee not to delay in hearing the bill.

Thank you very much for your assistance.

INTEROFFICE MEMORANDUM

TO: SHIRLEY
FROM: RICHARD PER TOM ADKINSON FROM CROFT'S OFFICE, E
XT. 2116
SUBJECT: TELECONFERENCE SET UP / CONFIRMATION
DATE: 04/17/98
CC:

HB 350
INSURANCE COVERAGE FOR CONTRACEPTIVES

CONFIRMED : 12:31 PM

TELECONFERENCE LOCATIONS:

ANCHORAGE
FAIRBANKS
KENAI

NOTE:

TOM ONLY ANTICIPATES ABOUT 12 PEOPLE TESTIFYING FROM
ALL THREE TERRITORIES INCLUDED.

RSVP - WHEN YOU KNOW ABOUT THE EXACT TIMES FOR THE
TELECONFERENCE. (THE MEETING IS FOR 3:15 PM AND HB 350 IS
THE 5TH ONE UP)

50729



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

State Capitol
Juneau, AK 99801-1182

April 2, 1998

Rep. Norman Rokeberg, Chair
House Labor & Commerce Committee
Room 24, State Capitol
Juneau, AK 99811

98-112-918P04-725 RC10


Dear Rep. Rokeberg,

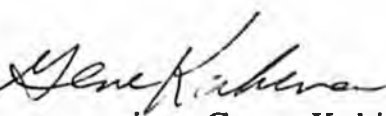
Please schedule a hearing for HB350 in the House Labor and Commerce Committee at your earliest convenience.


Thank you for your attention to this request.

Sincerely,


Representative Bill Hudson


Representative Joe Ryan


Representative Gene Kubina


Representative Tom Brice

05-24-98 02:14 JVD

February 16, 1998

Sidney D. Heidersdorf
P.O. Box 020658
Juneau, AK 99802-0658

Rep. Norman Rokberg
Alaska State Legislature
State Capitol
Juneau, Ak 99801

Dear *Rep Rokberg* :

H.B. 350 requires insurance companies to provide coverage for contraceptives. Presumably the driving force here is based on the honorable good, which we all share, of reducing unwanted pregnancies--especially teen pregnancies.

I am opposed to this bill for a number of reasons. First of all, it is just one more example of government making more demands on private enterprise. Insurance companies should have the right to decide for themselves what they want to cover in their health plans. They should have the freedom to negotiate with clients and not have specific coverage mandated by the state -- especially for something like contraceptives. Insurance companies are in the business of providing coverage for health problems, not pay for drugs and devices for healthy individuals involved in elective behavior. Furthermore, contraceptives even have health risks in their use. It would be ironic to require health insurance companies to cover something which may cause injury or illness and then expect them to pay for that as well.

I believe that we must come to grips with the harmful effects of our sexually permissive society, one of the cornerstones of which is the widespread availability of contraceptives. The social consequences are increased fornication, adultery, divorce, teen pregnancy, sexually transmitted disease, and abortion. The list goes on and on.

It is conventional wisdom that contraceptives reduce unwanted pregnancies and, therefore, reduce abortion. It is a seductively simple argument and sounds very logical. Eliminate more unwanted pregnancies by contraception and by extension there will be

fewer abortions. In actual practice I believe it is false. No less an authority than Malcolm Potts, former Medical Director of the International Planned Parenthood Federation has stated "as people turn to contraception, there will be a rise, not a fall in the abortion rate.

We've had unlimited availability of contraceptives for years now and things just get worse. Instead of saying we've got to reverse direction to correct the problem we hear the need for more and more explicit sex education at younger and younger ages. The result is the breakdown of normal sexual inhibitions and more sexual encounters. Contraceptives play an important part in this because they presumably protect individuals from the consequence of promiscuous sex which is pregnancy. We now give children contraceptives without parental guidance, knowledge or consent. The result is an increase in sexual activity at younger ages resulting in more sexual encounters, more contraceptive failures or lack of use of and consequently more pregnancies.

Abortion proponents confuse abortion and contraception and blur the lines between the two presumably to make use of certain pills and devices that are abortifacients more acceptable when viewed as contraceptives. For example, morning after pills and the IUD are in fact, pre-implantation abortifacients. If this bill passes will the legislature specifically limit the insurance coverage requirement to true "contraceptives" and not include abortifacients?

There is also a certain contraceptive mentality which has made abortion possible. It is sex without procreation, sexual freedom without responsibility. Widespread use of contraceptives has crystallized the concept that babies are a burden and when pregnancy occurs abortion is the logical solution to the problem of the "unwanted child".

I believe widespread availability of contraceptives has led to more sexual promiscuity and all the harmful effects that go with it. Certainly insurance companies should not be required to provide the tools which are part of the problem not part of the solution.

Please vote "NO" on H.B. 350.

Sincerely,
Sid Henderson

Myth 3

"Comprehensive Sex Education Does Not Increase Teen Promiscuity"

Family planning groups insist that comprehensive sex education and easy access to contraceptives does not encourage an increase in teenage sexual promiscuity. That's a myth. Numerous studies show that family planning endeavors do encourage both sexually active and inactive teens toward increased promiscuity.

◆ Classes Provoke Sexual Activity

Planned Parenthood's own study, conducted by Lou Harris and Associates, clearly shows that "comprehensive sex education programs significantly increase the percentage of teens becoming sexually active, while limited sex education, and especially those with no sex education classes, discourage kids from becoming sexually active." According to the Harris study of teenagers who have had sexual intercourse, 46 percent had comprehensive sex education and 42 percent had no sex education. 138/53

Planned Parenthood's journal, *Family Planning Perspectives*, reports the findings of researchers Marsiglio and Mott in their study,

"The Impact of Sex Education on Sexual Activity, Contraceptive Use and Premarital Pregnancy Among American Teenagers":

These models suggest that, even when factors that might be associated with both the likelihood of taking a course and the outcome variables are controlled, prior exposure to a sex education course is positively and significantly associated with the initiation of sexual activity at ages 15 and 16. 140/161-60

The National Research Council, in a report titled, "Risking the Future," points out that the increased rate of sexual activity in teens "is directly related to birth control information and provision to adolescents." 186/165 Sociologist Philip Cutright of Indiana University adds that in the sex education programs he studied "venereal disease is actually found to increase. . . . The reason for negative results is that the programs stimulate much higher rates of sexual activity." 187

In Planned Parenthood's *Family Planning Perspectives*, Dr. Deborah Anne Dawson, a survey research consultant, concluded: "Prior contraceptive education increases the odds of starting intercourse [at the age of 14] by a factor of 1.5." 141/166, 168-9 A factor of 1.5 might not seem like much, but in actuality it is a staggering 50-percent increase!

Lou Harris and Associates conducted a poll for PPFPA titled, "The Relationship Between Sexual Activity and Sex Education: Analysis of the Results of the 1986 Harris Survey." (Study 864012) The study, as analyzed by Dr. Jacqueline Kasun, showed:

Young people aged 12 to 17 who had had sex education had higher rates of sex activity than their peers without sex education. . . . These figures showed that 64 percent of 17-year-olds who had had "comprehensive" sex education (i.e., including information about contraception) had had intercourse. The rate was higher than the corresponding percentage for the group that had no sex education (57 percent) and also higher than the percentage for the group that had some but not "comprehensive" sex education (51 percent). 201/494

But the Harris group went on to claim that the higher level of sexual activity associated with sex education in their study is the result of age differences. Dr. Kasun argues that

differences in age affect all of their results — that is, older youngsters have a higher probability of having had sex education, and they have a higher probability of engaging in sex as well as a higher probability of using contraceptives. The age factor did not deter Harris from concluding that sex education increases the use of contraceptives, but the agency cried foul when the equally obvious tendency to increase sex activity was pointed out. 201/495

Dr. Kasun continues:

A problem with the Harris survey was that it apparently did not determine whether respondents had received sex education before or after initiating sex activity. The poll showed, however, that 75 percent of young people who receive sex education do so before the end of eighth grade, but only 30 percent of those who are sexually active initiate sex before age 14. This suggests that the majority of sexually active youngsters have received prior sex education. [Dr. Deborah Anne] Dawson estimated that 57-65 percent of all teenagers receive formal contraceptive education before they first have intercourse. 201/494

It's no wonder that Trish Knightly, Planned Parenthood's National Director of Education, confessed to Nancy Firor of the *Cincinnati Enquirer* in a telephone interview that PPFA's Harris Poll "has been very much of an Achilles' heel for us." 314 /E1-E2

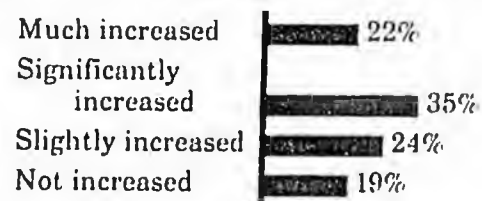
◆ Contraceptives Provoke Sexual Activity

The claim that the availability of contraceptives does not affect teenagers' involvement in promiscuity is also a myth. Dr. Robert Kistner of the Harvard Medical School, one of the developers of the pill, admitted to the American College of Surgeons in 1977, "About ten years ago I declared that the pill would not lead to promiscuity. Well, I was wrong." 182 Dr. Kistner's confession was confirmed by another developer of the pill, Dr. Min Chueh Chang: "It's made them more permissive." 183/A16 (Cf. 109.)

Dr. Reichelt, studying teenage clinic patients in Detroit, discovered: "After issuing oral contraceptives there was a 50-percent increase in sexual activity after one year. Having intercourse went from 4.3 times a month before visiting the clinic to 6.8 times afterward." 184/57

A random survey of 400 family physicians and psychiatrists has shown that "81 percent believed there was an increase of sexual involvement among teenagers due to increased availability of contraceptives." 188/147 The following bar graph reflects the results of the inquiry:

Has increased availability of contraceptives led to increased sexual activity among teenagers?



Dr. S. DuBose Ravenal, a pediatrician, admits in the *North Carolina Medical Journal* that he is "very concerned about the increased

teenage sexual activity following the providing of contraceptives." 189/606 His concern is well-founded in light of the frightening parallel increase in pregnancies, abortions and sexually transmitted diseases in sexually active teenagers.

Dr. Kasun warns: "Of the young people who have had 'comprehensive' sex education, 11 percent engage in sex without using contraceptives, thus risking disease or pregnancy. Of those without the instruction, the proportion is 9 percent. It is true, as the Harris staff says, that youngsters who have had sex education do use more contraceptives, but they also engage in more sex, and this is the stronger effect." 201/495

◆ Promiscuity Is Illegal

In most states, comprehensive sex education as it is now taught encourages sexual activity between minors, which is illegal. For that reason, the California State Senate mandates in its sex education guidelines that "course material and instruction shall advise pupils that it is unlawful for males of any age to have sexual relations with females under the age of 18 to whom they are not married, pursuant to Section 261.5 of the Penal Code." The State of California recognizes something that many sex educators don't: Kids must be protected from the dangers of promiscuity, not by wearing condoms, but by teaching them to abstain from illegal sexual activity.

◆ Sex: A Basic Survival Need?

I believe that the increase in sexual activity among teenagers is due in part to the sex education premise that sex is a basic human survival need which must be satisfied. For example, the proposed eighth-grade sex education curriculum for Dickinson County Schools in Virginia specifies that "the primary factor to be presented is the development of one's own sexual identity and the importance of satisfying basic needs [emphasis mine]." (If you think the Dickinson County example is an isolated case, be aware that Virginia is only one of fifteen states targeted by Planned Parenthood for the implementation of Family Life Education curriculum.)

Calling sex a basic human need puts it in a category with food and water. That's like mixing apples with oranges. Strand a man and a woman in the desert without food and water, and I'll guarantee you that their survival need after five days will not be for sex. They won't be crawling across the sand in search of a condom-dispensing machine. Sex will be the farthest thought from their minds, even if they are both naked and have a copy of *Playboy* and a PPFA brochure on safe sex.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

P.O. BOX 110660
JUNEAU, ALASKA 99811-0660
PHONE: (907) 465-3355
FAX: (907) 465-2204

April 3, 1998

Representative Rokeberg
Alaska State Legislature
Alaska House of Representatives
State Capitol
Juneau, AK 99801

Re: Estimates of Uninsured Alaskans

Dear Representative Rokeberg:

We just received new estimates of the number of uninsured Alaskans from the Employee Benefits Research Institute. These estimates are derived from the March Current Population Survey which has some significant limitations as a source of data, but as I explained before, it is the best source of data that we have for estimating the number of uninsured Alaskans.

Using data collected between 1994 - 96, EBRI estimates that 81,000 nonelderly Alaskans have no health care coverage. Of those, EBRI estimates that 10,000 of the uninsured are Alaska Natives. (As you know, the Indian Health Service is not considered health insurance or health care coverage.) When using the CPS data, it important to consider its limitations and as such, I have attached a memo that EBRI sent to my staff regarding the CPS data and its limitations.

Regarding your interest in the number of Alaskans with private non-group coverage, EBRI estimates that 33,135 nonelderly Alaskans had private, non-group coverage.

Thank you.



Bob Labbe, Director
Alaska Division of Medical Assistance

attachments

EBRI Memo regarding Limitations of March Current Population Survey

Sources of Health Insurance and the Number Uninsured Nonelderly, Under Age 65, Americans, Hispanic Data Years 1991-1996

AGE	TOTAL PVT		GPI Breakdown		GROUP HEALTH		OTHER PVT			
	NUM	PERCENT	NUM	PERCENT	NUM	PERCENT	NUM	PERCENT		
MALE	182,320	102,758	397,862	216,092	102,245	102,102	216,092	264,427	540,185	13,135
FEMALE	182,320	102,758	397,862	216,092	102,245	102,102	216,092	264,427	540,185	13,135

MEDICARE		TOTAL PUBLIC		UNINSURED	
NUM	PERCENT	NUM	PERCENT	NUM	PERCENT
478,168	102,872	108,034	102,201	800,100	81,940

Source: Employee Benefit Research Institute calculations of data from the March 1995-1997 Current Population Surveys.

Source: Employees Benefit Research Institute tabulations of data from the March 1995-1997 Current Population Surveys.

TOTAL PVT		Local pvt		non Local pvt		TOTAL PUBLIC		UNINSURED		TOTAL	
AGE	SEX	AGE	SEX	AGE	SEX	AGE	SEX	AGE	SEX	AGE	SEX
77,065	35,514	41,551	38,174	16,904	21,987	38,174	38,891	74,406	2,660		

MEDICAID		TOTAL PUBLIC		UNINSURED	
AGE	SEX	AGE	SEX	AGE	SEX
26,177	50,660	24,078	52,987	57,076	9,989



To: Nancy Cornwell, Health Policy Analyst
Alaska Division of Medical Assistance

From: Ken McDonnell, Employee Benefit Research Institute

Re: Limitations of the March Current Population Survey

Background Information

The March Current Population Survey (CPS) is an important source of information on the health insurance coverage of Americans. Administered annually by the U.S. Bureau of the Census, the survey covers a representative sample of about 60,000 households including around 150,000 people. In addition to questions about demographic characteristics, household composition, and income, the survey has included questions related to health insurance coverage since 1980. A great deal of the current discussion related to health insurance coverage and the reorganization of the U.S. health care system is framed with reference to data from the CPS.

The interpretation of survey-based data requires careful consideration of the survey itself and the comparison results to other sources of data. Such scrutiny of health insurance data from the CPS has raised a few concerns about the data.

It is important to note that at no point in the CPS are respondents asked if any members of the household were uninsured for either part or all of the previous year. Estimates of the uninsured from the CPS reflect the number of persons for whom none of the specified types of coverage are reported for the year. Therefore, if survey respondents are answering the questions as intended, a person reported as uninsured in the CPS is without insurance for the entire year. When respondents answer the questions accurately, we capture any type of coverage held for even part of the year, but only report as uninsured those who were without insurance for the entire year.

Comparisons of CPS with Other Surveys

In addition, there is concern that persons responding to CPS may be reporting their coverage at the time of interview, rather than their status during the previous calendar year, as requested. These concerns are based on comparisons of estimates of health insurance coverage based on the CPS to other surveys of health insurance coverage. Two surveys that give a point-in-time estimate of the uninsured are the National Medical Expenditure Survey (NMES), conducted in 1987, and the Survey of Income and Program Participation (SIPP).

Data from NMES indicate that, on average 16.4 percent of the nonelderly population were uninsured during any given month. As a comparison, 11.0 percent of the nonelderly population were uninsured during all 12 months of 1987. This compares with an annual estimate of 15.9 percent from the 1988 CPS. It appears that the CPS estimates are more similar to point-in-time estimates than annual estimates.

Estimates of the total population also suggest that CPS estimates of the uninsured more likely represent point-in-time estimates. During the fourth quarter of 1991, SIPP estimates of the uninsured indicate that, on average, 13.2 percent of the total population were uninsured at a point-in-time. Annual estimates from SIPP indicate that 7.0 percent of the total population were uninsured for all of 1991. The annual 1991 CPS estimate of 14.7 percent of the total population is quite similar to the 1991 SIPP point-in-time estimate.

Suite 600
2121 K Street, NW
Washington, DC
20037-1896

202-659-0670
Fnx 202-775-6312
Web Site <http://www.ebri.org>

This supports the argument that there is a tendency for respondents in the CPS sample to answer the health insurance questions with respect to a point in time rather than in reference to the entire year.

We believe the evidence suggests that there is at best a mix of responses among respondents to the CPS: some are reporting their current coverage while others are reporting coverage during the previous year as requested.

State-level analysis off NMES is not practical at this point in time because of the small sample size and the data is dated. NMES was conducted in 1987. State-level analysis off SIPP is problematic because of the small sample size and it is not possible to integrate separate years together due to the longitudinal nature of SIPP. Separate data for Alaska is not available off SIPP. Alaska data is grouped with Idaho, Montana, and Wyoming. Separate data for those states is not possible with SIPP.

State-Level Analysis

While the CPS is designed for national analyses of the population, it can also be used for state-level analyses. However, state-level analysis based on the CPS should be given careful consideration. In states such as Alaska, where a relatively smaller number of households are surveyed, the reliability of the state-level CPS estimates can be improved by merging three years of CPS data. To increase the reliability of our estimates in this analysis we merged data from the March 1995, 1996, and 1997, the three most recently years of the CPS available at this time. The estimates obtained using a merged sample are averages over three years. Using three years of the March CPS doubles the CPS sample size. In a given March survey, half of the households were interviewed the previous year and half of the households will be interviewed again the next year. To ensure independence of observations, households are included only once. While this merge improves the reliability of state-level estimates, it is still important to examine the standard errors and confidence intervals around estimates presented in this report.

Medicaid Reporting

The apparent under-reporting of Medicaid coverage on the CPS raises concerns about the CPS data. Participation in Medicaid and other income-related programs, such as Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI), is said to be under-reported because the number of persons on the survey file reporting participation in these programs is significantly lower than the number of program participants shown in the programs' administrative data systems.

Conclusion

In conclusion, EBRI offers the following for consideration in interpreting all CPS data provided to the Alaska Division of Medical Assistance by our firm.

Nearly all states, as well as the Health Care Financing Administration which is administering the newly-created State Children's Health Insurance Program, are relying on the CPS March Supplement data for estimates of the number of uninsured persons/children. Those few states that have collected their own data have found it to be a time consuming and expensive data collection effort.

The smaller a state's population, the greater the sampling error in the CPS March Supplement. As stated earlier, a three-year merged sample is used to improve the reliability of the estimates but Alaska's estimates are still questionable. For example, a three-year merged sample (1993 - 95) of CPS data used by HCFA to calculate Alaska's 1998 CHIP allotment reported that there were 9,000 uninsured children in Alaska in families with incomes at or below 200 percent of the FPL, with a standard error of 2,100. That means that HCFA had 90 percent confidence that the number of uninsured Alaskan children below 200 percent of the FPL was between 6,900 and 11,100 during that period. Using a merged sample for a later period (1994 - 96) EBRI reported to the Alaska Division of Medical Assistance that there were 11,600 uninsured Alaskan children at or below 200 percent of the FPL. EBRI did not provide a standard error but it is reasonable to assume a similar range.

Finally, estimates derived from the CPS on the number of Medicaid recipients are generally less reliable than the estimates of persons with other sources of since Medicaid recipients tend to have a change in

coverage status more frequently than those with private coverage. The State of Alaska should rely on its own state-generated data for estimates of the number of persons with Medicaid coverage rather than the CPS estimates. In examining the estimates we provided to the division on the size of the Medicaid population, EBRI suggests that the division look further into its own data as our estimates appear to suggest that a substantially large number of recipients have incomes much greater than the eligibility standards for at least some part of the year leading to the conclusion that there may be gross turnover in the Alaska Medicaid population.

Steven Schellong
Mailing address:
733 W 4th Ave. #865
Anchorage, AK 99501

February 9, 1998

Representative Con Bunde, Chair
Health, Education & Social Services Committee

Via Fax 907-465-3871

RE: HB 350 / SB 260


Dear Representative Bunde:

I strongly support the Contraceptive Coverage Act (HB350/SB260) requiring Alaska health insurers to cover the cost of contraceptives.

This bill will provide better access to birth control for women and men. This will reduce the number of unwanted pregnancies and abortions.

Please support this bill and please copy this letter to all members of the Health, Education & Social Services Committee.

Respectfully


Steven Schellong

Leann Ferry
Mailing address:
733 W 4th Ave. #865
Anchorage, AK 99501

February 9, 1998

Representative Con Bunde, Chair
Health, Education & Social Services Committee

Via Fax 907-465-3871

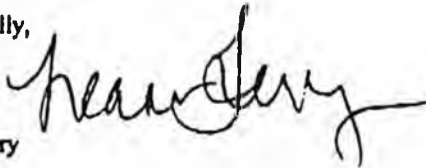
RE: HB 350 / SB 260

Dear Representative Bunde:

I strongly support the Contraceptive Coverage Act (HB350/SB260) requiring Alaska health insurers to cover the cost of contraceptives. This bill will provide better access to birth control and will reduce the number of unwanted pregnancies. This will result in fewer abortions.

Please support this bill and please copy this letter to all members of the Health, Education & Social Services Committee.

Respectfully,



Leann Ferry



NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER

318 4th Street, Juneau AK 99801
586-4438 Fax: 586-4439
naswak@alaska.net

Testimony Regarding

HB 350 - CONTRACEPTIVE COVERAGE ACT OF 1998

Before the
HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
ALASKA HOUSE OF REPRESENTATIVES
February 10, 1998

Presented by
Angela M. Salerno, ACSW
Executive Director,
National Association of Social Workers Alaska Chapter



NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER

318 4th Street, Juneau AK 99801
586-4438 Fax: 586-4439
naswak@alaska.net

The National Association of Social Workers (NASW) is the world's largest organization of professional social workers. NASW's 155,000 members nationwide and 500 in Alaska work in a wide range of settings at all levels in the public and private sectors. Professional social workers focus on vulnerable populations and promote state and federal policies which enhance the lives of the people we serve.

NASW strongly supports HB 350 and urges its passage.

- The most effective methods of contraception such as oral contraceptives and hormonal implants are costly and obtainable only from a health care provider. Working women whose health care plans do not cover contraceptives are denied the most effective methods of family planning.
- Currently, over 60% of health insurance providers exclude coverage for contraceptive drugs. Contraception is the only FDA-approved prescription drug benefit regularly excluded by insurers, even though contraceptives are the most widely used drug for women between the ages of 18 and 44. Ironically, insurers regularly cover abortions and sterilization, measures more costly and extreme than simply covering contraceptives.
- Research done by the Alaska Division of Public Health shows that **half the births in Alaska are unplanned**. Improving private insurance coverage for contraception services will increase access to contraception, reduce barriers to effective family planning, and reduce demand for abortion.
- Unwanted childbearing has been linked with costly consequences for families, children and the state. Unwanted children:
 - experience more mental handicaps and are twice as likely to receive psychiatric care;
 - are more than twice as likely as wanted children to have a record of juvenile delinquency;
 - are six times more likely to receive some form of welfare between the ages of 16 and 21;
 - are at increased risk of suffering abuse, neglect, abandonment and removal to foster homes or institutions.
- Although opponents have argued that insurance costs may rise as a result of this measure, compared to the costs of an unplanned pregnancy, covering contraceptives is a bargain. The costs for prenatal care, labor and delivery and infant care are enormous. If unintended pregnancies are prevented by insurance-covered contraceptives, health care costs will actually decline.

Thank you for the opportunity to provide testimony on this matter.

ALASKA DEMOGRAPHIC, BIRTH, PREGNANCY INTENDEDNESS AND CONTRACEPTIVE ACCESS/COST INFORMATION

In 1995, there were 10,222 births recorded to women residents of the State of Alaska. The following numbers provide a limited description of these women, the financial costs related to these births and contraceptive use, cost and access information.

Age of Mother: ¹

- 1140 (11%) births were to adolescents <20 years of age
- 9072 (89%) births were to adult women

Funding for the Birth: ¹

- 39% of all births in the state were funded through Medicaid
- 66% of births to adolescents were funded through Medicaid

Unintended Pregnancies: ²

- 41% of all births were unintended
- 74% of births to adolescents were unintended
- 55% of Medicaid-funded births were unintended
- 69% of Medicaid-funded births to adolescents were unintended

Cost of Medicaid-Funded Births: ³

- Prenatal Care and follow-up care (1993 data) \$6172/year
- Infant Health Care for first year of life (1995 data) \$4256/year

Additional Costs to the State for an unintended pregnancy: ⁴

- ATAP \$9852/year
- Food Stamps \$2772/year
- Child Care (school, job training, etc.) \$6000/year
- JOBS Services (Case Mgt., support services) \$2133/year

Birth Control Usage:

- 61% of women who had an unintended pregnancy were not using any method of contraception at the time of conception. ²
- 90% of women who had an unintended pregnancy were not using a birth control method or were using it ineffectively at the time of conception. ²
- 94% of adolescents who had an unintended pregnancy were not using any method of contraception or were using it ineffectively at the time of conception. ²

- During 1991-1994, 16% of Alaskan teen mothers less than 18 years of age were currently sexually active yet not doing anything to prevent a future pregnancy.⁵
- National data has shown that, within a year, a sexually active teenager who does not use a contraceptive has a 90% chance of becoming pregnant.⁶

Cost of Family Planning Services:

- In Alaska, the average cost to Medicaid for family planning services is approximately \$300/yr. dependent upon the method of contraception selected and its effectiveness.³
- The cost per method ranges from \$16/year for a diaphragm to \$450 for a Norplant (lasts for 5 years).⁷
- By far, the most common contraceptive used in Alaska are oral contraceptives – costs for this method are approximately \$300/year if purchased through a pharmacy.⁷
- Nationally, it has been shown that every dollar spent for contraceptive services saves an average of \$3 in Medicaid costs for pregnancy-related health care and for medical care of newborns alone.⁸ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- A study completed in California in 1995 showed that the financial cost savings related to contraceptive use to prevent unplanned pregnancies were between \$8,933 and \$14,122, in medical costs, per individual over a five year period, depending on the method of contraception selected and its effectiveness.⁹ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- According to data from the Women's Research and Education Institute, women of reproductive age spend 68% more in out-of-pocket costs than do men, with reproductive health costs accounting for much of the difference. Further, while women may, in fact, purchase prescription contraceptives on their own, many may choose less expensive and sometimes less effective or medically inappropriate methods as a result of having to pay these costs out of pocket.¹⁰

Insurance Coverage for Contraceptive Care:

- In general, most women in the US rely on some form of health insurance to help them defray some of their medical expenses. According to a recent study conducted by the Women's Research and Education Institute, 67% of women of reproductive age rely on private, employment-related coverage, obtained through either their own employer or a family member's employer.¹¹
- In the 1993 Alan Guttmacher Institute study of Private Sector Insurance Coverage of Reproductive Health Services, almost half of all typical large group plans (49%) do not routinely cover any contraceptive method at all. Only 15% cover all reversible methods including IUD insertion, diaphragm fitting, Norplant insertion, DepoProvera injection and oral contraception.¹¹

- 97 % of traditional fee-for-service plans typically cover prescription drugs in general, however, only 33% cover oral contraceptives, the most commonly used reversible contraceptive method in the United States.¹¹
- 92% of typical large-group plans routinely cover medical devices in general, however, only 18% routinely cover IUDs, 15% cover diaphragms and 24% cover the Norplant device.¹¹

References

1. Bureau of Vital Statistics/Division of Public Health/DHSS - 1995
2. Pregnancy Risk Assessment Monitoring System (PRAMS)/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1995
3. Division of Medical Assistance/DHSS - 1995-1997
4. Division of Public Assistance/DHSS - 1995
5. PRAMS/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1991-1994. Family Health Dataline, 1997 Vol. 3 No. 1. "Teen Live Births in Alaska During 1991-1994.
6. Sex and America's Teenagers, The Alan Guttmacher Institute, New York and Washington, ISBN 0-939253-34-8;1994.
7. Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1996-1997 Family Planning Contraceptive Use Report.
8. Contraceptive Services, Facts in Brief. The Alan Guttmacher Institute, 1997.
9. Trusell et al., "The Economic Value of Contraception: A Comparison of 15 Methods", American Journal of Public Health, April 1995, Vol 85 No. 4.
10. Washington Memo, Bills Aimed at Bolstering Coverage of Contraception Under Private Insurance, No. 3. April 21, 1997.
11. Uneven and Unequal Insurance Coverage and Reproductive Health Services, The Alan Guttmacher Institute, New York and Washington, 1994, ISBN 0-030253-35-6.

Prepared by : DHSS/ Divison of Public Health 2/9/98

HB

363

FISCAL NOTE

02-09-98P04:44 RCVD

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB363 (H) L&C

Revision Date: _____
 Title: Disclosure of Social Security Number
 Sponsor: Rep. Kemplen
 Requestor: House Labor and Commerce

Department: Commerce and Economic Development
 BRU: Banking, Securities and Corporations
 Component: Banking, Securities and Corporations
 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	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

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

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Willis F. Kirkpatrick, Director
 Division: Banking, Securities and Corporations
 Approved by Commissioner: Deborah B. Sedwick
 Agency: Commerce and Economic Development

Phone: 465-2521
 Date: 2-9-98
 Date: 2-9-98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 363

Revision Date (Note if correction) _____ Dept. Affected Commerce & Economic Development
 Title Disclosure of Social Security Number BRU Insurance
 Component Insurance
 Sponsor Representative Kempen
 Requester (H) L&C Component Serial No. 354

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: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on this component.

Prepared by Marianne K. Burke, Director *Marianne K. Burke* Phone 465-2515
 Division Insurance Date 2/10/98
 Approved by Commissioner Deborah B. Sedwick *Deborah B. Sedwick* Date 2-10-98
 Agency Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 363

Revision Date: _____
Title: An Act relating to social security numbers;....

Department: Commerce and Economic Development
BRU: Occupational Licensing
Component: Operations

Sponsor: Reps. Kemplen, Kohring
Requestor: House Labor & Commerce

COMPONENT SERIAL NO. 1844

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	0.0	0.0	0.0	0.0	0.0	0.0
---------------------------	-----	-----	-----	-----	-----	-----

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 General Fund						
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 (FY 98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 363 provides authorization to request social security numbers and establish conditions under which the social security number can be used. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager
Division: Occupational Licensing
Approved by Commissioner: Deborah B. Sedwick
Agency: Commerce and Economic Development

Phone: 465-2144
Date: 2/9/98
Date: 2-9-98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

Alaska State Legislature



State Capitol
Juneau, AK 99801-1182
(907) 465-3720
(907) 465-2689

Official Business
Fax: (907) 465-3472

Speaker of the House of Representatives

March 3, 1998

Ms. Pamela Snyder
General Manager
Credit Bureau of Alaska
PO Box 93110
Anchorage, AK 99509-3110

Dear Ms. Snyder:

Thank you for contacting me regarding your concerns about limiting the use of social security numbers and the potential negative effect on credit checks and other financially related transactions. I appreciate your concerns and have passed your letter along to Rep. Kemplen and Senator Ellis as the sponsors of HB 363 and SB 276, companion bills relating to the disclosure of social security numbers. Those companion bills are currently in the House Labor and Commerce Committee and Senate State Affairs Committee respectively. I have also forwarded your letter to the chairs of those committees for them to include in the committee members' bills files.

Again, I appreciate hearing from you and hope you will continue to share with me those issues of concern to you.

Sincerely,

A handwritten signature in cursive script that reads "Gail Phillips".

Gail Phillips
SPEAKER OF THE HOUSE

GP:jmj

Cc: Representative Allen Kemplen
Senator Johnny Ellis
Representative Norman Rokeberg – Chair, House Labor & Commerce Committee
Senator Lyda Green – Chair, Senate State Affairs Committee



03-02-98 P03:15 IN

Credit Bureau of Alaska

3003 MINNESOTA DRIVE, SUITE 300
P.O. BOX 93110 ANCHORAGE, ALASKA 99509-3110

February 26, 1998

The Honorable Gail Phillips
Alaska House of Representatives
Juneau, AK 99801

RE: H.B. 363 (Social Security Numbers)

Dear Madame Speaker:

I am writing on behalf of Credit Bureau of Alaska where I employed as General Manager. As a Credit Reporting Agency we are a vital link in the chain that allows consumers to gain credit to meet their financial needs. I am very concerned that any appreciable decrease in the careful and legitimate use of social security numbers would have a harmful unintended consequence which would result in increased fraud in the marketplace. Please see the following:

A) Prohibiting the use of social security numbers in one state will not stop legitimate uses of that state's citizens from having their numbers used in other states. In a national and even global marketplace, credit information comes from a variety of commercial sources in many states where customers conduct business.

B) Prohibiting use of social security numbers removes a layer of fraud prevention. The granting or extension of credit comes after a consumer's credit is checked and his or her identity has been verified. Removal of the use of a social security number would be one less method of identification the effect of which could be the decrease of credit availability and/or an increase in interest charged for more risky grants or extensions of credit. This ultimately harms consumers.

C) Consumers often use social security numbers along with other forms of identification to conduct telephone banking, make electronic payments, and even to access funds, credit lines or insurance. Ironically, prohibiting use of social security

numbers will simply help perpetrators of fraud because legitimate businesses will and charitable organizations will find they have one less tool to authenticate a consumer's identifying information.

D) As we move more quickly to a cash-less society, the importance of authentication is particularly important considering the significant increase in consumers who want credit and wish to transact business over the Internet. Authentication systems, such as digital signatures, will be a critical element in consumer confidence. Social security numbers are often part of the authentication process. Prohibiting use of social security numbers could have negative impact on the state's consumers who wish to transact business.

E) Removal of social security numbers will reduce the accuracy of public and private databases, including those in the consumer reporting industry.

F) With the complexities and confusion surrounding database accuracy in the Year 2000, it is crucial that social security numbers continue to be a valuable tool to identify consumers. When and if computer systems begin to fail at the turn of the century, social security numbers take on heightened importance in consumer identification. A lack of availability of social security numbers will increase confusion and increase harm to consumers.

G) Insurance companies use identifying information in fraud prevention processes involving the verification of applicant claims data. This information keeps the cost of insurance down for all consumers.

H) State child support enforcement agencies will use social security numbers to locate deadbeat parents who have skipped out on their support obligations. These agencies will obtain their social security data from public and private sources.

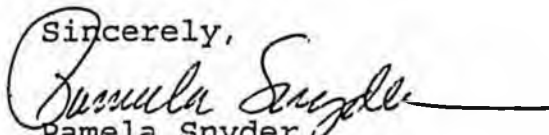
I) Law enforcement uses social security numbers for a wide array of identifying information to locate criminals and

witnesses. Like child support enforcement agencies, law enforcement will obtain their social security numbers from public and private sources.

J) Finally, checks of criminal and credit histories may be necessary for certain forms of employment. These checks will often require social security numbers.

Allowing someone to pick and choose who he or she allows to use social security numbers could eliminate a lot of valuable information to potential employers, law enforcement officials, child support agencies, banks, mortgage lending institutions and more. Restricting the use of social security numbers ultimately hurts consumers. Credit Bureau of Alaska and myself, Pamela Snyder, urges you to oppose H.B. 363. Should you have any questions, please do not hesitate to contact me at 279-5689

Sincerely,


Pamela Snyder
General Manager

Issues Related to Restrictions on the Use and Distribution of Social Security Numbers

The Alaska bill is problematic because:

Sec 45.50.482(a) prohibits the distribution of Social Security numbers without the individuals' written consent. This section creates the following problems for LA and West:

Public Records

- Social security numbers are contained in numerous public records (including bankruptcy records, Uniform Commercial Code filings, lawsuit records and judicial opinions, etc.) These records are available to the public from the official records keepers, and in most cases are collected for the very purpose of being made available to the public. The Bill would restrict our ability to provide access to these records, essentially "closing" records which by their very nature should be "open."

Use of Social Security Numbers from Non-Public Sources

- Social security numbers contained in non-public information (such as credit reports and credit "header" data) are necessary to assist qualified users in matching records to particular individuals. While LA does not provide users (other than highly-qualified government agencies) with access to social security numbers, our customers so use social security numbers to help ensure that they have located the correct individual. For example, a lawyer trying to find a father who is delinquent in paying child support can use the father's social security number to help ensure that the correct individual is targeted for enforcement proceedings. Social security numbers provide an important additional identifier, which is often needed when individuals have common names.

Distribution of Social Security Numbers from Non-Public Sources

- Government agencies also use social security numbers from non-public sources when investigating fraud and identity theft. When LA voluntarily restricted access to social security numbers last year, our government agency customers responded with pleas for access as the restriction hampered their ability to investigate the very crimes that we concerned about preventing. Accordingly, we restored access to social security numbers for these customers in order to facilitate the law enforcement efforts.

In all of these cases it would be impractical or impossible to get consent of the individual prior to distributing or using the social security numbers. As you may imagine, most individuals been involved in an accident as an uninsured motorist, etc. are not going to consent to having information on their location released to potential law enforcement or attorneys. Similarly, an individual who has filed for bankruptcy personally or for his business may not want potential business partners to know of this filing - but it is precisely this information that permits our customers to evaluate the risks of their business decisions so effectively.

From: Reed Stoops 4163-3223
for West Group
re: hb 363

00-01-55811-0000

ALASKA STATE LEGISLATURE



REPRESENTATIVE ALLEN KEMPLEN

SPONSOR STATEMENT

Our Right to Privacy Clause in the Alaska State Constitution is the strongest in the nation. Yet technology is swiftly undermining this fundamental right of all Alaskans.

HB 363 puts power back into the hands of the individual citizen. It places limits on mandatory requirements for uses of Social Security Numbers. The bill focuses on commercial transactions, requiring businesses to receive written permission from an individual before they use the individual's Social Security Number. This legislation establishes in Alaska law a zone of privacy around a citizen's private information.

Technological innovations, particularly in computers and communications, are rapidly transforming our world. The modern technological economy is developing faster than many of our public policies. Technology undermines one fundamental right of Alaskans, our right to privacy. HB 363 works to protect an Alaskan's right to privacy.

Businesses commonly use Social Security Numbers on debit cards and other information devices. Prior to conducting a transaction some businesses are requiring a Social Security Number in addition to a driver's license number and a major credit card. Businesses find Social Security Numbers "convenient" as unique identifiers for routine tasks, such as tracking an individual's account.

A significant invasion of an individual's constitutional right to privacy is created by treating Social Security Numbers casually. These are the only numbers that link an individual across data bases (credit, medical, military, etc.) with personal and intimate information.

Mandatory submission of a Social Security Number would be an unfair trade practice after the passage of HB 363. However, businesses would still be permitted to offer incentives or discounts to individuals in exchange for their Social Security Numbers.

I urge your support of this important legislation.
We must protect the Alaskan constitutional right to privacy.

SESSION
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
007) 465-2435
007) 465-6015 FAX
1-800-550-2435

INTERIM
710 W. 4TH AVENUE
ANCHORAGE, ALASKA 99501
007) 258-8100

— **SPONSOR STATEMENT** —

HB 363

Sectional Analysis

Section 1. of the bill provides for broad prohibitions of the use and conveyance of Social Security Numbers (SSNs), with exceptions made if written consent is obtained from the person to whom the number pertains. The language is partially based on pending federal legislation. Written consent to use the SSN is required for essentially all uses with a commercial or business purpose, and an offer or acceptance of offers for goods or services cannot be conditioned on providing such permission. Specific commercial or business purposes are provided for illustration but not limitation. Written consent, where required and obtained, must be informed consent, in that the individual providing the consent must first be informed of the purposes the consent is applicable to. The prohibitions and requirements of the section apply to the SSN, a derivative of the SSN (a number obtainable by a specific formula), or an sequence of alpha-numeric characters containing the SSN (the SSN is part of a longer, seeming different, sequence.) A provision is made suspending all the prohibitions against use of the SSN in the Act if any other law or regulation makes the use of the SSN permitted or required.

Section 2. of the bill provides for a remedy for violation of the prohibitions described in section 1. Currently, in response to a demand for disclosure of an SSN, a person only has the option of refusing to cooperate and to transact business with another entity, and no other remedy. Violation of the new prohibitions is made a unfair business practice, which provides for a civil remedy.

Ed Martin regarding HB363 Social Security he says he has talked to Alan Kemplin's office and has testimony that would support the passage of this bill.

02-25-98 FD. 30 20 0



— LETTERS OF SUPPORT —

CHRONOLOGY OF SOCIAL SECURITY NUMBER (SSN) EVENTS

1935	<ul style="list-style-type: none"> ● The Social Security Act (P.L. 74-271) is enacted. It did not expressly mention the use of SSNs, but it authorized the creation of some type of record keeping scheme. ● Treasury Decision 4704, a Treasury regulation in 1936 which required the issuance of an account number to each employee covered by the Social Security program. ● The Social Security Board considered various numbering systems and ways (such as metal tags, etc.) by which employees could indicate they had been issued a number
1936-1937	Approximately 30 million applications for SSNs were processed between November 1936 and June 30, 1937.
1943	<p>Executive Order 9397 (3 CFR (1943-1948 Comp.) 283-284) required:</p> <ul style="list-style-type: none"> ● All Federal components to use the SSN "exclusively" whenever the component found it advisable to set up a new identification system for individuals. ● The Social Security Board to cooperate with Federal uses of the number by issuing and verifying numbers for other Federal agencies
1961	<p>The Civil Service Commission adopted the SSN as an official Federal employee identifier.</p> <p>Internal Revenue Code Amendments (P.L. 87-397) required each taxpayer to furnish identifying number for tax reporting.</p>
1962	The Internal Revenue Service adopted the SSN as its official taxpayer identification number.
1964	Treasury Department, via internal policy, required buyers of Series H savings bonds to provide their SSNs.
1965	Internal Revenue Amendments (P.L. 89-384) enacted Medicare. It became necessary for most individuals age 65 and older to have an SSN.
1966	The Veterans Administration began to use the SSN as the hospital admissions number and for patient record keeping.
1967	The Department of Defense adopted the SSN in lieu of the military service number for identifying Armed Forces personnel.
1970	Bank Records and Foreign Transactions Act (P.L. 91-508) required all banks, savings and loan associations, credit unions and brokers/dealers in securities to obtain the SSNs of all of their customers. Also, financial institutions were required to file a report with the IRS, including the SSN of the customer, for any transaction involving more than \$10,000.

1971	<p>SSA task force report published which proposed that SSA take a "cautious and conservative" position toward SSN use and do nothing to promote the use of the SSN as an identifier. The report recommended that SSA</p> <ul style="list-style-type: none"> ● Use mass SSN enumeration in schools as a long-range, cost-effective approach to tightening up the SSN system, and ● Consider cooperating with specific health, education and welfare uses of the SSN by State, local, and other nonprofit organizations.
1972	<p>Social Security Amendments of 1972 (P.L. 92-603):</p> <ul style="list-style-type: none"> ● Required SSA to issue SSNs to all legally admitted aliens at entry and of anyone receiving or applying for any benefit paid for by Federal funds; ● Required SSA to obtain evidence to establish age, citizenship, or alien status and identity. ● Authorized SSA to enumerate children at the time they first entered school.
1973	<p>Buyers of series E savings bonds are required by the Treasury Department to provide their SSNs.</p> <p>Report of the HEW Secretary's Advisory Committee on Automated Personal Data System concluded that the adoption of a universal identifier by this country was not desirable; also found that the SSN was not suitable for such a purpose as it does not meet the criteria of a universal identifier that distinguishes a person from all others.</p>
1974	<p>Privacy Act (P.L. 93-579) enacted effective September 27, 1975 to limit governmental use of the SSN:</p> <ul style="list-style-type: none"> ● Provided that no State or local government agency may withhold a benefit from a person simply because the individual refuses to furnish his or her SSN. ● Required that Federal, State and local agencies which request an individual to disclose his/her SSN inform the individual if disclosure was mandatory or voluntary. (This was the first mention of SSN use by local governments.)
1975	<p>Social Services Amendments of 1974 (P.L. 93-647) provided that:</p> <ul style="list-style-type: none"> ● disclosure of an individual's SSN is a condition of eligibility for AFDC benefits; and ● Office of Child Support enforcement Parent Locator Service may require disclosure of limited information (including SSN and whereabouts) contained in SSA records.

<p>1976</p>	<p>Tax Reform Act of 1976 (P.L. 94-455) included the following amendments to the Social Security Act:</p> <ul style="list-style-type: none"> ● To allow use by the States of the SSN in the administration of any tax, general public assistance, driver's license or motor vehicle registration law within their jurisdiction and to authorize the States to require individuals affected by such laws to furnish their SSNs to the States; ● To make misuse of the SSN for any purpose a violation of the Social Security Act; ● To make disclosure or compelling disclosure of the SSN of any person a violation of the Social Security Act. ● To amend section 6109 of the Internal Revenue Code to provide that the SSN be used as the tax identification number (TIN) for all tax purposes. While the Treasury Department had been using the SSN as the TIN by regulation since 1962, this law codified that requirement. <p>Federal Advisory Committee on False Identification recommended that penalties for misuse should be increased and evidence requirements tightened; rejected the idea of national identifier and did not even consider the SSN for such a purpose.</p>
<p>1977</p>	<p>Food Stamp Act of 1977 (P.L. 96-58) required disclosure of SSNs of all household members as a condition of eligibility for participation in the food stamp program.</p> <p>Privacy Protection Study Commission recommended that:</p> <ul style="list-style-type: none"> ● No steps be taken towards developing standard, universal label for individuals until safeguards and policies regarding permissible uses and disclosures were proven effective; and ● Executive Order 9397 be amended so that Federal agencies could no longer use it as legal authority to require disclosure of an individual's SSN. (No action taken.) <p>The Carter Administration proposed that the Social Security card be one of the authorized documents by which an employer could be assured that a job applicant could work in this country but also stated that the SSN card should not become a national identity document.</p>
<p>1978</p>	<p>SSA required evidence of age, citizenship, and identity of all SSN applicants.</p>

1981

Reagan Administration stated that it "is explicitly opposed to the creation of a national identity card" but recognized the need for a means for employers to comply with the employer sanctions provisions of its immigration reform legislation.

Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) required the disclosure of the SSNs of all adult members in the household of children applying to the school lunch program.

Social Security Benefits Act (P.L. 97-123)

- Section 4 added alteration and forgery of a Social Security card to the list of prohibited acts and increased the penalties for such acts.
- Section 6 required any Federal, State or local government agency to furnish the name and SSN of prisoners convicted of a felony to the Secretary of HHS, to enforce suspension of disability benefits to certain imprisoned felons.

Department of Defense Authorization Act (P.L. 97-86) required disclosure of the SSNs to the Selective Service System of all individuals required to register for the draft.

1982

Debt Collection Act (P.L. 97-365) required that all applicants for loans under any Federal loan program furnish their SSNs to the agency supplying the loan.

All Social Security cards issued to legal aliens not authorized to work within the United States were annotated "NOT VALID FOR EMPLOYMENT" beginning in May.

1983

The Social Security Amendments of 1983 (P.L. 98-21) required that new and replacement Social Security cards issued after October 30 be made of banknote paper and (to the maximum extent practicable) not be subject to counterfeiting.

The Interest and Dividend Tax Compliance Act (P.L. 98-67) requires SSNs for all interest-bearing accounts and provides a penalty of \$50 for all individuals who fail to furnish a correct TIN (usually the SSN).

1984

Deficit Reduction Act of 1984 (P.L. 98-369)

- Amended the Social Security Act to establish an income and eligibility verification system involving State agencies administering the AFDC, Medicaid, unemployment compensation, the food stamp programs, and State programs under a plan approved under title I, X, XIV, or XVI of the Act. States were permitted to require the SSN as a condition of eligibility for benefits under any of these programs.
- Amended Section 6050I of the IRC to require that persons engaged in a trade or business file a report (including SSNs) with the IRS for cash transactions over \$10,000.
- Amended Section 215 of the IRC to authorize the Secretary of HHS to publish regulations that require a spouse paying alimony to furnish IRS with the taxpayer identification number (i.e., the SSN) of the spouse receiving alimony payments.

<p>1986</p>	<p>The Immigration Reform and Control Act of 1986 (P.L. 99-603):</p> <ul style="list-style-type: none"> ● Required the Comptroller General to investigate technological changes that could reduce the potential for counterfeiting Social Security cards; ● Provides that the Social Security card may be used to establish the eligibility of a prospective employee for employment; and ● Required the Secretary of HHS to undertake a study of the feasibility and costs of establishing an SSN verification system <p>Tax Reform Act of 1986 (P.L. 99-514) requires individuals filing a tax return due after December 31, 1987, to include the taxpayer identification number--usually the SSN--of each dependent age 5 or older.</p> <p>Commercial Motor Vehicle Safety Act of 1986 (P.L. 99-750) authorized the Secretary of Transportation to require the use of the SSN on commercial motor vehicle operators' licenses.</p> <p>Higher Education Amendments of 1986 (P.L. 99-498) required that student loan applicants submit their SSN as a condition of eligibility.</p>
<p>1987</p>	<p>SSA initiated a demonstration project on August 17 in the State of New Mexico enabling parents to obtain Social Security numbers for their newborn infants automatically when the infant's birth is registered by the State. The program was expanded nationwide in 1989. Currently, all 50 States participate in the program, as well as New York City, Washington, D.C., and Puerto Rico.</p>

1988

Housing and Community Development Act of 1987 (P.L. 100-242) authorized the Secretary of HUD to require disclosure of a person's SSN as a condition of eligibility for any HUD program.

The Family Support Act of 1988 (P.L. 100-485):

- Section 125 required, beginning November 1, 1990, a State to obtain the SSNs of the parents when issuing a birth certificate.
- Section 704(a) required individuals filing a tax return due after December 31, 1989, to include the taxpayer identification number--usually the SSN--of each dependent age 2 or older.

The Technical and Miscellaneous Revenue Act of 1988 (P.L. 100-647):

- Authorized a State and/or any blood donation facility to use SSNs to identify blood donors (205(c)(2)(F)).
- Required that all title II beneficiaries either have or have applied for an SSN in order to receive benefits. This provision became effective with dates of initial entitlement of June 1989 or later. Beneficiaries who refused enumeration were entitled but placed in suspense.

Anti-Drug Abuse Act of 1988 (P.L. 100-690) deleted the \$5,000 and \$25,000 upper limits on fines that can be imposed for violations of section 208 of the Social Security Act. The general limit of \$250,000 for felonies in the U.S. Code now applied to SSN violations under section 208 of the Social Security Act. Also, penalties for misuse of SSNs apply as well in cases where the number is referred to by any other name (e.g., taxpayer identification number (TIN)).

1989

Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239) required that the National Student Loan Data System include, among other things, the names and SSNs of borrowers.

Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147) requires the member of the household who applies for the school lunch program to provide the SSN of the parent of the child for whom the application is made.

1990	<p>Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508):</p> <ul style="list-style-type: none"> ● Section 7201 (Computer Matching and Privacy Protection Amendments of 1990) provided that no adverse action may be taken against an individual receiving benefits as a result of a matching program without verification of the information or notification of the individual regarding the findings with time to contest. ● Section 8053, required an SSN for eligibility for benefits from the Department of Veterans Affairs (DVA). ● Section 11112, required that individuals filing a tax return due after December 31, 1991, include the taxpayer identification number--usually the SSN--of each dependent age 1 or older. <p>Food and Agricultural Resources Act of 1990 (P.L. 101-624), Section 1735:</p> <ul style="list-style-type: none"> ● Required an SSN for the officers of food and retail stores that redeem Food Stamps. ● Provided that SSNs maintained as a result of any law enacted on or after October 1, 1990, will be confidential and may not be disclosed.
1994	<p>Social Security Independence and Program Improvements Act of 1994 (P.L. 103-296):</p> <ul style="list-style-type: none"> ● Section 304, authorized the use of the SSN for jury selection. ● Section 314, authorized cross-matching of SSNs and Employer Identification Numbers maintained by the Department of Agriculture with other Federal agencies for the purpose of investigating both food stamp fraud and violations of other Federal laws. ● Section 318, authorized the use of the SSN by the Department of Labor in administration of Federal workers' compensation laws.
1996	<p>Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) (Welfare Reform):</p> <ul style="list-style-type: none"> ● Section 111 required the Commissioner of Social Security to develop and submit to Congress a prototype of a counterfeit-resistant Social Security card that: is made of durable, tamper-resistant material (e.g., plastic); employs technologies that provide security features (e.g., magnetic stripe); and provides individuals with reliable proof of citizenship or legal resident alien status. ● Section 111 also required the Commissioner of Social Security to study and report to Congress on different methods of improving the Social Security card application process, including evaluation of the cost and workload implications of issuing a counterfeit-resistant Social Security card for all individuals and evaluation of the feasibility and cost implications of imposing a user fee for replacement cards. ● Section 316 requires HHS to transmit to SSA, for verification purposes, certain information about individuals and employers maintained under the Federal Parent Locator Service in an automated directory. SSA is required to verify the accuracy of, correct, or supply to the extent possible, and report to HHS the name, SSN, and birth date of individuals and the employer identification number of employers. SSA would be reimbursed by HHS for the cost of this verification service. ● Section 317 provides that State child support enforcement procedures require the SSN of any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application. The SSN of

any person subject to a divorce decree, support order, or paternity determination or acknowledgement would have to be placed in the pertinent records. SSNs are required on death certificates.

- Section 451 provides that, in order to be eligible for the Earned Income Tax Credit, an individual must include on his or her tax return an SSN which was not assigned solely for non-work purposes.

Department of Defense Appropriations Act, 1997 (P.L. 104-208) (Division C (Illegal Immigration Reform and Immigrant Responsibility Act of 1996) (Immigration Reform):

- Sections 401-404 provide for 3 specific employment verification pilot programs in which employers would voluntarily participate. In general, the pilot programs would allow an employer to confirm the identity and employment eligibility of the individual. SSA and the Immigration and Naturalization Service (INS) would provide a secondary verification process to confirm the validity of the information provided. SSA would compare the name and SSN provided and advise whether the name and number match SSA records and whether the SSN is valid for employment.
- Section 414 requires the Commissioner to report to Congress every year, the aggregate number of SSNs issued to noncitizens not authorized to work, but under which earnings were reported. Also requires the Commissioner to transmit to the Attorney General a report on the extent to which SSNs and Social Security cards are used by noncitizens for fraudulent purposes.
- Section 415 authorizes the Attorney General to require any noncitizen to provide his or her SSN for purposes of inclusion in any record maintained by the Attorney General or INS.
- Section 656 provide for improvements in identification-related documents; i.e., birth certificates and driver's licenses. These sections require publication of regulations which set standards, including security features and, in the case of driver's licenses, require that an SSN appear on the license. Federal agencies are precluded from accepting as proof of identity, documents which do not meet the regulatory standards.
- Section 657 provides for the development of a prototype Social Security card. The requirements are the same as in Section 111 of the Welfare reform legislation (described above) with the exception that the Comptroller General is also to study and report to Congress on different methods of improving the Social Security card application process.

Table prepared by Sandy Cerato of SSA's Office of Legislation & Congressional Affairs (2/14/97)

FILE s600.is

S 600 IS
105th CONGRESS
1st Session

To protect the privacy of the individual with respect to the social security number and other personal information, and for other purposes.

IN THE SENATE OF THE UNITED STATES

April 16, 1997

Mrs. FEINSTEIN (for herself and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To protect the privacy of the individual with respect to the social security number and other personal information, and for other purposes.

[Italic->] Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [<-Italic]

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Personal Information Privacy Act of 1997'.

SEC. 2. CONFIDENTIAL TREATMENT OF CREDIT HEADER INFORMATION.

Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended by inserting after the first sentence the following: 'The term also includes any other identifying information of the consumer, except the name, address, and telephone number of the consumer if listed in a residential telephone directory available in the locality of the consumer.'

SEC. 3. PROTECTING PRIVACY BY PROHIBITING USE OF THE SOCIAL SECURITY NUMBER FOR COMMERCIAL PURPOSES WITHOUT CONSENT.

(a) IN GENERAL- Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following: 'PROHIBITION OF CERTAIN MISUSES OF THE SOCIAL SECURITY ACCOUNT NUMBER

'SEC. 1146. (a) PROHIBITION OF COMMERCIAL ACQUISITION OR DISTRIBUTION- No person may buy, sell, offer for sale, take or give in exchange, or pledge or give in pledge any information for the purpose, in whole or in part, of conveying by means of such information any individual's social security account number, or any derivative of such number, without the written consent of such individual.

'(b) PROHIBITION OF USE AS PERSONAL IDENTIFICATION NUMBER- No person may utilize any individual's social security account number, or any derivative of such number, for purposes of identification of such individual without the written consent of such individual.

'(c) PREREQUISITES FOR CONSENT- In order for consent to exist under subsection (a) or (b), the person engaged in, or seeking to engage in, an activity described in such subsection shall--

'(1) inform the individual of all the purposes for which the number will be utilized and the persons to whom the number will be known; and

'(2) obtain affirmatively expressed consent in writing.

'(d) EXCEPTIONS- Nothing in this section shall be construed to prohibit any use of social security account numbers permitted or required under section 205(c)(2) of this Act, section 7(a)(2) of the Privacy Act of 1974 (5 U.S.C. 552a note; 88 Stat. 1909), or section 6109(d) of the Internal Revenue Code of 1986.

'(e) CIVIL ACTION IN UNITED STATES DISTRICT COURT; DAMAGES; ATTORNEYS FEES AND COSTS; NONEXCLUSIVE NATURE OF REMEDY-

'(1) IN GENERAL- Any individual aggrieved by any act of any person in violation of this section may bring a civil action in a United States district court to recover--

'(A) such preliminary and equitable relief as the court determines to be appropriate; and

- (B) the greater of--
 - (i) actual damages; and
 - (ii) liquidated damages of \$25,000 or, in the case of a violation that was willful and resulted in profit or monetary gain, \$50,000.
- (2) ATTORNEY'S FEES AND COSTS- In the case of a civil action brought under paragraph (1) in which the aggrieved individual has substantially prevailed, the court may assess against the respondent a reasonable attorney's fee and other litigation costs and expenses (including expert fees) reasonably incurred.
- (3) STATUTE OF LIMITATIONS- No action may be commenced under this subsection more than 3 years after the date on which the violation was or should reasonably have been discovered by the aggrieved individual.
- (4) NONEXCLUSIVE REMEDY- The remedy provided under this subsection shall be in addition to any other lawful remedy available to the individual.
- (f) CIVIL MONEY PENALTIES-
 - (1) IN GENERAL- Any person who the Commissioner of Social Security determines has violated this section shall be subject, in addition to any other penalties that may be prescribed by law, to--
 - (A) a civil money penalty of not more than \$25,000 for each such violation, and
 - (B) a civil money penalty of not more than \$500,000, if violations have occurred with such frequency as to constitute a general business practice.
 - (2) DETERMINATION OF VIOLATIONS- Any violation committed contemporaneously with respect to the social security account numbers of 2 or more individuals by means of mail, telecommunication, or otherwise shall be treated as a separate violation with respect to each such individual.
 - (3) ENFORCEMENT PROCEDURES- The provisions of section 1128A (other than subsections (a), (b), (f), (h), (i), (j), and (m), and the first sentence of subsection (c)) and the provisions of subsections (d) and (e) of section 205 shall apply to civil money penalties under this subsection in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a), except that, for purposes of this paragraph, any reference in section 1128A to the Secretary shall be deemed a reference to the Commissioner of Social Security.
 - (g) REGULATIONS BY STATES- Nothing in this section shall be construed to prohibit any State authority from enacting or enforcing laws consistent with this section for the protection of privacy.

(b) EFFECTIVE DATE- The amendment made by this section applies with respect to violations occurring on and after the date which is 2 years after the date of enactment of this Act.

SEC. 4. RESTRICTION ON USE OF SOCIAL SECURITY NUMBERS BY STATE DEPARTMENTS OF MOTOR VEHICLES.

(a) RESTRICTION ON GOVERNMENTAL USE- Section 2721(b)(1) of title 18, United States Code, is amended by striking 'its functions.' and inserting 'its functions, but in the case of social security numbers, only to the extent permitted or required under section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)), section 7(a)(2) of the Privacy Act of 1974 (5 U.S.C. 552a note, 88 Stat. 1909), section 6109(d) of the Internal Revenue Code of 1986, or any other provision of law specifically identifying such use.'

(b) PROHIBITION OF USE BY MARKETING COMPANIES- Section 2721(b)(12) of title 18, United States Code, is amended by striking 'For' and inserting 'Except in the case of social security numbers, for'.

FILE h1813.ih

HR 1813 IH
105th CONGRESS
1st Session

To protect the privacy of the individual with respect to the social security number and other personal information, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

June 5, 1997

Mr. KLECZKA (for himself, Mr. FRANKS of New Jersey, Mr. ENGLISH of Pennsylvania, Mr. TOWNS, Mr. FRANK of Massachusetts, Mr. BROWN of California, Mr. HASTINGS of Florida, Mr. BARRETT of Wisconsin, Ms. CARSON, Mr. MORAN of Virginia, Mr. STARK, Mr. CLAY, Mrs. CLAYTON, Mr. KILDEE, Mr. FROST, Mr. LUTHER, Mr. FILNER, and Mr. COOK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Banking and Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To protect the privacy of the individual with respect to the social security number and other personal information, and for other purposes.

[Italic->] Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [<-Italic]

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Personal Information Privacy Act of 1997'.

SEC. 2. CONFIDENTIAL TREATMENT OF CREDIT HEADER INFORMATION.

Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended by inserting after the first sentence the following: 'The term also includes any other identifying information of the consumer, except the name, address, and telephone number of the consumer if listed in a residential telephone directory available in the locality of the consumer.'

SEC. 3. PROTECTING PRIVACY BY PROHIBITING USE OF THE SOCIAL SECURITY NUMBER FOR COMMERCIAL PURPOSES WITHOUT CONSENT.

(a) IN GENERAL- Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following: 'PROHIBITION OF CERTAIN MISUSES OF THE SOCIAL SECURITY ACCOUNT NUMBER

'SEC. 1146. (a) PROHIBITION OF COMMERCIAL ACQUISITION OR DISTRIBUTION- No person may buy, sell, offer for sale, take or give in exchange, or pledge or give in pledge any information for the purpose, in whole or in part, of conveying by means of such information any individual's social security account number, or any derivative of such number, without the written consent of such individual.

'(b) PROHIBITION OF USE AS PERSONAL IDENTIFICATION NUMBER- No person may utilize any individual's social security account number, or any derivative of such number, for purposes of identification of such individual without the written consent of such individual.

'(c) PREREQUISITES FOR CONSENT- In order for consent to exist under subsection (a) or (b), the person engaged in, or seeking to engage in, an activity described in such subsection shall--

'(1) inform the individual of all the purposes for which the number will be utilized and the persons to whom the number will be known; and

'(2) obtain affirmatively expressed consent in writing.

'(d) EXCEPTIONS- Nothing in this section shall be construed to prohibit any use of social security account numbers permitted or required under section 205(c)(2) of this Act, section 7(a)(2) of the Privacy Act of 1974 (5 U.S.C. 552a note; 88 Stat. 1909), or

section 6109(d) of the Internal Revenue Code of 1986.

(e) CIVIL ACTION IN UNITED STATES DISTRICT COURT; DAMAGES; ATTORNEYS FEES AND COSTS; NONEXCLUSIVE NATURE OF REMEDY-

(1) IN GENERAL- Any individual aggrieved by any act of any person in violation of this section may bring a civil action in a United States district court to recover--

(A) such preliminary and equitable relief as the court determines to be appropriate; and

(B) the greater of--

(i) actual damages; and

(ii) liquidated damages of \$25,000 or, in the case of a violation that was willful and resulted in profit or monetary gain, \$50,000.

(2) ATTORNEY'S FEES AND COSTS- In the case of a civil action brought under paragraph (1) in which the aggrieved individual has substantially prevailed, the court may assess against the respondent a reasonable attorney's fee and other litigation costs and expenses (including expert fees) reasonably incurred.

(3) STATUTE OF LIMITATIONS- No action may be commenced under this subsection more than 3 years after the date on which the violation was or should reasonably have been discovered by the aggrieved individual.

(4) NONEXCLUSIVE REMEDY- The remedy provided under this subsection shall be in addition to any other lawful remedy available to the individual.

(f) CIVIL MONEY PENALTIES-

(1) IN GENERAL- Any person who the Commissioner of Social Security determines has violated this section shall be subject, in addition to any other penalties that may be prescribed by law, to--

(A) a civil money penalty of not more than \$25,000 for each such violation, and

(B) a civil money penalty of not more than \$500,000, if violations have occurred with such frequency as to constitute a general business practice.

(2) DETERMINATION OF VIOLATIONS- Any violation committed contemporaneously with respect to the social security account numbers of 2 or more individuals by means of mail, telecommunication, or otherwise shall be treated as a separate violation with respect to each such individual.

(3) ENFORCEMENT PROCEDURES- The provisions of section 1128A (other than subsections (a), (b), (f), (h), (i), (j), and (m), and the first sentence of subsection (c)) and the provisions of subsections (d) and (e) of section 205 shall apply to civil money penalties under this subsection in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a), except that, for purposes of this paragraph, any reference in section 1128A to the Secretary shall be deemed a reference to the Commissioner of Social Security.

(g) REGULATION BY STATES- Nothing in this section shall be construed to prohibit any State authority from enacting or enforcing laws consistent with this section for the protection of privacy.'

(b) EFFECTIVE DATE- The amendment made by this section applies with respect to violations occurring on and after the date which is 2 years after the date of enactment of this Act.

SEC. 4. RESTRICTION ON USE OF SOCIAL SECURITY NUMBERS BY STATE DEPARTMENTS OF MOTOR VEHICLES.

(a) RESTRICTION ON GOVERNMENTAL USE- Section 2721(b)(1) of title 19, United States Code, is amended by striking 'its functions.' and inserting 'its functions but in the case of social security numbers, only to the extent permitted or required under section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)), section 7(a)(2) of the Privacy Act of 1974 (5 U.S.C. 552a note, 88 Stat. 1909), section 6109(d) of the Internal Revenue Code of 1986, or any

THE SEPTEMBER ALMANAC

Demographics

September 13: Privacy gets a boost today, as federal regulations restricting the availability of personal information from state motor-vehicle records go into effect. According to the Driver's Privacy Protection Act, access to information such as a driver's name, address, and telephone number will be limited to those seeking it for government, judicial, insurance, or other "legitimate" purposes. In many states this information was obtainable by anyone for a small fee. Those who have availed themselves of it include journalists, marketers, and stalkers. The bill taking effect today is part of the 1994 Violent Crime and Law Enforcement Act; it was prompted in part by the murder of an actress whose killer obtained her address from her record at the California Department of Motor Vehicles.



Arts & Letters

September 28: The first retrospective of the works of the American landscape painter Thomas Moran opens today at the National Gallery of Art, in Washington, D.C. It will include some 100 paintings, among them watercolors of Yellowstone that were instrumental in Congress's decision to make that site the country's first national park. The opening marks the 125th anniversary of the creation of the park. 30: The Pompidou Center, in Paris, closes for two years of renovations. The center, which houses a reference library, a music institute, and a modern-art museum, was intended to receive perhaps 5,000 visitors a day but instead has typically hosted about 25,000 a day—more than the Louvre and the Eiffel Tower combined.



Environment

September 1: The 2.2-square-mile ocean dump off the coast of Sandy Hook, New Jersey, which has been the primary repository for some 4 million tons of contaminated mud dredged from New York Harbor each year to keep the harbor open to shipping, closes today by order of the federal government, leaving New York and New Jersey officials in search of other means of disposal. The U.S. Army Corps of Engineers has proposed 53 options, including burying the mud on land or in underwater pits, but has incurred opposition from environmentalists, who favor decontamination of the mud, a costly and lengthy process. The Army argues that its solutions are environmentally sound and that halting the dredging of the harbor carries its own environmental risks—for instance, oil tankers could run aground in narrow channels, and air pollution results when snips are diverted to other ports and their contents trucked to New York.

Government

According to last year's Immigration Reform Act, immigrants who have been in the United States illegally for more than 180 days as of September 28 and who leave the country are ineligible for re-entry for at least three years. And on September 30 a 1994 law that allowed illegal immigrants to pay \$1,000 to stay here while their applications for legal status were processed is due to expire. Together

these changes amount to a Catch-22: immigrants applying for legal status must go to their native countries for visas allowing them to stay in the United States while their paperwork is processed—but they cannot return for at least three years if they do. Also this month an international tribunal is expected to finish adjudicating compensation claims brought by those who were interned in Nazi concentration camps while they were U.S. citizens. The claims program grew out of an agreement between the German and U.S. governments. According to one estimate, successful claimants may get \$10,000 for each month of internment.



The Skies

The Moon has several partners this month: on September 5 it lies just above Venus and the bright star Spica; on the 6th it lies close to Mars in the early evening; and on the 14th it lies just above Jupiter. September 16: Full Moon, also known this month as the Harvest, Cool, or Black Calves Moon. 21: The waning Moon lies near the reddish star Aldebaran early this morning. 22: At 7:56 P.M. EDT the Autumnal Equinox, marking summer's end.

Health & Safety

Most automobile dealerships will be rolling out 1998 models this month. The cars will incorporate two features required by federal regulations that take effect on September 1: driver's-side and passenger-side airbags in all new passenger cars, and improved locks on the back doors of all new hatchbacks, sport-utility vehicles, minivans, and station wagons. Airbags have been credited with saving some 2,000 lives in the



past decade. However, because they inflate with great force, they have killed roughly 70 people, primarily children and short adults, in low-speed or otherwise low-risk crashes. The National Highway Traffic Safety Administration now allows lower-powered airbags, and at this writing is considering proposals that would enable consumers to have airbags deactivated. As for the locks on back doors, the need for standards (which have long pertained to side-door locks) was demonstrated by an increasing number of injuries and deaths among unbelted passengers thrown from poorly secured back doors.

100 Years Ago

Woodrow Wilson, writing in the September, 1897, issue of *The Atlantic Monthly*: "[Genuineness] is a quality that goes with good sense and self-respect. . . . Laughter is genuine which has in it neither the shrill, hysterical note of mere excitement nor the hard metallic twang of the cynic's sneer.— which rings in the honest voice of gracious good humor, which is innocent and unsatirical. Speech is genuine which is without silliness, affectation, or pretense. That character is genuine which seems built by nature rather than by convention, which is stuff of independence and of good courage. Nothing spurious. . . . nothing adulterated and seeming to be what it is not; nothing unreal, can ever get place among the nobility of things genuine, natural, of pure stock and unmistakable lineage."

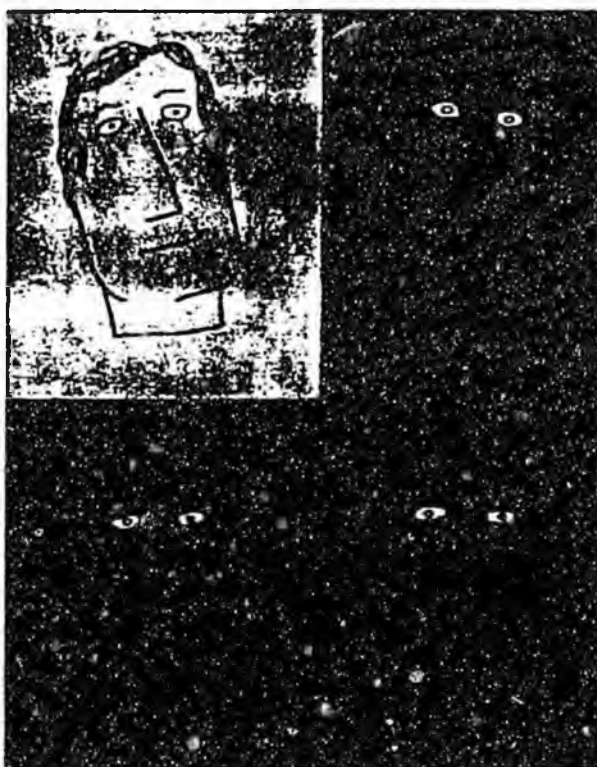


Stick 'Em Up? Not Anymore. Now It's Crime by Keyboard.

KATHRYN RAMBO GOT A taste of the future recently, and she didn't like it one bit. Sure, she had a new \$22,000 Jeep, five credit cards, an apartment and a \$3,000 loan listed in her name. Problem was, the 28-year-old special-events planner from Los Gatos, Calif., hadn't asked for any of it. A woman impersonating her had, with the help of information lifted from Rambo's employee-benefits form. Straightening out the mess took months of angry phone calls, court appearances and legal expenses. And then there was the Kafkaesque chore of proving that she was, in fact, herself. Says Rambo: "I was going around saying, 'I am who I am!'"

Rambo was a victim of "identity theft," an increasingly common crime committed by increasingly sophisticated swindlers. All they need is your full name or Social Security number, which they drop into Internet databases that serve up info like your address, phone number, employer or driver's license number. Then they're on their way—applying for credit using your good name. Security experts say identity theft's high profitability and low penalties could make it as common as auto theft in the coming century. "It'll be the next growth industry in crime," says Ann Cavoukian, privacy commissioner of Ontario and coauthor of "Who Knows: Safeguarding Your Privacy in a Networked World."

And identity theft is only one new form of millennial malfeasance. While new technology and widening global trade have made enterprise more efficient, both have also opened new cracks in society's defenses. Take commerce. As much as \$117 billion in financial transactions will occur online by the year 2000, according to market researchers IDC. As banks go digital—in operations like trading stocks, paying bills, making loans—the robbers will, too. "If Willie Sutton were alive today, he'd be learning HTML coding," says Paul Saffo, a technology forecaster in Menlo Park, Calif. The sheer size and speed of information networks will make them impossible to monitor closely. Indeed, all sorts of transgressions are already occurring in the



Four characters in search of their stolen identities

shadowy corners of the Internet. Cyber-pirates, for example, register phantom ships on the computers of maritime agencies. After taking out huge insurance policies on these virtual boats, the crooks "sink" them with the stroke of a computer key and file multimillion-dollar claims. Poachers in Zambia now take e-mail orders, à la L.L. Bean. A bigger threat may be electronic money laundering. As the Internet becomes a place where money changes hands, strong cryptography will become the digital equivalent of armored cars: a way for people to protect their transactions. Which is exactly what worries the Feds. They don't want encryption to be too strong, lest money launderers use it to transfer funds under their radar. To an extent, this is already happening. "We're simply losing the ability to break into their information structures," says John Arquilla, a Rand Corp. consultant.

Our increasing reliance on computers may also leave us vulnerable to the terror-

ists of the future. Computer viruses, though so far not the problem once projected, are one threat. Another is the electromagnetic pulse weapon, which would use ultra-high-frequency radio waves to scramble hard drives and fry computer chips. It wouldn't kill anyone directly, but it could jeopardize lives by knocking out vital movements of natural gas, oil and electricity.

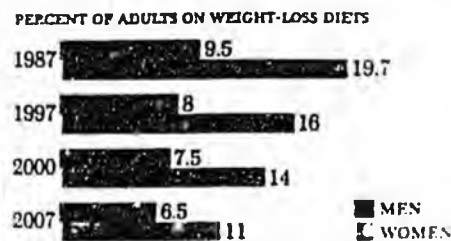
But don't panic yet. Identity theft, for instance, won't catch on right away: crooks are by and large a conservative bunch, attached to their Saturday-night specials. And by the time it does, authorities may have installed something called biometric identification. Straight out of "Mission: Impossible," biometric ID turns body parts into PIN numbers. Retina and palm scans already grant entrance to buildings. Even body odor or DNA

samples could become "passwords." "Effectively," says George J. Tomko of Mytec Technologies, "people would walk around without any paper ID at all." In that world, at least, Kathryn Rambo would be safe—as long as no one stole her eyeballs.

T. TRENT GEGAX

Dissing Diets

Though increasing numbers of Americans are obese, fewer are trimming down by watching what they eat.



SOURCE: MEDIAMARK RESEARCH, AMERICAN DEMOGRAPHICS

ALASKA STATE LEGISLATURE



REPRESENTATIVE ALLEN KEMPLER

February 11, 1998

TO: Rep. Norman Rokeberg, Chair
House Labor & Commerce Committee
Shirley Armstrong, Staff

FM: Rep. Allen Kempler
Mary Grisco, Staff

RE: HB 363

Included in this packet

- * Sponsor Statement
- * Fiscal Notes
- * Background Information
- * Sectional Analysis

We have no special needs for this hearing. At present, we are not aware of potential witnesses other than Department personnel.

SESSION
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
907-465-2435
907-465-6015 FAX
1-800-550-2435

INTERIM
716 W. 4TH AVENUE
ANCHORAGE, ALASKA 99501
907-258-8190

ALASKA STATE LEGISLATURE



02-04-98F03:03 RCVL

REPRESENTATIVE ALLEN KEMPLER

February 3, 1998

TO: Rep. Norman Rokeberg, Chair
House Committee on Labor & Commerce

FM: Rep. Allen Kempler 

RE: Scheduling HB 363, "An Act relating to social security numbers; providing for limitation of use of social security numbers; making improper use of social security number a prohibited unfair trade practice".

Norm,

I respectfully request that the above bill be scheduled in Labor & Commerce Committee for a hearing at your earliest convenience. I have attached my sponsor statement and will be pleased to provide additional information for members once this bill is scheduled. Of course, I am available to meet with you to discuss the merits of this proposed legislation.

02-04-98F03:03 RCVL

SESSION
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-2435
(907) 465-0015 FAX
1-800-550-2435

INTERIM
716 W. 4TH AVENUE
ANCHORAGE, ALASKA 99501
(907) 258-8100