ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672
9614 SENATE LABOR & COMMERCE

Alaska Association for Marriage and Family Therapy

a division of The American Association for Marriage and Family Therapy, Inc.
P.O. Box 23-1234, Anchorage, Alaska 99523-1234 (907) 522-3802 Fax 522-3802

The Alaska Association for Marriage and Family Therapy is a state division of the American Association for Marriage and Family Therapy. AKAMFT (and our national organization AAMFT) is the professional association for the field of marriage and family therapy. Our state division represents the interest of eighty members as well as about 180 licensed MFT's.

SENATE BILL NO. 122

This bill would add licensed marriage and family therapists to the list of health care providers who may not be unfairly discriminated against by insurers who cover a service that is within the scope of the provider's occupational license.

Points of support:

* Marriage and family therapists are recognized as one of five core mental health professions and are licensed in this state as are the other groups. If the state licenses a provider to perform services within a stated scope of practice, it would be inappropriate to allow that profession to be discriminated against by insurers.

* The Alaska Division of Insurance has issued a report in which they have stated that there is no evidence that the expansion of providers would result in increased costs and in fact there is some suggestion that the opposite maybe true. Further, the Division of Insurance contends that this legislation is not a mandate of coverage.

* Including MFT's would assist in creating a level playing field among all health professionals and would allow consumers increased choice and access within the health care system.

* The issue of how to strengthen families has become a local and national concern. As mental health professionals with distinct expertise in working to improve the functioning of families, we want to be a full partner in working with our peers to addresses this concern.

Commonly Asked Questions About Marriage and Family Therapists

Q) Who are you? How are you credentialed?
A) Marriage and family therapists (MFTs) are a multidisciplinary group of mental health professionals with backgrounds in a variety of disciplines, including psychology, social work, and family social science. MFTs are licensed or certified in 37 states and are recognized by the U.S. Department of Health and Human Services as one of the five core mental health disciplines in the U.S.

Q) What kind of services do MFTs provide?
A) MFTs are mental health generalists. They are versatile, working with individuals, couples, and families and across all age groups (i.e., children, adolescents, adults, and elders).

MFTs treat a wide variety of serious mental health problems most commonly depression, other psychological problems, marital problems, anxiety, parent-child problems, and problems related to alcohol and drug use. In a national study of 850 cases treated by MFTs, the problems in nearly half the cases (48.7%) were considered severe, extremely severe, or catastrophic. 29.3% of the clients were on a psychotropic medication, most commonly anti-depressants, and 16.6% of the clients also saw a psychiatrists. About 10% of the clients in the sample had been hospitalized for psychiatric problems in the past year. 17% of the clients also had a chronic or serious medical condition in addition to their psychosocial problems.

Q) How long does treatment take? Isn't "marriage counseling" endless?
A) Treatment by marriage and family therapists typically is brief with the average treatment case completed in 12 sessions. Treatment of families (9 sessions) and couples (11.5 sessions) is briefer than individual therapy (13 sessions). In a national study of marriage and family therapists, 42% of the cases were completed in 10 or fewer sessions and two-thirds (66%) were completed within 20 sessions.

Q) What do consumers say about treatment by marriage and family therapists?
A) In a national survey, clients of marriage and family therapists expressed overwhelming satisfaction with every aspect of the services they received. 98.1% of those surveyed rated services as good or excellent. 98% of clients said that the services they received from a marriage and family therapist helped them deal more effectively with their problems. 94% said that they would return to same therapist in future and 97% said that they would recommend their therapist to family and friends.

Similarly, a 1993 survey of consumers in the American Psychologist found that MFTs were the type of therapist most often recommended by consumers to family and friends.

Q) Does marriage and family therapy work? What is the outcome of treatment?
A) There is a large body of research indicating that marriage and family therapy is effective in treating individuals, couples and families with a wide variety of presenting problems and diagnoses. Consumers report that treatment by an MFT resulted in improvements in functioning in a number of areas including physical health, work performance, relationships with partners and family members, child behavior, and school performance.

There are studies that indicate that family problems are now the number one problem brought to Employee Assistance Programs (EAPs), replacing alcohol and drug problems. Left untreated, these problems can result in lost hours and diminished productivity.

Business people are interested in getting people back to work or having them be productive and focused at work. Treatment by MFTs can help to meet that goal. In 55% of the cases in our study, clients reported an improvement in their functioning at work and 46% of clients reported that they were better able to get along with co-workers. In addition, almost two-thirds of all clients (63.4%) in our study reported that their physical health was better than it had been prior to treatment.

Q) What does it cost? Do MFTs provide cost-effective treatment?
A) Since we know about typical length of treatment and average costs nationally and in 16 states, we can now approximate the average cost of treatment for the typical case.

Couple and family treatment is briefer than individual treatment. It is reasonable to conclude, therefore, that treating 4 family members conjointly for 4 sessions will be cheaper than treating 4 family members individually for 10 sessions each.

Source: William J. Doherty and Deborah S. Simmons. (1996). Clinical practice patterns of marriage and family therapists: A national survey of therapists and their clients. *Journal of Marital and Family Therapy, 22, 9-25.*

American Association for Marriage and Family Therapy
Research and Education Foundation
Promoting the Well-Being of Families through Research and Education in Marriage and Family Therapy, Family Policy, and Family Science

Research Report:

Prepared March 1995

Marriage and Family Therapists (MFTs) Treat Severe Mental Illness

Marriage and family therapists are highly trained mental health professionals who provide cost-effective mental health services to individuals with severe mental illnesses, including schizophrenia, and other major affective disorders, depression, anorexia, bulimia, and psychiatric disorders in children and adolescents. Research shows that family therapy used as a component of treatment for severe mental illness:

- Reduces relapse rates
- Prevents costly psychiatric hospitalization
- Enhances medication and treatment compliance

Schizophrenia

"Family therapy is generally effective in preventing relapse and improving symptomatology both in comparison to 'routine care' that included medication and individual treatment and to specifically designed SST [social skills training] and individual psychotherapy."

> Schooler, N.R., & Keith, S.J. (1993). The clinical research base for the treatment of schizophrenia. *Health care reform for Americans with severe mental illnesses: Report of the National Advisory Mental Health Council.* Rockville, MD: National Institute of Mental Health, p. 23.

The rehospitalization rate for patients with schizophrenia in a 6-month period was 30% for patients using drug treatment alone — but 0% when family therapy was part of the treatment plan.

> Goldstein, M.J., Rodnick, E.H., Evans, J.R., et al. (1978). Drug and family therapy in the aftercare of acute schizophrenics. *Archives of General Psychiatry, 35,* 1169-1177.

In biochemical illnesses such as schizophrenia, family interventions may effect the illness by either positively protecting against environmental stresses or by negatively precipitating symptomatic relapse. Family therapy focused on reducing high expressed emotion (EE) has been shown to be effective in lowering rates of EE and improving the relapse rate. According to controlled outcome studies, patients from families treated with focused family therapy designed to actively guide the family in understanding and changing their interactions showed more rapid improvement in symptoms than did patients treated with psychoeducational approaches alone. Family-oriented therapy tripled the time chronically mentally ill patients spent outside the hospital, when compared to each patient's hospitalization pattern prior to treatment and to results of individually-oriented case management.

> Levene, J., Newman, F., & Jeffries, J. (1989). Focal family therapy outcome study, I: Patient and family functioning, *Canadian Journal of Psychiatry, 34:* 641-647.

1100 Seventeenth Street, N.W. • Suite 901 • Washington, D.C. 20036-4601 • (202) 467-5124

Major Depression

Relapse rates were reduced for 77% of patients with manic depressive or schizoaffective psychoses after receiving brief systemic family therapy (6 sessions), compared to a seven-year average prior to treatment. One-half of these patients were able to function without major medication 3 years later, although all were on medication prior to family therapy.

Retzer, A., Simon, F., Weber, G., Stierlin, H., Schmidt, G., et al. (1991). Follow-up study of manic-depressive and schizoaffective psychoses after systemic family therapy. *Family Process, 30*(2).

Patients hospitalized with bipolar disorder who received family therapy had significantly less relapse and rehospitalization.

Gelenberg, A.J. (1993). Report on the efficacy of treatments for bipolar disorder. *Health care reform for Americans with severe mental illnesses: Report of the National Advisory Mental Health Council.* Rockville, MD: National Institute of Mental Health.

Affective Disorders

Adding family treatment to standard hospital treatment for severely disturbed psychiatric patients was effective, particularly for female patients with affective disorders. Outcomes showed that when families met their treatment goals, long-term improvement was seen in medication and psychological treatment compliance.

Glick, I.D., Clarkin, J.F., Haas, G.L., Spenser, J.H., & Chen, C.L. (1991). A randomized clinical trial of inpatient family intervention: VI mediating variables and outcome, *Family Process, 30*(1), 85-99.

Eating Disorders

A 50% higher success rate was reported for family therapy in preventing anorexia nervosa from reaching more critical stages in adolescents.

Dare, C., Eisler, I., Russell, F.M., & Szmukler, G.I. (1990). The clinical and theoretical impact of a controlled trial of family therapy on anorexia nervosa. *Journal of Marital and Family Therapy, 16*(1), 39-57.

American Association for Marriage and Family Therapy
Research and Education Foundation
Promoting the Well-Being of Families through Research and Education in Marriage and Family Therapy, Family Policy, and Family Science

Research Report:

Prepared March 1995

Marriage and Family Therapists (MFTs) Offer Family-Focused Treatment for Family Violence

Violence Is a Family Problem

- Americans are more likely to be killed or physically assaulted in their homes by other family members than anywhere else — or by anyone else — in our society.

  Gelles, R., and Cornell, C.P. (1990). *Intimate violence in families* (2nd edition). Newbury Park, CA: Sage Publications.

- A propensity of family violence is transmitted from one generation to the next, according to a substantial body of research. One study concluded that among adults who were abused as children, more than one-fifth later abuse their own children.

  Straus, M., Gelles, R., and Steinmetz, S. (1980). *Behind closed doors: Violence in the American family*. Garden City, NY: Doubleday.

- People who were physically abused or neglected as children are twice as likely to be arrested for a violent offense.

  Widom, C. (1989). The cycle of violence. *Science 244*: 160–166.

MFTs Offer Family-Focused Treatments

Reducing Domestic Violence

A marital therapy program for couples referred by the Milwaukee district attorney's office after wife abuse has occurred has demonstrated success in stopping husbands' violence. Similarly, a 12-year-old program for couples in Tyler, Texas, has been successful in reducing domestic violence and improving relationships for couples.

Lipchik, E., and Geffner, R. (1994, February). A comment on Jacobson's findings. *Family Therapy News*. 25(1), 21.

Family Preservation Means Less Out-of-Home Placement

A family preservation program in eastern Iowa has been able to keep 70% of the children originally identified as needing out-of-home placement — because of neglect or violence — in their homes. In-home services, including family therapy, are cost-effective.

Leverington, J. (1994, August). Family preservation: Walking the line. *Family Therapy News*, 25(4), 11–12.

MFT Means Lower Recidivism for Criminal Offenders

A 1988 study showed that compared to a control group of offenders matched for sex, ethnicity, and offense, twice as many of those receiving family therapy were arrest-free a year later. The cost of adding a family therapy program per offender is $700 compared to over $25,000 for incarceration per year.

Reed, T. (March/April 1992). Research issues in new programming to help inmates go home to stay, *IARCA Journal*.

1100 Seventeenth Street, N.W. • Suite 901 • Washington, D.C. 20036-4601 • (202) 467-5124

American Association for Marriage and Family Therapy
Research and Education Foundation
Promoting the Well-Being of Families through Research and Education in Marriage and Family Therapy, Family Policy, and Family Science

Research Report:

Prepared March 1995

Marriage and Family Therapists (MFTs) Effectively Treat Children and Adolescents and Their Families

Research demonstrates that marriage and family therapists (MFTs) provide cost-effective treatments for children and adolescents and their families coping with serious mental and emotional illness, substance abuse and behavior problems.

Autism, ADD, Conduct Disorders and Anxiety Disorders

Family therapy is an effective treatment for autism, attention deficit/hyperactivity disorder, conduct disorders, and anxiety disorders.

Klein, R.G., & Slomkowski, C. (1993). Treatment of psychiatric disorders in children and adolescents. *Health care reform for Americans with severe mental illnesses: Report of the National Advisory Mental Health Council.* Rockville, MD: National Institute of Mental Health, p. 185.

Adolescent Substance Abuse

Family therapy has been more successful than any other form of outpatient therapy in retaining adolescents with drug abuse problems in treatment and in reducing their drug abuse, thereby preventing costly hospitalization.

Liddle, H. (April 1993). Multidimensional treatment of adolescent drug abuse. *Family Therapy News, 24*(2), 7; Joanning, H., Quinn, W., Thomas, F., & Mullen, R. (1992). Treating adolescent drug abuse: A comparison of family systems therapy, group therapy, and family drug education. *Journal of Marital and Family Therapy, 18*(4), 345– 356.

Eating Disorders

A 50% higher success rate was reported for family therapy in preventing anorexia nervosa from reaching more critical stages in adolescents.

Dare, C., Eisler, I., Russell, F.M., & Szmukler, G.I. (1990). The clinical and theoretical impact of a controlled trial of family therapy on anorexia nervosa. *Journal of Marital and Family Therapy, 16*(1), 39–57.

Juvenile Delinquency

In a meta-analysis of 46 studies examining different modes of treatment with nearly 1,600 juvenile delinquents, Roberts and Camasso (1991) found family therapy particularly promising in preventing recidivism for at least one year after the completion of treatment. Juveniles in the family therapy treatment group performed 71.5% better than those in the comparison group.

Roberts, A.R., and Camasso, M.J. (1991). The effect of juvenile offender treatment programs on recidivism: A meta-analysis of 46 studies. *Notre Dame Journal of Law, Ethics, and Public Policy, 5,* 421–444.

1100 Seventeenth Street, N.W. • Suite 901 • Washington, D.C. 20036-4601 • (202) 467-5124

MFT Means Less Hospitalization and Lower Costs

Family-focused treatment outside of hospitals is often appropriate and much less expensive. One recent study found that in-home treatment of seriously emotionally disturbed adolescents and their families — as an alternative to psychiatric hospitalization — showed significant improvement in family and adolescent functioning and produced a 50% cost savings.

Seelig, W.R., et al. (1992) In-home treatment of families with seriously disturbed adolescents in crisis. *Family Process, 31*(2), 135–149.

Research Demonstrates MFT As Effective As Other Treatments

Family therapy for young Hispanic boys and their families not only improved their functioning and reduced serious behavioral and emotional problems, but also improved overall family functioning, compared to traditional individual therapy and to a control group.

Szapocznik, J. (1989). Structural family versus psychodynamic child therapy for problematic Hispanic boys. *Journal of Consulting and Clinical Psychology,* (5), 571–578.

Montgomery (1990) conducted a meta-analysis of 43 studies examining the effects of family therapy for the treatment of identified problems of children. Family therapy achieved favorable results for child-identified problems when compared to no treatment. These findings remained consistent over varying methodological features, diverse client and treatment characteristics, and multiple outcome measures.

Montgomery, L.M. (1990). *The effects of family therapy for treatment of child-identified problems.* Doctoral dissertation: Memphis State University.

Parenting Training

Cedar and Levant (1990) conducted a meta-analysis of 26 studies assessing the impart of parent effectiveness training. Self-report scales were used to measure outcome. They found an overall effect size of .33, which is larger than had been previously thought. The authors conclude that this finding puts parent effectiveness training on par with similar interventions, such as family enrichment programs.

Cedar, B., and Levant, R.F. (1990). A meta-analysis of the effects of parent effectiveness training. *American Journal of Family Therapy, 18,* 373–384.

American Association for
Marriage and Family Therapy
Promoting the Profession and the Practice Since 1942

Marriage and Family Therapists (MFTs): *Qualified*

Mental Health Professionals Who Meet High Professional Standards

The American Association for Marriage and Family Therapy (AAMFT), the professional organization for MFTs since 1942, promotes strict education and training standards for the profession.

Education and Clinical Experience

Education: AAMFT Clinical Members have a minimum of a **master's degree** in marriage and family therapy from an accredited program, or a master's degree in another mental health discipline from a regionally accredited institution and an equivalent course of study in marriage and family therapy.

Clinical Experience: A minimum of **two years of clinical work experience** in marriage and family therapy, with at least **1,000 hours** of marriage and family therapy client contact, **200 hours** of which must be supervised by an AAMFT Approved Supervisor or the equivalent. AAMFT Approved Supervisors must meet strict educational, experiential and supervisory training requirements to be qualified to supervise other MFTs.

State Regulation of MFTs

- **Thirty-five states** currently license or certify MFTs — up from 11 in 1986. Regulatory requirements in all 35 states are substantially equivalent to the AAMFT Clinical Membership standards.
- The Association of Marriage and Family Therapy Regulatory Boards (AMFTRB) conducts a **national examination** for marriage and family therapists used as a licensure requirement in 19 states.

Accreditation of MFT Education and Training

The AAMFT Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE) develops and enforces education and training standards for marriage and family therapy.

- The COAMFTE currently accredits **74 master's, doctoral, and post–degree training programs.**
- COAMFTE has been recognized by the U.S. **Department of Education** as the national accrediting agency for graduate and post-graduate MFT training programs since 1978.
- COAMFTE gained recognition from the **Commission on Recognition for Postsecondary Accreditation** (CORPA), the independent authority on accrediting bodies, in 1994.

Ethical Standards

The AAMFT developed and enforces a comprehensive **Code of Ethics** and ethics enforcement procedure for all of its Clinical Members.

3/95

1100 17th Street, NW • The Tenth Floor • Washington, DC 20036-4601 Phone (202) 452-0109 FAX (202) 223-2329

American Association for Marriage and Family Therapy

Promoting the Profession and the Practice Since 1942

Marriage and Family Therapists (MFTs): *Recognized*

Recognized as Qualified Mental Health Professionals

By States

- **Thirty-five states** license or certify MFTs — up from 11 in 1986.
- The **Council of State Governments' Clearinghouse on Licensure, Enforcement and Regulation** (CLEAR) notes that marriage and family therapy is a uniquely and explicitly delineated profession.

By the U.S. Government

- The **National Institute of Mental Health** (NIMH) identifies marriage and family therapy as one of five core mental health services. The other four are psychiatry, psychology, social work, and psychiatric nursing.
- The **Health Resources and Services Administration** (HRSA) lists marriage and family therapy as an identifiable and distinct mental health profession. HRSA defines an MFT as one who "diagnoses and treats nervous and mental disorders within the context of marriage and family systems."
- The **Department of Education** has regularly renewed the recognition of AAMFT Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE) as the national accrediting body for graduate and post-graduate educational and training programs in the field of marriage and family therapy since 1978.
- **Education for the Handicapped Act, Part H** — MFTs are recognized as providers in the family-centered Part H program, which provides services for infants and toddlers with disabilities and their families (PL 102-119).
- **Head Start** recognizes MFTs' solution-oriented perspective and their emphasis on family competence and strength. The national Head Start Bureau asked the AAMFT in 1993 to help coordinate a nationwide program to recruit marriage and family therapists as volunteers in Head Start programs.

By the U.S. Military

- The U.S. military's **Civilian Health and Medical Program of the Uniformed Services** (CHAMPUS) has routinely reimbursed MFTs since 1966. In 1994, CHAMPUS removed the physician supervision and referral requirement for MFTs.
- Since their inception in 1979, **Navy and Marine Corps Family Service Centers** (FSC) have employed MFTs. According to an unpublished survey, fully 1/3 of FSC "clinical counselors" and "clinical supervisors" are MFTs.
- MFTs have provided storefront readjustment counseling to Vietnam veterans in a program conducted under the auspices of the **Department of Veterans Affairs**.

In Federal Scholarship Programs

- NIMH allows MFT trainees to compete on an equal basis with students from other mental health disciplines for funding.

National Survey Reveals Family Therapy Yields Cost-Effective and Positive Results

A University of Minnesota survey published in the Winter 1996 issue of the Journal of Marital and Family Therapy reveals never-before collected data on the practice patterns and effectiveness of Marriage and Family Therapists (MFTs). There is emerging evidence that marriage and family therapy is a cost-effective, short-term and results-oriented form of psychotherapy.

Among the many findings, the research identifies and profiles MFTs, their patients, the problems presented, the various treatments administered, and the length of treatment, along with cost reimbursement rates, outcome efficacy, and client satisfaction.
The survey confirms that marriage and family therapists are highly skilled health care practitioners who successfully treat a broad range of emotional problems and mental illnesses. The data also show that these therapists treat mental disorders in a short-term and cost-effective manner.

The survey represents, for the first time, comparable outcome data collected from both therapists and their clients. The study, conducted by Dr. William Doherty and Deborah Simmons of the Family Social Science Department of the University of Minnesota, surveyed AAMFT members in 15 states across the United States during the Summer and Fall of 1994.

- SURVEY HIGHLIGHTS -

Two-thirds of Marriage and Family Therapists' (MFTs) clients have third-party coverage for an average of 50% of the fee. Insurers reimburse for couple therapy 60.2% of the time and for family therapy 64.1% of the time.

The most frequent interval for treatment by MFTs is biweekly, and the average fee is $80 per hour. About 25% of their clients receive reduced fees.

The average length of treatment for couples therapy (11.5 sessions) and family therapy (9 sessions) is shorter than the average length of treatment for individual therapy (13 sessions).

Based on charges in actual cases, the average cost of a case treated by an MFT is $780. Broken out by type of treatment, individual therapy costs $845, couple therapy costs $748, and family therapy costs $585.

MFTs practice relatively short-term therapy, with a median of 12 sessions and 65% of cases completed within 20 sessions.

MFTs are a highly experienced group of practitioners, with an average of 13 years of clinical practice in the field of marriage and family therapy.

MFTs treat a wide range of serious clinical problems, primarily depression, marital problems, anxiety, child behavior problems, parent-child problems, and other psychological problems of adults and children.

By both therapist and client reports, marriage and family therapy is an effective treatment that results in positive outcomes, including marked improvement in individual, family, work, and social functioning.

MENTAL HEALTH COVERAGE: EFFICACY, HEALTH CARE SAVINGS, CORPORATE SUCCESS MODELS

The past fifteen years has witnessed dramatic innovation of effective mental health treatments and cost-effective delivery and financing systems. Empirical evidence and practical experience demonstrate that mental illness can be treated as successfully as many prevalent "physical" disorders and that general medical care costs can be significantly reduced with appropriate mental health intervention.

Treatment Efficacy

- Some treatments for severe forms of schizophrenia, obsessive-compulsive disorder, major depression, manic-depressive illness and panic disorders have success rates (preventing relapse over a six-month period) higher than those of angioplasty and atherectomy, two common treatments for heart disease[1]:

Disorder	Success Rate
Panic	80%
Manic Depressive	80%
Major Depression	65%
Schizophrenia	60%
Obsessive-compulsive	60%
Atherectomy	52%
Angioplasty	41%

- Mental health care can significantly improve health outcomes for persons with physical disorders. In one study, breast cancer patients who received group therapy lived, on average, eighteen months longer than did the randomly assigned control group.[2]

Health Care Savings

- General medical costs could be reduced by as much as $1.2 billion through the use of appropriate mental health treatment.[3]

- In a study of Harvard Community Health Plan patients whose presenting symptoms were thought to be influenced by psychosocial factors, providing group behavioral therapies resulted in a 50% reduction in office visits during the six months following enrollment, with an average net cost savings during this period of $3,900.[4]

- Patients in the Federal Employees Health Benefits Plan with chronic medical diseases, such as diabetes and hypertension, who received outpatient mental health care used an average $298 fewer inpatient medical (non-mental health) services in the third year following medical diagnosis than those who did not.[5]

Prepared by the Mental Health Liaison Group, Washington, DC (1994)

Corporate Success Models

- The Washington Business Group on Health has reported the following cost-savings achieved by corporations implementing mental health coverage with a full range of benefits:

  — McDonnell Douglas Helicopter Company reduced per capita costs by 34% in the first year[6];

  — First National Bank of Chicago reduced overall behavioral health costs by nearly 30% over four years[7]; and

  — Honeywell, Inc. reduced costs by 40% in the first year, and has held cost inflation down to 4% in subsequent years, with high employee satisfaction[8].

- By actively implementing an integrated mental health benefit covering a continuum of services, BellSouth experienced a 20% reduction in outlays for mental health care over five years.[9]

References

1. National Advisory Mental Health Council, *Health Care Reform for Americans with Severe Mental Illness: Report of the National Advisory Mental Health Council*, National Institute of Mental Health, Rockville, MD, 1993.

2. Spiegel, D., *Psychotherapy for the Medically Ill*, Stanford University School of Medicine, Stanford, California, 1993.

3. National Advisory Mental Health Council, *op cit.*

4. Heilman, C.J.C., Budd, M., et al. "A Study of the Effectiveness of Two Group Behavioral Medicine Interventions for Patients With Psychosomatic Complaints," *Behavioral Medicine*, Winter 1990.

5. Schlesinger, H.J., Mumford , E., et al., "Mental Health Treatment and Medical Care Utilization in a Fee-For-Service System: Outpatient Mental Health Treatment Following the Onset of a Chronic Disease," *American Journal of Mental Health*, Vol. 73, No. 4, April 1983.

6. England, M.H., Vacarro, V.A., "New Systems to Manage Mental Health Care," *Health Affairs*, Winter 1991.

7. Vaccaro, V.A., *Depression: Corporate Experiences and Innovations*, D/ART National Worksite Program, Washington Business Group on Health, September 1991.

8. *Statement of the Washington Business Group on Health on Mental and Addictive Disorders*, Before the U.S. Senate Committee on Labor and Human Resources, Washington DC, May 1993.

9. Finch, R. A., *BellSouth Statement on Managed Mental Health Care*, Before the U.S. Senate Committee on Labor and Human Resources, May 1993.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
PHONE: (907) 465-2515
FAX: (907) 465-3422
TDD: (907) 465-5437

April 22, 1997

The Honorable Jerry Mackie
Alaska State Senate
State Capitol, Room 427
Juneau, AK 99801-1182

Dear Senator Mackie:

The Division of Insurance has been requested through Senator Leman's office to prepare a statement as to the division's position on the amendment for Senate Bill 122.

As I testified in Committee, we have no objection to the amendment. I did, however, express my concern that the record be clear that the provision "cost containment" not be used as a mechanism to force a patient to seek the cheapest coverage available. As you will recall, Senator Leman made it clear that that was not the intent of this legislation.

The term "utilization review" refers to the formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficiency, or effectiveness of health care services, procedures or settings. Utilization review is a common practice used in many health care delivery arrangements. The proper use of utilization review should not be construed as unfair discrimination. It is the position of the division that the term "standards of clinically appropriate health care services" refers to appropriate professional written screening procedures, protocols and practice guidelines appropriate to the specific profession providing this service. It is our opinion that the clinical appropriateness of a service should be determined by peer review within that profession. Similarly trained, experienced, and credentialed practitioners may disagree, but appropriateness should be judged by those professionals. Again, proper application should not be viewed as unfair discrimination.

I hope this provides the information you need.

Sincerely,

Marianne K. Burke
Director

MKB/pb1472.ins
042297a

distributed by Senator Loren Leman

08-H11LH

LEGAL SERVICES

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

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

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

MEMORANDUM April 22, 1997

SUBJECT: Group health insurance - (CSSB 122(L&C))

TO: Senator Jerry Mackie
Attn: Dave

FROM: Michael F. Ford
Legislative Counsel

You have asked for an explanation of the effects of CSSB 122(L&C). Under sec. 1 of the bill, marital and family therapists are added as a protected class of health care providers. Under this provision, if a marital and family therapist provides health care services, the services are covered under a group health policy, and are within the scope of the provider's occupational license, then the insurer could not deny coverage. This is primarily the effect of the bill.

The bill also adds a definition of "unfair discrimination" that excludes from the definition certain insurer requirements applicable to insurance coverage. The excluded items include utilization review, cost containment, and standards of clinically appropriate health care services. This provision is intended to allow an insurer to impose conditions regarding coverage, if the conditions are not related to the type of health care provider who provides the required health care. For example, the insurance policy could impose a $250 deductible as a cost containment measure, or could deny coverage for surgery unrelated to illness. These are kinds of discrimination that are not "unfair discrimination" prohibited by AS 21.36.090(d).

I would suggest a change to the bill's title, however. On page 1, line 2, "marital and family therapists" should be changed to "health care providers". This would reflect the addition of the new definition of "unfair discrimination".

Please contact me if you have further questions.

MFF:glc:jr
97-261.glc

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
PHONE: (907) 465-2515
FAX: (907) 465-3422
TDD: (907) 465-5437

March 5, 1997

The Honorable Loren Leman
Alaska State Senate
State Capitol, Room 113
Juneau, AK 99801-1182

Dear Senator Leman:

During our presentation to the Senate Finance Subcommittee, you requested that the division provide you information on "Fair vs. Unfair" discrimination as it is applied in insurance.

As you know, insurance is inherently discriminatory. The protections offered by the insurance statutes of a state make a distinction between "fair" and "unfair" discrimination but frequently do little to define it. Other statutes, both federal and state, typically do this by specific example. Some state laws get very specific. In some cases, court determinations have provided definition. Insurance discrimination generally occurs in two areas and each are addressed somewhat differently. These areas are discrimination in rates and discrimination in selection. Something that is unfair for one line of insurance may not be unfair for another. The examples that follow are certainly not exhaustive but may give some idea concerning what we look for.

A fair discrimination in rates may not be a fair discrimination in selection of risk. For example, rate differentials where the difference in rate is supported by difference in loss experience is permitted, but the same criteria is often not acceptable in the selection of business. Automobile insurance rates based on gender, marital status, driving record, type of vehicle, etc. may be acceptable. However, refusal to write an automobile coverage based on gender or marital status is not.

Rates based on occupation for workers' compensation insurance are appropriate. Rates based on occupation for homeowners insurance are not.

Rate differentials based on type of business, condition of premises, or location of premises are appropriate forms of discrimination for commercial liability and fire insurance.

Selection of business, refusal to write insurance on a particular consumer because the risk characteristics are known to fall outside the insurer's target market, is acceptable if applied uniformly and consistently. For example, fair selection criteria may include the consumer's driving record, the size of the consumer's business, loss history, claiming patterns, type of consumer's business, condition of property to be insured, etc.

Some forms of unfair discrimination are clearly stated in federal law such as discrimination based of race, religion, creed, or national origin. Any discrimination of this kind, whether based on statistical support or not, is unfair. Unfair discrimination is typically characterized by inconsistent application. For example, asking different questions of two consumers for the same kind of insurance who are of different race is unfair discrimination. Charging two consumers, in the same company with the same rating characteristics, different rates is unfair discrimination. Basing a consumer's rates on criteria that is inappropriate to the risk being assumed is unfair discrimination. For example, surcharging a consumer for failure to maintain prior insurance when there was no requirement that such prior insurance be maintained is unfair. Giving a marital discount to insureds who claim to be engaged is unfair. Giving a second car discount based on a promise to insure a second car sometime in the future is unfair. Failing to provide appropriate discounts when the insurer has reason to know that such discount is warranted is unfair.

Obviously, this kind of listing can go on and on as each line and kind of insurance is examined and discussed. The above notes only give a few basic notions that may guide the reader to determine by extrapolation other forms of fair and unfair discrimination.

Very truly yours,

Marianne K. Burke
Director

MKB/cw4495.ins
030497b
cc: The Honorable John Torgerson
Alaska State Senate
State Capitol, Room 514
Juneau, AK 99801-1182

Patrick Pourchot
Legislative Director
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

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

(4) has been convicted of a felony or of another crime that affects the person's ability to practice competently and safely;

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

(6) continued to practice after becoming unfit due to

(A) professional incompetence;

(B) addiction or severe dependency on alcohol or another drug that impairs the person's ability to practice safely;

(7) engaged in unethical conduct in connection with the delivery of professional services to clients. (§ 1 ch 129 SLA 1992)

Sec. 08.63.220. License required if designation used. A person who is not licensed under this chapter or whose license is suspended or revoked, or whose license has lapsed, who knowingly uses in connection with the person's name the words or letters "L.M.F.T.," "L.M.F.C.," "Licensed Marital and Family Therapist," "Licensed Marriage and Family Counselor," or other letters, words, or insignia indicating or implying that the person is licensed as a marital and family therapist by this state or who in any way, orally or in writing, directly or by implication, knowingly holds out as being licensed by the state as a marital and family therapist in this state is guilty of a class B misdemeanor. (§ 1 ch 129 SLA 1992)

Sec. 08.63.900. Definitions. In this chapter, unless the context indicates otherwise,

(1) "advertise" includes issuing or causing to be distributed a card, sign, or device to a person, or causing, permitting, or allowing a sign or marking on or in a building or structure, or in a newspaper, magazine, or directory, or on radio or television, or using other means designed to secure public attention;

(2) "board" means the Board of Marital and Family Therapy;

(3) "course" means a class of at least three credit hours in a graduate program at an accredited educational institution or an institution approved by the board;

(4) "department" means the Department of Commerce and Economic Development;

(5) "practice of marital and family therapy" means the diagnosis and treatment of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for marital and family therapy, whether cognitive, affective, or behavioral, within the context of human relationships, particularly marital and family systems; marital and family therapy involves

(A) the professional application of assessments and treatments of psychotherapeutic services to individuals, couples, and families for the purpose of treating the diagnosed emotional and mental disorders;

(B) an applied understanding of the dynamics of marital and family interactions, along with the application of psychotherapeutic and counseling techniques for the purpose of resolving intrapersonal and interpersonal conflict and changing perceptions, attitudes, and behaviors in the area of human relationships and family life;

(6) "supervision" means face-to-face consultation, direction, review, evaluation, and assessment of the practice of the person being supervised, including direct observation and the review of case presentations, audio tapes, and video tapes. (§ 1 ch 129 SLA 1992)

Chapter 64. Medicine.

Article
1. State Medical Board (§§ 08.64.010 — 08.64.160)
2. Licensing (§§ 08.64.170 — 08.64.362)
3. Miscellaneous Provisions (§§ 08.64.366 — 08.64.369)
4. General Provisions (§§ 08.64.370, 08.64.380)

SB

137

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/12/97 FURTHER:

Date of 5-Day Notice: 3-13-97
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 3-25-97

Labor and Commerce Committee considered SENATE BILL NO. 137

"An Act exempting certain volunteer emergency medical technicians and volunteer fire fighters from state wage and hour laws; and providing for an effective date."

and recommends:

[ ] be replaced with _____ CS _____(_____)

[ ] adopt previous _____ CS _____(_____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to the _____ Committee

Senate Bill:
[ ] same title
[ ] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR#_____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
Tim Kelly	✓				
Mike Miller	✓		✓		
CHAIR: Loren D. Leman	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Dept of Labor		✓	
Dept. of Public Safety	3/11/97	✓	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

[ ] **APPROPRIATION -- no fiscal note**

***Include fiscal notes accompanying Governor's bill**

SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189 Session: State Capitol, Juneau, AK 99801 (907) 465-2095

SPONSOR STATEMENT
SENATE BILL 137: EXEMPT VOL. EMT/FIRE FGTR WAGE & HOUR LAW

Alaska is fortunate to have an army of volunteers serving as emergency medical technicians and fire fighters. It is unfortunate that labor law and regulation have become so convoluted that to reimburse these volunteers for out-of-pocket expenses places them over the wage and hour line as "employees".

Some volunteer organizations have gone to extraordinary organizational lengths to avoid this problem, while others continue to reimburse unaware that they may possibly be violating state wage and hour law.

The exemption for volunteer EMTs and fire fighters needs to be made, so that Alaska can continue to receive the benefit of their services without the heavy hand of government over-regulation.

SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189 Session: State Capitol, Juneau, AK 99801 (907) 465-2095

MEMO

TO: LEGAL SERVICES
via courier

FROM: Annette Kreitzer, Aide to
Senator Loren Leman

DATE: March 6, 1997

RE: Definition of volunteer

Please use the attached information contained in a letter to Senator Leman to look for a legislative fix for the problem of Emergency Medical Technicians (EMTs) who volunteer and attempt to recoup out of pocket expenses incurred during their volunteer activities. Apparently there is some debate about them being classed as employees with an employer relationship to somebody. The author of the letter suggests one way to resolve the problem is to amend AS 23.10.055 (6).

EMS
An Alaskan tradition:
Neighbor helping neighbor

INTERIOR REGION EMERGENCY MEDICAL SERVICES COUNCIL, INC.

3522 INDUSTRIAL AVE. • FAIRBANKS, ALASKA 99701
PHONE (907) 456-3978 • FAX (907) 456-3970

February 27, 1997

MAR 03 1997

The Honorable Loren Leman
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Senator Leman:

Thank you for taking the time to meet with me last week. It was also good to see Annette again. Both of you continue to be extraordinary ambassadors for the EMS community. Like other legislative sessions, I expect that this one will be filled with many opportunities to excel. Please do not hesitate to contact me should you need additional information regarding the Emergency medical Services grant. This is a deciding year for EMS in Alaska. Without additional funding, EMS as the constituents expect it, will simply not be there. Volunteers are a good investment in our future.

As we also spoke, there are a couple of legislative items that need attention this year. The purpose of this letter is to request your assistance in clarifying the definition of "volunteer" in Title 23 as well as insuring that Volunteer EMT's are not preempted by technical definition from being volunteers.

BACKGROUND:

Title 23 and the definition of "volunteer":

The provision of EMS in Alaska is predominately delivered by volunteers. Noted exceptions to this are the Cities of Anchorage and Fairbanks, where the Municipal Fire Department provides pre-hospital care with full time paid staff. My concern rests with the extremely confusing and frequently inconsistent interpretation of "employer/employee" relationship. EMT squads who bill patients for services want to reimburse volunteer's for out of pocket expenses (fuel, medical supplies, food, hotel bill and etc) associated with taking care of the patient. However, they do not want the fact that they are reimbursing "volunteers" to be interpreted at some later date that the "volunteer" was really an employee and they are therefore an employer not only obligated for customary employer obligations but also minimum wage. They also would like to provide for malpractice insurance. State Departments (DOL, DOA, DHSS and etc) have a different twist on the issue of "employer/employee" relationship - within the Department of Labor, there are at least two different interpretations alone. This lack of clarity and the absence of a consistent definition of "volunteer" is making it extremely difficult to organize and operate volunteer EMS response programs. Organizing individuals feel threatened and potential "volunteers" do not want to worry about being injured or sued and would like to recover their out of pocket expenses. If Non-Profit Corporations are formed for civic or humanitarian

purposes (the provision of prehospital care) and in compliance with the State of Alaska Nonprofit Corporation Law and/or IRS criteria for a 501 (c) (3) organization, it would seem to be a reasonable exception to add to Title 23. Currently AS 23.10.055 (6) exempts only nonprofit religious, charitable, cemetery or educational organizations - EMS does not really fit into any of those categories.

Although certainly not the only way to address this, I would recommend adding the following to AS 23.10.55 "An individual who performs hours of service for a public or private, civic, charitable, humanitarian or ....."

The provision of EMS by "volunteers" is becoming an increasingly difficult proposition. One of the reasons is the proliferation of controls (rules and regulations) and the lack of specific protections for those providing the service and the Non-profit community organizing and assisting the volunteers. I would be happy to assist in this regard in any way I can. Please feel free to contact me.

Sincerely,

Craig R. Lewis
Executive Director

CRL/crl

CC File

SB

152

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/25/97

FURTHER: HESS

Date of 5-Day Notice: 4-10-97
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4-16-97

Labor and Commerce Committee considered

SENATE BILL NO. 152

"An Act relating to certified nurse aides; and providing for an effective date."

and recommends:

[ ] be **replaced** with _____ CS SB152 (1st C)

[ ] adopt **previous** _____ CS _____ _____(_____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to the _____ Committee

Senate Bill:
[ ] same title
[ ] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR#_____

SIGNING DO PASS	*DP*	*OTHER RECOMMENDATIONS*	*NR*	*DNP*	*AM*
Tom Kelly	✓				
	✓				
CHAIR: Loren D. Leman	✓	*CHAIR:*			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Commerce	4/3	✓	
DHSS	4/3	✓	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

[ ] APPROPRIATION -- no fiscal note

***include fiscal notes accompanying Governor's bill**

0-LS0808\B

CS FOR SENATE BILL NO. 152(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR LEMAN BY REQUEST

A BILL

FOR AN ACT ENTITLED

"An Act relating to certified nurse aides; and providing for an effective date."

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

* Section 1. AS 08.01.087 is amended by adding a new subsection to read:

(c) Under procedures and standards of operation established by the department by regulation, and with the agreement of the appropriate agency, the department may designate appropriate state or municipal agencies to investigate reports of abuse, neglect, or misappropriation of property by certified nurse aides.

* Sec. 2. AS 08.01.090 is amended to read:

Sec. 08.01.090. Applicability of the Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) applies to regulations adopted and proceedings held under this chapter, except those under AS 08.01.087(b) **and actions taken under AS 08.68.333(c)**.

* Sec. 3. AS 08.68.100(a) is amended to read:

(a) The board shall

(1) adopt regulations necessary to implement this chapter, including

regulations pertaining to practice as an advanced nurse practitioner and a nurse anesthetist, **and regulations necessary to implement AS 08.68.331 - 08.68.336 relating to certified nurse aides in order to protect the health, safety, and welfare of clients served by nurse aides;**

(2) approve curricula and adopt standards for basic education programs that prepare persons for licensing under AS 08.68.190;

(3) provide for surveys of the basic nursing education programs in the state at the times it considers necessary;

(4) approve education programs that meet the requirements of this chapter and of the board, and deny, revoke, or suspend approval of education programs for failure to meet the requirements;

(5) examine, license, and renew the licenses of qualified applicants;

(6) prescribe requirements for competence before a former nurse may resume the practice of nursing under this chapter;

(7) keep a record of its proceedings, and submit annual reports to the governor and legislature;

(8) define by regulation the qualifications and duties of the executive secretary and delegate authority to the executive secretary that is necessary to conduct board business;

(9) develop reasonable and uniform standards for nursing practice;

(10) publish advisory opinions regarding whether nursing practice procedures or policies comply with acceptable standards of nursing practice as defined under this chapter.

* **Sec. 4.** AS 08.68.140 is amended to read:

Sec. 08.68.140. Applicability of Administrative Procedure Act. **Except as specified in AS 08.68.333(f), the** [THE] board shall comply with the Administrative Procedure Act (AS 44.62).

* **Sec. 5.** AS 08.68 is amended by adding new sections to read:

Article 3A. Certified Nurse Aides.

Sec. 08.68.331. Certification of nurse aides. (a) The board or the Department of Commerce and Economic Development, as designated by the board,

shall issue certification as a nurse aide to qualified applicants. The board, after consultation with affected agencies, may adopt regulations regarding the certification of nurse aides, including

(1) the training, educational, and other qualifications for certification that will ensure that the nurse aides are competent to perform the tasks of their occupation;

(2) application, certification, renewal, and revocation procedures; and

(3) maintenance of a registry of certified nurse aides.

(b) The board may

(1) conduct hearings upon charges of alleged violations of this chapter or regulations adopted under it; and

(2) invoke, or request the department to invoke, disciplinary action under AS 08.01.075 against a certified nurse aide.

Sec. 08.68.332. Use of title. (a) A person may not use the title "certified nurse aide" or the abbreviation "C.N.A." unless the person is certified under this chapter.

(b) A person who knowingly violates this section is guilty of a class B misdemeanor. In this subsection, "knowingly" has the meaning given in AS 11.81.900(a).

Sec. 08.68.333. Registry of certified nurse aides. (a) The board shall maintain a registry of certified nurse aides. At a minimum, this registry must include the information required under federal regulations that are applicable to nurse aides found to have committed abuse, neglect, or misappropriation of property in connection with their employment by a facility participating in the Medicaid or Medicare program.

(b) If the board finds that a certified nurse aide has committed abuse, neglect, or misappropriation of property in connection with employment as a nurse aide, the board shall revoke the nurse aide's certification and enter the finding in the registry.

(c) Upon receiving a notice of a finding under AS 47.05.055 that a certified nurse aide has committed abuse, neglect, or misappropriation of property, the board shall immediately revoke the nurse aide's certification without a hearing, enter the finding in the registry, and notify the nurse aide of the revocation and entry of the

finding. Notice is considered given when delivered personally to the nurse aide or deposited in the United States mail addressed to the nurse aide's last known mailing address on file with the board. The department shall retain proof of mailing.

(d) If the certified nurse aide is employed in a skilled nursing facility or a nursing facility, other than an intermediate care facility for the mentally retarded, that is participating in the Medicaid or Medicare program, only the state survey and certification agency may make, and report to the Board of Nursing, a finding that the certified nurse aide has committed abuse, neglect, or misappropriation of property in connection with the nurse aide's employment at the facility.

(e) The board shall establish procedures under which a finding under AS 47.05.055 that a certified nurse aide has committed abuse, neglect, or misappropriation of property and the resulting revocation of certification will be removed from the registry if the certified nurse aide requests a hearing and can establish mistaken identity or the finding has been set aside by the reporting agency or by a court of competent jurisdiction.

(f) AS 44.62.330 - 44.62.630 do not apply to actions taken under (c) of this section.

Sec. 08.68.334. Grounds for denial, suspension, or revocation of certificate. The board may deny a certification to, or impose a disciplinary sanction authorized under AS 08.01.075 against, a person who

(1) has obtained or attempted to obtain certification as a nurse aide by fraud, deceit, or intentional misrepresentation;

(2) has been convicted of a crime substantially related to the qualifications, functions, or duties of a certified nurse aide;

(3) has impersonated a registered or practical nurse or other licensed health care provider;

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

(5) is incapable of working as a certified nurse aide with reasonable skill, competence, and safety for the public because of

(A) professional incompetence;

(B) addiction or severe dependency on alcohol or a drug that impairs the licensee's ability to practice safely;

(C) physical or mental disability; or

(D) other factors determined by the board;

(6) has knowingly or repeatedly failed to comply with this chapter, a regulation adopted under this chapter, or with an order of the board; or

(7) has misappropriated the property of, abused, or neglected a client.

Sec. 08.68.335. Immunity for certain reports to the board. A person who, in good faith, reports information to the board relating to alleged incidents of incompetent, unprofessional, or unlawful conduct of a certified nurse aide is not liable in a civil action for damages resulting from the reporting of the information.

Sec. 08.68.336. Fees. The Department of Commerce and Economic Development shall set fees under AS 08.01.065 for certified nurse aides for each of the following:

(1) application;

(2) examination;

(3) certification; and

(4) renewal of certification.

* **Sec. 6.** AS 08.68.410 is amended by adding a new paragraph to read:

(9) "certified nurse aide" is a person who is certified as a nurse aide by the board.

* **Sec. 7.** AS 44.62.330(a)(10) is amended to read:

(10) Board of Nursing **functions, except those related to findings of abuse, neglect, or misappropriation of property contained in the registry of certified nurse aides under AS 08.68.333;**

* **Sec. 8.** AS 47.05.010 is amended by adding a new paragraph to read:

(15) investigate reports of abuse, neglect, or misappropriation of property by certified nurse aides in facilities licensed by the department under AS 18.20.

* **Sec. 9.** AS 47.05.017(b) is amended to read:

(b) The department shall adopt regulations identifying actions that it will take,

in addition to those otherwise required under AS 47.17 and AS 47.24, when a report of harm is made under AS 47.17 or AS 47.24 that might relate to harm caused by actions or inactions of a public home care provider. The regulations must

(1) address circumstances under which the department will, or will require a contractor or grantee to, reassign, suspend, or terminate a person alleged to have perpetrated harm; [AND]

(2) include appropriate procedural safeguards to protect the due process rights of public home care providers who may be reassigned, suspended, or terminated under the circumstances described in (1) of this subsection; **and**

(3) if the home care provider is a certified nurse aide, include procedures under which the department shall notify the Board of Nursing if the nurse aide is suspected of abuse, neglect, or misappropriation of property.

*** Sec. 10.** AS 47.05 is amended by adding a new section to read:

Sec. 47.05.055. Certified nurse aides. (a) If the department has reason to believe that a certified nurse aide employed in a facility licensed by the department under AS 18.20 has committed abuse, neglect, or misappropriation of property in connection with the person's duties as a certified nurse aide at the facility, the department shall investigate the matter. The department shall conduct proceedings to determine if a finding of abuse, neglect, or misappropriation of property should be made. [These proceedings shall be conducted under regulations adopted by the department and are exempt from AS 44.62.330 - 44.62.630.] A finding under this subsection that a certified nurse aide has committed abuse, neglect, or misappropriation of property shall be reported by the department to the Board of Nursing.

(b) If the certified nurse aide is employed in a skilled nursing facility or nursing facility, other than an intermediate care facility for the mentally retarded, that is participating in the Medicaid or Medicare program, only the state survey and certification agency may make, and report to the Board of Nursing, a finding that a certified nurse aide has committed abuse, neglect, or misappropriation of property in connection with the nurse aide's employment at the facility.

*** Sec. 11.** AS 47.17.030 is amended by adding a new subsection to read:

(f) If an investigation under this section shows reasonable cause to believe that

a certified nurse aide has committed abuse, neglect, or misappropriation of property, the department shall report the matter to the Board of Nursing.

* **Sec. 12.** AS 47.17.290(13) is amended to read:

(13) "practitioner of the healing arts" includes chiropractors, mental health counselors, dental hygienists, dentists, health aides, nurses, nurse practitioners, **certified nurse aides,** occupational therapists, occupational therapy assistants, optometrists, osteopaths, naturopaths, physical therapists, physical therapy assistants, physicians, physician's assistants, psychiatrists, psychologists, psychological associates, audiologists licensed under AS 08.11, hearing aid dealers licensed under AS 08.55, marital and family therapists licensed under AS 08.63, religious healing practitioners, acupuncturists, and surgeons;

* **Sec. 13.** AS 47.24.010(a) is amended by adding a new paragraph to read:

(15) a certified nurse aide.

* **Sec. 14.** AS 47.24.013 is amended by adding a new subsection to read:

(f) If an investigation conducted by an agency under this section shows reasonable cause to believe that a certified nurse aide has committed abuse, neglect, or misappropriation of property, the agency shall report the matter to the Board of Nursing.

* **Sec. 15.** AS 47.24.015 is amended by adding a new subsection to read:

(g) If an investigation under this section shows reasonable cause to believe that a certified nurse aide has committed abuse, neglect, or misappropriation of property, the department shall report the matter to the Board of Nursing.

* **Sec. 16.** AS 47.33.520 is amended by adding a new subsection to read:

(f) If the licensing agency's investigation shows reasonable cause to believe that a certified nurse aide has committed abuse, neglect, or misappropriation of property, the licensing agency shall report the matter to the Board of Nursing.

* **Sec. 17.** TRANSITION: REGULATIONS. A state agency affected by this Act may proceed to adopt regulations necessary to implement changes affecting the state agency that are enacted by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the changes in law in this Act.

* **Sec. 18.** TRANSITION: CERTIFICATIONS. (a) A person who holds a current, valid

certification from the Board of Nursing as a nurse aide on the day before the effective date of this bill section, subject to continued eligibility under AS 08.68 and regulations adopted under that chapter, is entitled to retain a renewable certification as a nurse aide.

(b) A person who, on the day before the effective date of this bill section, holds a certification from the Board of Nursing as a nurse aide that has been expired for less than two years may apply for renewal of that certification under standards to be established by the board. A certification may not be renewed under this subsection unless the person applies for the renewal before September 1, 1998.

*** Sec. 19.** Section 17 of this Act takes effect immediately under AS 01.10.070(c).

Kreitzer

Statutes and Regulations

Nursing

September 1996

ALASKA

DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING

NOTE: The official version of the statutes in this document is printed in the Alaska Statutes, copyrighted by the State of Alaska. The official version of the regulations in this document is published in the Alaska Administrative Code, copyrighted by the State of Alaska. If any discrepancies are found between this document and the official versions, the official versions will apply.

State of Alaska
Department of Commerce
and Economic Development
Board of Nursing
P.O. Box 110806
Juneau, Alaska 99811-0806

Post-it® Fax Note 7671 | Date | # of pages ▶ (17)
To H. Kreitzer | From
Co./Dept. | Co. Sen. Leman
Phone # | Phone # 465-3849
Fax # 346-4539 | Fax # 465-3870

CORRECTION

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

certification from the Board of Nursing as a nurse aide on the day before the effective date of this bill section, subject to continued eligibility under AS 08.68 and regulations adopted under that chapter, is entitled to retain a renewable certification as a nurse aide.

(b) A person who, on the day before the effective date of this bill section, holds a certification from the Board of Nursing as a nurse aide that has been expired for less than two years may apply for renewal of that certification under standards to be established by the board. A certification may not be renewed under this subsection unless the person applies for the renewal before September 1, 1998.

*** Sec. 19.** Section 17 of this Act takes effect immediately under AS 01.10.070(c).

NA 75 hrs. training
2-4 weeks OTJ training

works under nurse's license

nurse does drawing blood in hosp. ?
no protection don't have to be certified,

MHNA:
can hire

Kreitzer

Statutes and Regulations

Nursing

September 1996

ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

State of Alaska
Department of Commerce
and Economic Development
Board of Nursing
P.O. Box 110806
Juneau, Alaska 99811-0806

Post-it® Fax Note 7671

To Christine Longley	Date / # of pages 7
Co./Dept.	From A. Kreitzer
Phone #	Co. Sen. Lemen
Fax # 346-4346	Phone # 465-3844
	Fax # 465-3870

NDIX C (Continued)

for general practice scopes. Changing curricu-
copes of new graduates over time. Practicing
ep pace with these changes through formalized
uing education or at academic levels. These
should be designed to evaluate and document
of knowledge and practice.

daries of the basic nursing programs, all nurses
main current. Individual nurses may also in-
ertise, responsibility and skill at varying rates
ce foci.

practices that expand beyond the defined bound-
programs must be supported by formalized
N. New scopes of responsibilities may be de-
rk (AS 08.68.410(E)). This course work must
rvised practice.

.e., medical diagnosis, medical therapeutics or
ay be incorporated into some advanced and
scopes. These nurses must apply for an autho-
"Advanced Nurse Practitioner" (ANP as defined
12 AAC 44.400 through 12 AAC 44.560.

uthorized to practice as "ANPs" may initiate
medical procedures in emergency situations
nel are not available. Such practice should not
e. A repetitive or escalating pattern over time
occurrences demands corrective action.

cified medical directives. These functions are
he delegating authority of a professional health
dentialled to offer such services. The "order"
stances must be sufficiently specific and/or
t medical decisions and judgments are not
ut the regimen.

carry out unusual or unfamiliar nursing acts
s should always include consideration of:

iate risk to the patient if the action is not
ppropriate professional personnel are absent.

exity of the patient's medical problem.

siveness of the act.

f the action.

nedical support.

to prove by documentation and appropriate
ll base.

APPENDIX D

POSITION STATEMENT
ALASKA BOARD OF NURSING
ACTIVITIES OF UNLICENSED ASSISTIVE PERSONNEL

Adopted November 1993

Introduction

With increasing frequency, the Board of Nursing has, over the years, been asked to render decisions about how the practice of unlicensed assistive personnel relates to nursing practice of licensed nurses. These unlicensed personnel often assume responsibilities which have historically and legally been within the scope of practice of the licensed nurse. This position paper is intended to establish guidelines licensed nurses can use when called upon to make decisions about delegation to and supervision of unlicensed assistive personnel.

Board of Nursing Authority

The Board of Nursing is charged with protecting the public by regulating nursing practice, according to AS 08.68.100. The public and the profession rely on the Board of Nursing to make decisions which define the limits of practice for licensed nurses.

The Governor's Administrative Order #115 designated the Department of Commerce, Division of Occupational Licensing as the agency responsible for implementation of the OBRA '87 nurse aide requirements. In accordance with the Order, the Board of Nursing advises the Division on matters related to education, certification and registry of nurse aides, one group of unlicensed assistive personnel (UAP). The statutes prohibit the practice of nursing by unlicensed individuals, and the Board has a responsibility to respond when nursing acts are being performed by unlicensed individuals.

The Alaska Board of Nursing has statutory authority pursuant to AS 08.68.100(a)(9), (10) to issue opinions and to develop and publish standards of nursing practice. The first step in defining standards is to review the applicable nursing statutes and regulations. Alaska Statute 08.68.410(8) defines the practice of registered nursing. The definition of the "practice of practical nursing" is cited in AS 08.68.410(7).

In 12 AAC 44.770, the Board has defined unprofessional conduct related to supervision and delegation of nursing practice to include:

(3) "knowingly delegating a nursing care function, task or responsibility to another who is not licensed under AS 08.68 to perform that function, task or responsibility, when the delegation is contrary to AS 08.68 or 12 AAC 44

or involves a substantial risk or harm to a client; and

(4) failing to exercise adequate supervision over persons who are authorized to practice only under the supervision of the licensed professional."

Delegation of some nursing activities is a legally accepted part of nursing practice. The licensed nurse uses professional judgment to decide which nursing activities may be delegated and to whom they may be delegated. Some activities which require specialized nursing knowledge, judgment and skill may be delegated by the registered nurse to the licensed practical nurse, but not to unlicensed personnel. Some activities that do not require specialized nursing knowledge, judgment and skill in implementing a plan of care may be delegated to unlicensed assistive personnel by the licensed nurse.

In settings where the licensed nurse supervises the UAP, the licensed nurse remains legally responsible and accountable for those delegated nursing activities. Responsibility for the completion of those activities and accountability for the performance of the person doing the activity remain with the licensed nurse.

It is the responsibility of the unlicensed assistive personnel to perform the delegated activities correctly. In settings where a licensed nurse may be educating family members, respite workers, or other UAPs, that nurse's responsibility is to verify the ability of the individual to perform the activity.

Changing Scope of Practice

The growth of the use of unlicensed health care providers is a trend in our society. Many people, especially the elderly, are finding it desirable to seek non-traditional unlicensed health care services in settings such as assisted living, adult day care and home care.

Many of these settings, which are based on a social model of care and service, provide an improved quality of life over the traditional institutional nursing care setting.

Consumers expect quality nursing care at a reasonable cost regardless of the setting. Changes in reimbursement policy and health care financing have also contributed to the emphasis on different models of care including the increase in use of home and community services, a decrease in the use of long-term care in institutional settings, earlier discharges from acute care facilities, and waiver programs.

The corresponding increased acuity level of the client seen at the inpatient level

as well as in a community setting has required an increase in the level of knowledge of the provider at each level of service. The trend toward increased self-care and personal responsibility for wellness has also impacted delivery of nursing services.

These changes in the levels of health care provided in traditional and non-traditional settings have altered the scope of practice of nursing and its relationship to unlicensed assistive personnel. The unlicensed home care provider may now be involved in procedures such as assisting with medication, intermittent bladder catheterizations and gastrostomy feedings.

Nursing shortages occur in Alaska and have an impact upon the decisions made regarding provision of nursing care. However, a limited supply of licensed nurses or decreased financial resources is not to be used as an excuse for the inappropriate use of UAP's. Client safety remains the ultimate concern in any nursing care situation. The redesign of nursing care delivery models raises a number of questions about the nurse's role in delegation, particularly in the area of medication administration and provision of invasive treatments.

Unlicensed Assistive Personnel Defined

Unlicensed assistive personnel are individuals who are not authorized to perform nursing acts or tasks that are regulated by the Board of Nursing except pursuant to legal delegation by a nurse. Three categories of unlicensed assistive personnel are identified as follows:

1. Those who nurses supervise, and to whom they delegate some activities.
2. Those who nurses teach but do not supervise.
3. Those who are not directly or indirectly supervised or taught by nurses.

Unlicensed assistive personnel are not licensed to practice nursing, medicine, or any other health occupation requiring a license in Alaska, but may provide basic or special tasks of nursing/client care. A certified nursing aide/home health aide, as defined by the Division, is an unlicensed assistive person.

The term also includes, but is not limited to orderlies, assistants, attendants or technicians. For the purpose of these delegation criteria, unlicensed assistive personnel do not include members of the client's immediate family or guardians. Historically, family members and guardians have performed and may continue to perform activities of nursing care without specific delegation from a licensed nurse.

Guidelines for Delegation of Nursing Practice Activities to Unlicensed Assistive Personnel

To assist the licensed nurse in making decisions within the parameters of the Nurse Practice Act, the following aspects of the nursing process shall be performed only by Registered Nurses (RN):

1) performance of a full physical assessment;
2) validation of the assessment data;
3) formulation of the nursing diagnosis for the individual client;
4) identification of goals derived from nursing diagnosis;
5) determination of appropriate nursing interventions derived from the nursing diagnosis; and
6) evaluation of the effectiveness of the nursing care provided.

It is recognized when the LPN works in a team relationship with the RN, the LPN contributes significantly to each aspect of the nursing process. However, final responsibility for the nursing process and its application remains with the RN.

The Board of Nursing takes the position that the following aspects of the nursing process shall not be delegated by a licensed nurse to any unlicensed person.

1) Nursing assessment of interventions that requires nursing knowledge, judgment and skill.

2) The derivation of the nursing diagnosis, establishment of the nursing care goals and interventions, and development of the nursing care plan including assurance of client/guardian participation in the planning process.

3) The evaluation of the client's progress, or lack of progress, toward goal achievement. This evaluation determines the revision of the nursing care plan and requires professional nursing judgment.

To assist the licensed nurse in adhering to professional standards of practice, the following guidelines describe activities any unlicensed assistive personnel may perform in the delivery of nursing care. The licensed nurse who delegates an activity has the responsibility to verify the ability of the UAP to perform the activity.

1) Unlicensed assistive personnel may assist in the collection and reporting of data, including, but not limited to:

a. vital signs, weight, intake and output, and urine glucose monitoring;
b. changes in client conditions as compared to baseline information established by the nurse;
c. behaviors related to the plan of nursing care; and
d. unsafe environmental conditions.

2) Unlicensed assistive personnel may perform activities which contribute to the implementation of the plan of nursing care in situations where the delegation of that activity does not involve a substantial risk or harm to the client.

A license to practice nursing is not required for the repetitive performance of a common task, activity, or procedure which does not require the professional judgment of an RN or LPN and which:

1. is delegated by a licensed nurse;
2. frequently recurs in the daily care of a client or group of clients;
3. is performed according to an established sequence of steps;
4. involves little or no modification from one client-care situation to another;
5. may be performed with a predictable outcome;
6. does not inherently involve ongoing assessments, interpretations, or decision-making which cannot be logically separated from the procedure itself.

Client-care services which do not meet all of these criteria must be performed by a licensed nurse. The restrictions, however, do not apply to care performed by clients themselves, their families or guardian, or by caretakers who provide personal care to individuals whose health care needs are incidental to the personal care required.

The clients for whom tasks may be delegated include clients who have chronic problems with stable conditions. Delegation to providers caring for clients with routine, repetitive, ongoing care needs such as assistance with urinary catheterizations, medication administration (including insulin), and oxygen therapy are appropriate under these guidelines.

Some activities that require professional nursing judgment may be delegated after the nursing judgment is made. Such tasks may include performance of or assistance with, and are not limited to:

a. personal hygiene and elimination, such as routine baths, uncomplicated mouth or skin care including use of a suction toothbrush, shampoos, provision or removal of bedpans and urinals, and emptying of foley catheter drainage bags, or ostomy bags;

b. selected ambulation, positioning, turning, activities of daily living, and prescribed exercise programs or passive range of motion exercises;

c. the provision and maintenance of a safe, comfortable environment;

d. non-invasive treatments of a routine nature that do not require simultaneous professional nursing judgment. For example, simple dressing changes and external catheter care;

e. client self-administered medication. Such assistance does not include measuring or pouring medication or the preparation of syringes for injection;

f. selected nutritional activities, such as feeding and meal preparation; and

g. transportation of clients.

These guidelines are expected to provide guidance in all client care situations. This includes a setting where a licensed nurse is not regularly scheduled and/or not available to provide ongoing direct intervention and/or direct supervision.

Other examples of activities which may be delegated under safe conditions are oral pharyngeal suctioning, suctioning of an established (long-term) tracheostomy, and gastrostomy tube feedings.

Guidelines for practice further specify that UAPs may not change the dose, schedule or route of administration of medications. With regard to treatments, the procedure, frequency, and schedule should not be altered without consultation with a licensed health care provider. The plan of care (schedule of care) in place for use by the UAP must provide specific directions with regard to all activities.

General criteria for instruction to prepare UAPs to perform procedures including administration of medications or other activities include:

1. how to perform the procedure including demonstration of activity if appropriate, including safety and infection control measures to be observed;
2. indications for the procedure to be carried out;
3. anticipated outcome, effect or action;
4. contraindications to performing the procedure;

5. complications, side effects or untoward effects;
6. when and how to report unanticipated events such as contraindications or complications, and;
7. documentation requirements.

Based upon these guidelines, the licensed nurse assesses the client care situation including the clinical acuity and chronicity of the client's condition. The nurse also assesses the skill proficiency level of the UAP(s) involved in the client's care. The nurse recognizes there are variations in the abilities of UAP(s); therefore, the decision to delegate activities must be based on assessment of the UAPs' abilities as well as the client's condition.

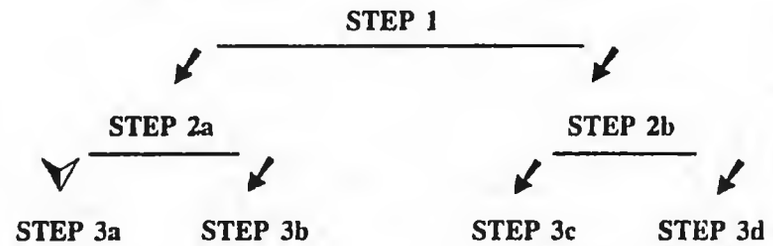
Delegation Models

The Board of Nursing models for decision making regarding delegation are applicable to delegation situations related to UAPs. The situations which fit the model depicted in Figure I do not require nursing judgment in order to perform an activity. Routine care activities needed by a child with multiple disabilities fits this model.

FIGURE 1: DELEGATABLE ACTIVITY

The same child who becomes acutely ill with pneumonia or dehydration or a change in seizure pattern, may need closer observation and assessment with a changing plan of care related to the seizure disorder and nutritional needs. The UAP would not be delegated these activities in that situation. Such acute situations with rapidly changing requirements for care would be directed by using the decision tree shown in Figure 2.

FIGURE 2: NONDELEGATABLE ACTIVITY



In using the decision tree models, the complexity of the nursing care activity and the predictability of the outcome of the activity being delegated must be considered. The potential for client harm must be continuously assessed. The proficiency level of the UAP is a necessary factor in determining whether delegation of an activity is appropriate.

Figure 3 Examples of Delegation of Activities for Diabetic Client

PROVIDER	UAP with general training	UAP with Client Specific In-service	Licensed Nurse Only
CLIENT NEEDS	Chemical Urine Sugar Testing using reagent tablets or strips	Blood GlucoseIV Test such as Acutest	Blood Draw
CLIENT NEEDS	Assist with self-administered oral medications	Administer insulin by injection according to scheduled plan of care	Administer different kinds and doses of insulin for non-stable client
CLIENT NEEDS	Assist with feeding client	Encourages client to select foods appropriate to diet	Assist other providers with regulation of institutional needs including IVs, hyperalimentation, dietary needs

Activities may be delegated on a **one-to-one** basis when the licensed nurse delegating has made the determination that the UAP is capable of providing the service and the client situation is appropriate for delegation. In some clinical situations, for example, several UAP staff may be identified who may be delegated care for one client or a group of clients with similar needs. In some agencies, a decision may be made that only the basic non-invasive activities described earlier in the paper may be delegated.

Licensed nurses supervising UAPs must appraise their performance regularly. In the interest of public safety, the Board believes that supervision by licensed nurses of UAPs performing delegated nursing activities is necessary for the provision of safe nursing care.

Definitions

Accountability means the state of being responsible, answerable or legally liable for an action. This includes use of judgment, skill, ability and capacity.

Delegation means the transfer of responsibility to perform an activity from one individual to another while retaining accountability for the outcome. Example: The nurse, in delegating an activity to an unlicensed individual, transfers the responsibility for the performance of the activity but retains professional accountability for the overall care.

Guardian means one legally responsible for the care and management of the person or property of another person whom the law regards as incompetent to manage particular aspects of their own affairs.

Licensed nurse means a registered nurse or licensed practical nurse.

Plan of care means a course of action developed by the nursing team which encompasses the problems, needs and strengths of the client. The course of action sets forth a strategy for accomplishing the activities required to assist the client to achieve the desired goals. This plan gives specific individualized directions and schedules of care for each client situation.

Supervision means provision of guidance by a qualified nurse for the accomplishment of a nursing task or activity with initial direction and periodic inspection of the activity.

References:

American Nurses Association. (1991). ANA Survey of the state nurses association on regulation of unlicensed personnel. Kansas City, MO. Unpublished report.

American Nurses Association. (1992). Position statement on Registered Nurse utilization of unlicensed assistive personnel. Washington, D.C.: Author.

Miller, B. J. (1992). Survey of State Nurses' Association, Executive Directors regarding delegation of cathertization to unlicensed personnel. Anchorage, AK. Unpublished Report.

Mississippi Board of Nursing. (1988). Statement on delegation, and statement on delegation of urinary cathertization to unlicensed personnel. Jackson, MI.

Montana Board of Nursing. (1992). State survey on delegation of nursing tasks. Helena, MT. Unpublished report.

National Council of State Boards of Nursing (1987). Statement on the nursing activities of unlicensed persons. Chicago, IL: Author.

National Council of State Boards of Nursing. (1990). Concept paper on delegation. Chicago, IL: Author.

National Council of State Boards of Nursing. (1990). Job Analysis of Nurse Aides employed in nursing homes, home health care agencies and hospitals. Chicago, IL: Author.

North Carolina's Board of Nursing. (1988). Administrative Code .0221. Raleigh, NC: State of North Carolina.

Oregon State Board of Nursing. (1992). Standards for Registered Nurse delegation of nursing care tasks to unlicensed persons, in settings where Registered Nurses are not regularly scheduled. Portland, OR: State of Oregon.

Washington State Board of Nursing. (1991). Unlicensed practice task force recommendations; guideline sheet. Olympia, WA: Author.

Alaska State Legislature
Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Legal Services
via fax: 2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
X 3844

DATE: April 16, 1997

RE: FINAL CS SB 152: Certified Nurse Aide

Using version LS0808\E, please prepare a FINAL CS for Senate Bill 152, incorporating the following amendments and deliver to Senator Leman's office, Capitol Room 115:

1) Page 3, Line 15:

following "aide" insert or the abbreviation "C.N.A."

2) Page 1, Line 12:

DELETE **[AS 08.68.333]**
Insert actions taken under AS 08.68.333(c)

3) Page 4, Line 15:

DELETE **[HEARINGS HELD OR THE PROCEDURES ESTABLISHED UNDER THIS SECTION]**
Insert actions taken under (c) of this section

4) Page 3, Line 1:

DELETE **[MAY]**
Insert shall

5) Page 4, Line 2:
Following "address on file with the board" insert The department shall retain proof of mailing.

6) Page 7, Lines 22-28:
DELETE Section 16 and renumber following sections.

There were no other changes to the bill.

04/15/97 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150

13:40:22 PARTICIPANT LIST (ALL PARTICIPANTS) BY:ANC

TCN:70641 SCHEDULED FOR:04/15/97 13:30 TO 15:00 FOR:ANC

PUBLIC HEARING SENATE LABOR & COMMERCE

LOCATION:ANCHORAGE

SB 110	KATHY	GARDNER		TESTIFY
SB 110	DWAYNE	ADAMS		TESTIFY
SB 152	RON	COWAN	DHSS/HFL&C	TESTIFY
SB 152	DOROTHY	FULTON		TESTIFY
SB 152	PATRICIA	SENNER		TESTIFY
SB 152	LOUISE	DEAN	BRD OF NURSING	TESTIFY

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Terri Lauterbach, Legislative Counsel
Legislative Legal Services
Via fax: 2029

FROM: Annette Kreitzer, Aide to
Senator Loren Leman

DATE: April 25, 1997

RE: SB 152: Certified Nurse Aide

Please prepare an amendment to CS SB 152 (L&C) version LS0808\B that make the proceedings under AS 47.05.055 subject to AS 44.62.330-44.62.630 (Administrative Procedure Act).

The exemption appears on Page 6, lines 20-21, but there may be collateral references to it elsewhere in the bill.

Am #2

Division of Occupational Licensing
Department of Commerce
and Economic Development
April 15, 1997

Amendments to SB 152, Certified Nurse Aides

Page 1, line 12:
Delete "AS.08.68.333"
Insert "actions taken under AS.08.68.333(c)"

No objection

Page 4, line 15:
Delete "hearings held or the procedures established under this section"
Insert "actions taken under (c) of this section"

Am #3

Page 3, line 1:
Delete "may"
Insert "shall"

---

page 4, line 2:
After "address on file with the board."
Insert "The department shall retain proof of mailing."

Sen Taylor moved
Sen Miller moved
Am #3

MENDMENT TO SB152 "AN ACT RELATING TO CERTIFIED NURSE AIDES."

MEND SECTION 5
page 3
line 14 and 15

Replace Sec.08.68.332. Use of title. (a) with:

"A person may not use the title "certified nurse aide" or the abbreviation C.N.A." unless the person is certified under this chapter.

Am #1 Sen. Kelly
no objection

SECTIONAL ANALYSIS
FOR
SB 152: CERTIFIED NURSE AIDES

Section 1: Amends AS 08.01.087 and allows the Department of Commerce (the investigative agency for the Board of Nursing) to designate other state or local agencies (with their consent) to conduct investigations into reports of abuse by CNAs.

Section 2: Cross-references the exemption in AS 08.68.33 from the requirements of the Administrative Procedure Act.

Section 3: Amends AS 08.68.100(a) and gives the Board of Nursing authority to adopt regulations regarding certified nurse aides.

Section 4: Amends AS 08.68.140 to exempt procedures related to the registry of certified nurse aides from the requirements of the Administrative Procedure Act.

Section 5: Creates a new article in AS 08.68. Contains several new sections giving the Board of Nursing authority to regulate and certify nurse aides.

AS 08.68.332: Class B misdemeanor for a person to use the title "certified nurse aide" unless the person is certified by the board.

AS 08.68.333: Requires Board of Nursing to establish and maintain a registry of certified nurse aides. Establishes procedures for including findings of abuse and neglect or misappropriation of property in connection with employment as a nurse aide in a registry.

AS 08.68.334: Establishes the grounds for denial or suspension of a nurse aide's certification, and the Board of Nursing's disciplinary authority.

AS 08.68.335: Provides immunity for good faith reports to the board.

AS 08.68.336: Allows the Department of Commerce to set and collect fees for certified nurse aides for application, examination, certification and renewal.

Section 6: Adds a definition for "certified nurse aide".

Section 7: Amends AS 44.62.330(a)(10) to exempt functions related to the nurse aide registry from the requirements of the Administrative Procedure Act.

Section 8: Amends AS 47.05.010 adding to the duties of the Department of Health and Social Services the investigation of reports of abuse, neglect, or misappropriation of property in DHSS licensed facilities (AS 18.20).

Section 9: Requires the DHSS to adopt procedures to report to the Board of Nursing suspected abuse, neglect, or misappropriation of property by CNAs who work as home care providers.

Section 10: Gives the DHSS authority to investigate reports of abuse or neglect by CNAs in facilities licensed by DHSS under AS 18.20. The department would hold hearings under regulations it adopts. Reports of findings of abuse, neglect or misappropriation of property by a CNA must be reported to the Board of Nursing. If the facility is a long-term care facility covered under 42 CFR sec. 483.5, only the designated state survey and certification agency (Health Facilities Licensing & Certification Section, Department of Health and Social Services) may make the report to the registry. This provision is included to comply with federal law (see 42 CFR 483.156(b)(2)).

Section 11: Amends AS 47.17.030, regarding investigation by state and local agencies of reports of harm to children, to require that suspected abuse or neglect by CNAs be reported to the Board of Nursing.

Section 12: Amends AS 47.17.290(13) to include certified nurse aides among the practitioners of the healing arts required to report suspected abuse or neglect of children under their care.

Section 13: Amends AS 47.24.010(a) to add CNAs to the list of those required to report the suspected exploitation or abuse of vulnerable adults under their care.

Section 14: Amends AS 47.24.013, regarding the investigation of abuse of elderly persons to require that suspected abuse, neglect or misappropriation of property by CNAs be reported to the Board of Nursing.

Section 15: Amends AS 47.25.015 which requires DHSS to investigate reports of harm to elderly that are not addressed under AS 47.24.013. Requires DHSS to report suspected abuse, neglect or misappropriation of property to the Board of Nursing.

Section 16: Amends AS 47.33.500(c), regarding assisted living facilities, allows information about a complainant or resident to be released to appropriate investigative agencies.

Section 17: Amends AS 47.33.520 to require that suspected abuse, neglect or misappropriation of property to the Board of Nursing.

Sections 18 and 20: Allow the Board of Nursing and other affected state agencies, before the effective date of the new laws, to begin drafting the regulations necessary to implement the bill.

Section 19: Transition section providing persons who are certified as nurse aides immediately before the effective date of the Act retain their certifications, subject to continued eligibility. CNAs whose certifications have expired within two years before the Act takes effect may apply to renew them, but must do so before September 1, 1998.

SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189 Session: State Capitol, Juneau, AK 99801 (907) 465-2095

Sponsor Statement
Senate Bill 152: Certified Nurse Aides

I sponsored SB 152 at the request of the Alaska Nurses Association.

Although certification of nurse aides has been administered by the Department of Commerce, Division of Occupational Licensing, there is no provision for revocation of certificates for inappropriate behavior.

In response to changes in federal law, SB 152 allows for the creation of a certified nurse aide registry to include the information required when a nurse aide is found to have committed abuse, neglect, or misappropriation of property in connection with their employment as a nurse aide.

SB 152 provides a mechanism for the Department of Health and Social Services to alert the Board of Nursing to inappropriate behavior by a certified nurse aide, when that behavior occurs in a state-licensed facility.

This legislation protects the health, safety and welfare of a vulnerable population served by certified nurse aides, as well as ensuring competency in the performance of nurse aide duties.

ALASKA NURSES ASSOCIATION

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

April 9, 1997

Senator Loren Leman
Juneau, Alaska

Dear Senator Leman:

On behalf of the Alaska Nurses Association. I'd like to take this opportunity to comment on SB 152, "An Act relating to certified nurse aides. The Alaska Nurses Association supports this bill and its greater purpose to protect the health, safety, and welfare of the public served by nurses aides as well as to ensure competency in the performance of nurses aide tasks.

The Alaska Nurses Association believes that this act is a positive first step toward the goal to mandate certification for all nurse aides. The Alaska Nurses Association passed a resolution in support of requiring certification for all nurse aides at the annual convention in 1995. The Alaska Nurses Association continues to be committed to certification of all unlicensed assistive personnel not just those individuals who are already mandated to be certified.

The nursing profession is accountable for the quality of service it provides to the consumer. This includes responsibility for developing nursing policies and procedures and setting the standards of practice for the nursing care of populations served. Provision of any care which constitutes nursing or any activity represented as nursing is a regulatory responsibility of Boards of Nursing. This Act rightly assigns the oversight for the practice of certified nurse aides and the protection of the public to the Alaska Board of Nursing.

The Alaska Nurses Association supports the sections of the HB which provide the following:

- Definitions of covered individuals,
- Authorization for the Board to Nursing to certify nurse aides and maintain a registry,
- Authorization for the Board to discipline certified nurse aides,
- Enforcement authorization,
- Authorization for the Board of Nursing to approve curricula and adopt standards for educational programs and to adopt regulations.

The Alaska Nurses Association thanks you for the opportunity to give input on this piece of legislation. Thank you for sponsoring this legislation.

Sincerely yours,

Jackie Pflaum, Legislative Chairperson

SB

158

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/2/97

FURTHER: Judiciary

Date of 5-Day Notice: 1-29-98
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2-10-98

Labor and Commerce Committee considered

SENATE BILL NO. 158

"An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked."

and recommends:

[✓] be **replaced** with ____ CS SB 158 (L+C)

[ ] adopt **previous** ____ CS _____ (____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to the _____ Committee

Senate Bill:
[ ] same title
[✓] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR#____

SIGNING DO PASS	*DP*	*OTHER RECOMMENDATIONS*	*NR*	*DNP*	*AM*
Tom Keese	✓		✓		
		Tom Hoffman	✓		
		Mike Miller	✓		
CHAIR:		*CHAIR:* Drew Brown	✓		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
ADMIN	2/11/98	✓	
Commerce - Insurance	2/3/98	✓	

HCS

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

[ ] **APPROPRIATION -- no fiscal note**

***include fiscal notes accompanying Governor's bill**

0-LS0839\K
Ford
2/6/98

CS FOR SENATE BILL NO. 158( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): THE SENATE JUDICIARY COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

"An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked for possession or consumption of alcohol while under 21 years of age."

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

* **Section 1.** AS 21.36.210(a) is amended to read:

(a) An insurer may not exercise its right to cancel a policy of personal automobile insurance except for the following reasons:

(1) nonpayment of premium; or

(2) the driver's license or motor vehicle registration of either the named insured or of an operator who resides in the same household as the named insured or who customarily operates a motor vehicle insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date; **this paragraph does not apply to administrative revocation as described under**

AS 21.89.027.

* **Sec. 2.** AS 21.89 is amended by adding a new section to read:

Sec. 21.89.027. Motor vehicle insurance following driver's license revocation. (a) Notwithstanding AS 21.36.210, an insurer offering insurance in this state may not (1) refuse to issue or renew motor vehicle liability insurance coverage; (2) cancel an existing policy of motor vehicle liability insurance; (3) deny a covered claim; or (4) increase the premium on a motor vehicle liability insurance policy if the refusal, cancellation, denial, or increase results only from the fact that the person's driver's license was revoked under AS 28.15.183 or 28.15.185 for possession or consumption of alcohol in violation of AS 04.16.050 or a municipal ordinance with substantially similar elements.

(b) The provisions of (a) of this section may not prevent an insurer from underwriting or rating for a loss experience in the same manner as it would for a person who has not had the person's driver's license revoked under AS 28.15.183 or 28.15.185.

* **Sec. 3.** This Act applies to a policy of insurance that is entered into or renewed on or after the effective date of this Act.

0-LS0839\H
Ford
1/28/98

CS FOR SENATE BILL NO. 158( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): THE SENATE JUDICIARY COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

"An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked."

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

* **Section 1.** AS 21.36.210(a) is amended to read:

(a) An insurer may not exercise its right to cancel a policy of personal automobile insurance except for the following reasons:

(1) nonpayment of premium; or

(2) the driver's license or motor vehicle registration of either the named insured or of an operator who resides in the same household as the named insured or who customarily operates a motor vehicle insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date**; this paragraph does not apply to administrative revocation as described under AS 21.89.027**.

* **Sec. 2.** AS 21.89 is amended by adding a new section to read:

Sec. 21.89.027. Motor vehicle insurance following driver's license revocation. (a) Notwithstanding AS 21.36.210, an insurer offering insurance in this state may not (1) refuse to issue or renew motor vehicle liability insurance coverage; (2) cancel an existing policy of motor vehicle liability insurance; (3) deny a covered claim; or (4) increase the premium on a motor vehicle liability insurance policy if the refusal, cancellation, denial, or increase results only from the fact that the person's driver's license was revoked under AS 28.15.183 or 28.15.185 for possession or consumption of alcohol in violation of AS 04.16.050 or a municipal ordinance with substantially similar elements.

(b) The provisions of (a) of this section may not prevent an insurer from underwriting or rating for a loss experience in the same manner as it would for a person who has not had the person's driver's license revoked under AS 28.15.183 or 28.15.185.

* **Sec. 3.** This Act applies to a policy of insurance that is entered into or renewed on or after the effective date of this Act.

FISCAL NOTE

STATE OF ALASKA **BILL NO: SB 158**

1998 LEGISLATIVE SESSION

Revision Date:

Dept. Affected: Administration

Title: "An Act relating to motor vehicle liability Insurance..."

BRU: Motor Vehicles

Component: Driver Services

Sponsor: Senate Judiciary

Requestor: (S) L&C

COMPONENT SERIAL NO. 2150

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	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
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( ) Revenue Code						

FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY 98) impact: $ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill will not fiscally impact the Division of Motor Vehicles

Prepared By: Juanita M. Hensley Phone: 465-5648

Division: Motor Vehicles Date: 2/4/98

Approved by Commissioner: Mark Boyer Date: 2/4/98

Agency: Department of Administration

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

For further distribution information call the Governor's Legislative Office

Rev 11/94

jd

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 158

Revision Date (Note if correction) _____ Dept.Affected Commerce & Economic Development

Title: Insurance Changes For Driver's License — BRU: Insurance

Revocation — Component: Insurance

Sponsor: Senate Judiciary Committee

Requester: Senate Labor & Commerce — 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)*

Section 1 amends the existing statute to prohibit canceling a personal automobile insurance policy when a minor's license is revoked for possession of alcohol.

Section 2 adds a new section that prohibits an insurer from canceling, nonrenewing, denying a claim, or increasing the premium on a motor vehicle liability insurance policy when a minor's license has been revoked for possession or consumption of alcohol.

Prepared by: Marianne K. Burke, Director — Phone: 465-2515

Division: Insurance — Date: 2/2/98

Approved by: Commissioner Deborah B. Sedwick — Date:

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

(Rev 9/97) 98Inform.xls/CMB

COMMITTEE:
SENATE LABOR & COMMERCE

DATE: FEBRUARY 5, 1998

Subject of meeting:
SB 158 - INSURANCE CHANGES FOR DR. LIC REVOC.

SIGN-IN

PLEASE PRINT! NAME	ADDRESS (MAILING) & (ZIP)	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
John George	3328 Fritz Cove Rd	789-0172	NAII	Yes
Joe Ambrose	CAP Room 30	4906	SEN TAYLOR	Yes
Sarah McNair-Gross	9th Floor State Office Bldg	465-4613	Division of Ins	Yes
DeeAnn Tessener	" "	4610	"	No
Sheldon Winters	124 W. 5th Street	586-5912	State Farm	~~No~~

Alaska State Legislature

Chairman,
Judiciary Committee

Member,
Resources Committee
Rules Committee
Committee on Committees

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor
Senate Majority Leader

MEMORANDUM

To: Senator Loren Leman, Chairman
Senate Labor & Commerce Committee

From: Senator Robin L. Taylor

Date: 1/29/98
Ref: Hearing Request - SB158

****

Please consider this my formal request for a hearing on Senate Bill 158 at your earliest convenience.

Most of our offices have been contacted by parents upset with an unintended consequence of the "Use It and Lose It" minor consuming law. Because that law results in the suspension or revocation of a minor's drivers license, insurance rates for both the minor and his parents increase, if coverage is offered at all.

SB 158 is intended to correct this situation. I have come to the realization that the bill as originally introduced was too broad in scope and ask that you consider the attached committee substitute. A sectional analysis of the CS is also attached.

In brief, this bill would prohibit an insurer from exercising its right to cancel a policy (or raise rates) based solely on a license suspension for minor consuming. This prohibition does not include other offenses such as DWI, using false ID or possession of controlled substances.

Thank you for your consideration.

ALASKA STATE LEGISLATURE

Sen. Robin Taylor, Chair
Sen. Drue Pearce, Vice Chair
Sen. Mike Miller
Sen. Sean Parnell
Sen. Johnny Ellis

State Capitol
Juneau, AK 99801-1182
(907) 465-3717
Fax: (907) 465-3922

Senate Judiciary Committee

SPONSOR STATEMENT
FOR

CS FOR SENATE BILL 158 ( ) "An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked."

The "use it or lose it" provisions of current statute have had an unintended consequence. Minors who lose their drivers licenses for minor consuming offenses often find themselves and their families with increased insurance premiums and occasionally a policy cancellation.

Senate Bill 158 would correct this situation by prohibiting an insurer from raising rates and/or cancelling existing policies solely for suspension of a minor's drivers license as a result of minor consuming (where not involving driving).

This narrowly focused version of SB 158 does not address other offenses such as DWI, using false ID, or possession of controlled substances.

Sectional Analysis

CSSB 158

Section 1 adds language to the existing statute stating that AS 21.36.210 (a) (2) does not apply to an administrative revocation as described in AS 21.89.027, the new section which begins on page 2 of the bill.

AS 21.36.210 (a) specifies why an insurer may cancel a policy: nonpayment of premium or suspension or revocation of a drivers license.

Section 2 is the operative section of the bill and adds a new provision to state law. (a) says an insurer may not refuse to issue or renew motor vehicle liability insurance, cancel an existing policy, deny a covered claim, or increase the premium only because of an administrative or court ordered suspension for minor consuming. (b) says that (a) does not prevent an insurer from underwriting or rating a loss in the same manner as it would have had the suspension not occurred.

Section 3 says the bill would apply to policies issued or renewed on or after the effective date. This would mean that policies currently being charged a higher rate would have to be adjusted at the next renewal

prepared 1/29/98 by Joe Ambrose

SB 159

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/3/97

FURTHER: Finance

Date of 5-Day Notice: 4-10-97
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 5-6-97

Labor and Commerce Committee considered

SENATE BILL NO. 159

"An Act relating to the new business incentive program."

and recommends:

[X] be **replaced** with ____ CS SB 159 (L+C)

[ ] adopt **previous** ____ CS _____ (_____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to the _____ Committee

Senate Bill:
[X] same title
[ ] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR#_____

SIGNING DO PASS	*DP*	*OTHER RECOMMENDATIONS*	*NR*	*DNP*	*AM*
	✓				
Mike Miller	✓				
CHAIR: Drew A. Scalzi	✓	*CHAIR:*			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
C+ED	4/16/97		$10.8

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

[ ] **APPROPRIATION -- no fiscal note**

***include fiscal notes accompanying Governor's bill**

CHANGES TO SB 159

Move the L&C Committee Substitute

1) Page 1 of the Original Bill, Lines 9-10: deleted following language [CONSISTING OF APPROPRIATIONS TO THE FUND FROM MONEY AVAILABLE UNDER AS 44.88.088 OR FROM OTHER SOURCES.]

2) Page 1, Line 9 of the CS: Made clear that the Legislature has the option to appropriate UP TO $3,000,000.

3) Page 2, Lines 4-6: This amendment made clear that, for a business located in a municipality, the municipality must provide support, but leaves the option of non-financial support available. The Department of Commerce and Economic Development retains the ability to evaluate the type of support.

4) Page 2, Lines 8-10: combines and rewrites requirement that a business be evaluated by the Alaska Industrial Development and Export Authority as one condition for receiving a grant.

5) Page 2, Line 11: Made clear that standards will be outlined by regulation.

6) Page 2, Lines 28-30: Inserted language to ensure that any study costs are relevant to Alaska.

7) Page 3, Lines 9-11: This amendment encourages the state to seek repayment of grant money, by allowing it to negotiate conditions, when appropriate, for repayment as part of a grant.

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

TO: Tam Cook, Legislative Counsel
Legislative Legal Services
Work Draft 4th Page only

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
x 3541

DATE: May 2, 1997

RE: CS SB 159 – Work Draft

Please draft a new committee substitute for Senate Bill 159 using work draft LS0868\B as the base document with the following changes:

1) Page 1, Line 5:
Following "and"
DELETE **[APPROVE]**
insert recommend "the award of grants"...

2) Page 1, Lines 9-10:
Following "fund" DELETE **[CONSISTING OF APPROPRIATIONS TO THE FUND FROM MONEY AVAILABLE UNDER AS 88.08 OR FROM OTHER SOURCES]**

3) Page 2, Lines 9-10
DELETE: **[(5) THE BUSINESS IS RECEIVING FINANCING FROM THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY; AND]**
and renumber the following sections.

4) Page 2, Lines 11-12:
(6) has been **[APPROVED]** recommended as complying with the requirements for a business incentive grant by the Alaska Industrial Development and Export Authority.

5) Page 2, Line 13:
Following "prescribe" insert
by regulation the standards for program eligibility

6) Page 2, Line 16:
Following "the amount" DELETE **[APPROVED]**
insert recommended

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Tam Cook, Legislative Counsel
Legislative Legal Services
via fax: 2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
X 3844

DATE: April 28, 1997

RE: Committee Substitute for SB 159: New Business Incentive Program

---

The Labor & Commerce Committee adopted the following amendments and requests a WORK DRAFT committee substitute for its expected hearing tomorrow, April 29 at 1:30 p.m.. The amendments were adopted using version LS08068\E.

1) Amendment 0-LS0868\E.1 by Cook dated 4/17/97

2) Page 2, Line 6:
(3) if [IS] located within [IN] a municipality, the municipality [THAT] has provided [FINANCIAL] support to the business in a form and in an amount acceptable to the department.

3) Amendment 0-LS08868\E.2 by Cook dated 4/17/97

4) Page 2, Line 29
Conceptual Amendment to: the business feasibility analyses, market studies and business facility designs should address Alaskan conditions. In other words, the committee doesn't want the state funding such analyses, studies, designs for out -of-state uses.

Next Meeting:
Tuesday, April 29:
Schedule to be posted

ADJOURN

bring bill back w/ change

Keith Z. AIDEA

- grant specific so can be regulated by commerce
- aidea making recommendations
  [redacted] w/ commerce make final decision
- aidea finance requirement
  ↑ problem
  aidea financing has requirements that would limit (because of their standards)

Greg Wolf

Patty DeMarco AEDC
- ready to expedite
- many regs could be developed after bill is passed ↳ by department.

Kelly - interface w/ current program
AISTF - ?
reimbursement of expenses (w/ receipts)
★ concerned re: p 2, ln 29
feasibility studies - usually no action
Patty (after they've done this & plan to develop...)
#4
Conceptual ↳ specify re: Alaskan conditions
if they are done for.

Pam LaBolle

CS moved

Kelly - concerned
AK ↓ revenues, wire ↑ grants
no one will come up the $3 mil write off
are these worth $3 mil - credit income - most aren't taxed
w/o demanding a piece of this - spic
where does this stop - once they begin?

SB - concur
Jim consider tax credits

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Tam Cook, Legislative Counsel
Legislative Legal Services
via fax: 2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
PH: X3844

DATE: April 17, 1997

RE: Amendments to SB 159: New Business Incentive Programs

Please prepare two amendments for the 1:30 p.m. Senate Labor & Commerce hearing today:

1) Page 1, Line 11:

The intent of this legislation is to appropriate UP TO $3,000,000. Please delete [MAY EQUAL] and insert language to accomplish the former.

2) The bill allows for a business that is a branch of another business to repay grant money and interest, but there is no provision for the department to allow ANY business receiving grant money to be able to repay money and interest. Please provide that option.

CORRECTION

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

Next Meeting:
Tuesday- April 29:
Schedule to be posted

ADJOURN

bring bill back w/ change

Keith L. AIDEA

- grant specific so can be regulated by commerce
- Aidea making recommendations
  [redacted] w/ commerce make final decision
- Aidea finance requirement
  ↑ problem
  aidea financing has requirements that would limit (because of their standards)

Greg Wolf

Patty DeMarco NEDC

- ready to expedite
- many regs could be developed after bill is passed ↳ by department.

Kelly - interface w/ current program
ASTF - ?
reimbursement of expenses (or receipts)
* concerned re: p 2, ln 29
feasibility studies - usually no action
Patty (after they've done this & plan to develop...)
#4
Conceptual ↳ specify re: Alaskan conditions
if they are done for

Pam LaBolle

CS moved

Kelly - concerned AK ↓ revenues, wire ↑ grants
who one will come up the $3 mil write off
are these worth $3 mil - credit income - most
aren't taxed
w/o demanding a piece of this pie
where does this stop - once they begin?

JD - concur
pin consider tax credits

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

SENATE LABOR AND COMMERCE COMMITTEE

*expected to be present

*Chairman: Senator Loren Leman
Vice Chairman: Senator Mackie
*Senator Kelly
*Senator Miller
*Senator Hoffman

Committee Agenda
11:30 a.m. NOTE DELAY
Fahrenkamp Room
Thursday, April 24, 1997

Teleconference Sites: ANC

SB 159: New Business Incentive Program
By Senator Drue Pearce, Sponsor

3 Amendments pending

Expected Witnesses:

Patty DeMarco. President Anchorage Economic Development Corporation **(ANC LIO)**

Greg Wolf, Vice President, Anchorage Economic Development Corporation**(ANC LIO)**

Katelyn Markley, Alaska Industrial Development and Export Authority **(ANC LIO) - available to answer questions**

Keith Laufer, Alaska Industrial Development and Export Authority **(ANC LIO)**

AIDEA ltr of concern

✓**Jordan Koko,** Staff to Senator Pearce - **available to answer questions**

HB 214: Workers Comp:Temp. Assistance/Med. Condit
By House Rules Committee, Sponsor

Expected Witnesses:

Representative Pete Kott, Chairman House Rules Committee

Paul Grossi, Director, Division of Workers' Compensation

---

see next page

Alaska State Legislature

Senate

Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Tam Cook, Legislative Counsel
Legislative Legal Services
via fax: 2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
PH: X3844

DATE: April 17, 1997

RE: Amendments to SB 159: New Business Incentive Programs

Please prepare two amendments for the 1:30 p.m. Senate Labor & Commerce hearing today:

1) Page 1, Line 11:

The intent of this legislation is to appropriate UP TO $3,000,000. Please delete [MAY EQUAL] and insert language to accomplish the former.

2) The bill allows for a business that is a branch of another business to repay grant money and interest, but there is no provision for the department to allow ANY business receiving grant money to be able to repay money and interest. Please provide that option.

0-LS0868\E.1
Cook
4/17/97

AMENDMENT

OFFERED IN THE SENATE BY SENATOR LEMAN

TO: SB 159

#1

no objection

Page 1, line 10:

Delete "The amount"

Insert "Up to $3,000,000 may be"

Page 1, line 11:

Delete "may equal $3,000,000"

#2 no objection

AMENDMENT

BY: SENATOR LEMAN

OFFERED IN SENATE L&C COMMITTEE
TO: SB 159

Page 2, Line 6:

(3) if [IS] located within [*IN*] a municipality, the municipality [**THAT**] has provided [**FINANCIAL**] support to the business in a form and in an amount acceptable to the department.