

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9945 HOUSE LABOR & COMMERCE

12/5/97

To whom it may concern,

I don't have diabetes, and I no longer have a family member suffering from this awful disease either. You see, my husband died of "diabetes related complications" on Sept. 28, 1997, just 2½ weeks after he turned 34. The medical examiner wasn't able to find anything more specific to list on the death certificate. It seems that nobody does blood-insulin level tests anymore for autopsy purposes.

My husband suffered from diabetes for 17 years. In the last year he was diagnosed with diabetic nephritis and went blind from diabetic retinopathy. He was repeatedly turned down for government assistance and

was unable to receive proper medical care for years. He was turned down for Social Security Disability in July, 1997, two months before he died. After his death, they expedited his appeal and determined that he has been disabled since July of 1996. He has contacted your office several times since we moved here in 1991. You have always done everything possible to help him. He has received advice, literature, a list of pharmaceutical companies that provide free medication, and blood sugar test strips, and always compassion, from your office. He was told many times that you wish you could do more, but there just wasn't enough funding.

I cried today when I opened your request for donations. At first, I almost just threw it away. But instead I want to thank you for reminding me that there are still others suffering. I don't have much, but I want to help. I also have a One Touch II, lancets, test strips, and other supplies that I would like to donate. As soon as I get a chance I will bring these items to your office.

I also want you to know that I contacted the Anch. Daily News & they ran a story about the problems we had obtaining medical care.

It ran in the Sunday edition, 11/9/97. I sent copies of it, with a 3 page letter to every member of the AK legislature, Congress, and President Clinton. I have received a few responses, and I am still bugging

them on a regular basis. The State of Alaska does not consider diabetes serious enough to provide help to those who suffer from it, and the federal government doesn't consider advanced diabetes complications to be a disability. I believe that there needs to be some changes. I don't intend to leave them alone until it happens.

Once again, thank you for reminding me that there is still a need to fight this terrible disease. I wish I could do more to help. My prayers are with all of you as you continue to help others.

Sincerely,

Joy Spencer

Joy Spencer
3007 Arctic Blvd., #39
Anch., AK 99503
(907) 5103-4966

Subject: Mail System Error - Returned Mail (fwd)

Date: Fri, 25 Feb 2000 05:27:29 +0000

From: smearp@att.net

To: Representative_Norman_Rokeberg@legis.state.ak.us

RECEIVED

FEB 25 2000

Dear Representative Rokeberg:

Please excuse the misspelling of your name in the original letter. I hope you will take the time to read the attached letter urging your support for HB 298 Diabetes Insurance Reform legislation.

Sincerely,
Susan M. Earp

----- Forwarded Message: -----
From: Mail Administrator <Postmaster@worldnet.att.net>
To: smearp@att.net
Subject: Mail System Error - Returned Mail
Date: Fri, 25 Feb 2000 05:16:22 +0000

This Message was undeliverable due to the following reason:

Each of the following recipients was rejected by a remote mail server. The reasons given by the server are included to help you determine why each recipient was rejected.

Recipient: <Representative_Norman_Rokenberg@legis.state.ak.us>
Reason: <Representative_Norman_Rokenberg@legis.state.ak.us>... User unknown

Please reply to Postmaster@worldnet.att.net if you feel this message to be in error.

Subject: HB 298

Date: Fri, 25 Feb 2000 05:15:56 +0000

From: smearp@att.net


**To: Representative_Norman_Rokenberg@legis.state.ak.us,
Representative_Andrew_Halcro@legis.state.ak.us,
Representative_John_Harris@legis.state.ak.us,
Representative_Jerry_Sanders@legis.state.ak.us,
Representative_Sharon_Cissna@legis.state.ak.us
CC: Representative_Lisa_Murkowski@legis.state.ak.us,
Representative_Tom_Brice@legis.state.ak.us,
Representative_Jeannette_James@legis.state.ak.us, bbogren@diabetes.org**

Attached is a letter regarding HB 298: Diabetes Insurance Reform. This letter is in Microsoft Office 2000 format.

Thank you for your time and attention to this important matter.

Sincerely,
Susan M. Earp
North Pole

(907) 488-0867

 <u>HB298.doc</u>	Name: HB298.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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February 24, 2000

Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Attn: House Labor and Commerce Committee
Representative Norman Rokenberg Representative Andrew Halcro
Representative John Harris Representative Lisa Murkowski
Representative Tom Brice Representative Jerry Sanders
Representative Sharon Cissna

I am writing to ask for your support of diabetes insurance reform legislation in Alaska, HB 298. This legislation will insure that Alaskans with diabetes have access to medicines, equipment, and education necessary for the management of this chronic disease. Diabetes reform will help promote health and lower health costs for people in Alaska.

Diabetes is a serious disease affecting 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage, and amputations. Diabetes is also a major risk factor for heart disease and stroke. All these health complications can result in significant medical costs.

These medical costs could be reduced through preventive maintenance of the disease; mainly, through self-management including testing of blood sugar levels with meters, lancets, and test strips; injecting insulin using alcohol swabs and needles; or through oral medication. However, people diagnosed with this disease require education and continual medical support from the beginning in order to know how to manage their disease. When people are diagnosed with diabetes, they are confronted with a myriad of information and health care professionals, not to mention being faced with a disease that could eventually cause early mortality.

Being faced with such a disease is traumatic enough without the added complication of finding out that your health insurance provider will either not cover any of the expenditures related to the maintenance of the disease, will only pay a small portion of the costs, or treats the disease as a preexisting condition and therefore requires a waiting period, six months to a year, before benefits will take over. Are these fair to people, who in most cases, do not have any family or medical history indicating that they may be prone to the disease?

I'm an active member of the national and local chapter of the American Diabetes Association, mostly due to the fact that my sister was diagnosed with the disease 21 years ago. I have watched her face the knowledge of dealing with the disease and observed the many roadblocks placed in her path for the maintenance of this dreaded disease. When my sister was originally diagnosed at age 8, she was provided with the care needed to

maintain this disease only because she was the dependent of active duty military personnel. In our family's case, the road was paved with the necessary medical care professionals, education, and medicines necessary to help her maintain her disease.

However, that care changed. Once she reached the age of 23, her health care was threatened because she lost her dependent status. Suddenly, she is a college student with no health insurance and a very expensive disease to manage. My sister spent over six months being denied by three insurance companies before being eligible for the State's chronic care insurance. However, the State's chronic care insurance does not cover daily needs in the maintenance of diabetes. Luckily, within a year, she had finished her degree at the University of Alaska Fairbanks and was able to obtain a position with the university and with that, obtained health insurance coverage. However, she still had to wait six months before her benefits would cover any medical or equipment costs related to her disease due to the preexisting clause.

This is just one example of many that are played out everyday in the life of a person with diabetes. What about the other 30,000 Alaskans dealing with this disease that don't have access to the medicines, health care professionals, and education necessary for a productive life? When people with diabetes don't have the tools necessary to maintain the disease, they are forced to cut back their health care. In other words, these people are not checking their blood sugar levels as often as they should, not taking the necessary insulin to utilize the food that they eat, and not visiting with a physician on a regular basis to analyze their health. This leads to disaster: namely, emergency hospital visits. But unless health insurers are required in the State of Alaska to provide Alaskans with diabetes the tools necessary to treat and maintain this chronic disease, health costs will continue to increase for all Alaskans.

Therefore, I strongly urge you to take into consideration the points I have addressed here and support the passage of this legislation, HB 298, to make life better for Alaskans with diabetes. Thank you for considering my request for your support of this important legislation. I look forward to your response.

Sincerely,

Susan M. Earp
(907) 488-0867

cc: Representative Jeannette James, District 34
Betsy Turner-Bogren, American Diabetes Association

Diabetic support


Subject: Diabetic support

Date: Thu, 24 Feb 2000 16:59:12 -0900

From: "JULIE BURNS" <yasha@gci.net>

To: <Representative_Norman_Rokeberg@legis.state.ak.us>,
<Representative_Sharon_Cissna@legis.state.ak.us>,
<Representative_Lisa_Murkowski@legis.state.ak.us>,
<Representative_Jerry_Sanders@legis.state.ak.us>

I would like to thank you for taking time out of your busy day to read my thoughts, feelings, and experiences regarding this important issue. Please read attachment Representative first.

 <u>Representative.doc</u>	<p>Name: Representative.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message</p>
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RECEIVED
FEB 25 2000

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, House Bill 298 and Senate Bill 276 will ensure that Alaskans have access to diabetes medicines, equipment and education. Diabetes insurance reform will promote improved health and will lower health costs for people in Alaska. This legislation needs your support.

- **Diabetes is a serious disease affecting 30,000 Alaskans, including my 17-year-old son.** It is the leading cause of kidney failure, blindness, nerve damage and amputations. Diabetes is also a major risk factor for heart disease and stroke. These serious health complications can result in significant medical costs.
- **Diabetes is a disease that is largely self-managed.** In order to stay healthy, a person with diabetes must have access to supplies. Such as test strips, meters and insulin. People with diabetes need training on how to use these supplies. Patients education is also essential to support the nutritional, exercise and lifestyle changes required for successful self-management of the disease.
- **Studies show that diabetes complications can be minimized and health care costs can be significantly reduced** when people with diabetes have access to supplies and patient education. Some insurance plans in our state do not cover diabetes supplies and education, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to successfully self-manage their disease.
- **Diabetes affects our life on a daily basis:** Please read the attached letter stating just some of the daily affects that diabetes has on our family. Some of you may have seen this particular letter in and e-mail a week or so ago, but I received only a few responses. I feel as though my family's daily trials in life either did not effect some of you, or you feel that this is not an important issue. I feel as though it is a very important issue.

Thank you for your considering my request for your support of this important legislation.
I look forward to your response.

Sincerely,
Julie A. Burns

543 North Braquew #C
Anchorage AK 99508

RECEIVED
FEB 25 2000

My 16-year-old son has had diabetes for over 5 years. I am lucky in the respect that he is a bright young man that realizes how important taking care of his health is. This disease seems to be particularly hard on the youth, they are at the age where peer pressure and acceptance is the most important part of life. Having the extra responsibility of checking your blood sugar often, taking shots several times each day, watching what you eat, avoiding situations where you may accidentally get cut or hurt, totally avoid getting sick, having to say no thank you to that delicious looking chocolate birthday cake, having to drink awful diet pop while your friends are having Root Beer Floats, and having to go to the doctor for every single sign of a cold. And these are just a few of the trials that those with diabetes face each and every day. Not to forget the nagging of parents, family, friends reminding you each and every day that you need to take care of this and that years worth of strict diet and taking care of yourself will pay off in the years to come.

I have been fortunate enough to have had health insurance through out all of this, but this still is a very expensive and frustrating thing to deal with. My insurance company does have co-pay for prescriptions, but this still runs us \$50-\$80 each month for insulin (the amount of insulin used changes each day, plus most diabetics use two types of insulin). Plus you need to use test strips to check you blood between 6-8 times each day (a box of 50 costs around \$40) as you can see it not cheap to keep your blood sugars in check. Insurance does help pay for these, but you have to purchase them, fill out mounds of forms, send it in, and wait for the insurance company to pay you. They think you should check your sugars only 1-2 times a day so they fight with you and MAYBE you will get back about half of what you should, we all get tired of the fight and just except their offer and go on with life.

I have been a single parent through most of this and financially it is hell taking care of all this, plus all of the regular part of life. Add a second child into the equation who doesn't get any extras because all of the extra \$\$ goes for medical necessities, it soon has just a little jealousy and hate going on. The guilt that I feel is in no way measurable, like any parent you try to spend dollar for dollar on one child as you do on the other and it just does not add up. You try not to take into consideration that you just spent \$200.00 on diabetic supplies and doctors fees and then spend what is left equally between two wonderful kids. They both get shortchanged. My 10 year-old daughter's desires have been put on the back burner more often than any parent would like to admit. Then don't forget how guilty the one with diabetes feels when they realize that they are the reason there is no going to the movies, that old bike will just have to do for one more year, and forget the thought of a vacation. We went 4 years without seeing family in Montana.

Lets not forget doctors office visits, you soon realize that you head off everything before it gets out of hand, if not you could EASILY end up in the emergency room and we all know how expensive that is. We spent 12 hours in the emergency room several years ago and it was not fun for any one especially my son. It started out as a simple bout of the flu, all the regular symptoms that we all have experienced. I stayed home from work AGAIN. We were taking blood sugars often and small doses of insulin (8-12 shots instead of 1-2 during the day), normal behavior for a sick diabetic. When you cannot keep anything down, not even water well things go wrong especially with a diabetic. Within an hours time Chris went from being just sick, to me not being able to wake him up and when I finally did I couldn't keep him awake. His blood sugar was low, temperature over 102, dehydrated, and a very sick young man in a very short period of time. This was not a fun situation for anyone, and the sad part of this is it can happen so quickly. If I had not been home to take care of him this could have been a fatal situation, and this is a real threat for all those who have this disease.

I spend almost every day of my vacation and sick leave on these types of situations. If I or either of my children even have a cold we stay home and get better, we get right in to the doctors office even for the small things because it is not worth the risk of repeating another ER visit. I have been lucky in the respect that my past employers do seem to be understanding about staying home for sickness, but not very understanding when I asked for a couple days off without pay to visit with family that came to town. I do understand, but it is just another one of those frustrating things that seem to nip you in the butt at every turn.

Education is the key to a healthy diabetic, not only does the diabetic need the education so does the entire family. My new husband is slowly learning, but it is frustrating when things come up that he does not understand. Even the most logical thing to a diabetic is not logical if you do not understand the disease. My husband can not stay home from work so that I can go to work when Chris is sick, not because he does not want to, but because he does not feel comfortable doing so. He was in on our last emergency room venture and he and I had only been together for a couple months. Needless to say he is very leery about those kinds of responsibilities and I myself do not feel comfortable with putting this kind of responsibility on any one. The education here is so limited, and to go out of town or state is outrageously expensive. Not only is it a nightmare to convince the insurance company that they should pay for the diabetic to attend classes, but that the whole family needs the education. Add the cost of travel, room and board, time of from school and work, plus the cost of the education classes. No wonder so few go to the education classes, even though they would pay for them selves several times fold. There are new breakthroughs and

new ideas concerning this disease each year that I personally feel that it should be mandatory for people to get the education. If insurance companies would push this one preventative measure they would save so much money in the long run, not to mention the health of the diabetic.

If there was a facility or even an educator that was available to give education classes that was up to date, one that was not just the office visit to tell you that your 3 month A1C needs to be lower and that it would make such a difference. Our personal family doctor is not an expert in diabetes, but he tries and he is always willing to work with us and he always makes time for us. We recently asked him about an insulin pump, he was unfamiliar with it, but sent us to someone that is very knowledgeable on them. Don Novotney works at BRH (not as a diabetic consultant, which is what he should be doing). He has given us more education and help than any one has. I worked with the company making the diabetic pump for over a month, if Disetronic had not known exactly how to work through all of the paper work and the red tape we still would not have this wonderful new device. The representative we had knew exactly what the insurance company needed and worked with all involved to accomplish the required paperwork. This paperwork seemed to be redundant and just a lot of red tape in hopes that it would discourage you from filing a claim.

I recently quit my job and lost our primary insurance carrier. It has taken my ex-husband and myself 4 full days each of making calls, filling out forms, answering very stupid questions, trying to get our sons diabetic needs taken care of. and that was only to convince his secondary carrier that they were now the primary. At this time they still are not completely taken care of and the frustration level is at its peak, but at least I am not working and have the time to call them again and again and again.

I am not bitter and I am not trying to make you feel sorry for my family, I am merely trying to convey how hard and frustrating diabetes is on every one in the family. It may be only one person in my family that has to deal with the disease on a daily basis for the rest of his life, but it has an effect on us all. I am fortunate enough to have the ability to deal with this and teach my children how to deal with this. I feel very sorry for those who are in the same situation that do not have the insurance coverage that I have. All of this has made us a very close family. It is frustrating at times, it is a financial nightmare, and it certainly does not seem fair at times, but it can be made easier if legislation is passed to protect those of us that deal with this on a daily basis. I could go on and on and on, with ideas, stories of frustration, pain, anger and even a few of great pride. Please look hard at what you can do to make things easier and more efficient for those of us that deal with this dreadful disease on a daily basis.

Thank you for your time and your attention to this very important matter. I am not an eloquent speaker or writer but I do know that this is an important matter that truly does need you time and attention. You have the ability to make things better for all of those who deal with diabetes on a daily basis, please do not hide behind closed minds. If you have been fortunate enough, to have not had to fight with insurance companies I am as jealous as a person could be. It has become a constant battle for us, and seeing a little glimmer of light at the end of a tunnel is worth sending letters like this to everyone.

Julie Burns

RECEIVED

FEB 24 2000

Via e-mail

Representative Rokeberg
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

February 23, 2000

Dear Representative Rokeberg:

I am writing to ask for your support of the diabetes insurance reform legislation in Alaska. This legislation House Bill 298, will ensure that all Alaskans with diabetes will have access to diabetes medicines, equipment and education. Diabetes insurance reform will promote improved health for people with diabetes and lower health costs for all people in Alaska.

Diabetes is a serious disease affecting 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage and lower extremity amputation. Diabetes is also a major risk factor for heart disease and stroke. These serious health complications can result in significant medical costs and decreased quality of life for those affected by them.

Diabetes is a chronic disease that is largely self-managed. Staying healthy with diabetes means having access to both education and supplies such as test strips, meters and medications. Patient education is essential to support the life style changes and educate the person about the management of the disease.

Studies have shown that diabetes complications can be minimized and health care costs can be significantly reduced when people with diabetes have access to education and diabetes supplies. Some insurance plans in our state do cover education and diabetes supplies, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to manage their diabetes successfully.

As a registered nurse, certified diabetes educator and a person who has lived with type 1 diabetes for 16 years I have a strong belief that all people with diabetes need and deserve to receive the tools they need to manage their disease. We can prevent complications and promote quality of life for all people with diabetes. I urge you to please support this important legislation.

Thank you for considering my request. I look forward to your response.

Sincerely,

Mindy Tomazevic RN, CDE

9826 Dinaaka Dr
Eagle River AK 99577

Senator Mike Miller
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Miller:

I am writing to ask for your support of diabetes insurance reform in Alaska. This legislation has been introduced by Representative Murkowski as HB 298.

Diabetes affects 30,000 people in the state of Alaska alone. The complications of diabetes are serious and perhaps more importantly, costly. It is the leading cause of kidney failure, blindness, limb amputations, and heart attacks and stroke. These complications can be prevented or greatly delayed by empowering the patient to take care of his diabetes.

Good diabetes care involves access to education by experienced diabetes educators. A person with diabetes needs access to supplies such as glucose meters, test strips, medications and insulin. On a day to day basis these items seem expensive to the patient, \$5 or more per day. However, a single year of these expenses is far, far less than a month of dialyses, or a cardiac bypass. Some insurance plans in our state do cover diabetes supplies and education, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers.

I have been a diabetes educator at Providence Alaska Medical Center for the past eleven years. During this time I have seen patients who have received education turn their lives around. I have seen patients drop their blood glucoses to normal, and no longer require their medications. This usually requires routine appointments and follow-ups on a yearly basis. I have also had patients who came for one appointment, did not return for follow-ups because their insurance would not pay, and then see the same patients a few years later, only this time they have developed some of the complications of diabetes. Perhaps they have had to have eye surgery, or they have developed charcot's foot because their blood glucoses have remained high.

Currently I am seeing a patient who has type 1 diabetes. She had only catastrophic insurance when she developed diabetes. Now it is a preexisting condition, and noone else will cover her. Since we started seeing this patient she has stopped having dramatic swings in her blood sugars. Because of this she is not afraid to keep her blood glucoses at a better level (more normal). This will prevent her from developing complications, and greatly improve her quality of life because she will feel better and be able to do the things she would like to do. This has happened by helping her learn to adjust her insulin, a task that happens in stages. Like any science, only one variable is changed at a time, which is why this cannot be done in a single office visit. Our total office bill for such information might be \$400, which her insurance will not pay for. Paradoxically, if her blood sugar was to stay high, and she need an angioplasty to clear her heart arteries her catastrophic insurance will cover this, at much greater expense, (\$15,000) both in terms of money and quality of life.

I urge you to support this bill.

Sincerely,

Bette Seaman
Registered Dietitian
Certified Diabetes Educator

RECEIVED
FEB 25 2000

Via e-mail

RECEIVED

FEB 24 2000

Via e-mail

Representative Rokeberg
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

February 23, 2000

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Diabetes is a chronic disease that is largely self-managed. Staying healthy with diabetes means having access to both education and supplies such as test strips, meters and medications. Patient education is essential to support the life style changes and educate the person about the management of the disease.

Studies have shown that diabetes complications can be minimized and health care costs can be significantly reduced when people with diabetes have access to education and diabetes supplies. Some insurance plans in our state do cover education and diabetes supplies, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to manage their diabetes successfully.

As a registered nurse, certified diabetes educator and a person who has lived with type 1 diabetes for 16 years I have a strong belief that all people with diabetes need and deserve to receive the tools they need to manage their disease. We can prevent complications and promote quality of life for all people with diabetes. I urge you to please support this important legislation.

Thank you for considering my request. I look forward to your response.

Sincerely,

Mindy Tomazevic RN, CDE

*9826 Dinaaka Dr
Eagle River AK 99577*

Representative Norman Rokeberg
Alaska State Legislature
State Capitol Room 24
Juneau, AK 99801-1182

February 23, 2000

Dear Representative Rokeberg,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, HB 298, will ensure that Alaskans have access to diabetes medications, equipment and education which are vital for the successful management of diabetes and the prevention of costly diabetes related complications. As of December 1999, 37 states had passed essential diabetes insurance reform legislation. Please show ALL Alaskan's with diabetes that their health matters by supporting this very important legislation.

My family has a very long history of diabetes in our relatives. My grandfather died in kidney failure as a result of diabetes complications. My mother has had diabetes for fifteen years. She checks her blood sugar levels and takes insulin shots 3 or more times every day. Thanks to her perseverance, health care coverage and a certified diabetes educator providing the necessary instruction and follow-up she thus far has been able to avoid the devastating complications that she watched her father suffer and die with. Oh and yes, I also have diabetes.

Diabetes affects at least 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage and limb amputations. Diabetes is also a major cause of heart disease and strokes. Because the cause of death is usually listed as fatal heart attack, or massive stroke, or chronic heart failure, most people are unaware that diabetes was the underlying factor.

Often retirees whose one pleasure left in life is reading, are no longer able to because they have lost their vision. Young people in their 20's and 30's are attached to dialysis three or more days a week until maybe a kidney transplant becomes available; (insurance will pay for that transplant surgery and rehabilitation). Many Alaskans are **never educated or given appropriate follow up care** because their insurance won't cover the cost of their insulin or medication, blood sugar testing supplies or education and health care examinations. The financial costs of dialysis treatments for one month for one person in kidney failure exceed the financial costs of routine lab tests, diabetes medication and equipment for blood sugar testing, routine office visit with their physician and diabetes educator for one person per Year! This does not make any sense.

Employed, hard working Alaskans are often the very people who suffer the most because they don't qualify for programs such as Medicare or Medicaid which provide benefits for people with diabetes. Studies have shown that people who can obtain reimbursement for diabetes education and equipment are able to successfully self-manage their disease and dramatically reduce the incidence of diabetes related health problems. Not only will this dramatically reduce the financial and emotional burden of Alaskan's but also health care costs in Alaska.

Thank you for considering support of this important legislation.

Sincerely,
Kathy L. Jacques RN, CDE Anchorage

*3050 Love Road C3
Anchorage AK 99507*

RECEIVED
FEB 24 2000
via e-mail

Subject: Senate Bill 276

Date: Tue, 29 Feb 2000 20:53:11 -0900

From: "PAT MALECHA" <ftpwm1@uaf.edu>

To: <Representative_Norman_Rokeberg@legis.state.ak.us>

Please support and pass an Act requiring that health care insurers provide coverage for treatment of diabetes.

Sincerely,
Jenny Malecha

**RECEIVED
MAR 01 2000**

Subject: CSHB 298 - Insurance Reform for Diabetes

Date: Tue, 29 Feb 2000 20:04:01 -0900

From: Verlie A Sherwin <verlie@sherwincpa.com>

To: "Norman Rokeberg (E-mail)" <Representative_Norman_Rokeberg@legis.state.ak.us>

Dear Representative Rokeberg:

The purpose of this message is to request your support to schedule a hearing for CSHB 298 in the House Labor and Commerce Committee for consideration during this legislative session. This bill, along with a companion bill in the Senate (SB 276), will ensure that Alaskans will have access to diabetes medicines, equipment and education. There is no cost to the State of Alaska for this legislation.

I have been involved as a volunteer with the Alaska Area of the American Diabetes Association for over 8 years and have come to appreciate that diabetes is as serious a disease as any you can name. It affects over 30,000 Alaskans and is the leading cause of kidney failure, blindness, nerve damage and amputation. It is also a major risk factor for heart disease and stroke. In addition to significant medical costs, there are human costs to these complications of diabetes. I have known quite a number of friends who have died from these complications.

Although not afflicted with diabetes myself, I have seen that diabetes can be controlled and regulated by the patient. A person with diabetes must have access to supplies (test strips, meters and insulin), training in how to use these supplies and the education to change nutrition, exercise and lifestyles for successful self-management. Many of these costs are not now covered by existing insurance plans. If they were, the insurance companies, those suffering from diabetes, the families that support them, in fact every Alaskan would benefit from the reduced health care costs that would result.

Alaskans need your support of CSHB 298 for guaranteed access to this necessary coverage. Please let me know you will help. I await your reply.

Sincerely,

Verlie Sherwin
1131 St. Gotthard Avenue
Anchorage, AK 99508

RECEIVED

MAR 01 2000

Subject: CSHB 298 - Insurance Coverage for Treatment of Diabetes

Date: Sun, 27 Feb 2000 16:49:49 -0900

From: Theodore P Sherwin <theodore@sherwincpa.com>

To: "Norman Rokeberg (E-mail)" <Representative_Norman_Rokeberg@legis.state.ak.us>

Dear Representative Rokeberg:

The purpose of this message is to request your support to schedule a hearing for CSHB 298 in the House Labor and Commerce Committee for consideration during th's legislative session. This bill, along with a companion bill in the Senate (SB 276), will ensure that Alaskans will have access to diabetes medicines, equipment and education. There is no cost to the State of Alaska for this legislation.

I have been involved as a volunteer with the Alaska Area of the American Diabetes Association for over 13 years and have come to appreciate that diabetes is as serious a disease as any you can name. It affects over 30,000 Alaskans and is the leading cause of kidney failure, blindness, nerve damage and amputation. It is also a major risk factor for heart disease and stroke. In addition to significant medical costs, there are human costs to these complications of diabetes. I have spoken at the funerals of a close friend and my mother who have died from these complications.

Although not afflicted with diabetes myself, I have seen that diabetes can be controlled and regulated by the patient. A person with diabetes must have access to supplies (test strips, meters and insulin), training in how to use these supplies and the education to change nutrition, exercise and lifestyles for successful self-management. Many of these costs are not now covered by existing insurance plans. If they were, the insurance companies, those suffering from diabetes, the families that support them, in fact every Alaskan would benefit from the reduced health care costs that would result.

Alaskans need your support of SB 276 for guaranteed access to this necessary coverage. Please let me know you will help. I await your reply.

Sincerely,

Theodore P. "Ted" Sherwin, CPA, CVA
1131 St. Gotthard Avenue
Anchorage, AK 99508
Telephone 907.562.4448
Facsimile 907.562.4447

RECEIVED

FEB 28 2000

Subject: HB 298

Date: Mon, 28 Feb 2000 08:26:35 -0900

From: Don Novotney <dnovotney@hisea.org>

To: Representative_Norman_Rokeberg@legis.state.ak.us

RECEIVED
FEB 28 2000

February 28, 2000

Dear Chairman Rokeberg,

I urge you to support and bring to the Labor and Commerce Committee HB 298 "An Act requiring that health care insurers provide coverage and treatment of Diabetes."

I have had diabetes 22 years. Since 1980, I have tested my blood 4 times a day. Those blood sugar results guide me in giving the right amount of insulin to keep my blood sugar "Normal". Glucose strips cost \$0.65/strip. Over the years my hospitalizations could have easily exceeded the costs of my insulin, diabetes self-education, and glucose strip costs that I've laid out. Diabetes can cost you a lot of money, affect your family and friends, and severely shorten your life if you do not achieve blood glucose control. People afflicted with diabetes need to control blood glucose levels to prevent complications and additional costs.

Control of blood glucose is achieved through diabetes self-management components which include, complications training, exercise and stress management, gestational diabetes, group seminars, individual instruction, insulin and medication management, and nutritional counseling. According to current literature, treatment of diabetes in the United States costs \$92 billion per year in related care and lost wages. If 30,000 Alaskans would loose their jobs to complications of diabetes, our state would be in pretty sad shape. According to the, "Diabetes Complications and Control Trial (DCCT)", a nine-year study completed by the National Institutes of Health (NIH) in 1993, ..."diabetic patients who carefully monitor and control blood glucose can reduce the long-term complications caused by their condition by two-thirds, thus substantially reducing the cost of treatment".

Costs of diabetes management are sometimes hidden. In an article by "Levetan, C and R. Ratner. "The Economic Bottom Line on Preventive Diabetes Care." Practical Diabetology. (December 1995): 10-19. Traditionally medical insurance companies, have been wary to reimburse for inpatient self management education, causing hospitals to charge these services under another billing category (for example, nursing care or social work). The hospital then increases the charge for inpatient diabetes care for the respective category in which education is included, thereby covering the cost of inpatient diabetes education and management.

Diabetic foot complications are the most common cause of non-traumatic lower extremity amputations in the United States and Alaska. The risk of lower extremity amputation is 15-46 times higher in diabetics than in persons who do not have diabetes mellitus. Furthermore, foot complications are the most frequent reason for hospitalization in-patients with diabetes, accounting for up to 25 percent of all diabetic admissions in the United States. According to a recent article in American Family Physician. "Diabetic Foot Ulcers: Prevention, Diagnosis and Classification." (7 May 1998), between 50 -75 percent of all diabetic amputations are preventable. Telling patients what they need to know and persuading them to practice diligent routine of self-management can prevent these complications.

Diabetes touches all of us. When you walk through the airport in Juneau, the Dimond Mall, or at a fund raising dinner 10% of those people you come in contact with have diabetes. Most manage their diabetes fairly well but like all things in society some people just sit back and ignore their health and create a burden for the community. Awareness, medical insurance reimbursement, education, and supplies must be available to improve all Alaskans Lives.

How have we let medical Insurance companies offer policies in our state and created a double standard for the Thousands of Alaskans that suffer from Diabetes. I ask you to support and get HB 298, "An Act requiring that health care insurers provide coverage and treatment of Diabetes," passed. I hope to hear your reply.

Sincerely,

Donald Novotney
1120 Timberline CT.
Juneau, AK 99801

RECEIVED
MAR 15 2000**Subject: HB298****Date: Tue, 14 Mar 2000 14:41:54 -0900****From: Don Novotney <dnovotney@hisea.org>****To: Representative_Norman_Rokeberg@legis.state.ak.us**

Dear Representative Rokeberg

I am writing you to support HB 298 "An Act requiring that health care insurers provide coverage and treatment of Diabetes."

I am appalled of the level of care we have for diabetes reimbursement in Alaska. If you are poor, the state picks up the cost. If your 65, Medicare picks up the costs for diabetes supplies, education, and insulin. But what about us in the middle?

I have had diabetes 22 years. I work everyday and see other with medical insurance that doesn't pay for diabetes supplies, insulin, and diabetes self-management classes. I feel very fortunate to have escaped serious complications because I have placed diabetes on my number one list of things to beat in my lifetime.

Since 1980, I have tested my blood 4 times a day. Those blood sugar results guide me in giving the right amount of insulin to keep my blood sugar "Normal". Glucose strips cost \$0.65/strip. Over the years my hospitalizations could have easily exceeded the costs of my insulin, diabetes self-education, and glucose strip costs that I've laid out.

Diabetes touches all of us. When you walk through the airport in Juneau, the Dimond Mall, or at a fund raising dinner 10% of those people you come in contact with have diabetes. Most manage their diabetes fairly well but like all things in society some people just sit back and ignore their health and create a burden for the community. Awareness, medical insurance reimbursement, education, and supplies must be available to improve all Alaskans Lives.

How have we let medical Insurance companies offer policies in our state and created a double standard for the Thousands of Alaskans that suffer from Diabetes. I ask you to support and get HB 298, "An Act requiring that health care insurers provide coverage and treatment of Diabetes," passed.

Sincerely,
Donald Novotney
1120 Timberline CT.
Juneau, AK 99801

2/27/00

Representative Norman Robeberg,

I am concerned about passage of
the Diabetes Awareness Reform Legislation
(HR-2988) from your committee

As a parent of a insulin dependent
diabetic (diagnosed at age 7) and a type II
Non-insulin) diabetic I am concerned about
my 2-yr old.

While this bill is a mandate to insurance
companies it will actually save them
money in the long run since the
patient will be better educated.

I would urge you to please

support this bill.

Roy & Katherine Conzler
5874 Pine Street
Duncan, AK 99801

RECEIVED
MAR 01 2000

February 29, 2000

Representative Norman Rokeberg:

I would appreciate your sponsorship of House Bill 298. This bill is the Diabetes Insurance Reform Bill and is very important to my family.

I am a type I Diabetic (diagnosed at age 7 and placed on insulin). My sister and my grandmother are Type II Diabetic's (they are on pills).

I understand that while this bill mandates certain care it actually will save on insurance costs in the long run because patients will be better informed and will as a result take better care of themselves.

This bill is important to the future of my family. Right now there are seventeen of us with different forms of this disease.

Thank you for your help in passing this legislation on through.

Kollean Stanbery

Kollean Stanbery
P.O. Box 3-2583
Juneau, AK 99803

RECEIVED
MAR 01 2000

Representative Norman Rokeberg
Alaska State Legislature
State Capitol Room 24
Juneau, AK 99801-1182

February 23, 2000

Dear Representative Rokeberg,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, HB 298, will ensure that Alaskans have access to diabetes medications, equipment and education which are vital for the successful management of diabetes and the prevention of costly diabetes related complications. As of December 1999, 37 states had passed essential diabetes insurance reform legislation. Please show ALL Alaskan's with diabetes that their health matters by supporting this very important legislation.

My family has a very long history of diabetes in our relatives. My grandfather died in kidney failure as a result of diabetes complications. My mother has had diabetes for fifteen years. She checks her blood sugar levels and takes insulin shots 3 or more times every day. Thanks to her perseverance, health care coverage and a certified diabetes educator providing the necessary instruction and follow-up she thus far has been able to avoid the devastating complications that she watched her father suffer and die with. Oh and yes, I also have diabetes.

Diabetes affects at least 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage and limb amputations. Diabetes is also a major cause of heart disease and strokes. Because the cause of death is usually listed as fatal heart attack, or massive stroke, or chronic heart failure, most people are unaware that diabetes was the underlying factor.

Often retirees whose one pleasure left in life is reading, are no longer able to because they have lost their vision. Young people in their 20's and 30's are attached to dialysis three or more days a week until maybe a kidney transplant becomes available; (insurance will pay for that transplant surgery and rehabilitation). Many Alaskans are **never educated or given appropriate follow up care** because their insurance won't cover the cost of their insulin or medication, blood sugar testing supplies or education and health care examinations. The financial costs of dialysis treatments for one month for one person in kidney failure exceed the financial costs of routine lab tests, diabetes medication and equipment for blood sugar testing, routine office visit with their physician and diabetes educator for one person **per Year!** This does not make any sense.

Employed, hard working Alaskans are often the very people who suffer the most because they don't qualify for programs such as Medicare or Medicaid which provide benefits for people with diabetes. Studies have shown that people who can obtain reimbursement for diabetes education and equipment are able to successfully self-manage their disease and dramatically reduce the incidence of diabetes related health problems. Not only will this dramatically reduce the financial and emotional burden of Alaskan's but also health care costs in Alaska.

Thank you for considering support of this important legislation.

Sincerely,
Kathy L. Jacques RN, CDE Anchorage

RECEIVED
FEB 29 2000

HOUSE LABOR & COMMERCE COMMITTEE**March 17, 2000****HB 298**

Chairman Rokeburg, members of the committee, my name is Janel Wright. I am one of 30,000 Alaskans with diabetes, and have had ^{type I, insulin dependent diabetes,} it for 25 years. Thank you for considering this important legislation. I am here today to share my personal experience and ask that each of you support diabetes insurance reform in Alaska.

The importance of this bill is that it will ensure that Alaskans have access to the medication, equipment, supplies, and education that are necessary to treat and control diabetes. With such access, diabetes can be self-managed, and complications of diabetes minimized, consequently reducing health care costs.

To illustrate the importance of access to effective treatment for diabetes, I shall tell you my story.

Before obtaining insurance that covers the cost of treatment of diabetes, my life with diabetes was a nightmare. I was nearly sent home from college due to uncontrolled diabetes. Bound and determined to get an education, I went on to law school.

While at law school, I could not see the board and requested to be moved to the front of the class. When this did not help, I got glasses. Law school was quite stressful and I did not know from one day to the next what would happen with my diabetes. The insurance plan I was under did not cover the costs of syringes, a blood test machine, test strips, or education. It covered only the cost of insulin. Being a poor law school student I scraped together funds to buy syringes so I could inject the insulin upon which my existence depended. The cost of a blood test machine, test strips, and patient education were not within my family's budget.

RECEIVED

MAR 17 2000

HLCC - March 17, 2000
Jauel Wright - Page 2

I moved to Alaska in 1988. I finally had coverage under an insurance plan that funded my blood test machine, test strips, and patient education. It also covered my insulin pump and supplies.

There is a test called a hemoglobin A 1 C. The results of this test show how well I controlled my blood sugar over the previous three months. Ideally, I am to keep my blood sugars between 90 and 120.

My first hemoglobin A1C after coming to Alaska was 8.5. This meant that my blood sugars were usually 250 or above. Studies have shown that when blood sugars are this high the costly complications of diabetes such as impaired vision or blindness, nerve damage, kidney disease, amputation, heart disease, and stroke are much more likely to occur.

I recently received the results of my latest hemoglobin A1C which was 5.4. This means that my blood sugar averaged 94 over the past three months. I attribute this to having insurance coverage that allows access to those supplies necessary to control my diabetes.

I no longer need glasses. With improved blood sugar control, my vision impairment is gone.

36 states have passed similar legislation.
Chairman Rokeburg asked if the mandate is cost effective.
Studies¹ have shown that good blood glucose control, resulting from ^{from these states} insurance coverage:

- Has reduced hospitalizations in Maine by 32%.
- 50% lower frequency in emergency room visits in Maryland.
- 63% reduction in emergency room visits in Rhode Island.
- A cost savings of \$917.00/patient/year.

I urge you to help Alaskans with diabetes lead healthier and more productive lives by supporting this legislation.

A Wisconsin study showed no rise in premiums after Wisconsin's law was passed. New Mexico + Maine reported no expected premium increases as a result of the legislation.

Subject: HB 298

Date: Sun, 19 Mar 2000 22:41:46 -0900 (AKST)

From: marylarsen@webtv.net (Mary Larsen)

To: Representative_Norman_Rokeberg@legis.state.ak.us

Dear Representative Rokeberg,

Please support HB 298 mandating that diabetic supplies and education be covered by insurance. Unlike many medical conditions, diabetes is forever, there is no cure. This forces many diabetics to choose jobs based on their insurance coverage.

I happen to be a civil engineer, and I have restricted myself to working for either state or municipal governments to ensure adequate health care. I'd rather do that than work for a private consulting firm that may not cover blood test strips, insulin pump supplies or comprehensive medical checkups.

By skimping on medical care, I would increase my risk of any number of diabetic complications such as blindness, kidney failure, stroke, or amputation. And, society would suffer the consequences as well. The State of Alaska has spent a lot of money educating me, and if I were unable to work, and on some kind of disability, it would probably cost the State way more than the additional insurance coverage to prevent complications.

Please support this bill which could actually reduce medical costs and prevent suffering, as well as give diabetics the opportunity to work for private enterprise.

Sincerely,

Mary E. Larsen

2890 Fritz Cove Rd

Juneau AK

99801

RECEIVED

MAR 20 2000

Subject: CS HB 298 - Diabetes Insurance Reform

Date: Sat, 18 Mar 2000 15:49:19 -0900

From: Theodore P Sherwin <theodore@sherwincpa.com>

To: "Norman Rokeberg (E-mail)" <Rrepresentative_Norman_Rokeberg@legis.state.ak.us>

Dear Representative Rokeberg,

It is our understanding that you have introduced an amendment to CS HB 298, currently in the House Labor and Commerce Committee you chair, that would limit the amount insurers are required to reimburse for patient education. We ask that you reconsider your position and withdraw the amendment. Education is the absolutely most important tool that patients have to manage their disease. In our opinion, limiting the amount that insurers reimburse patients for education is extremely short-sighted. The insurance companies are short-sighted because they will pay more in the future for the complications of diabetes if patient education is limited now. All Alaskans will pay more for the complications of diabetes. This legislation will not hurt the Alaska State Budget - it will help limit it.

Consider, if you will, what happens to the costs to society due to the lack of education in general. It is not the well-educated that are the most to blame for crime, backed-up courts, and prison costs. It is the uneducated and the ignorant that are responsible for these costs. By the same token, lack of diabetes education causes multiple costs to society and the insurance companies due to the subsequent complications of this disease. Maybe these costs are not experienced right away, but they are experienced, we promise you.

We have been volunteers for the American Diabetes Association for many years, locally, regionally and nationally. We have worked to raise money to see that education and supplies are available to those who live with diabetes. We know personally the costs associated with the lack of diabetes education (and supplies.) We have seen the tragedies of blindness, amputations, and the degradation of the quality of life that accompanies diabetes that is not managed. Education helps!

It is in the best interests of the 30,000 Alaskans who have diabetes, their families, Alaska society as a whole and the insurance companies who do business in Alaska that education be made more available, not less available. Please let us know that you are for diabetes education, not against it.

Theodore P. "Ted" Sherwin and Verlie Sherwin
3705 Arctic Blvd. #460
Anchorage, AK 99503-5774
Telephone 907.562.4448
Facsimile 907.562.4447

~~RECEIVED~~

~~MAR 17 2000~~

RECEIVED,
MAR 20 2000

Subject: Re: Diabetes Insurance Reform, CS HB 298

Date: Sat, 18 Mar 2000 17:37:17 -0900

From: "steinerfamily" <steinerfamily@gci.net>

To: Representative_Norman_Rokeberg@legis.state.ak.us

CC: bbogren@diabetes.org

RECEIVED

MAR 20 2000

Dear Representative Rokeberg,

We are the parents of two insulin-dependent diabetic children. Though there is no history of diabetes in our families, our two youngest children lost their ability to produce insulin at age four. Though they are now 8 and 9, respectively, the agonizing daily ritual of shots and blood tests has not lost its sting. When they were age four and newly diagnosed we had to sit on them to jab them with needles. They would scream and cry, and we would cry along with them.

The biggest difference now is their ability to reason and the education we've been able to give them. They try to understand that we are doing this now in the hope of staving off more serious complications later. As they grow and mature we keep trying to add to their understanding of this disease and its ramifications, hopefully without scaring them to death or making them feel like it's hopeless.

In the past four years, our two youngest children have had over 6,000 blood tests and over 4,000 shots. Each. If we were not able to continually reinforce the importance this regime has for them they would give up tomorrow. The alternative for them is blindness, amputation, kidney failure, and death. We continually remind ourselves that, as horrific a regime as this is, the alternatives are far worse.

Please reconsider and withdraw your amendment to CS HB 298 which would restrict a diabetic's access and reimbursement for diabetes education. The knowledge our diabetes educators and dieticians are able to provide are invaluable in helping diabetics understand and comply with the regimes deemed necessary to avoid ever more costly and serious complications.

Please don't discourage or restrict the use of one of the most valuable resources in dealing with this disease - education.

Sincerely yours,

Dr. Charles and Cynthia Steiner
2148 Nottingham
Fairbanks, AK 99709

(907) 479-6596

>From: "Betsy Turner-Bogren" <bbogren@diabetes.org>

>To: Kay_Gouyton@admin.state.ak.us, VickreyEK@aetna.com, klinton@alaska.net, wmbell@alaska.net, ammartin@anchorage.ssa.slb.com, bjritter@aol.com, cquinn@aol.com, Jacob.Mater@Aventis.com, sshoemak@cpgh.org, CArenson@diabetes.org, CWeel@diabetes.org, MCassano@diabetes.org, MHLane@diabetes.org, POConnel@diabetes.org, SBieringer@diabetes.org, jwright@dlcak.org, Susan_Earp@dot.state.ak.us, no.esutch@gateway.net, steinerfamily@gci.net, teddybare69@gci.net, judys@health.state.ak.us, dnovotney@hisea.org, grundyhead@hotmail.com, mariner@ktn.net, shan_Han@legis.state.ak.us, sncje@mail.alaska.edu, frozenorth@mosquitonet.com, gearp@mosquitonet.com, hbrown@mosquitonet.com, jimhayes@mosquitonet.com, rhodac@mosquitonet.com, dory@mtaonline.net, niebrugg@mtaonline.net, dgreeley@polarnet.com, salmons@polarnet.com, KJacques@provak.org, RUrion@ptialaska.net, theodore@sherwincpa.com, verlie@sherwincpa.com, d.young@valley-hosp.com, cklux@worldnet.att.net, jerrytokar.sarcak@worldnet.att.net, dons_alpacas@yahoo.com

>Subject: Diabetes Insurance Reform, Legislative Action Alert #2

>Date: Sat, Mar 18, 2000, 2:27 PM

>

>ACTION ALERT #2

>

>Diabetes Insurance Reform legislation is stalled in the House Labor and
>Commerce committee.

>

>Chairman Rokeberg introduced an amendment to CS HB 298 during the committee
>hearing on Friday afternoon. This amendment would limit the amount
>insurers are required to reimburse for patient education. Consideration of
>the amendment and the bill will continue during the House Labor and
>Commerce committee meeting Monday, March 20 at 3:15 pm.

>

>Our position continues to be:

> · Adequate patient education is the cornerstone of good self-management
>and blood sugar control.

> The number of hours each patient should spend with professional diabetes
>educators and dieticians varies greatly and is dependent on highly
>individual needs.

> Arbitrarily limiting the number of hours for patient education would
>penalize people who need help the most.

> Patient education is a bargain when compared to the costs related to
>diabetes complications such as kidney failure, heart disease, blindness,
>nerve damage and amputations.

>

>Action Requested:

>Please contact Chairman Rokeberg before Monday afternoon.

>Ask him to reconsider, or withdraw, his amendment to CS HB 298.

>

>Representative Norman Rokeberg

>Phone: 907/465-4968

>800-773-4968

>fax: (907) 465-2040

>e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

>

>

>Again, thank you for the time and attention you continue to give this
>important legislation.

>

>Sincerely,

>Betsy Turner-Bogren

>Fairbanks District Manager

>American Diabetes Association

>Phone: 907/457-1557

>e-mail: bbogren@diabetes.org

>

>

>

Subject: Diabetics

Date: Sat, 18 Mar 2000 19:25:38 -0900

From: "Helen R. Brown" <hbrown@mosquitonet.com>

To: Representative_Norman_Rokeberg@legis.state.ak.us

Please withdraw your amendment to limit the amount of insurance paid patient education in diabetics.

Doctors in Alaska are woefully uneducated in this area and if we are to protect ourselves we need all the education we can get.

I know this from personal experience. I went to the doctor 4 times in 3 months because I was so concerned about the symptoms I was having. Finally my husband, who has had no medical trianing, figured out what was wrong. At the time my blod sugar was dangerously high, yet neither of the doctors I had seen had even considered diabetics, even though I had seen one of them for a pancreas infection only 2 years earlier.

Dialasis costs \$6,000 a month. The average patient is now on dialasis for 5 years befor dieing or getting a transplant. That is \$360,000 for the average dialasis patient. You can buy one heck of a lot of patient education for that.

Thank you,

Visit my UPDATED website:
<http://HelenTax.mosquitonet.com>

Helen R. Brown, E. A.
Income Tax Preparation and IRS Audit Defense
Enrolled to Practice before the IRS
409 C Street
Fairbanks, Alaska 99701
(907) 451-8970
fax: (907) 452-3733
email: hbrown@mosquitonet.com

RECEIVED
MAR 20 2000

Subject: HB298, Diabetes Insurance Reform

Date: Sun, 19 Mar 2000 13:27:54 -0900

From: "Jacques, Kathy" <KJacques@provak.org>

To: "'Representative_Norman_Rokeberg@legis.state.ak.us'" <Representative_Norman_Rokeberg@le

CC: "'Representative_John_Harris@legis.state.ak.us'" <Representative_John_Harris@legis.state.ak.us

"'Representative_Jerry_Sanders@legis.ak.us'" <Representative_Jerry_Sanders@legis.ak.us>,

"'bbogren@diabetes.org'" <bbogren@diabetes.org>

Dear Sirs,


I have enclosed an attachment of testimony gave 3/17/00 in support of HB298.


I have also attached further testimony which I hope will answer questions and concerns expressed Representative Rokeberg. I would also like to say

that arbitrarily assigning limited benefits to all people with diabetes is falling short of the need to Individualize all patient education to each

individuals specific needs and limitations. Thank you for reviewing my testimony. Kathy Jacques RN, BSN, CDE

<<Rokeberg HB298.03.18.00.doc>> <<Testimony HB298#2.doc>>

 Rokeberg HB298.03.18.00.doc	<p>Name: Rokeberg HB298.03.18.00.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message</p>
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 Testimony HB298#2.doc	<p>Name: Testimony HB298#2.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message</p>
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*3050 Lore Road #C3
Anchorage AK 99507*

**RECEIVED
MAR 20 2000**

Representative Norman Rokeberg
Alaska State Legislature
State Capitol (MS3100)
Juneau, Alaska 99801-1182
March 18, 2000

Dear Representative Rokeberg,

Thank you for hearing my testimony in support of HB298 on March 17, 2000. I will send a copy of my testimony via fax and e-mail. I hope you will give it serious consideration. I wish to address a few concerns which you raised in regards to cost savings. I recently heard the President make a statement that is well understood by people who work in Health Care & Prevention. His statement was in effect; "Will you pay \$4,000 to have your engine rebuilt now because you refused to pay \$20 for an oil change"? Whatever a person's political affiliation, the analogy works. According to the National Institutes of Health, the total cost (direct & indirect) of diabetes health care in the U.S. in 1992 was \$92 billion. There are 60,000 diabetes related amputations per year in our country. In the country of Denmark everyone in the country gets the same high quality diabetes education and treatment at the Steno Diabetes Research Center. Their diabetes related amputations are almost zero! I'm not advocating socialized medicine. I do advocate same opportunity for preventative & self-management training for everyone with diabetes, not just those with the right coverage.

Insurance companies can say that they have diabetes coverage in their plans. Some times that coverage is for illness that could have been prevented. Sometimes coverage means one visit with a dietitian. I see this in some of the Blue Cross & Aetna packages in Alaska.

As part of the Balanced Budget Act of 1997, Congress passed legislation showing their commitment to improving access to education and treatment supplies for Medicare recipients with diabetes. Since the Medicare law has been in effect I have see a large increase in the number of elderly people who are willing to take education classes and do blood sugar checks everyday. In the past these folks often had to choose between buying diabetes medicine or blood sugar test strips.

The New England Journal Of Medicine, a highly respected journal in health care, estimates a savings of \$2,320/ patient in one county hospital. A recent Maine Diabetes Control Project program resulted in 32% fewer hospitalizations and shorter hospital stays. Cost savings in the state of Maine reflect that for every \$1 spent on diabetes self-management training \$3 is saved, \$293 saved per person! A Maryland program reported 50% fewer emergency room visits after instituting a diabetes self-management program. Wisconsin has had mandatory diabetes education and supplies coverage since 1987. They saw no rise in the cost of insurance premiums after the legislation passed.

I see many patients now who are disabled because of their diabetes. They have lost their jobs and are on Medicaid funding. One of my current patients a 40 y/o Cartographer will be out of work soon because his vision and kidneys are failing. He has insurance coverage now. He won't be able to work much longer and he too will be on state funding. This is common. The cost savings of prevention legislation can't be directly measured because of all the spin off benefits.

Chairman Rokeberg, whether we are talking about prostate cancer, breast cancer, heart disease, lung cancer or life altering diabetes related complications, it makes sense to provide funds and educate up front. I know that an insurance provider could pay for hundreds of people to be educated about diabetes management for the cost of one person to go through dialysis and kidney transplant or through hospitalization for one limb amputation, a prosthesis and the physical therapy to learn to walk again. Those therapies cost hundreds of thousands of dollars each! Remember please that diabetes is the leading cause of kidney disease, blindness, and nerve damage and limb amputations. We can do so much better. *If diabetes self-management training is an expectation and a priority in Alaska, Insurance Providers will see their costs go down!*

Thank you for your serious consideration of House Bill 298. Please do not hesitate to contact me if you have questions.

Sincerely,

Kathy L. Jacques RN, BSN, CDE
Providence Diabetes & Nutrition Center
4001 Dale St. Ste.202
Anchorage, AK 99508
907-550-2355

CC: Representative Andrew Halcro
Representative John Harris
Representative Jerry Sanders

Testimony for House Bill 298
March 17th 2000

Chairman's Rokberg & Halcro thank you for hearing my testimony on House Bill 298. I would welcome any questions that you might have for me. I am a Registered Nurse and have been a Certified Diabetes Educator for 14 years. My grandfather died from complications of diabetes. His daughter, my mother, has diabetes, takes 3 insulin injections and 4-6 blood sugar checks each day. After 15 years and a lot of perseverance, my mother has no **serious complications** and she credits the education and support I have been able to provide.

At this time 38 states require health insurance to directly reimburse diabetes outpatient self-management training. Diabetes affects approximately 30,000 Alaskans. Diabetes is the leading cause of kidney failure, blindness, nerve damage, and limb amputations. Diabetes is a leading cause of heart disease and stroke. When an individual dies from complications of diabetes, the cause of death is usually listed as "Fatal Heart Attack" or "Stroke" or "Kidney failure", therefore the lay population mostly misunderstands the impact of diabetes. Our government spends billions of dollars on "No Smoking" programs; cholesterol and blood pressure lowering programs & campaigns all to reduce the risk of blood vessel damage. Diabetes management training & control is **all about blood vessel and nerve preservation.**

No one expects a person to know how to build a house or use a computer without supplies and training. We must not expect someone who has just been told that they have diabetes to be able to "**Control it**" without education and supplies. If the diabetes isn't controlled the individual often labeled Non-Compliant. This usually happens because of a lack of knowledge. Does the individual know that all types of diabetes are serious? Does the person know that they have a lot of control over the disease or did they watch a loved one die young or lose limb after limb and assume that they best "live it up now" because that same fate awaits them?

I have seen hundreds of people with diabetes in the last 14 years. A person who is told that they have diabetes may make different assumptions. First of all, the person may feel **fine**. They then conclude that they must not have "The serious kind" of diabetes, not the kind that their grandma had because she went blind and could no longer live at home and take care of her self. Another person may think they don't have the "Serious kind" that a next door neighbor has because **he takes insulin** and **his kidneys have failed**. Or maybe the person is newly diagnosed with diabetes. He feels horrible for months before diagnosis is made, burning pain in the legs so severe that it keeps him awake all night. The doctor starts him on a **pill for diabetes** and he feels like a million bucks within a few days or weeks. He thinks he's cured and all that is needed to control his diabetes is to take his pill every day. This person **must** get training in diabetes self-management skills in order to learn how to **maintain** diabetes control for the rest of his life.

There have been 3 major studies completed in the 1990's that have overwhelmingly proven that diabetes can and must be controlled. The reduction in the occurrence and severity of diabetes complications was dramatic. It was through access to supplies, education and follow up that these many thousands of people were able to control their diabetes over the 10 and 20-year studies.

The American Diabetes Association has established "Quality Standards of Care and education" for people with diabetes. I would like to give you an idea of what a person with diabetes is expected to know. They are expected to know all this with or without education & supplies in order to "**be compliant**". A description of the type of diabetes they have and what their blood sugar goals should be; medication & or insulin use; treating & preventing dangerous low blood sugar spells; self blood glucose monitoring and **how to use this daily information** to control their diabetes; exercise guidelines. Medical nutrition therapy is crucial because it is the foundation of blood sugar control; foot exams & guidelines to help prevent amputations; pregnancy & pre-pregnancy recommendations. If a woman with diabetes has no diabetic complications and has excellent blood sugar control at conception she can have a healthy pregnancy and baby.

Often our patients arrive with much fear and anxiety. It is our job to offer hope and **current accurate** information. Often people are filled with misinformation from well meaning friends and relatives. Most people who have had no diabetes self-management training think they are controlling their diabetes if they take their diabetes pill or insulin shot. I have seen people young & old who have had poor control for years because they couldn't afford supplies or training, a matter of choosing to buy food or medication. Test strips for blood glucose monitoring can cost \$40 - \$70 a month. Because so many hard working, employed Alaskan's have no diabetes education or supplies coverage from their insurance they do a bare minimum to treat their diabetes. The big diabetes studies of recent past have proven that the **bare minimum** does not provide the skills needed to make the day to day decisions required to control diabetes on a daily basis for life.

We have made great strides in the area of research and treatment. All the big studies have shown that people are most successful at controlling **their** diabetes year in and year out for the rest of their lives if they have the financial ability to buy supplies and have follow up education and support from their diabetes team. We can & must take our knowledge to the people who **have** and who care for people with diabetes, and teach them how to **live well** with this very complex condition. We have an opportunity here to show all Alaskan's with diabetes that **their health matters**. If we make diabetes self-management training for all people with diabetes a **priority and an expectation** by healthcare providers & insurance providers more people will take advantage of the tools available to them, thus reducing the financial, emotional and life altering complications of diabetes.

Thank you Representative Rokberg and committee members for allowing me to share my expertise and heart felt concerns regarding House Bill 298.

Subject: HB 298 Diabetes Insurance Reform

Date: Sun, 19 Mar 2000 20:02:57 -0900

From: "nonesutch" <nonesutch@gateway.net>

To: <Representative_Norman_Rokeberg@legis.state.ak.us>

Representative Rokeberg,

Please withdraw the amendment to CS HB 298.

As a dietitian working in a hospital, I have seen what the complications of diabetes has done to people's lives. Teaching patient their personal diet plan and how it fits in to their self management does not fit into a predetermined amount of time. The disease process of diabetes is very individual and well as the learning process. Individualization is very important.

I believe the cost of patient education for patients with diabetes is a drop in the bucket compared to the cost of complications related to kidney failure, heart disease, blindness and amputations. Education is a small price to pay for a better quality of life.

Thank you,

Barbara Sutch, R.D.

5553 College Meadow Circle

Anchorage, AK 99504

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MAR 20 2000

March 19, 2000

Representative Norman Rokeberg
Chairman, House Labor and Commerce Committee
Alaska State Legislature
Juneau, AK 99801

Dear Representative Rokeberg:

Please reconsider or withdraw the amendment to CS HB 298, which would limit the amount insurers would be required to reimburse for patient education.

Diabetes is a 99% self-managed condition. Adequate patient education is the cornerstone of this self-management. The number of hours each patient needs to spend with professional diabetes educators and dietitians varies from person to person. Putting a cap on the amount of coverage for this education would fail to recognize the individual learning needs of each patient.

When compared to the devastating results of poor management, diabetes education is a real bargain. As a nurse, I have seen the outcomes of poor self-management. As a diabetes educator, I also have seen the other side of the coin. Patients who are adequately educated are empowered to take control of this potentially deadly condition and live happy, fulfilled lives.

Thank you for your consideration of this request.

Sincerely,
Kathy Lux, RN, BSN, CDE

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MAR 20 2000



Providence Health System in Alaska
Dale Street Professional Building
Providence Diabetes and Nutrition Center
4001 Dale Street, Suite 202
Anchorage, AK 99508
(907) 550-2350 / Fax: (907) 550-2361

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MAR 20 2000

FAX COVER SHEET

DATE: 3-19-00
FAX TO: Representative Norman Rokeberg
COMPANY: AK State Legislature
DEPARTMENT: Labor + Commerce Co. Chair
FAX #: 907-465-2040

FROM: Kathy Jaegle
DEPARTMENT: Providence Diabetes and Nutrition Center

TELEPHONE #: 550-2350 FAX #: 550-2361

OF PAGES TO FOLLOW: 4 SENT BY: KJ

CONFIDENTIALITY NOTICE

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MESSAGE/COMMENTS: ATTN: Monday Committee
Please review and consider HB 298

Thank you -

POM for Representative Rokeberg



From: Ms. Carolyn A Hobbs
17639 Kantishna Dr

Telephone: 694-6982

Eagle River, AK 99577
Email:

NON Constituent

Registered Voter: U

Bill: HB 298 Title: REQUIRE HEALTH INS COVERAGE FOR DIABETES
Message:

I have been a juvenile diabetic for 35 years and an Alaskan resident for more than 40 years. Please support passing HB 298.

Entered in ANC on 3/15/00 POMID: 3906

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Message 1 out of 1.

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MAR 16 2000

March 15, 2000

Dear Representative Rokeberg

I urge you to support and pass HB298 "Coverage for the treatment of diabetes." Epidemiological studies performed over the past 40 years have shown the prevalence of diabetes has risen. I am one of those statistics. Diagnosed in 1979 while on Active Duty in the US Army. Thanks to a nurse that spent time teaching me the "Rights from Wrong" I have managed to avoid the long term complications. Intensive management, glycemic (Blood Glucose) control and education on new technologies make only good sense in staying "Normal". Control through education has been the item I have used to avoid the complications of the disease and reduced my morbidity, mortality and costs associated with diabetes.

Research conducted by Harris published in "Diabetes Care" has shown savings of up to \$950/person/year with diabetes. With 36,000 people with diabetes in Alaska, you can see a savings up to \$33,000,000/yr in diabetes costs and lost work. Retrospective studies in Wisconsin have shown no increase in insurance premiums. Don't let insurance companies Bully us. I urge you for your support to pass this HB298. I hope to hear from you soon.

Sincerely,

Donald Nadeau

1120 Timberline Ct.

Juneau, AK 99801

907 780 4300

Email dnadeau@hisea.org

HB

303

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 21, 2000

FURTHER REFERRALS:

HES

Date of Committee Action: 22 March 2000

The LABOR AND COMMERCE Committee considered:

HB 303

HOUSE BILL NO. 303

MISC. INSURANCE PROVISIONS

"An Act relating to the method of payment of fees and adoption of regulations under AS 21; relating to orders under AS 21 regarding risk based capital instructions; relating to accounting standards for insurance companies; amending the definitions of 'creditable coverage' and 'late enrollees' in AS 21.54; relating to requirements for small employer insurers; relating to requirements for issuance of new voting securities by an insurance company; requiring health care insurance coverage for reconstructive surgery following mastectomy; requiring guaranteed renewability of and certification of coverage regarding certain individual health insurance policies; and providing for an effective date."

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

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

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

zero fiscal note(s) DCeD _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE *[Signature]* 3-22-2000

HB 303



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

January 20, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

I am transmitting a bill relating to financial regulation of insurance companies and amending the state's 1997 insurance act to comply with federal requirements for health care insurance involving individuals, groups, and small employers.

The bill would amend the insurance code with respect to the accounting standards followed by insurers when reporting annually on their financial condition to the director of the division of insurance. Under the bill, certain statutes related to the reporting of insurance company assets and liabilities are amended to eliminate provisions that are obsolete or that conflict with new accounting standards adopted by the National Association of Insurance Commissioners (NAIC). Existing law requires insurers doing business in this state to adhere to such standards. This also ensures Alaska will maintain its accreditation as a state with effective insurer solvency regulation.

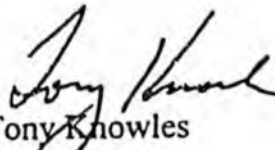
With respect to health care insurance, the bill puts Alaska in compliance with the federal Health Insurance Portability and Accountability Act of 1996 requiring guaranteed renewal of individual policies. Although the legislature three years ago passed amendments to the insurance code to conform to this federal law, that legislation relied on covering the market through the existing high-risk pool. But that did not take into consideration those who do not participate in the pool. This bill corrects that omission. In addition, this bill incorporates a 1998 federal mandate under the Women's Health and Cancer Rights Act requiring insurers to cover reconstructive surgery following mastectomies.

The Honorable Brian Porter
January 20, 2000
Page 2

This bill also includes several "clean-up" items to correct inadvertent errors and omissions and clarify changes made in the 1997 state law.

I urge your prompt and favorable action on this measure.

Sincerely,



Tony Knowles
Governor

Sponsor Statement

HB 303

This proposed legislation was developed by the Alaska Division of Insurance. The legislation contains several clean-up items and is non-controversial in nature with no known opposition.

The proposed legislation can be divided into two broad categories:

1. The first category relates to statutory accounting by insurance companies.
 - The division has adopted these uniform accounting standards to take effect on January 1, 2001. Amendments proposed in this bill remove obsolete sections of the insurance statutes to be consistent with these standards.
2. The second category relates to health insurance.
 - Two important amendments relating to health insurance proposed in the bill will bring Alaska's statutes into compliance with federal Health Insurance Portability and Accountability Act requirements. Passage of these amendments will allow Alaska to retain the authority to enforce these requirements on insurers marketing health insurance in Alaska and avoid federal enforcement of the provisions in Alaska.
 - Other amendments will clean up sections of the small employer health insurance act to clarify the intent of the guarantee issue requirements and fair marketing standards.

**HB 303
Insurance Legislation**

**Sectional Analysis by the
Department of Community and Economic Development
Division of Insurance**

Section 1. AS 21.06.250 Electronic payment of fees, Page 1.

The amendment to this section will give the director the flexibility to require payments through electronic payment system as is currently allowed for premium tax payments.

Sec. 2. AS 21.14.010(e) Risk based capital instructions, Page 2.

The amendment to this subsection along with the amendment in Sec. 3 will resolve the conflict between AS 21.14.200(18) and this subsection regarding how the risk based capital formula is adopted. In 1997, AS 21.14.200(18) was amended to provide that "risk based capital instructions" were to be adopted by the director for the division of insurance by "order" rather than by "regulation." This change was intended to allow the director the flexibility necessary to ensure that the instructions conform to the continually refined NAIC instructions and to help achieve nationwide consistency in such instructions. Because of an oversight, the 1997 legislation did not make a necessary amendment to AS 21.14.010(e), which is the substantive statute that provides for the establishment of the risk based capital instructions. This section of the bill corrects this oversight.

Sec. 3. AS 21.14.200(18) Risk based capital instructions, Page 2.

The amendment to this definition paragraph along with the amendment in Sec. 2 will resolve the conflicting adoption requirements currently in AS 21.14.010(e) and this paragraph. The amendment removes from the definition the language that provides for the adoption of instructions by order, because such language is more appropriately placed in AS 21.14.010(e) rather than in a definition section.

Sec. 4. AS 21.18.010 Allowable assets, Page 2.

This section has been repealed and reenacted to conform to new insurance company accounting standards adopted by the National Association of Insurance Commissioners (NAIC) that insurance companies are required to follow under existing Alaska law. This section provides the basis for the recording of assets by an insurance company. While the provisions in this section are general in nature, the details for recording assets are provided in the NAIC Accounting Practices and Procedures Manual (codification) and in AS 21.18.030. Under AS 21.06.140(c), insurance companies are required to use the NAIC Accounting Practices and Procedures Manual. The requirements for premiums due from a controlling or controlled person are not repealed since the new insurance accounting standards do not have similar requirements.

Sec. 5. AS 21.18.030 Assets not allowed, Page 4.

This section has been repealed and reenacted to conform to new insurance company accounting standards adopted by the NAIC that insurance companies are required to follow under existing Alaska law. This section provides standards for the types of assets not allowed to be reported as

admitted assets by an insurance company. Details on the specific types of assets that are allowed and not allowed to be reported as admitted assets are in the NAIC Accounting Practices and Procedures Manual (codification). Under AS 21.06.140(c), insurance companies are required to use the NAIC Accounting Practices and Procedures Manual. The provisions regarding assets not allowed were repealed since they duplicated, and in some cases conflicted with, the requirements of the NAIC Accounting Practices and Procedures Manual in some manner.

Sec. 6. AS 21.18.050 Reserves and liabilities. Page 4.

This section has been repealed and reenacted to conform to new insurance company accounting standards adopted by the NAIC that insurance companies are required to follow under existing Alaska law. The amendments to this section clarify what is to be charged against assets in determining the financial condition of an insurer. In addition, a reference to taxes is removed from the stated liabilities to be charged against the assets because taxes are covered in more detail in the NAIC Accounting Practices and Procedures Manual (codification). Under AS 21.06.140(c), insurance companies are required to use the NAIC Accounting Practices and Procedures Manual.

Sec. 7. AS 21.18.073 Unearned premium reserves for title insurance. Page 5.

This section is repealed and reenacted for accreditation purposes and to remove provisions that might conflict with NAIC Accounting Practices and Procedures Manual (codification). Under current law, insurance companies are required to use the NAIC Accounting Practices and Procedures Manual to AS 21.06.140(c). The resulting language clarifies that an unearned premium reserve is required by title insurance companies and removes the duplicate requirement that the title insurer establish, segregate, and maintain a guaranty fund since a guaranty fund deposit is already required pursuant to AS 21.66.020.

Sec. 8. AS 21.18.160 Regulations for assets and liabilities. Page 5.

This is a new section to make clear that the director may adopt regulations to further clarify the statutory requirements in the chapter.

Sec. 9. AS 21.21.050 Diversification of investments. Page 5.

This section has been repealed and reenacted to conform to new insurance company accounting standards adopted by the NAIC that insurance companies are required to follow under existing Alaska law. The amendment to this section adds a limit of 10 percent of assets for investments in options and futures contracts. This limit will ensure that an insurance company's investments are not concentrated in one type of investment.

Sec. 10. AS 21.42.400 Coverage for reconstructive surgery following mastectomy. Page 7.

This section amends AS 21.42 to incorporate a federal mandate requiring insurers to cover reconstructive surgery following a mastectomy. Congress enacted this mandate in 1998 under the Women's Health and Cancer Rights Act of 1998, which amended provisions in ERISA and amended the 1997 HIPAA provisions in the Public Health Service Act (PHS). Adding this provision to statute ensures that Alaska maintains authority to enforce this federal mandate on insurers writing health insurance in Alaska.

Sec. 11. AS 21.51.400 Renewability and certification, Page 7.

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that individual health insurance policies be guaranteed renewable with only certain exceptions. This requirement was not included in Alaska's 1997 HIPAA legislation in error. Adding these provisions to statute ensures that Alaska maintains authority to enforce the requirements on insurers writing health insurance in Alaska.

Sec. 12. AS 21.54.500(7) Definitions, Page 8.

The current definition of creditable coverage requires two modifications to bring it into compliance with the HIPAA definition of creditable coverage. The first modification corrects the definition to include all health care insurance plans not just those offered in the group market. The second modification clarifies that coverage under any state high risk pool is creditable coverage (not just Alaska's high risk pool).

Sec. 13. AS 21.54.500(20) Definitions, Page 8.

The definition of late enrollee requires a modification due to a drafting error in Alaska's 1997 HIPAA legislation. The current definition does not require that an individual be covered under creditable coverage at the time of the initial enrollment as defined under HIPAA. The modification to this definition corrects this error.

Sec. 14. AS 21.56.110(e) Applicability, Page 9.

Alaska's 1997 HIPAA legislation inadvertently omitted the requirement that an insurer must continue to provide coverage to a small employer until the employer's next anniversary in the event that the small employer no longer meets the definition of a small employer. This section adds this requirement back into the law and is consistent with HIPAA requirements.

Sec. 15. AS 21.56.140(b) Required offer of coverage, Page 9.

This section corrects a drafting error by changing the word insurer to insurance.

Sec. 16. AS 21.56.140(c) Required offer of coverage, Page 10.

In response to several questions regarding participation requirements for small employer plans, this section clarifies that the insurer must exclude those individuals who do not select coverage because they have other similar coverage in determining whether a small employer meets the participation requirements. The effect is to assist those very small employers with for example, 2 or 3 employees in attaining group coverage.

Sec. 17. AS 21.56.140(d) Required offer of coverage, Page 10.

In response to several question regarding the requirement in this section that an insurer offer coverage to all eligible employees as defined in the chapter, this section clarifies that the employer retains the right to determine which employees to cover. The insurer must initially offer to all eligible employees, but at the request of the employer may issue coverage only to those employees the employer chooses to cover.

Sec. 18. AS 21.56.140(f) Required offer of coverage, Page 11.

To clarify the law regarding sales of health insurance to small employers, this section adds the requirement that the insurer may not discriminate in sales to small employers by their size.

Sec. 19. AS 21.56.180(a) Fair marketing standards, Page 11.

To clarify the law regarding sales of health insurance to small employers, this section adds the requirement that compensation not vary by the size of the small employer.

Section 20. Repeal, Page 11.

This section repeals AS 21.18.900(4), which is the definition of foreign currency. This definition is unnecessary since amendments to AS 21.18.010 in Section 4 remove the term from the statute. This section also repeals AS 21.21.360(b) through (f), which provided accounting guidance for investments in options and futures contracts. The NAIC Accounting Practices and Procedures Manual (codification) now provides the current accounting guidance in this area. Under current law, insurance companies are required to use the NAIC Accounting Practices and Procedures Manual pursuant to AS 21.06.140(c).

**ALASKA INDEPENDENT INSURANCE AGENTS AND BROKERS, INC.
(AIIAB)
POSITION PAPER**

**HOUSE BILL 303 – MISCELLANEOUS INSURANCE PROVISIONS
SUPPORT**

The AIIAB supports this Division of Insurance presented bill in its present form (Version A). This legislation simplifies and enhances current statute for clarity and additional consumer protection.

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MAR 07 2000

Janet in Representative Rokeberg's office

Sorry it has taken me a few days to get back to you. However, I have gotten a copy of the bill and reviewed it. The bill has no specific impact on the ACHIA program. While not required by law, the Board has generally added benefits mandated for regular individual or group medical policies to the ACHIA policy. In this case, we already have that benefit in our policy. Thanks for the heads up. We appreciate your continued support of ACHIA.

CECIL BYKERK, CHAIR

FISCAL NOTE

Bill Version: HB 303

(H) Publish Date: 1/21/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Developm
 Title An Act relating to the method of payment of fees and BRU Insurance
 adoption of regulations under AS 21-Insurance cleanup bill Component Insurance
 Sponsor Rules Committee
 Requester Governor Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact

Prepared by: Robert A. Loh *Robert A. Loh* Phone 269-7900
 Division Insurance *Deborah B. Sedwick* Date/Time 12-29-99 8:50 AM
 Approved by Commissioner Deborah B. Sedwick Date 12/29/99
 Agency Community & Economic Development

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HB

305

Alaska

Tony Knowles, Governor

**Department of Community
and Economic Development**

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: License@dced.state.ak.us • Website: www.dced.state.ak.us/occ/

**ALASKA BOARD OF REGISTRATION FOR ARCHITECTS,
ENGINEERS
AND LAND SURVEYORS (AELS)**

March 3, 2000

The Honorable Norm Rokeberg
House of Representatives
Chair, Labor & Commerce Committee
State Capitol, Room 24
Juneau, AK 99801-1182

Dear Representative Rokeberg:

The Board of Architects, Engineers and Land Surveyors (AELS) respectfully requests that you consider changes to ~~HB 805~~, an Act relating to the membership of the Board of Registration for Architects, Engineers and Land Surveyors.

The AELS Board held its quarterly meeting on February 17-18, 2000, and proposed a statement of intent to submit to your committee for consideration.

Sincerely,



Daphne Brown
Chair

DB/NH/go996
030300a

cc: Senator Jerry Mackie
Senator Gary Wilken
Governor Tony Knowles

"Promoting a healthy economy and strong communities"

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MAR 06 2000

Board of Registration for Architects, Engineers and Land Surveyors (AELS)
Intent Regarding Legislation

During its February 18, 2000 meeting of the AELS Board, the following motion was passed unanimously with all members present.

RESOLVED: that the Board supports striking the current language in HB 305 regarding board composition and substituting the following: "The temporary non-voting landscape architect position is extended to June 30, 2003. The temporary member will be reimbursed for travel costs to the board meetings and to attend the annual meeting of the Council of Landscape Architectural Registration Boards;"

and RESOLVED: that the Board recommends that language incorporating the proposed building code revision to AS 08.48.331(a) submitted by the Committee on Plan Review, as revised and adopted by the Board on 02/18/00, be added to HB 305.

The Language adopted by the Board is as follows:

AS 08.48.331 (a):

(13) an employee, officer or agent of a regulatory agency while conducting a review of drawings and specifications, signed or sealed by a professional architect or engineer where required for code compliance as required by AS 08.48.

The Board's reasons for adopting these Resolutions are as follows:

Regarding the Landscape Architect Position:

Although the Board voted last year to support making the Landscape Architect position permanent, at this time the Board membership does not unanimously support appointment of a Landscape Architect to the Board on a permanent basis. However, the Board recognizes that one is needed at this time, particularly for initial applicant test approval and registration. Approximately 60 applicants are anticipated for initial registration. The initial registration process will require specialized knowledge of the Landscape Architect Registration Examination and the other states' application approval processes, and the development of a strong relationship with the national Council of Landscape Architects Registration Boards. Maintaining the current landscape architect position on the Board will substantially assist the Board in this process and will provide necessary expertise to the Board and Division staff.

The Board proposes that the date of expiration of the temporary member be changed to coincide with the Board's next sunset review. This would provide an already existing date to reevaluate Board composition and would delay a final decision on Board composition until a reasonable time after the initial registration process, to provide for a more fully informed decision on that issue.

At this time, travel costs of the temporary Landscape Architect Member are being funded by contributions from within that profession. The Board recommends that those costs be included in the Board's budget, in order to maintain a constructive "arms length" working relationship with the members of that profession and their professional organization. It is appropriate for the Board to cover these costs, in recognition of the differing primary missions of the Board (promoting public health and safety) and of the professional organizations of its constituent members (representing the interests of their membership on widely varying issues).

Regarding Exemption for Building Code Plan Review Activities:

Background: The question on whether persons conducting plan reviews for regulatory agencies need to be licensed architects or engineers arose from licensing investigations. The Board took public comment at the November 1999 quarterly meeting and created a Committee on Plan Review to consider the issue. This committee report suggested statutory language changes at the February Board meeting, which were adopted by the Board and are included in this letter of intent.

The Board recommends inclusion of the language concerning building code plan review in HB 305, in order to expedite implementation of recommendations submitted by the Board's Committee on Plan Review. The proposed revision gives trained building officials authority to check architectural and engineering plans for specific (health-life-safety) code compliance without being licensed engineers.



510 L Street, Suite 101
Anchorage, AK 99501

Correspondence for this letter
955 Coral Lane
Anchorage, Ak 99515
Phone: (907) 343-4522
FAX: (907) 278-6595
E-Mail: rsunnell@ak.net

January 26, 2000

Alaska State Legislature
House Labor & Commerce
Fax (907) 465-2040

Subject: Landscape Architect bill HB 305

The American Society of Landscape Architects (ASLA) requests that the House Labor and Commerce Committee support bill HB 305 to add a Landscape Architect into a permanent voting member of the AELS board.

ASLA has shown continual involvement in state and local issues and has the same voting needs as all existing AELS board representatives. The Alaska Chapter of ASLA has a small membership but a powerful will. Professional Landscape Architects volunteer on many local and state boards and commissions. They are employed by the Municipality, State, Federal Government and private consulting firms to assist this grand State with not only health and safety issues, but continual resolution of development and environmental issues. Because of the Professional attitude and skills of our Alaska Landscape Architects this state is one of the most awesome and inspiring states in the nation.

Please support bill HB 305 by allowing Landscape Architects to be represented on the AELS board.

Respectfully,

A handwritten signature in cursive script that reads "Rachel R. Sunnell".

Rachel Rourke Sunnell, ASLA
President, Alaska Chapter

RECEIVED
JAN 28 2000



Tony Knowles, Governor

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: License@dced.state.ak.us • Website: www.dced.state.ak.us/occ/

**ALASKA BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS
AND LAND SURVEYORS**

January 27, 2000

Representative Norm Rokeberg, Chair
House Labor and Commerce Committee
House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Rokeberg,

I am writing to you in support of HB 305, An Act relating to the membership of the State Board of Registration for Architects, Engineers and Land Surveyors (AELS).

The AELS board supports making the temporary Landscape Architect member permanent. The board voted at the February 1999 AELS meeting to initiate legislation to add a landscape architect to the membership of the board.

The enabling legislation to license landscape architects, HCS CSSB 110(Fin), passed the legislature in 1998 and became effective on August 20, 1998. That bill required landscape architects to become licensed and added a temporary, non-voting board member to serve on the board. That temporary member's term expires on June 30, 2001.

HB305 would add a landscape architect to serve as a voting member on the AELS board.

I appreciate your hearing the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Daphne Brown", written over a horizontal line.

Daphne Brown, Chair

FISCAL NOTE

Bill Version: HB 305

(H) Publish Date: 1/21/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ Dev.
 Title An act relating to the membership of the State BRU Occupational Licensing
Board of Registration for AELS..... Component Occupational Licensing
 Sponsor Rules Committee
 Requester Governor Component Serial No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	3.1	3.1	3.1	3.1	3.1	3.1
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	3.1	3.1	3.1	3.1	3.1	3.1

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

CHANGE IN REVENUES ()	3.1	3.1	3.1	3.1	3.1	3.1
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	3.1	3.1	3.1	3.1	3.1	3.1
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	3.1	3.1	3.1	3.1	3.1	3.1

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The draft bill creates a landscape architect position on the Board of Registration for Architects, Engineers, and Land Surveyors. This fiscal note identifies travel costs associated with the position attending four board meetings each year; and to attend the Council of Landscape Architectural Registration Boards meeting. These costs are expected to be covered by licensing fees.

Prepared by Jennifer Strickler, Administrative Manager Phone _____
 Division Occupational Licensing Date/Time 1/20/00 11:21 AM
 Approved by Commissioner Deborah B. Sedwick Date 1/20/00
 Agency Community & Economic Development

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 305
AELS Membership

ANALYSIS: (Continued)

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR AELS MEMBERSHIP

TRAVEL

3.1

Travel costs are based on the 1 new Landscape Architect board member, assuming the member is appointed from the Anchorage area, attending four regularly scheduled meetings held each year in the following locations:

Anchorage Meeting (2 meetings per year)	\$0.3
Juneau Meeting	\$0.7
Fairbanks Meeting (including 2 staff from Juneau)	<u>\$0.6</u>
	\$1.6

Travel funds for the Landscape Architect member to attend at least one meeting of the national Council of Landscape Architectural Registration Boards (CLARB) out-of-state. \$1.5

Subject: Re: HB 305

Date: Mon, 31 Jan 2000 14:41:25 -0800

From: Patrick Kalen <pkalen@gci.net>

To: Janet Seitz <Janet_Seitz@legis.state.ak.us>

CC: Nancy Hemenway <Nancy_Hemenway@dced.state.ak.us>, mailto:

Janet: Thank you for your response.

For the committee hearing, the land surveyors do not think that this subject is ready to go forward, but we are hesitant to take a formal stand in opposition. It will be discussed at length at our annual meeting on February 23. We rather expect that there will be suggestions that rather than increase the size of the AELS Board, there would be a focus on changing one of the positions to a Landscape Architect.

Patrick Kalen, PLS, Chair, Legislative and Regulation Review Committee for the Alaska Society of Professional Land Surveyors

At 10:13 AM 1/31/00 -0900, you wrote:

>Thank you for your e-mail of January 28th, which I received this
>morning.

>

>HB 305 is still scheduled for a hearing this afternoon, beginning at
>3:15 p.m., Room 17, Capitol Building. A copy of your e-mail and any
>other material you might like to send will be given to each committee
>member.

>

>You may e-mail additional information to me or you may fax it to (907)
>465-2040 as long as I receive it before 3:00 p.m. so I can make the
>necessary copies for the committee. If you have any questions, please
>do not hesitate to contact me.

>

>Janet Seitz
>Committee Aide
>House Labor & Commerce Committee
>Rep. Norman Kokeberg, Chairman

Subject: HB 305

Date: Mon, 31 Jan 2000 10:13:19 -0900

From: Janet Seitz <Janet_Seitz@legis.state.ak.us>

Organization: Alaska State Legislature

To: pkalen@gci.net

Thank you for your e-mail of January 28th, which I received this morning.

HB 305 is still scheduled for a hearing this afternoon, beginning at 3:15 p.m., Room 17, Capitol Building. A copy of your e-mail and any other material you might like to send will be given to each committee member.

You may e-mail additional information to me or you may fax it to (907) 465-2040 as long as I receive it before 3:00 p.m. so I can make the necessary copies for the committee. If you have any questions, please do not hesitate to contact me.

Janet Seitz
Committee Aide
House Labor & Commerce Committee
Rep. Norman Rokeberg, Chairman

Subject: HB 305, retry

Date: Fri, 28 Jan 2000 18:48:29 -0800

From: Patrick Kalen <pkalen@gci.net>

To: Janet_Seitz@legis.state.ak.us

CC: <IVERSON@alaska.coffman.com>, Lance Mearig <Lance@uskh.com>,

Marcia_Pappas@commerce.state.ak.us,

Nancy Hemenway <Nancy_Hemenway@dced.state.ak.us>, martinshurr@fbx.pdceng.com,

<ptsinc@alaska.com>, catherine_reardon@dced.state.ak.us, mailto:

Representative Rokeburg:

The idea to advance the idea to register Landscape Architects, is eagerly sought by the AELS Board Chair. However, support from other affected registrants, such as the Civil Engineers and the Land Surveyors was not sought before the AELS Board voted to ask for registration of Landscape Architects.

The Executive Board of the Alaska Society of Professional Land Surveyors (ASPLS) has voted that they think it may be premature to advance the idea of registration for Landscape Architects at this time.

We suggest that you postpone the first hearing on the bill until after the Annual Meeting of ASPLS, which will be held on February 16, 2000.

I do not speak for the AELS Board itself. I am one of the Land Surveyor representatives on the Board. At the meeting on February 12, 1999, at which the vote was taken, I stated that issues such as travel funding and representation of smaller groups of registrants could not be avoided if this issue was brought before the legislature. A proposal to add a representative for Landscape Architects focuses attention on the number of registrants each Board Member appointed represents.

The temporary representative for the Landscape Architects has attended all AELS Board meetings since her appointment, and is a credit to their profession, and a help to the Board, making it awkward to commit to a negative position.

Please let me know as soon as possible if there is going to be a hearing on Monday, January 31. If so we will have a more detailed response sooner, and in some haste. We do need more time to prepare our comments.

Patrick Kalen, PLS, Chair, Legislative and Regulation Review Committee
for ASPLS

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JAN 31 2000

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

Mailing Address:
113 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



House Of Representatives

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

House District 33

Fax Transmission

TO: Janet
FROM: Representative Gene Therriault / Wida
(907) 465-3884
DATE:

Pages including cover:

Notes: X 2812.

Subject: Proposed Revisions to HB305 and SB 211 to exempt plans examiners for registration

Date: Wed, 15 Mar 2000 15:11:33 -0900

From: "Vince P. Meurlott" <vmeurlott@mosquitonet.com>

To: "Carl Morgan" <Representative_Carl_Morgan@legis.state.ak.us>,
"Jeannette James" <Representative_Jeannette_James@legis.state.ak.us>,
"Gene Therriault" <Representative_Gene_Therriault@legis.state.ak.us>,
"John Coghill, Jr" <Representative_John_Coghill@legis.state.ak.us>,
"Jim Whitaker" <Representative_Jim_Whitaker@legis.state.ak.us>,
"Tom Brice" <Representative_Tom_Brice@legis.state.ak.us>,
"John Davies" <Representative_John_Davies@legis.state.ak.us>,
"Georgianna Lincoln" <Scnator_Georgianna_Lincoln@legis.state.ak.us>,
"Mike Miller" <Senator_Mike_Miller@legis.state.ak.us>,
"Pete Kelly" <Senator_Pete_Kelly@legis.state.ak.us>,
"Gary Wilken" <Senator_Gary_Wilken@legis.state.ak.us>

CC: "Steve Shuttleworth" <shuttleworth@mosquitonet.com>

*Pat Caylor } Bd. -
Patty Pearson }*

March 8, 2000

Janet Sites.

of architect of board -

The Fairbanks Chamber of Commerce

250 Cushman St.

Fairbanks, AK 99701

HB130-

Attn: Government Affairs Committee

Re. Support for revisions to HB 305 and SB 211 proposed by the AELS board

to accommodate City Building Officials performing plan reviews.

Thank you for the opportunity to address you this morning. We appreciate your hard work to improve the quality of life for residents of the Fairbanks area. We are pleased that you are responsive to our needs.

On February 18, 2000 the Board of Registration for Architects, Engineers and Land Surveyors (AELS) unanimously voted to recommend a change in the state statute that defines the practice of engineering. The revision would make it clear that qualified plans examiners for regulatory agencies may perform code compliance plan reviews without engineering registration by adding an exemption to the existing statute as follows:

AS 08.48.331 (a):

(13) an employee, officer or agent of a regulatory agency while conducting a review of drawings and specifications, signed or sealed by a professional architects or engineers where required for code compliance as required by AS 08.48

The City of Fairbanks respectfully requests that you support the AELS proposal which will allow municipal building departments to continue reviewing plans in a cost effective manner. Steve Shuttleworth, Building Official with the City of Fairbanks, worked closely with AELS to secure their approval. Please contact the respective chairmen of the following committees to express your support.

Norm Rokeberg, House of Representatives, Chair, Labor & Commerce Committee

Jerry Mackle, Senate, Chair, Labor & Commerce Committee



FAIRBANKS

BUILDING DEPARTMENT
**PHN 459-6720
FAX 459-6719**

October 26, 1999

Ms. Daphne Brown, Chairperson
Board of Registration for Architects, Engineers and Land Surveyors
Alaska Department of Community
and Economic Development
Division of Occupational Licensing
P.O. Box 10806
Juneau, Alaska 99811-0806

GENE

Dear Ms. Brown:

The City of Fairbanks Building Department has received a copy of your letter dated 10/7/99. The letter, as we understand it, (requires that all plan reviewers for regulatory agencies, including home rule jurisdictions, must be licensed architects or engineers.)

We are deeply concerned by this recent interpretation and the Boards apparent support for this policy. Essentially, the implementation of this interpretation will close down the Fairbanks Building Department and other departments that do not employ the full compliment of licensed staff engineers and architects. By this strict and broadly applied interpretation the building department would be required to hire a licensed architect, structural engineer, electrical engineer and mechanical engineer. The economic impact to the city's operating budget would be devastating. When considering that municipal revenue sharing has been drastically cut by state legislative action while at the same time traditional state services and duties are shifted to the cities, the recent policy creates an insurmountable challenge.

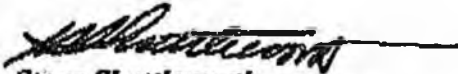
Ironically, the City of Fairbanks Building Department recently received a Class 3 rating from the Insurance Service Organization (ISO) during the national evaluation of over 3700 building departments. This rating is particularly noteworthy when considering the fact that not a single department received a rating of 1, (the highest possible), and only 70 departments received a class 2 rating while only 371 departments received a class 3 rating. The city of Fairbanks Building Department rates in the top 12% of all building departments in the United States as evaluated by ISO. This evaluation included the qualifications, certifications and experience of the building official, plan reviewers and inspectors. In addition, the thoroughness and complexity of plan review and field inspection was also evaluated.

the GOLDEN HEART CITY — "extremely Alaska"

400 Cushman Street Fairbanks, Alaska 99701
800

In light of the recent interpretation and its negative impact on the City of Fairbanks, Mayor James Hayes has directed me to attend the next Board meeting in Anchorage on November 18, 1999 and has authorized me to speak on behalf of the City of Fairbanks during public testimony. If you need to contact me prior to the meeting I can be reached at 459-6725.

Sincerely,



Steve Shuttleworth
Building Official

cc: Mayor James Hayes
Senator Gary Wilken
Senator Pete Kelly
Representative Gene Therriault
Representative Jim Whitaker
Deborah Sedwick, Commissioner
Nancy Hemenway Executive Administrator to the Board of Registration

Subject: HB 305, Landscape Architect bill

Date: Fri, 03 Mar 2000 09:01:44 -0900

From: Nancy Hemenway <Nancy_Hemenway@dced.state.ak.us>

To: Janet S Seitz <Janet_Seitz@legis.state.ak.us>

CC: Nancy Hemenway <nancy_hemenway@dced.state.ak.us>

Hi, Janet. The AELS board met 2/17 and 2/18/00 and discussed the bill and asked me to develop a letter from the board to Rep. Rokeberg (and Sheila Peterson, Sen. Wilken's office will work with Sen. Mackie's office) with their suggested changes.

Basically, they would like to keep the L.A. position temporary, but have that person get travel and per diem for quarterly board meetings and to travel to the annual conference for CLARB, their national organization which maintains their council records. In addition, they would like to roll in a "fix" for the "code review/plan review" issue that arose last fall. It is a statewide issue but primarily affects Fairbanks and Anchorage municipalities, which is why Sen. Wilken has expressed interest.

I'm waiting to hear back from the board on my letter. Once I do get it, I'll fax it to you and mail the hard copy.

Let me know if you need any additional information.

[AELS Web Page <Nancy_Hemenway@dced.state.ak.us>](mailto:Nancy_Hemenway@dced.state.ak.us)

Executive Administrator

Alaska Board of Registration for Architects, Engineers, and Land Surveyors (AELS)

Department of Community and Economic Development (DCED)

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MAR 03 2000

HB

310

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 21, 2000

FURTHER REFERRALS:

Judiciary

Date of Committee Action: Feb 21, 2000

The LABOR AND COMMERCE Committee considered:

HB 310

HOUSE BILL NO. 310

ALASKA INSURANCE GUARANTY ASSOCIATION

"An Act relating to the Alaska Insurance Guaranty Association; and amending Rule 24, Alaska Rules of Civil Procedure."

recommends it be replaced with the following committee substitute C SHB 310(LTC) [] the same title [x] a new title

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

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal note(s) _____

[] fiscal note(s) _____

[x] zero fiscal note(s) Dec 2/18/00

[] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE *[Signature]* 2/21/2000

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 310

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An Act relating to the Alaska Insurance Guaranty BRU Insurance
 Association; and amending Rule 24, Alaska Rules of Civil Procedure. Component Insurance
 Sponsor H L&C)
 Requester H L&C) Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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

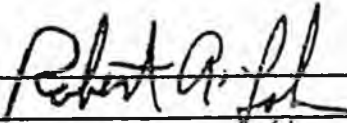
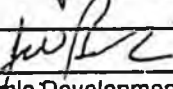
Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on this component.

Prepared by: Robert A. Lohr  Phone 269-7900
 Division Insurance Date/Time 2-18-00 1:59 PM
 Approved by Commissioner Deborah B. Sedwick  Date 2-18-00
 Agency Community & Economic Development

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2/21/00 given
M. Lessner, Esq

**ALASKA INSURANCE GUARANTY ASSOCIATION
HB 310**

The AIGA is a statutory association of Insurance companies (carriers) who are licensed (or "admitted") to write property and casualty insurance, including Workers Compensation, in the state of Alaska. Some classes of insurance are excluded. All licensed insurance companies are required to be members under the Act.

The AIGA functions through a Board of Directors. The Board has contracted with a third party to administer the day-to-day operation of the AIGA under a written Plan of Operations.

In general, the AIGA provides a mechanism to pay certain covered claims of those insurance carriers who have been declared Insolvent by a court. An amount is assessed to each member of the Association and the collected assessment is used to pay the claims of the Insolvent carrier. The assessment is based on the amount of premium a company collects on Alaskan insurance policies.

A receiver is generally appointed by the Director of Insurance in the insolvent carrier's state of domicile. The receiver, similar to an executor, of the estate of the insolvent company attempts to sell off the assets of the carrier and gather liquid assets from all possible sources. The receiver also sets a date after which he/she will not allow any additional claims against the estate. This date is referred to as the *bar date*. The deadline is typically less than a year.

By comparison, no deadline exists for insureds or claimants to file a claim against the AIGA. In the past the lack of a deadline, or "bar date," has resulted in situations where the AIGA was still receiving and paying claims after the deadline for filing claims for recovery against the estate of the insolvent insurer had passed. In such situations, the cost of these old claims is borne solely by subsequent purchasers of insurance through premium surcharges

After paying expenses of the estate, the receiver distributes funds to the AIGA to reimburse for claims and administrative expenses paid. A receiver will review each claim submitted by the AIGA for reimbursement and denies recovery on claims filed with the AIGA after the bar date established by the receiver. This is necessary to allow a fixed date on which to calculate the prorata amounts to be distributed to each creditor of the estate.

When collected assessments and recovered funds from the receiver exceed the amount needed to pay claims and administrative expenses of the AIGA for that particular insolvency, then the excess funds are refunded to the membership in proportion to the amount originally assessed.

The act allows members to recoup the assessments they pay through surcharges on insurance premiums charged policyholders. Historically, the AIGA has recovered millions of dollars from liquidators/receivers of insolvent members. The recovery is rarely 100% on the dollar. Thus, recovery of assets from the estate of insolvent insurers plays a direct role in reducing the cost of property and casualty insurance to Alaska policyholders.

SPONSOR STATEMENT FOR CSHB 310

This bill amends the Alaska Insurance Guaranty Association Act, AS 21.80.010 *et seq.* The Act provides a mechanism to protect policyholders and claimants in the event of the insolvency of a property and liability insurer licensed to sell policies in Alaska. The current statutory scheme was enacted in 1970 and was based on the 1969 National Association of Insurance Commissioners' (NAIC) State Post-Assessment Insurance Guaranty Association Model Bill. The NAIC model act has undergone a series of amendments to reflect lessons learned at a nationwide level from application of the model act to actual insolvencies during the ensuing years. CSHB 310 updates the Alaska Act to bring it into conformance with the 1996 NAIC Post-Assessment Property and Liability Insurance Guaranty Association Model Act. In so doing, the Act becomes better suited to meet its intended purpose of protecting Alaska policyholders and claimants. Updating the Act to comply with the model act provides the added benefit of uniformity among the states in terms of this type of legislation. The Alaska Division of Insurance and the Alaska Insurance Guaranty Association support CSHB 310.

Submitted by: Alaska Guaranty Association
February 2, 2000