

**ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672**

**10051 SENATE HEALTH EDUCATION & SOCIAL SERVICES**

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 407(e).

"(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(f) PENALTIES.—

"(1) Subsections (a)(1), (a)(6), and (b) of section 409, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting 'meet minimum work participation requirements established under section 412(c)' for 'comply with section 407(a)'.

"(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 419. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

42 USC 613.

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

"(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance.

Sec 411  
Applies to  
Tribes

Comparability

Waiver per

412(c) →  
applies to Tribes  
(tribality)

(a)(1), (a)(6), (b)  
(a)(3) revised  
"comply with  
407(a)"

Opportunity Reconciliation Act of 1996) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are inconsistent with the waiver.

"(B) NO EFFECT ON NEW WORK REQUIREMENTS.—Notwithstanding subparagraph (A), a waiver granted under section 1115 or otherwise which relates to the provision of assistance under a State program funded under this part (as in effect on September 30, 1996) shall not affect the applicability of section 407 to the State.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B) of this paragraph, submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ADMINISTRATION.

"The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law, and the Secretary shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, and by an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount

appropriated for any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, as such amount relates to the total amount appropriated for use by such Department, and, notwithstanding any other provision of law, the Secretary shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 2103 of the Personal Responsibility and Work Opportunity Act of 1996, and by 60 full-time equivalent managerial positions in the Department.

"SEC. 417. LIMITATION ON FEDERAL AUTHORITY.

"No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part."; and

(2) by inserting after such section 418 the following:

"SEC. 419. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

"(i) Arctic Slope Native Association.

"(ii) Kawerak, Inc.

"(iii) Maniilaq Association.

"(iv) Association of Village Council Presidents.

"(v) Tanana Chiefs Conference.

"(vi) Cook Inlet Tribal Council.

"(vii) Bristol Bay Native Association.

"(viii) Aleutian and Pribilof Island Association.

"(ix) Chugachmuit.

"(x) Tlingit Haida Central Council.

"(xi) Kodiak Area Native Association.

"(xii) Copper River Native Association.

4 7617.

42 USC 619.

sec.  
419  
(B)

**S B**

**8 2**

FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. SB 82

Revision Date: \_\_\_\_\_  
Title: Insurance Coverage for Contraceptives and related health care services.  
Sponsor: Senator Wilken  
Requestor: (S) HES

Department Affected: Administration  
BRU: Centralized Administrative Services  
Component: Retirement and Benefits  
COMPONENT SERIAL NO. 2152

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1013 GF Match						
1014 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER (Specify Type)						
TOTAL						

Estimate of any current year (FY 99) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Although the State of Alaska as a self insured health employer, is not legally obligated to follow mandates set by the legislature in Title 21, the state has followed such mandates for public policy reasons. The state health plans do not currently cover contraceptives. The estimated costs of providing such coverage is \$3.25 per employee per month; an annual cost to active health plans of approximately \$ 460,000.

Prepared by: Guy Bell, Director  
Division: Retirement and Benefits

Phone: 465-4471  
Date: \_\_\_\_\_

Approved by Commissioner: Robert Poe of Nelson M Stage  
Agency: Department of Administration

Date: 3/23/99

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## GARY WILKEN

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## SPONSOR STATEMENT

### Committee Substitute for Senate Bill 82 ( )

### "Insurance Coverage for Contraceptives"

Senate Bill 82 requires insurance carriers to provide coverage for prescribed contraceptives and related health costs. While many health care plans pay for surgical means of preventing pregnancy, few pay for the routine, oral contraceptive methods prescribed and recommended by physicians.

Women spend about 68 percent more in out-of-pocket expenses for health care than men.<sup>1</sup> One of the biggest contributors to those expenses is birth control. The most widely used prescription drug of women aged 15 to 44 is for birth control, yet most insurance companies do not include contraceptive coverage in their policies.

The out-of-pocket cost for oral contraceptives is approximately \$25 per month while the estimated increase in insurance premiums for coverage of birth control is about \$16 annually per enrollee according to the Health Insurance Association of America.<sup>2</sup> Requiring insurance coverage for contraceptive services not only makes good business sense, but it also increases access to contraceptives and related services.

In response to a person's conscientious objection to contraceptive coverage, SB 82 states an individual health care insurance policy or a policy issued by a qualified church-controlled organization with a religious-based objection is exempted from this mandate.

<sup>1</sup> National Conference of State Legislatures: *Health Insurance Coverage for Contraceptives*

<sup>2</sup> *Ibid.*

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## MEMORANDUM

To: Senator Mike Miller, Chairman  
Senate HESS Committee

From: Senator Gary Wilken

Date: March 23, 1999

Re: CS for SB 82 ( )

---

I respectfully request that the Senate HESS Committee adopt and pass CSSB 82, version H, *Insurance Coverage for Contraceptives*. In comparison to the original bill, CSSB 82 adds two favorable provisions.

- 1.) **Sec. 2. FINDINGS AND INTENT** clearly states that contraceptives have the primary purpose of preventing conception and it is the intent of the legislature that insurance providers are required to cover the cost of contraceptives obtained only by prescription.

This section also states that insurance providers are not required to cover the cost of prescriptive drugs that cause the rejection of a fertilized ovum.

- 2.) **Page 2, line 9** adds the words "obtained by prescription" to clarify that only contraceptives obtained through prescription are covered under this insurance mandate.

Committee Substitute for Senate Bill 82 ( ) improves the original bill and I urge its passage.

A handwritten signature in cursive script, reading "Gary Wilken", is written below the text.

Eight in 10 privately insured adults support contraceptive coverage.<sup>3</sup> Senate Bill 82 recognizes this strong public support. I urge your support for this legislation.

Erny Wilke

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<sup>3</sup> The Guttmacher Report on Public Policy, *The Need for and Cost of Mandating Private Insurance Coverage of Contraception*, August 1998

**SENATE BILL NO. 82**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY SENATOR WILKEN**

**Introduced: 2/18/99**

**Referred: HESS, Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* **Section 1. SHORT TITLE.** This Act may be known as the Contraceptive Coverage Act  
5 of 1999.

6 \* **Sec. 2.** AS 21.42 is amended by adding a new section to read:

7 **Sec. 21.42.390. Coverage for contraceptives.** (a) Except for a policy issued  
8 to an individual or a qualified church-controlled organization with a religious-based  
9 objection, a health care insurer that offers, issues for delivery, delivers, or renews in  
10 this state a health care insurance plan shall provide coverage for contraceptives and  
11 related health care services. The coverage required under this section is subject to  
12 standard policy provisions applicable to other benefits, including deductible or  
13 copayment provisions.

14 (b) In this section,

1 (1) "contraceptives" includes an appliance, a drug, or a medicinal  
2 preparation intended for the prevention of conception;

3 (2) "health care services" includes consultations, examinations,  
4 procedures, and services medically necessary to prescribe or administer contraceptives;

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

## GARY WILKEN

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## SPONSOR STATEMENT

### Committee Substitute for Senate Bill 82 ( )

#### **"Insurance Coverage for Contraceptives"**

Senate Bill 82 requires insurance carriers to provide coverage for prescribed contraceptives and related health costs. While many health care plans pay for surgical means of preventing pregnancy, few pay for the routine, oral contraceptive methods prescribed and recommended by physicians.

Women spend about 68 percent more in out-of-pocket expenses for health care than men.<sup>1</sup> One of the biggest contributors to those expenses is birth control. The most widely used prescription drug of women aged 15 to 44 is for birth control, yet most insurance companies do not include contraceptive coverage in their policies.

The out-of-pocket cost for oral contraceptives is approximately \$25 per month while the estimated increase in insurance premiums for coverage of birth control is about \$16 annually per enrollee according to the Health Insurance Association of America.<sup>2</sup> Requiring insurance coverage for contraceptive services not only makes good business sense, but it also increases access to contraceptives and related services.

In response to a person's conscientious objection to contraceptive coverage, SB 82 states an individual health care insurance policy or a policy issued by a qualified church-controlled organization with a religious-based objection is exempted from this mandate.

<sup>1</sup> National Conference of State Legislatures: *Health Insurance Coverage for Contraceptives*

<sup>2</sup> Ibid.

Eight in 10 privately insured adults support contraceptive coverage.<sup>3</sup> Senate Bill 82 recognizes this strong public support. I urge your support for this legislation.

Gary Wilber

---

<sup>3</sup> The Guttmacher Report on Public Policy, *The Need for and Cost of Mandating Private Insurance Coverage of Contraception*, August 1998

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Eight in 10 privately insured adults support contraceptive coverage.<sup>3</sup> Senate Bill 82 recognizes this strong public support. I urge your support for this legislation.

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<sup>3</sup> The Guttmacher Report on Public Policy, *The Need for and Cost of Mandating Private Insurance Coverage of Contraception*, August 1998

**GARY WILKEN**

SENATOR  
Districts 29 & 30  
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Fax (907) 452-3426

**MEMORANDUM**

TO: Senator Mike Miller, Chairman  
Senate HESS Committee

FROM: Senator Gary Wilken

DATE: March 15, 1999

RE: Request for Hearing

---

I respectfully request that SB 82, *Insurance Coverage for Contraceptives*, be scheduled for a hearing before the Senate HESS Committee.

Senate Bill 82 requires health care insurance policies to provide coverage for contraceptives obtained by prescription. This insurance coverage is subject to standard policy provisions, such as deductibles or co-payment provisions.

An individual health care insurance policy or a policy issued by a qualified church-controlled organization with a religious-based objection is exempted from this requirement.

Thank you for your assistance in this request.

Handwritten signature of Gary Wilken in cursive.

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 2/18/99

FURTHER: Labor and Commerce

Date of 5-Day Notice: 3-18-99  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3-24-99

HESS Committee considered

SENATE BILL NO. 82

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

and recommends:

- be replaced with \_\_\_\_\_ CS SB 82 ( HCS )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>K. D. ...</i>		<i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
<b>CHAIR:</b>		<b>CHAIR:</b> <i>Niko Muller</i>		<input checked="" type="checkbox"/>	

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>FN info forthcoming</i>			

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: CSSB 82( ), Draft Version "H"

1 Page 2, lines 6 - 7:

2 Delete "for a policy issued to an individual or a qualified church-controlled  
3 organization with a religious-based objection"

4 Insert "as provided in (b) of this section"

5 Page 2, following line 11:

6 Insert a new subsection to read:

7 "(b) This section does not apply to a policy

8 (1) issued to an individual;

9 (2) issued to a qualified church-controlled organization with a  
10 religious-based objection to contraceptives; or

11 (3) that does not provide coverage for drugs obtained by prescription."

12 Reletter the following subsection accordingly.

## GARY WILKEN

SENATOR  
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Senate HESS Committee

From: Senator Gary Wilken

Date: March 23, 1999

Re: CS for SB 82 ( )

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- 1.) **Sec. 2. FINDINGS AND INTENT** clearly states that contraceptives have the primary purpose of preventing conception and it is the intent of the legislature that insurance providers are required to cover the cost of contraceptives obtained only by prescription.

This section also states that insurance providers are not required to cover the cost of prescriptive drugs that cause the rejection of a fertilized ovum.

- 2.) **Page 2, line 9** adds the words "obtained by prescription" to clarify that only contraceptives obtained through prescription are covered under this insurance mandate.

Committee Substitute for Senate Bill 82 ( ) improves the original bill and I urge its passage.

1-LS0125H  
Ford ✓  
3/17/99

**CS FOR SENATE BILL NO. 82( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATORS WILKEN, Ellis**

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* Section 1. SHORT TITLE. This Act may be known as the Contraceptive Coverage Act  
5 of 1999.

6 \* Sec. 2. FINDINGS AND INTENT. (a) The legislature finds that

7 (1) contraceptive technology is constantly changing and that even medical  
8 experts disagree on how certain methods of contraception work; therefore, it is unwise to  
9 dispute specific methods of contraception; and

10 (2) contraceptives have the primary purpose of, or special utility for, preventing  
11 conception.

12 (b) It is the intent of the legislature that

13 (1) insurance providers be required to cover the cost of contraceptives obtained  
14 by prescription and related health care services;

- 1 (2) conception be understood as the fertilization of an ovum; and  
2 (3) insurance providers not be required to cover the cost of prescriptive drugs  
3 necessary to cause the rejection of a fertilized ovum.

4 \* Sec. 3. AS 21.42 is amended by adding a new section to read:

5 **Sec. 21.42.390. Coverage for contraceptives by prescription.** (a) Except  
6 for a policy issued to an individual or a qualified church-controlled organization with  
7 a religious-based objection, a health care insurer that offers, issues for delivery,  
8 delivers, or renews in this state a health care insurance plan shall provide coverage for  
9 contraceptives obtained by prescription and related health care services. The coverage  
10 required under this section is subject to standard policy provisions applicable to other  
11 benefits, including deductible or copayment provisions.

12 (b) In this section,

13 (1) "health care services" includes consultations, examinations,  
14 procedures, and services medically necessary to prescribe or administer contraceptives;

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

## GARY WILKEN

SENATOR  
Districts 29 & 30  
West Fairbanks

### Senate Standing Committees

Member: Finance  
Member: Health, Education, &  
Social Services (HESS)  
Member: Legislative Budget & Audit  
Member: State Affairs



During Session:  
State Capitol Building  
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Tel: (907) 465-3709 (outside Fbks)  
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1851 Fox Ave.  
Fairbanks, Alaska 99701  
Tel: (907) 451-5501  
Fax: (907) 451-0438

## SPONSOR STATEMENT

### Committee Substitute for Senate Bill 82 ( )

### "Insurance Coverage for Contraceptives"

Senate Bill 82 requires insurance carriers to provide coverage for prescribed contraceptives and related health costs. While many health care plans pay for surgical means of preventing pregnancy, few pay for the routine, oral contraceptive methods prescribed and recommended by physicians.

Women spend about 68 percent more in out-of-pocket expenses for health care than men.<sup>1</sup> One of the biggest contributors to those expenses is birth control. The most widely used prescription drug of women aged 15 to 44 is for birth control, yet most insurance companies do not include contraceptive coverage in their policies.

The out-of-pocket cost for oral contraceptives is approximately \$25 per month while the estimated increase in insurance premiums for coverage of birth control is about \$16 annually per enrollee according to the Health Insurance Association of America.<sup>2</sup> Requiring insurance coverage for contraceptive services not only makes good business sense, but it also increases access to contraceptives and related services.

In response to a person's conscientious objection to contraceptive coverage, SB 82 states an individual health care insurance policy or a policy issued by a qualified church-controlled organization with a religious-based objection is exempted from this mandate.

<sup>1</sup> National Conference of State Legislatures: *Health Insurance Coverage for Contraceptives*

<sup>2</sup> *Ibid.*

Eight in 10 privately insured adults support contraceptive coverage.<sup>3</sup> Senate Bill 82 recognizes this strong public support. I urge your support for this legislation.

Gary Wilke

---

<sup>3</sup> The Guttmacher Report on Public Policy, *The Need for and Cost of Mandating Private Insurance Coverage of Contraception*, August 1998

## Contraception: Health Outcomes and Economics Selected Quotes

"If employers really want to save (money), they should provide contraception, not because employees will have fewer children, but because pregnancies will be better planned and babies will be healthier."

--- Health and Business, Special Report, *Contraception: An Employer's Guide*, 1993

"Employers are willing to pay for expensive medical treatment and surgical procedures that occur from either planned or unplanned pregnancies. Ironically, many employers still consider coverage for birth control, which could lower many of these medical costs, an unnecessary expense."

--- Health and Business, Special Report, *Contraception: An Employer's Guide*, 1993

"Every dollar spent on contraceptive services saved \$4.40 in funds that would have been spent on medical care (\$3.30), and social services (\$1.10) to women who would have otherwise become pregnant."

--- The Alan Guttmacher Institute, 1994

Sixty-two percent of the women who say they have taken the Pill for reasons other than pregnancy . . . only a few respondents are aware of the other non-contraceptive benefits of the Pill such as reducing the risks of ovarian and endometrial cancer, pelvic inflammatory disease, ovarian cysts, and endometriosis.

--- *Women's Health Weekly*, October 12, 1998, Pages 2-5

## Contraceptive Coverage Saves Money for Insurers Selected Quotes

"While contraception clearly saves money, the relevant policy question is who incurs these costs and who realizes savings. The model suggests that third-party payers generally realize savings. They currently pay most of the bills for ectopic pregnancies, spontaneous abortions, births, and newborn hospitalizations. . . . Thus, any technology that reduces the incidence of these events provides considerable savings to payers. Moreover, businesses and individuals receive an economic benefit if these savings yield lower premiums and increased profits or wages."

--- Trussell, James, et al. The Economic Value of Contraception: A Comparison of 15 Methods, *American Journal of Public Health*, April 1995, Vol. 85, No. 4, P. 500

"The cost model suggests that an insurer offering a health plan that does not currently provide comprehensive coverage for contraception may be well advised to reconsider that policy. For example, an increase of only 15% in the number of oral contraceptive users, drawn from women previously using no contraceptive method, would accrue enough savings in pregnancy care costs to cover oral contraceptives for all users in the plan."

--- *American Journal of Public Health*, Editorial, April 1995, Vol. 85, No. 4, P. 479

"Each year 100 typical women who engage in sex without using contraception will experience 85 pregnancies, at a cost of about \$3800 per pregnancy in a managed care setting."

--- Ibid.

"Birth control pills are the most widely used prescription drugs of women aged 15 to 44, but many insurers do not cover the cost. About 85 percent of all large group plans cover the cost of sterilization, 95 percent pay for prescription drugs, but only a third cover contraceptives."

--- *State Legislatures*, June 1998

**SB**

**84**

# FISCAL NOTE

No. 1

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

Bill Version: SB84  
(S) Publish Date: 2/19/99

Revision Date/Time (Note if correction)	Dept. Affected	Law
Title " ... to a settlement agreement between certain tobacco product manufacturers and the state ..."	BRU	Civil Division
Sponsor Rules Committee	Component	Fair Business Practices
Requester Governor	Component Serial No.	2206

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation implements a provision of the Master Settlement Agreement (MSA) between 46 states, including Alaska, and certain United States tobacco product manufacturers. That agreement, which was a final settlement of the states' litigation with the major tobacco manufacturers, was signed on November 23, 1998. Under the terms of the settlement, Alaska will receive \$670 million over the next 25 years to help offset the financial burdens imposed on the state by cigarette smoking. In addition to the monetary provisions, the settlement requires fundamental and far-ranging changes in the tobacco industry's business practices, advertising, and marketing.

This legislation, referred to in the MSA as the "model (or qualifying) statute," creates a reserve fund for nonparticipating manufacturers to pay future claims and is intended to level the playing field between the manufacturers who participated in the MSA (or sign on to it in the future) and those who did not. It is intended to neutralize the cost

Prepared by <u>Joan M. Kasson</u>	Phone <u>465-5370</u>
Division <u>Attorney General's Office</u>	Date/Time <u>2/8/99, 8:37 AM</u>
Approved by Commissioner <u>Bruce M. Botelho</u> , Attorney General	Date <u>2/8/99</u>
Agency <u>Department of Law</u>	

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ANALYSIS CONTINUATION

disadvantages that the participating manufacturers experience (relative to the nonparticipating manufacturers) as a result of the MSA. It requires the nonparticipating manufacturers that sell tobacco products in the state and are not signators of the MSA to establish escrow accounts to pay for qualified claims for health-related concerns tied to their sales of tobacco products in the state.

Alaska does not need to pass the model/qualifying statute in order to receive payments under the Master Settlement Agreement, but failure to enact it could result in a significant reduction (as much as 65 percent) in the state's allotment under the agreement in the future. If a state does not pass the model statute, the MSA provides for an adjustment to that state's payments if the participating manufacturers, as a result of the marketing restrictions, payments, and other restrictions in the settlement, experience a disadvantage and lose market share for sales of their tobacco products to nonparticipating manufacturers. However, under the terms of the MSA, if a state passes the model statute and enforces it, it will be exempt from any payment reductions, even if the settlement was a significant factor contributing to the participating manufacturers' loss of market share.

Under terms of the legislation, a tobacco product manufacturer selling cigarettes in the state must either become a participating manufacturer or place a set amount into an escrow account for each unit sold in the state. The Commissioner of Revenue will be responsible for receiving certification that the manufacturer is in compliance with the terms of the legislation, and the Attorney General will be responsible for bringing a civil action against a non-complying manufacturer. It is impossible to predict whether nonparticipating manufacturers will enter the Alaska market and whether there will be a need for the Attorney General to take legal action against companies that do not comply with the terms of the statute. At this time, however, we do not anticipate additional costs related to enforcing the legislation.

# FISCAL NOTE

No. 2  
 Bill Version: SB84  
 (S) Publish Date: 2/19/99

STATE OF ALASKA  
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Revenue  
 Title Federal Government Tobacco Settlement BRU Revenue Operations  
 Component Income and Excise Audit  
 Sponsor RLS  
 Requester Governor Component Serial No. 113

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

**FUND SOURCE** (Thousands of Dollars)

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

Estimate of current year (FY99) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

See attachment.

Prepared by Tim Cottongim, Appeals Officer *Tim Cottongim* Phone 465-3695  
 Division Income and Excise Audit Date/Time February 5, 1999  
 Approved by Wilson L. Condon *Wilson L. Condon* Date February 5, 1999  
 Agency Department of Revenue

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SB84  
#2

**ALASKA DEPARTMENT OF REVENUE**  
*Income and Excise Audit Division*

Cigarette Escrow Account  
Draft 1-GB1036.A  
February 5, 1999  
Page 2 of 2

**BILL ANALYSIS**

**Section 1** describes the health consequences from smoking cigarettes, and the state's obligation to provide and pay for medical assistance to and for persons with health conditions associated with cigarette smoking. This section holds the tobacco product manufacturers responsible for the financial burdens imposed on the state by cigarette smoking, describes the Master Settlement Agreement reached with the leading tobacco product manufacturers, and discusses the intent of this legislation, which is to prevent non-signatory manufacturers from deriving short-term profits and from becoming judgement-proof before liability arises.

**Section 2** requires non-signatory manufacturers selling cigarettes in the state to either participate in the Master Settlement Agreement or place into a qualified escrow account by April 15 of each year an established amount for each cigarette sold in the state in the prior year. Funds in escrow will only be released: 1) to pay judgements or settlements from claims brought against the non-signatory manufacturer, 2) to the non-signatory manufacturer if payments placed in escrow exceed what would have been paid if the non-signatory manufacturer participated in the Master Settlement Agreement, or 3) to the non-signatory manufacturer after 25 years from the date of deposit. This section directs non-signatory manufacturers selling cigarettes in the state to certify that they are in compliance with the escrow requirements, and provides for civil actions if they fail to comply.

**Section 3** establishes an immediate effective date.


**OPERATING EXPENDITURES**

This bill will require the Department of Revenue to revise its tax forms to allow verification of the name of each manufacturer whose cigarettes are being sold in the state. We believe the costs of new forms and the accompanying data capture and computer program modifications can be absorbed into the existing budget.

**REVENUE**

This Act provides no new revenue to the state.

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  
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February 19, 1999

The Honorable Drue Pearce  
Senate President  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

94

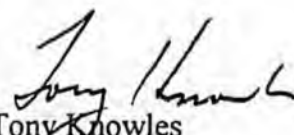
Cigarette smoking presents serious public health concerns to the state and its citizens. Recently, this Administration, along with virtually every other state, reached a monumental master settlement agreement with the leading tobacco producers. That agreement was approved by the Alaska Superior Court on February 9, 1999. Under the terms of the settlement, it is anticipated the State of Alaska will receive \$670 million over the next 25 years and will benefit from important restrictions on advertising and other matters to address public health concerns.

While this is an important step forward in addressing this significant health problem, the states that are parties to the agreement wanted to be sure the problem was more comprehensively addressed. This bill I transmit today would help do that by placing some requirements on tobacco product manufacturers who sell cigarettes in the state but do not sign the settlement agreement.

Under this bill, the non-participating tobacco manufacturers will take responsibility for their share of the financial burden caused by their products by setting up escrow accounts to cover qualified claims for health-related concerns. The availability of the escrow money will better ensure a source of compensation for Alaskans while preventing those manufacturers from deriving large, short-term profits from sales in this state and then becoming judgment-proof before liability may arise. This bill is fair and puts all tobacco product manufacturers on an equal footing regarding cigarette sales in Alaska.

I urge your prompt and favorable action on this bill, as part of an overall solution to address this major public health concern.

Sincerely,

  
Tony Knowles  
Governor

# PRESENTATION ON TOBACCO ISSUES

Alaska Department of Law  
to  
Senate HESS Committee  
Hearing on SJR 7 and SB 84

March 10, 1999

## INTRODUCTION

During the past two years, the Knowles administration, with the help of the Alaska Legislature, has addressed the problems caused by tobacco and the challenge of limiting access on a number of fronts. Our joint efforts have included legislation to increase taxes on tobacco products, measures to limit youth access to tobacco, stepped-up enforcement activities, and, of course, litigation and participation in the national settlement with the industry. The Department of Law's efforts have been closely coordinated with the Alaska Departments of Health and Social Services and Revenue, local tobacco control groups, and other state attorneys general

## ENFORCEMENT OF TOBACCO VENDOR AND TAX LAWS

- **TOBACCO VENDOR ENFORCMENT (STING OPERATIONS):** During 1997 and 1998, the Department of Law ("Law") worked closely with the Anchorage and Juneau Police Departments to coordinate enforcement and prosecution of tobacco vendors that sold tobacco products to persons under 19. Law plans to work with the Fairbanks Department of Public Safety and Fairbanks City Attorney's Office during the early spring to emphasize enforcement of state tobacco laws.
  - Last month Law announced a settlement related to tobacco business licensing litigation with 9 vendors operating a total of 11 stores (5 in Anchorage and 6 in Juneau). The vendors agreed to a settlement that required: (1) a three-day suspension of their tobacco licenses, (2) that they re-train all of their tobacco sales clerks in stores where violations occurred, and (3) that vendors make contributions totaling more than \$50,000 to a statewide youth tobacco prevention television campaign. This television campaign will air statewide for a month this spring.
- **STATE SALES TAX ENFORCEMENT:** State law requires any person who causes cigarettes to be brought into the state for personal consumption or resale to obtain a license from the Alaska Department of Revenue and pay the

Under terms of the settlement agreement, Alaska will receive the following payments:

<b>PAYMENTS TO ALASKA</b>		
under		
<b>SETTLEMENT OF TOBACCO LITIGATION</b>		
	<b>Date of Payment</b>	<b>Amount of Payment</b>
<b>Up-front Payment</b>	between April 1999 and June 2000 (depending on actions of other states)	\$8,194,049.54
<b>Annual Payments</b>	between April and June 2000	\$21,890,915.46
	April 2001	\$23,638,672.09
	April 2002	\$28,383,145.58
	April 2003	\$28,651,761.36
	April 2004	\$23,912,967.90
	April 2005	\$23,912,967.90
	April 2006	\$23,912,967.90
	April 2007	\$23,912,967.90
	April 2008	\$24,387,539.93
	April 2009	\$24,387,539.93
	April 2010	\$24,387,539.93
	April 2011	\$24,387,539.93
	April 2012	\$24,387,539.93
	April 2013	\$24,387,539.93
	April 2014	\$24,387,539.93
	April 2015	\$24,387,539.93
	April 2016	\$24,387,539.93
	April 2017	\$24,387,539.93
	April 2018	\$27,327,155.20
	April 2019	\$27,327,155.20
	April 2020	\$27,327,155.20
	April 2021	\$27,327,155.20
	April 2022	\$27,327,155.20
	April 2023	\$27,327,155.20
	April 2024	\$27,327,155.20
	April 2025	\$27,327,155.20
	<b>TOTAL</b>	<b>\$668,903,056.53</b>

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
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Rev. 6/98

Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

# PRESENTATION ON TOBACCO ISSUES

Alaska Department of Law  
to  
Senate HESS Committee  
Hearing on SJR 7 and SB 84

March 10, 1999

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During the past two years, the Knowles administration, with the help of the Alaska Legislature, has addressed the problems caused by tobacco and the challenge of limiting access on a number of fronts. Our joint efforts have included legislation to increase taxes on tobacco products, measures to limit youth access to tobacco, stepped-up enforcement activities, and, of course, litigation and participation in the national settlement with the industry. The Department of Law's efforts have been closely coordinated with the Alaska Departments of Health and Social Services and Revenue, local tobacco control groups, and other state attorneys general.

## ENFORCEMENT OF TOBACCO VENDOR AND TAX LAWS

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  - Last month Law announced a settlement related to tobacco business licensing litigation with 9 vendors operating a total of 11 stores (5 in Anchorage and 6 in Juneau). The vendors agreed to a settlement that required: (1) a three-day suspension of their tobacco licenses, (2) that they re-train all of their tobacco sales clerks in stores where violations occurred, and (3) that vendors make contributions totaling more than \$50,000 to a statewide youth tobacco prevention television campaign. This television campaign will air statewide for a month this spring.
- **STATE SALES TAX ENFORCEMENT:** State law requires any person who causes cigarettes to be brought into the state for personal consumption or resale to obtain a license from the Alaska Department of Revenue and pay the

appropriate taxes. A federal law known as the "Jenkins Act" requires persons shipping cigarettes into Alaska to provide the state with a list identifying the recipients. With the growth of Internet sales, the Alaska Departments of Law and Revenue have worked closely with the federal Alcohol, Tobacco and Firearms investigators and U.S. Attorney's Office to vigorously pursue illegal cigarette shipments. Investigations are currently underway, and additional investigations are likely.

- **EFFECTS OF TOBACCO TAX INCREASE:** In 1997 the Alaska Legislature adopted the nation's highest tax on tobacco products, \$1 per pack on cigarettes and 75 percent of the wholesale price on other tobacco products. According to a recent study released by the Departments of Health and Social Services and Revenue, taxable consumption of cigarettes has declined 17 percent since the tax went into effect. Although it will take several years to collect enough data to complete an analysis of the impact of the tax increase on tobacco consumption by youth and adults, the decline in consumption is viewed as a positive result of the increase in taxes. In addition, the monthly revenue from tobacco taxes has risen from \$1.5 million to \$4.3 million, a 190 percent increase, since the tax was raised.

#### LITIGATION AND THE NATIONAL SETTLEMENT

- **ALASKA'S LITIGATION:** In April 1997, Alaska filed suit against the major tobacco manufacturers based on state consumer protection and antitrust laws. The suit was scheduled to go to trial in February 2000.
- **NATIONAL SETTLEMENT:** On November 23, 1998, after extended negotiations, the State of Alaska and 45 other states reached a final settlement of litigation with the tobacco industry – Mississippi, Texas, Florida, and Minnesota had already settled their lawsuits. The settlement, which was approved by the Juneau Superior Court on February 9, 1999, ends the State's litigation with the industry. The settlement will mean payments of nearly \$670 million to Alaska over the next 25 years, starting in FY 2000.
- **PUBLIC HEALTH TERMS:** The significant public health terms of the settlement require: bans on marketing to youth; changes in corporate culture; disbanding trade associations; lobbying restrictions; opening industry research; and creation of a national teen smoking foundation and public education fund. The full settlement agreement is available at [www.naag.org](http://www.naag.org) on the Internet.
- **THE PAYMENT STREAM:** The State of Alaska does not need to pass any legislation to receive payments under the settlement. However, legislation is required to protect Alaska's payments from the rather remote possibility of a nonparticipating manufacturer reduction, which is discussed in more detail below. The State also needs protection against attempts by HCFA (the federal Health Care Finance Administration) to recoup a portion of the state's funds, as will also be discussed below.

Under terms of the settlement agreement, Alaska will receive the following payments:

<b>PAYMENTS TO ALASKA</b>		
<b>under</b>		
<b>SETTLEMENT OF TOBACCO LITIGATION</b>		
	<b>Date of Payment</b>	<b>Amount of Payment</b>
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	April 2024	\$27,327,155.20
	April 2025	\$27,327,155.20
	<b>TOTAL</b>	<b>\$668,903,056.53</b>

- **TIMING OF UP-FRONT PAYMENT:** On December 28, 1998, the tobacco companies paid an up-front payment into escrow as part of the agreement. No legislation is required for Alaska to receive its up-front payment, which will be disbursed to Alaska only when 80 percent of the states' lawsuits are dismissed without any appeal, or on June 30, 2000, whichever comes first. Right now, there are appeals in California and New York, so the anticipated receipt of the up-front payment will probably come closer to June 30, 2000.
- **TIMING OF ANNUAL PAYMENTS:** The first annual payment will be available no later than June 30, 2000. No legislation is required for Alaska to receive its annual payments. Alaska's first annual payment could come as early as April 2000, if 80 percent of the states' lawsuits are dismissed without any appeal, but in any case will be made no later than June 30, 2000. Beginning in 2001, the annual payments will be made to the state on April 15 each year.
- **ATTORNEYS' FEES:** The State of Alaska was represented in the tobacco litigation by the law firm of Hagens & Berman, which represented all the Northwest states. The settlement agreement allows the state's outside counsel to seek payment from the tobacco companies without affecting Alaska's share of the settlement. Hagens & Berman requested reimbursement directly from the tobacco companies, which agreed to pay \$10 million as full payment for the firm's representation of Alaska. This payment did not affect Alaska's share of the settlement. However, when compared to the state's settlement of \$668,903,056.53, the Hagens & Berman fee is approximately 1.5 percent.

#### **THREAT TO SETTLEMENT FROM HCFA**

- **FEDERAL RECOUPMENT:** The U.S. Health Care Finance Administration (HCFA) has taken the position that as much as half of the funds recovered through the national settlement are subject to the agency's right of recoupment. HCFA apparently bases its position on an interpretation of §1903(d)(2)(A-B) of the Social Security Act, which states that reimbursements to a state by a third party are "overpayments" from which HCFA may claim a pro-rata share.
  - The agency's position is based on the assumption that the state was specifically suing to collect state and federal dollars under a Medicaid reimbursement theory. One estimate shows that HCFA's interpretation of §1903(d) could result in a loss to the State of Alaska of \$400 million over 25 years. The Department of Law is working through Alaska's congressional delegation and other states to solve this problem, and it will defend the state's right to settlement funds in court if necessary. HCFA has represented

that it will assert its claim against annual state payments beginning after the Year 2000 payment.

- **ALASKA'S RESPONSE TO THREAT: Alaska's Objectives** - The State had four primary objectives when it brought suit against the tobacco industry: (1) to end the industry's targeting of Alaska's children as new consumers for its products; (2) to force the industry to disclose the harmful effects of smoking and decades of research demonstrating that tobacco kills; (3) to thwart the industry's apparent efforts to prevent the development of a safer product; and (4) to require the industry to pay for the harm it already has caused and, in the future, fund public health programs directed at alleviating the related public health concerns.
- **Alaska Sued to Protect Alaskans:** Alaska brought suit to protect Alaskans and to protect the fiscal integrity of the state's Medicaid program against future smoking-related treatment costs. Unlike other states, Alaska did not specifically plead a federal Medicaid recoupment claim in state superior court. Collecting federal dollars is the responsibility of HCFA and the U.S. Department of Justice. The U.S. Department of Justice declined to sue the tobacco industry on behalf of HCFA, and HCFA provided no support to the states during the litigation.
  - **First Proposed Settlement and Congress vs. State Settlement:** The first settlement was signed by the states and tobacco industry on June 20, 1997. It called for the tobacco industry to make payments to the states and fund federal enforcement programs totaling \$368.5 billion over 25 years. This settlement also required congressional approval, which did not occur. Accordingly, the states returned to litigation and resumed negotiations with the industry on their own. The litigation and resumed negotiations resulted in the second state settlement of November 23, 1998. HCFA could have acted along with the states to protect its rights during the second settlement process, but chose not to.
  - **Use of Settlement Funds:** A key provision of the McCain Bill in the 105<sup>th</sup> Congress provided that if states directed 50 percent of the settlement money (of the proposed 1997 settlement) to supplement but not supplant existing health care programs, HCFA could not assert its claim for recoupment. Although the McCain Bill did not pass and the states take the position that all settlement dollars are state funds, many states are abiding by the provisions of the McCain Bill (spending no less than 50 percent to supplement health care-related programs) to protect against recoupment by the federal government. Governor Knowles' proposal for spending tobacco settlement proceeds on annualized payments for Head Start, Healthy Families, and tobacco prevention programs will provide a strong argument against recoupment by HCFA.

- **Recent Development: SB 346:** On February 3, 1999, U.S. Senator Frank Murkowski and U.S. Senator Kay Bailey Hutchinson co-sponsored SB 346. SB 346 would protect all the states' settlement dollars from HCFA's attempted recoupment.

## LEGISLATION

- **MODEL STATUTE:** The state is not required to pass the model statute included in the settlement to receive settlement payments. However, if the state does not pass the model statute, the state will risk a possible reduction in payments under the nonparticipating manufacturers' payment (NPM) reduction formula of the settlement. The settlement provides for an adjustment to the state's payments if the participating manufacturers experience a disadvantage and lose market share for sales of their tobacco products to other nonparticipating manufacturers as a result of the marketing restrictions, payments, and other restrictions in the settlement agreement.
- **NPM Risk Low In Alaska** - At this point, the risk to Alaska of a nonparticipating manufacturer reduction is minimal, given that many of the very small tobacco product manufacturers have decided to sign on to the settlement, which reduces the risk that they will take market share away from the largest companies. The risk is further lowered by the fact that the small tobacco products manufacturers only represent 1-2 percent of the U.S. market, making it unlikely that sales of their products will trigger the nonparticipating manufacturer reductions.
- **NPM Risk Can Be Eliminated** - The risk of nonparticipating manufacturer reductions can be eliminated by passage of the model statute (SB 84/HB 102). Under the terms of the settlement agreement, if the state passes the model statute and enforces it, the state will be exempt from any payment reductions even if the settlement was a significant factor contributing to the participating manufacturers' loss of market share.

## CONCLUSION

In the upcoming months, Law will be working closely with the Alaska Departments of Revenue and Health and Social Services, and the federal Alcohol, Tobacco and Firearms investigators to assure full compliance with state tax laws. Law is also working closely at the direction of the governor with members of Alaska's congressional delegation to protect the state settlement from HCFA.

*Prepared by Alaska Department of Law  
March 7, 1999*

## LEGISLATION TO ACCOMPANY TOBACCO SETTLEMENT

### "MODEL STATUTE" – HB 102/SB 84

**The Tobacco Settlement:** The tobacco manufacturers that participated in the November 23, 1998, settlement with the states represent over 98 percent of the tobacco manufacturing industry. The participating manufacturers agreed to make payments to the state for their violations of state law and to restrict their marketing practices. Alaska's payments over 25 years will total nearly \$670 million. No legislation to approve the terms of the settlement is required. However, the Master Settlement Agreement (MSA) contemplates important legislation, referred to as the "Model Statute," to assure that all manufacturers of tobacco products are accountable to Alaskans for potential future costs associated with their tobacco sales in the state.

**Overview of the Model Statute Legislation:** The settlement contemplates that all states will pass a model statute, with the goal being to provide assurances that all companies that sell tobacco products, including those that did not participate in the settlement, are financially capable of fulfilling their economic obligations, if any, to citizens and to the states. The model statute will give all tobacco manufacturers that sell their products in a state the option to either 1) sign on to the settlement agreement or 2) establish an escrow account and pay into that account at a stated rate per unit of tobacco sold in the state. The rates are proportional to the payments to be made by the participating manufacturers under the settlement. In other words, a tobacco manufacturer that did not participate in the settlement agreement could not get around the restrictions in the settlement and sell its products in Alaska with impunity, leaving either individual Alaskans, or the state, to pay the costs of treating resulting illnesses.

In addition, passage of the model statute legislation will protect the state's annual payments from a potential, but unlikely, Non-Participating Manufacturer Adjustment (see explanation below).

This statute was the subject of extensive and difficult negotiations, including discussions on whether the statute would survive legal challenges. The statute was reviewed by a number of antitrust and constitutional law experts who opined that this statute would survive legal challenge. Except for a few minor procedural changes, SB 84 and HB 102 are identical to the Model Statute provided in Exhibit T of the MSA.

**Importance of Model Statute:** Alaska is not required to pass the model statute to receive payments under the terms of the settlement. However, if Alaska does not pass the model statute, it will risk a reduction in payments under the Non-Participating Manufacturer (NPM) Adjustment formula of the settlement. Passing and enforcing the model statute will protect against such a reduction.

The settlement provides for an adjustment to a state's payments if the participating manufacturers experience a disadvantage and lose in-state market share for sales of their tobacco products to non-participating manufacturers as a result of the marketing restrictions, payments, and other provisions in the settlement agreement. However, each state has a safe haven from the application of the reduction formula: if it passes the model statute and enforces it, the state will be exempt from any payment reductions even if the settlement was a significant factor contributing to the participating manufacturers' loss of market share. Indeed, even if a court were to find the statute unconstitutional, the maximum NPM Adjustment Alaska would have to bear is 65% of the payment in any particular year. Without the passage of the statute, the maximum NPM Adjustment would be 100%.

## Sectional Analysis

**Section One:** Section One is the findings and purpose section of the model statute legislation. Section One identifies tobacco as a serious public health problem in Alaska and discusses the burden that treating tobacco-related illnesses places on the State of Alaska. This section also establishes that it is the policy of the State of Alaska that tobacco product manufacturers—not the state or its citizens—bear the financial costs of treating smoking-related illnesses. Section One establishes the need to prevent other non-participating manufacturers from reaping short-term profits in Alaska, while leaving the state and its citizens without any financial protection from the known harms related to cigarette smoking. Finally, Section One identifies the purpose of the model statute legislation as the implementation of the November 23, 1998, MSA.

**Section Two:** Section Two amends Alaska Statutes, Title 45, by adding Chapter 53, which is entitled "Cigarette Sales."

**Sec. 45.53.010** recognizes the MSA entered into between the State of Alaska, and the Participating Manufacturers in *State v. Philip Morris*, 1JU-97-915 CI.

**Sec. 45.53.020** requires that all tobacco product manufacturers do one of two things: (1) participate in the MSA, or (2) establish an escrow account and place dollars into that account at a stated rate per unit sold in this state. The rates are calculated to be equivalent to the rates paid by the Subsequent Participating Manufacturers (tobacco companies that signed the MSA after it was signed by the four original participating manufacturers) pursuant to the MSA. The changes in the rates also mirror the changes in the MSA annual payments on a per unit basis.

A manufacturer who places funds in escrow is entitled to withdraw interest or other earnings from the account as they are earned. The principal deposited in escrow can be released from escrow only:

1. to pay a judgment or settlement on any claim brought by the State or a party located in or residing in Alaska;
2. if the manufacturer establishes that the amount it would have paid the State had it participated in the MSA is less than the amount the manufacturer is required to place in escrow. In this case the manufacturer is allowed to withdraw the excess from the escrow; or
3. if the funds have remained in escrow for a period of 25 years from the date of payment.

**Sec. AS 45.53.030** requires the commissioner of revenue to adopt regulations under the Administrative Procedure Act necessary to determine the volume of cigarettes manufactured by a tobacco product manufacturer that enter Alaska for sale in the state based on the amount of excise taxes paid. This will allow the commissioner of revenue to determine whether a tobacco manufacturer that does not sign the Master Settlement Agreement is making the appropriate deposits into the escrow account provided under AS 45.53.020.

**Sec. AS 45.53.040** provides for auditing by the Alaska Department of Revenue of payments into escrow required by a tobacco manufacturer and enforcement by the Alaska Department of Law. This section provides for different levels of penalties against a tobacco manufacturer that fails to make the required deposits into escrow. If enforcement by the department of law is required and

the state prevails in an action brought under this section, the court may award the department full reasonable attorney's fees.

Sec. AS 45.53.990 sets forth the definitions. Many of the bill's definitions incorporate by reference the definitions in the MSA. This was done to avoid any confusion between the two documents, and to prevent this legislation from being overly lengthy. The MSA is a public document approved by the Juneau Superior Court on February 9, 1999, in the case of *State of Alaska v. Philip Morris*, 1JU-97-915 CI. A complete copy of the MSA can be found at [www.naag.org](http://www.naag.org) on the Internet.

### **Consequences If the Legislature Does Not Pass the Model Statute**

It is important to note that the State of Alaska is **not** required to pass the model statute legislation. The MSA and the Consent Decree will remain in force and effect regardless of legislative action on this bill. However passage of this statute will help protect public health and will protect the state settlement payments from a possible draconian and dramatic reduction. The MSA provides for an adjustment to state payments if the disadvantages experienced as a result of the MSA are a significant factor contributing to the participating manufacturers' loss of market share, i.e., the "Non-Participating Manufacturer Adjustment" (NPM Adjustment) found on page 58, at Section IX (d), of the MSA

To illustrate the potential impact of the NPM Adjustment, assume the following hypothetical situation:

1. In 2003 the Original Participating Manufacturers' (as defined at Section II (hh) of the MSA) (OPMs) market share was reduced from 97.5% in 1997 to 93.5%;
2. The OPMs shipped fewer cigarettes into the United States and Puerto Rico in 2003 than they shipped in 1997;
3. The MSA was a "significant factor" contributing to the market share loss;
4. All states except Alaska, California, Colorado, and Wyoming have adopted a Model Statute; and
5. The year for which payments are being calculated is 2004.

**Alaska's payments based on the above hypothetical would be calculated as follows if the state had not passed the model statute:**

**Step One:** Calculate the total dollars to be adjusted. In this hypothetical the loss of market share for which an adjustment is required is 2%. That 2% is calculated by subtracting the 2003 market share of 93.5% from the 1997 market share of 97.5% for a total market share loss of 4%; however, the first 2% of the total market share loss is not counted as part of the NPM Adjustment calculations. Then multiply the 2% market share loss times 3, resulting in a total percentage adjustment of 6%. (Note: under the MSA each 1% loss in market share results in a 3% reduction until the loss in market share reaches 16 2/3%, at which time the percentage reduction is calculated at a variable ratio.)

The 2004 total annual payment of \$7,004,000,000.00 to all of the states is reduced by an NPM adjustment of 6%, or \$420,240,000.00.

**Step Two: Allocate the \$420,240,000.00 among the four states that did not pass the Model Statute. The following illustrates the allocation method:**

States	Allocation % Established in Exhibit A to the MSA	2004 payment without NPM adjustment	% share of NPM Adjustment	Total NPM Adjustment \$420,240,000.00	2004 adjusted Payments
CALIFORNIA	0.127639554	\$893,987,436.22	0.866846800	\$364,283,699.20	\$529,705,737.01
COLORADO	0.013708614	\$ 96,015,132.46	0.093100201	\$ 39,124,428.61	\$ 56,890,703.84
ALASKA	0.003414187	\$ 23,912,965.75	0.023186990	\$ 9,744,100.72	\$ 14,168,865.03
WYOMING	0.002483449	\$ 17,394,076.80	0.016866009	\$ 7,087,771.46	\$ 10,306,305.33
Totals	0.147245804	\$1,031,309,611.22	1.000000000	\$420,240,000.00	\$611,069,611.22

The "% share of NPM Adjustment" (fourth column above) is calculated pro rata based on the states' relative allocations given in Exhibit A to the MSA. For example, Alaska's allocation established in Exhibit A is .03414187% of the total allocation of the four states whose payments will be adjusted by the NPM Adjustment because they did not pass a Model Statute.

The NPM Adjustment is calculated each year. For instance, if the Participating Manufacturers continued to lose market share and the market share in 2005 remained at 93.5%, these four states would continue to experience an NPM Adjustment.

**SB**

**94**

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. SS SB94

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the medical use of marijuana; and BRU: State Health Services  
 Component: Bureau of Vital Statistics  
 Sponsor: Leman COMPONENT SERIAL NO. 961  
 Requestor: Senate (HES) See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY00	FY01	FY02	FY03	FY04	FY05
PERSONAL SERVICES	37.7	38.0	39.0	40.0	41.0	42.0
TRAVEL						
CONTRACTUAL	40.0	40.9	41.8	37.3	38.1	38.9
SUPPLIES	3.0	1.5	3.0	1.5	3.0	1.5
EQUIPMENT	7.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>87.7</b>	<b>80.4</b>	<b>83.8</b>	<b>78.8</b>	<b>82.1</b>	<b>82.4</b>

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

CHANGES IN REVENUES ( )						
-------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	82.7	75.4	78.8	73.8	77.1	77.4
1005 GF/Program Receipts	5.0	5.0	5.0	5.0	5.0	5.0
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>87.7</b>	<b>80.4</b>	<b>83.8</b>	<b>78.8</b>	<b>82.1</b>	<b>82.4</b>

**POSITIONS:**

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of any current year (FY99) cost: \_\_\_\_\_

**ANALYSIS:** (Attach a separate page if necessary)

The Department estimates that changing the registry from voluntary to mandatory will double the workload. The department will also have to redraft the regulations covering medical marijuana and reprocess them through public hearings. The department will have to contract for the medical expertise to evaluate waiver requests. These will require the following:

Line 100 One Administrative Clerk III for data entry and review of records  
 Line 300 Redraft existing regulations to conform to amendments. Contract for the medical expertise to evaluate waiver requests and operational contract costs.  
 Line 400 Card stock and miscellaneous computer and office supplies  
 Line 500 Computer and workstation for new position

*[Signature]*  
4/23/99

Prepared by: Peter M. Nakamura, MD, MPH  
 Division: Public Health

Phone: (907) 465-3090  
 Date: 04/23/99

Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Date: 4/27/99

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LOCATION: ANCHORAGE

SB 82	— THEDA	<del>PITMAN</del>	TESTIFY
SB 82	— CATHY	<del>GIRARD</del>	TESTIFY
SB 82	— MARY	<del>ROSS</del>	TESTIFY
SB 82	— ROBIN	<del>SMITH</del>	TESTIFY
SB 94	BYRON	GRAY	PEOPLE OF TRUTH TESTIFY
SB 94	ERIC	SKIDMORE	TESTIFY
SB 94	AUDIE	HOLLOWAY	TESTIFY
SB 94	MATTHEW	FAGNANI	TESTIFY
SB 94	BILL	MILLER	SPD TESTIFY
SB 94	JAMES	SCROGGINS	APD TESTIFY
SB 94	AL	KENNEDY	APD TESTIFY
SB 94	PHILIP	LINDLEY	TESTIFY
SB 94	DOUG	RYESSON	TESTIFY
SB 94	RICHARD	WORTHINGTON	TESTIFY
SB 94	DEBORAH	LUPER	TESTIFY
SB 94	WHITNEY	LARD	TESTIFY
SB 94	DUANE	UDLAND	ANCH P.D. TESTIFY
SB 94	STEPHEN	MIHALIK	TESTIFY
SB 94	RAND	WALLS	TESTIFY
SB 94	MARIE	MAJEWSKE	TESTIFY
SB 94	SUSAN	FISCHETTI	TESTIFY
ALL ITEMS	— CHARLES	<del>MCKEE</del>	TESTIFY

LOCATION: FAIRBANKS

SB 94	MR.	RICHARD	WELCH	TESTIFY
SB 94	MR.	MICHAEL	STREIFFERT	TESTIFY
SB 94	MR.	FRANK	TURNEY	TESTIFY
SB 94	MS.	BONNIE	MCCORQUODALE NAVIN	TESTIFY
SB 94	MS.	SUZANNE	PRICE	TESTIFY
SB 94	MS.	BETTY	ROLLINS	TESTIFY
SB 94	MR.	CHARLES	ROLLINS	TESTIFY
SB 94	MR.	DIRK	NELSON	TESTIFY
SB 94	MR.	JOHN	O'BRIEN	TESTIFY
SB 94	MR.	BOBBY	KEATING	TESTIFY
SB 94	MR.	SCOTT	<del>CALDER</del>	TESTIFY

(SB 82 ALSO)

LOCATION: KENAI LIO

SB 94	MS.	LINDA	WRIGHT	SELF TESTIFY
SB 94	MS.	NATALIE	RINGLAND	SELF TESTIFY
SB 94	MS.	JUANITA	GRIFFITH	SELF TESTIFY
SB 94	MS.	ANN	PERRY	SELF TESTIFY

LOCATION: KETCHIKAN

SB 94	MS.	LYNDA	ADAMS	TESTIFY
SB 94	MR.	JAY	SNODDERLY	TESTIFY

LOCATION: MATSU

SB 94	MR	JAMES	GARHART	TESTIFY
SB 94	MR	BRUCE	KRAFT	TESTIFY
SB 94	MS	KATHY	WOOLEY	TESTIFY
SB 94	MR	EDWARD	WOOLEY	TESTIFY

## OPPOSITION TO SB 94

It is a sad truth that any of us need to be here today. Senator Leman is trying to gut the medical marijuana initiative which just became law and has not been given a chance to be of benefit. Senator Leman seems to have no respect for the judgement of the majority of Alaska's voters.

SB 94 ADDS NOTHING to medical marijuana. It does take away many of the benefits the initiative was supposed to provide the sick.

SB 94 destroys the heart of the bill by limiting medical marijuana by severely restricting it's use to 3 specific diseases; cancer, glaucoma or AIDS, and leaves many people suffering from the symptoms of other chronic diseases. Some of the symptoms medical marijuana was to help alleviate were cachexia, severe pain, severe nausea, seizures and persistent muscle spasms. (Cachexia weakening and wasting away from a chronic disease)

I am particularly concerned with the primary care giver changes Senator Leman proposes. What happens when a single parent has two severely ill children? What happens if a parent and a child are ill? Is Senator Leman proposing a parent cannot be the primary care giver of more than one person in his or her immediate family?

Concerning the finding required from the doctor: One of the reasons I voted for medical marijuana was to give people options in their treatment. Options other than narcotics such as morphine and

harsh chemicals. Options which don't make you throw up.

I have a dear friend who has chronic lymphocytic leukemia. He recently finished 6 months of chemotherapy. He tried many extremely expensive drugs to help with nausea and diarrhea, including Marinol. He found marijuana worked the best for his side effects and still allowed him to function, <sup>normally</sup> and ~~do his job.~~

// continue his work & contribute

Dated: 3/24/99

Whitney Lard  
Whitney Lard  
3464 Checkmate Drive  
Anchorage, AK 99501

Home 907 338-2743  
Work 907 276-4747

to the coffers of government.

# Alaska Civil Liberties Union

*An Affiliate of the American Civil Liberties Union*

P. O. Box 201844, Anchorage, AK 99520-1844

Phone: (907) 258-0044 Fax: (907) 258-0288 Email: akclu@alaska.net

## TESTIMONY

To: Senate HESS Committee  
From: Jennifer Rudinger, Executive Director  
Date: Wednesday, March 24, 1999  
Re: Senate Bill No. 94 (Medical Use of Marijuana)

Good afternoon, Mr. Chairman and Members of the Senate HESS Committee:

My name is Jennifer Rudinger, and I am the Executive Director of the Alaska Civil Liberties Union. The AkCLU is a non-profit, non-partisan organization dedicated to preserving and defending the principles of individual liberty guaranteed in the U.S. Bill of Rights and in the Alaska Constitution. I have come here today on behalf of the almost 900 card-carrying members of the ACLU in Alaska to urge you **not** to pass SB 94 out of this Committee.

We remind this Committee that the Alaska Supreme Court has determined that private possession of small amounts of marijuana in the home is protected under the Alaska Constitution's explicit guarantee of privacy in Article 1, Section 22. *Ravin v. State of Alaska*, 537 P.2d 494 (Alaska 1975). *Ravin* is still good law, and Senate Bill No. 94 raises several civil liberties concerns with respect to Alaskans' right to privacy. First, SB 94 invades the privacy of the relationship between doctor and patient by limiting the use of medical marijuana to patients with only certain legislatively-defined medical conditions and only when there are **no** other legal treatments that can be tolerated by the patient that are as effective in alleviating the debilitating medical condition. Decisions such as what medicines to prescribe for which medical conditions are better left to physicians, not the legislature. Patients who are suffering should not have to try all other types of treatment, most of which are much more expensive than medical marijuana, to determine if they can "tolerate" these alternative treatments when the physician believes, in his/her best medical judgment, that marijuana will be beneficial to the patient. SB 94 simply prolongs patients' suffering and exposes them to potentially dangerous side effects as treatment after treatment fails to help them.

In addition, SB 94 threatens Alaskans' rights to privacy by authorizing law enforcement access to the confidential registry for purposes of criminal investigation or prosecution. The AkCLU objects to the maintenance of this registry by the state for any purpose because it violates physician/patient confidentiality. It is important to note that a registry is not required for any other drug. The registry mandated by SB 94 contains no requirement of probable cause and exposes patients and primary caregivers to potential harassment by law enforcement. Particularly in the cases of patients with HIV or AIDS, the maintenance of a registry by the state violates their civil rights and could subject them to harassment and discrimination. We have a long history in this country of "function creep," where a registry or database created for one purpose, once under the control of the government, is eventually used for more and more purposes never envisioned at the

Testimony on SB 94  
Page Two

time of its creation. We have also seen instances in other states where "confidential" databases maintained by the government have been stolen or misused. The only legislative change to the initiative passed by the voters last fall that the AkCLU would endorse would be the elimination of the maintenance by the state of a registry of patients and their primary caregivers.

Please feel free to contact me at 258-0044 if you have any questions or wish to discuss this further. I thank the Committee for the opportunity to testify today.

# STATE OF ALASKA

Department of Health & Social Services  
Office of the Commissioner



DATE: 3/19/99

TO: Sheron Clark / Senate  
NESS

FAX: 465-3883

PHONES: \_\_\_\_\_

NO. PAGES TO FOLLOW: 2

From: Diane Disanto  
Community Coordinator  
P.O. Bcx 240249  
Anchorage, AK 99524-0249

Phone (907) 269-7800  
Fax (907) 561-1308  
diane\_disanto@health.state.ak.us

Remarks: Here is info on Alaska Food Coalition -  
we can change the schedule on Monday  
April 12 to accommodate Senate  
NESS's schedule. Let me know  
if you need any more info -  
and thanks alot.

Diane

we can meet on Sunday 4/11 too!

**ALASKA FOOD COALITION  
ANNUAL MEETING**

April 11 & 12, 1999  
Juneau, 350 Main St, Rm. 123  
Draft Agenda

Sunday, April 11, 1999

Welcome and Introductions - Jack Doyle, Chair

Member Program descriptions

Election of Officers

Mission Statement:

Purpose of the Coalition  
What are the needs going into Y2K  
Agenda for next year

Bristol Bay Native Association - Food Bank fire/needs

Lunch

Department of Education - TFAP, Children's food programs -  
Molly Wheeler, Kathleen Wayne, Joan Gore

Department of Health and Social Services - Commissioner Karen Perdue  
Legislative briefing/update - Elmer Lindstrom  
Denali Kid Care - Deborah Smith  
Public Assistance/food stamps - Jim Nordlund, Jim Dalman  
Budget, Disaster - Jay Livey

Alaska Commission on Aging - Jane Demmert  
Needs of the Elderly

Food Coalition Budget - FY 99 and FY 2000

Strategy for next year

Monday - April 12, 1999

8:00 Strategy for day  
Unfinished Business

Hill visits  
Hearings

12:00 Lunch

Continue Hill visits

4:00 debriefing

## **The Alaska Food Coalition**

### **Mission**

The purpose of the Alaska Food Coalition is to strengthen and coordinate public and private food and nutrition assistance programs, and to educate policymakers about Alaskan food needs.

### **Membership**

The Coalition is comprised of state agencies, municipalities, members of the private food assistance community, citizens, and organizations determined to make a difference in the food and nutritional issues facing our state.

### **Structure**

The leadership of the AFC is the executive committee comprised of the Past Chair, Chair, Chair Elect, Secretary and Treasurer of the organization. The Chair-elect Secretary and Treasurer are elected annually at the face-to-face meeting of the AFC. All office terms are one year in duration. AFC funds are held on deposit with designated member organization 501 C3's.

## Statement of Purpose A Food and Nutrition Policy for Alaska

### *Purpose and Members of Alaska Food Coalition*

The purpose of the Alaska Food Coalition is to strengthen and coordinate public and private food and nutrition assistance programs, and to educate policy-makers about Alaskan food needs. The coalition is comprised of state agencies, municipalities, members of the private food assistance community, and citizens determined to make a difference in the food and nutritional issues facing our state.

Alaska lacks a comprehensive picture of the demographics of food needs, whether there's duplication in use of services, patterns of use, or gaps in food assistance programs. The Alaska Food Coalition feels it is vital to more clearly define the problem, the successes, and the challenges of our food distribution and assistance programs in a comprehensive way.

### *Hunger*

Hunger can be defined "as a recurrent, involuntary lack of access to food." We know there are hungry people in Alaska communities, because Alaskans come to the food pantries, shelters, and informal food distribution sites. We also know that hunger in our state is not limited to the homeless and helpless. Finally, we recognize that a bright future for Alaska depends upon creating an environment in which children can learn and develop in a healthy way because they have proper nutrition, whether at home or in school.

### *Vision*

The Alaska Food Coalition's vision for Alaska concerning food and nutrition means that there would be few if any families or individuals needing medium to long term assistance from food pantries, shelters, and/or informal food distribution sites. Short term requirements for food and nutrition by needing persons will be met in two ways. First of all, there will be plentiful statewide food products available to private sector distribution sites. This plentiful availability of food products will become possible by improving the distribution networks already in existence, by bettering the transportation routes already in existence and by enhancing public and private sector efforts to procure nutritional food products. Secondly, and most importantly, there will be processes that enable needing persons to become self-sufficient. These processes will require needing persons to actively participate, to their ability, in order to continue to receive food and nutritional assistance.

We see Alaska becoming a "world class" example of private/public partnership in the elimination of hunger because "everyone deserves a place at the table."

## ALASKA FOOD COALITION 3/8/99

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Karen Perdue, Commissioner  
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Fairbanks-North Star Borough  
Health Commission  
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Fairbanks, AK 99712  
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St Judes Jubilee Ctr  
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North Pole, AK 99705

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Homer Comm Food Bank  
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Homer, AK 99603  
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Fax 235-0140

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Anchorage, AK 99519  
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Fran Butzke  
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Anchorage, Alaska 99519  
343-4694 Fax 343-4805

50594  
FROM: BOBBY KEATING

201 File

High School Diploma 1971  
Certificate of Achievement 4  
Certificates of Training - Four  
Good Conduct Medal - Fourth Award  
Acting Sargent - 22 Aug 83 MAY 84 E-5 Dec 84  
Certificate of Appreciation Nixon, 2<sup>nd</sup> Infantry Division  
Honorable Discharge - Five Times  
NCO Academy - Wightman Level I  
South Korea  
Letters of Commendation - Three  
Letters of Appreciation - Two  
Medical Supply Specialist - Diploma  
Material Handling and Storage - Diploma  
Logistics Management College Certificates - Four  
U.S. Army Training Support Center Diploma - Two  
Army Achievement Medal - Six Awards  
Army Medal of Commendation 1  
Overseas Medal - Three  
Viet Nam Era National Defense Ribbon with Bronze Star  
Gulf War  
Motorcycle Better Biking Program - MSF

I WAS part of the Color or Honor Guard for  
1 INF Div, 2nd INF Div, 4<sup>th</sup> INF, 172nd INF Bdegr.  
6<sup>th</sup> INF Div Life. I MARCH IN THE Golden DAZE parade  
2 times. And see many others I can not recall all.  
I know Duty, Honor, PRide, Love, Honest work

I, Bobby L. Keating, a Disabled American Veteran, on SSI at 46 years of age, came to this conference about a law voted in by nearly 60% of the voters that came out to vote that day. 60% is a lot. In most third world countries 90% is the normal of most to show up to vote. In the U.S. 30% to 40% of the turn out is high. I am not saying the whole population of 100% came out to vote. What I am saying is about 60 % of the voters that came out to vote that day voted yes on this law. It is a fact that my medical records are between me and my doctor.' Making it a law that I have to register for whatever I take for my health, from Aspirin to Ex-Lax is an infringement of my rights. That's what is going to happen. I'm really confused. I got hurt on duty, working for our country. A law like that may help a few people, like me. The cooperation of the Department of Law, Public Safety, and this is not to let a person just feel good. <sup>PAIN FREE</sup> Most of the people that would or could use this drug don't do very much to break any laws. I do not break the law for two reasons. I get money for being 100% D.A.V. and SSI. If I break any laws I could loose my only possible source of income. I think it is really sad that we have to let people burn our flag just because it is their right. You want gun control, but you can't. You took prayer out of schools, but as long as there are tests, there will be prayer. You give money to and for people for medical ailments, but this law is National. I have to feel bad every day because people are thinking that the drug Marijuana is bad for us. I may use it if a doctor says that it will help me. I don't think everyone that fits the list of ailments is going to just start using it. Most of the people I know don't even like to take drugs. After ten years I really hate drugs. But I have no choice. I choose not to be in such severe pain so constantly. The pain has already

Govt  
States

destroyed any quality of life that I could have. It has been ten years since I have been somewhat pain free. As far as the law goes to stop drugs right now there are still drugs out there. I see a waste of money in just that. I look at life like this, there has always been drugs of some kind. So we will have people doing what they want. This law is to help a few people. And not everyone will use it. If you meet the criteria for this drug you are probably already using drugs. And if this drug helps, Good! No matter what you do to this law the people who meet the criteria will still have the ailments, and the Law and Public Safety will still be what they are. So Sen. Lemans bill will be a waste of the voters time and the next time we vote and he is on the ballot I'll bet he will be out of a job. But remember this, that won't change the fact that some of us will never be cured of our medical problems or pain.

I wake up every day feeling like I have been hit by a truck. Anyone want to trade places with me? The best part of my life is my wife. She is still with me and her love is the only thing I have that the Law can't change. PROHIBITION DIDN'T WORK FOR 13 YEARS. AND THE TIME IT TOOK TO MAKE THIS LAW A LAW IS JUST BECOMING A JOKE ON THE AMERICANS. "YOU CAN VOTE IT IN... BUT "HA, HA"... YOU CAN'T HAVE IT. FOR REASONS JUST LIKE THIS IS WHY SO MANY DON'T VOTE... AND THAT IS A WASTE. I COULD TALK ABOUT THE LAW ALL DAY. SOME ARE GOOD SOME ARE NOT. US BEING HERE IS NOT THE WAY WE VOTED. IF YOU WATCH TV-ADUIL, TyLENOL COUGH SYRUP, PepTo-Bismol, Beer ALL DRUG'S YOU HAVE LOST THE FIGHT ALREADY. DRUG FREE HAS BEEN A LIE FOR YEARS.



# ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the SENATE H.E.S.  
 Committee on SR 94 Committee Name  
Bill / Subject Dated 3-24-99

THE "RAVIN DECISION" SHOULD GUIDE US IN ADDRESSING MEDICAL MARIJUANA ISSUES, OR FOR THAT MATTER ALL PRIVACY MATTERS.

SB 94 IS A SCURIOUS, IMPROPER, REPUDIATION OF THE RIGHTS OF ALL CITIZENS OF THE STATE. THAT ALASKANS WERE THREATENED AND PROSELITIZED TO SUBMIT TO TYRANNY, WHEN VOTERS RESPONDED OBEDIENTLY TO THE "RECRIMINALIZATION HYSTERIA", HAS INFORMED CITIZENS OF THEIR PERIL TODAY BEFORE YOU. MORE THAN A DOZEN CITIZENS IN FAIRBANKS WAIT TO TESTIFY, AT 2:23 P.M.

SIGNED: SCOTT TRAFFORD CALDER  
 Testifier  
P.O. 75011  
 Representing [Signature]  
FBI'S, AK, 99707 (907) 474-0174  
 Address / Phone Number



TELECOPY COVER SHEET  
Ketchikan Legislative Information Office  
Office - (907) 225-9675 Fax - (907) 225-8546

TO: Senate HESS Committee

ATTN: Senator Miller FAX: 465-3883 PHONE: \_\_\_\_\_

FROM: + Senator Lemay 465-3810 PHONE: \_\_\_\_\_

INSTRUCTIONS: Testimony for TOL 90419 on SB 94

SENT: Date 3/24/99 Time 2:56 pm

DISPOSAL OF ORIGINAL: Discard \_\_\_\_\_ Hold for Pickup \_\_\_\_\_

NUMBER OF PAGES: 4 (NOT counting cover sheet)

TRANSMITTED BY: [Signature]

*Resending as not sure you received all 4 pages*

Testimony to Senate HESS Committee on March 24, 1:30 PM

My name is Lynda Adams. I'm pleased with the opportunity to testify before the committee on SB94, An Act relating to the medical use of marijuana. I am the founder and now retired executive director of Alaskans For Drug-Free Youth, a statewide parent organization dedicated to drug prevention for our youth. I am presently the Alaska State delegate for the national organization, Drug Watch. I served for six years on the national drug prevention board of directors of the National Family Partnership. I also served for four years on the Alaska Governor's Advisory Board on Alcoholism and Drug Abuse.

Many of you may know that it was a long, hard battle to recriminalize marijuana in Alaska in 1990 after 15 years of liberal laws condoning private use. During that time the youth of Alaska were using marijuana at twice the national average. It became clear during that time that our laws certainly give messages to our young people. Sometimes they are not the messages we wish to convey. They believed that if adults could use, it must not be harmful. These marijuana initiatives in the country under the guise of "medical use" are giving a similar message to our kids. Just the other day a 16 year old remarked, "what's the big deal about marijuana--cancer patients use it. They're even talking about making it legal." During the 70's and 80's Alaskan youth got the message that marijuana is "legal" so it's okay. Now if it's medicine, it's healthy and good. This is the new message for Alaska's future! The National Household Survey shows that one year after the initiatives passed in California and Arizona in 1996, adolescents' perception of risk of using marijuana is lower and illicit drug use is higher in these two states than in the rest of the nation. These initiatives have caused use by kids to increase.

Another obstacle this state faced during our liberal marijuana years dealt with the fact that in 1975 when marijuana was allowed for use by adults in their own homes, the THC, psychoactive ingredient in marijuana, was less than 1%. Before the 1989 vote to again make marijuana illegal in Alaska, the potency level had increased to as high as 29.86% in Alaska of tested samples, the highest in the national.

With the increased potency and increased use by our kids, the voters said we had had enough of liberal experimentation of marijuana use.

Now because of huge amounts of "outside" money impacting our state on an initiative issue last fall and the campaign focus of COMPASSION by a pro-drug using group in California, the voters of Alaska swallowed the compassion spin that will allow marijuana cigarettes to be smoked as medicine.

I have been opposed to these ballot measures cropping up around the nation promoted by the drug culture. These initiatives do not place any of the medical restriction on marijuana that occurs with ALL other medicines which have been FDA approved. This quasi-medical measure in Alaska is not FDA approved, but is only voter approved. The voters have no scientific authority to declare anything a medicine.

Within these initiatives there is no supervision, no quantity, no dosage, no time limit on how it can be used. This is not medical compassion, it is a stepping stone to legalization. This does not meet appropriate medical criteria. There is no medical follow-up, no current clinical follow-up as to the efficacy of this drug when it is used.

I applaud Senator Leman's SB94 in attempting to define terms, give some guidelines for "medical" accountability of use. This piece of legislation conveys the real compassion of use for which the voters understood to be the issue at the ballot box. They read the one paragraph ballot wording and thought they understood the issue, after all it was portrayed as compassion in the media. They voted for compassion; they did not vote for legalization. We were told this was not about legalization.

The single ballot paragraph was very deceiving if one explored further and read the actual language that would be placed in statute with passage of the ballot measure. There was lack of definition, lack of procedure and accountability with the registration system, with the patient, with the physician, with the caregiver. SB94 defines all of these necessities that were left out of the initiative that give it the compassion and care conveyed with other medicines. There was also no means by which law enforcement could contain this use of compassionate medical use of smoked marijuana cigarettes without it becoming an issue of legalization of the drug. There must be distinct guidelines to make use clear between medical and illegal use so law enforcement does not encroach on the area of allowed medical use. It would seem to me that the proponents of the initiative would appreciate the distinctions that this bill offers as well. After all, they say they are only interested in the use by people with medical needs.

In reading SB94 I concur with the first section on affirmative defense to a prosecution. After all, if someone is using the marijuana cigarette within the new law, they should have no problem with the guidelines set forth in this section.

The system of registry of patients and caregivers in Section 3 of the bill is vital to providing accountability to the area of compassion with good medical safe guards. If the patient and caregiver are operating within the law in this regard, there should be no opposition to law enforcement having access to the confidential records for criminal investigation purposes. This allows protection for the compassionate user to know that the law will not be infringed upon by others who may be using or transporting marijuana in an illicit fashion. Their use will be protected under the medical provision. This section seems to be a reasonable control to keep the substance LEGALLY used. It will provide a stop gap for illicit use.

I must express my objection to the number of ounces and plants that are designated for possession in this bill (bottom of page 2, top of page 3). Having used a visible demonstration in the past before the vote to recrim. marijuana with the 1989 vote, we used a demonstration of the number of joints that made up the then "legal" 4 ounces.

the development of new, safe delivery systems of drugs related to the compounds found in marijuana."

Stanley Watson, the co-principal investigator of the report stated, "marijuana's future as medicine does not involve smoking. It involves exploiting the potential in cannabinoids such as THC, the key psychoactive ingredient of marijuana....For new drug development, cannabinoid compounds and delivery systems that are produced in the laboratory are preferable to plant products because they deliver a consistent dose and are made under controlled conditions."

Senator Leman is correct in limiting the definitions of "debilitating medical conditions" in the bill. It parallels this new study. It is unfortunate timing that Alaska must deal with the implementation of the ballot initiative now. The IOM report states otherwise. We should not be putting our Alaskans through such methods of smoking marijuana cigarettes when it has just been reported that a better delivery system needs to be developed and more research has to be done on cannabinoids.

Smoked marijuana as a medicine is dead. Marijuana cigarettes as medicine is not about compassion, it is about deception and harm. False compassion must not replace science. This study should serve as a death knell for the ballot initiatives and state laws allowing the recommendation of marijuana to virtually any patient.

Keep the definitions of "debilitating medical conditions" in SB94 on the short list.

SB94 is a good piece of legislation that should be given serious consideration in light of Alaska having to deal with the passage of Ballot Measure No. 8. Please put the compassion and accountability in the initiative by passing SB94 as soon as possible.

the development of new, safe delivery systems of drugs related to the compounds found in marijuana."

Stanley Watson, the co-principal investigator of the report stated, "marijuana's future as medicine does not involve smoking. It involves exploiting the potential in cannabinoids

There were 392 joints in four ounces. That is nearly 100 rolled joints per ounce of pot. Who is controlling the dosage and frequency of use of this many joints? The patient or caregiver can also possess up to six plants in addition to this. I realize this was the stated amount in the initiative statute language, but this sounds like an overdose to me!

On page 8 of the bill, I notice the obligation of the patient to return the registration card within 24 hours if he is found to no longer have a debilitating medical condition. My question is, is there a provision to notify the department and return the card upon death of the patient or caregiver to keep the cards under control of the authorizing agency?

I agree with and see the necessity for the change of the word under Section 4, privileged medical use of marijuana from "section" to "chapter". There is a need to be inclusive with the entire initiative section of the statute.

The last section I wish to comment on is Section 7 which defines the language terms within this legislation. I totally support the redefinition of SB94 as it pertains to "debilitating medical condition". In light of last week's disclosure of the Institute of Medicine's (IOM) findings on medical use of marijuana I find this section definition to be quite generous! Use in Alaska for medical purposes will be limited to cancer, glaucoma, positive status of HIV, or AIDS. Other determinations will be made by the department using specific guidelines.

The media reports with the help of the pro-drug lobby spin gave the public a very detrimental and misleading account of the IOM findings. The IOM report was commissioned to find out the facts about how THC works and its potential to help people who are suffering. The IOM study confirms harmful effects of smoked marijuana! It is very clear that the long term future of marijuana is NOT in smoking the drug, it is in synthesizing the various components of the drug so it can be used in a pure and controlled dosage form. John Benson, one of the principal investigators of the report stated at the opening news conference on the recommendations "marijuana's potential as medicine is seriously undermined by the fact that people smoke it, thereby increasing their chance of cancer, lung damage, and problems with pregnancies, including low birth weight. For that reason, we do not recommend smoking marijuana for long-term medical use. While we see a future in the development of chemically defined cannabinoid drugs, we see little future in smoked marijuana as a medicine." John Benson went on to say, "marijuana should only be smoked in circumstances where the long-term risks are not of great concern--such as for terminally ill patients or those with debilitating symptoms that do not respond to approved medications. Even in these cases, smoking should be limited to carefully controlled situations. Patients who are prescribed marijuana should be enrolled in short-term clinical trials that are approved by an oversight strategy such as institutional review boards, and involve only those patients most likely to benefit. Patients should be fully informed that they are experimental subjects and are using a harmful drug delivery system, and their condition should be closely monitored and documented under medical supervision. It is important to stress that the goal of these trials should NOT be to develop marijuana as a licensed drug. Rather, these trials should be done in parallel with

MAR 22 REC'D ✓



**Alaska First**

**Alaskan Independence Party**

**P.O. Box 60231**

**Fairbanks, Alaska 99706**



**Alaska Always**

**March 18, 1999**

Sen. Mike Miller  
State Capitol, room #119  
Juneau Alaska 99801-1182

Dear Sen. Miller:

The Alaskan Independence Party would like to express its opposition to Senate Bill #94. We feel that this bill unnecessarily amends the existing law and is little short of an attempt by elements within the Legislature to back door the Alaskan voter.

The Alaskan Independence Party does not advocate or condone the use of marijuana or any other recreational drug. However, used medicinally, cannabis has been shown effective in relieving the discomfort of a wide range of discomforts. Medical marijuana, in the hands of a licensed practitioner, is in some cases an acceptable alternative drug. The Alaskan voters have expressed their opinion on the matter of the medical use of marijuana.

In this last election, by an overwhelming margin, the voters of the State of Alaska OK'd the use of marijuana for medicinal purposes. The medical marijuana law as it stands appears to be a well crafted well thought out law with distinct limitations and safeguards for patients, care-givers, and the average citizen of Alaska.

Senate Bill #94 removes many of the safeguards for both the patients and care-givers. It removes the safeguards that insure the privacy of both the patient and care-giver by allowing excessive access to their records by enlarging the pool of agencies and individuals that may arbitrarily gain access to patients' records.

Senate Bill #94 unnecessarily expands the criteria required for the registration of a patient or care-giver. It thereby possibly limits access to medicinal marijuana by those most in need of the relief provided by cannabis.

Our major objection to Senate Bill #94 is that it contains unnecessary emendation to a law already ratified by the voters of the State of Alaska in an overwhelming manner. Despite our reservations concerning the use of drugs we must acknowledge that the people have spoken and accept and respect their decision.

sincerely,

Mark Chryson, Chairman  
Alaskan Independence Party  
(907) 376-8285

John Fields, Vice-Chairman  
Alaskan Independence Party  
(907) 496-1790 (pager)



# Alaska State Legislature

Please enter into the record my testimony to the ~~House~~ <sup>SENATE</sup> Judiciary Committee  
 committee name  
 committee on S.B. 94 / Medical Marijuana, dated 3/24/99  
 bill # / subject

The people spoke and voted for marijuana use for medical purposes. No I mean No legislator has the right to gut our vote.

How dare some politicians in Juneau go against the peoples wishes. This practice has got to be stopped!

This is a waste of the Tax payers money. I am sick of it. 51 year Alaskan resident.

Speaking for Alaskans Majority

Signed: Lonnie Temple

Testifier

Myself

Representing (Optional)

P.O. Box 2918 Kenai, Alaska 99611

Address

907-283-5097

Phone number



# Alaska State Legislature

Please enter into the record my testimony to the SENATE / STESS / Judiciary Committee  
committee name

committee on S.B. 94 / Medical Marijuana, dated Mar 24 1999.  
bill # / subject

Stop playing God with peoples lives. Especially those dying with some debilitating disease.

We the people voted in Nov 1998, to legalize MARIJUANA for Medical Purposes. Opiates and Drugs have very little effect when terminal.

If MARIJUANA can provide them relief so they may endure their pain  
"SO BE IT"

Doesn't OUR VOTES have any meaning to OUR ELECTED OFFICIALS, apparently not.

Signed: John A. Temple  
Testifier

Self  
Representing (Optional)

P.O. Box 2918 Kenai Alaska 99611-2918  
Address

907-283-5047  
Phone number



# Alaska State Legislature

Please enter into the record my testimony to the       LTC        
 committee name  
 committee on       SB 94      , dated       3-24-99        
 bill/subject

I am Against SB 94.  
 I believe this bill will make it harder  
 for patients with chronic pain  
 to ~~be~~ lawfully get Marijuana  
 pre scribed to ease their pain.  
 please do not let this bill go  
 through.  
 thank you

Signed:       Richard Worthington        
 Testifier

Representing (Optional)  
      B 1700 S. 33rd Anchorage      

Address  
      274-9149      

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the LIE  
 committee name  
 committee on SB 94, dated 3-23-99  
 bill/subject

I AM AGAINST THIS BILL.  
 I WOULD BE AFFECTED. I AM IN GREAT  
 PAIN EVERY DAY, I WOULD PROBABLY BE DECEASED.  
 I COULD SAY A LOT MORE.

Signed: Philip Lindley  
 Testifier

Representing (Optional)  
1702 W. 33RD ANCH.  
 Address

224 5199  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_  
committee name

committee on \_\_\_\_\_, dated \_\_\_\_\_  
bill/subject

I AM AGAINST THIS BILL.  
I WOULD BE AFFECTED, I HAVE GREAT  
PAIN EVERYDAY. UNDER SB99 I WOULD  
BE PROBABLY DEMED.

Signed: Doug Pyerson  
Testifier

Representing (Optional)  
1021 Turpin Anch  
Address

330 ~~925~~ 9525  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the FESS  
 committee name  
 committee on SB 94, dated 3/24  
 bill/subject

I oppose SB 94... If the legislature wants to do something constructive they should pass a Resolution to ask the Federal Government to Move MARIHUANA From Schedule I to Schedule II.

The Federal Government says MARIHUANA needs more Medical Research than blocks all Research because MARIHUANA is trapped on Schedule I. That's some Catch-22

Signed: [Signature]  
 Testifier

Representing (Optional)  
P.O. Box 50 Chugiak, Ak 99567  
 Address  
688-9096  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the \_\_\_\_\_ committee name

committee on SB 94, dated 3/24/99  
bill/subject

I am a life long Alaskan Resident, Cannabis was legal for 14 of my Adult years, I am a <sup>Pro Hemp</sup> Activist  
I am a 42 year old Asthma Sufferer who also has chronic stress related constipation (causing Nausea) and back pain, I also suffer from Atopic Dermatitis which is stress triggered; and I wish

to continue to "legally" selftreat my ailments with Cannabis Hemp as I have successfully for over 30 years, with a medicine our grandparents used to make life better from a medical point of view. All of my conditions are debilitating by definition.

I Bronchial Dilate daily with Cannabis to ease my Breathing to help me LIVE.

Asthma and Breathing good is a medical question and relates to Quality of life.

I believe SB 94 will make it harder for the living to get legal Cannabis only the dying would be served!

Dr. Marcus Welby where are you??? Doggie Hausen, Family's need you!!!

We need Doctors and Politicians to recognize the Voted Peoples Will, Stand up and be counted. Doctors need to prescribe what's needed for a patients quality of life!!!

We need Doctors Unhindered by SB 94 and the Bigotry that infests itself in this Bill!!

Signed: RAND T. WALLS RAND WALLS  
Testifier

CITIZEN RESIDENT OF ALASKA  
Representing (Optional)

PO BOX 22-1466 ANCH. AK. 99522/1466  
Address

248-4040 - 338-3273  
Phone No.



MAR 2 1999

# TELECOPY COVER SHEET

## Fairbanks Legislative Information Office

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Fax - (907) 456-3346

TO: Sen. HESS (Sen. Miller) FAX: \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: Filks L10 PHONE: \_\_\_\_\_

INSTRUCTIONS: Writer. Testimony for SB 94 teleconferenced  
on 3/24/99

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SENT BY: Fax

I, Bobby L. Keating, a Disabled American Veteran, on SSI at 46 years of age, came to this conference about a law voted in by nearly 60% of the voters that came out to vote that day. 60% is a lot. In most third world countries 90% is the normal of most to show up to vote. In the U.S. 30% to 40% of the turn out is high. I am not saying the whole population of 100% came out to vote. What I am saying is about 60 % of the voters that came out to vote that day voted yes on this law. It is a fact that my medical records are between me and my doctor. Making it a law that I have to register for whatever I take for my health, from Aspirin to Ex-Lax is an infringement of my rights. That's what is going to happen. I'm really confused. I got hurt on duty, working for our country. A law like that may help a few people, like me. The cooperation of the Department of Law, Public Safety, and this is not to let a person just feel good. <sup>PAIN FREE</sup> Most of the people that would or could use this drug don't do very much to break any laws. I do not break the law for two reasons. I get money for being 100% D.A.V. and SSI. If I break any laws I could loose my only possible source of income. I think it is really sad that we have to let people burn our flag just because it is their right. You want gun control, but you can't. You took prayer out of schools, but as long as there are tests, there will be prayer. You give money to and for people for medical ailments, but this law is National. I have to feel bad every day because people are thinking that the drug Marijuana is bad for us. I may use it if a doctor says that it will help me. I don't think everyone that fits the list of ailments is going to just start using it. Most of the people I know don't even like to take drugs. After ten years I really hate drugs. But I have no choice. I choose not to be in such severe pain so constantly. The pain has already

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destroyed any quality of life that I could have. It has been ten years since I have been somewhat pain free. As far as the law goes to stop drugs right now there are still drugs out there. I see a waste of money in just that. I look at life like this, there has always been drugs of some kind. So we will have people doing what they want. This law is to help a few people. And not everyone will use it. If you meet the criteria for this drug you are probably already using drugs. And if this drug helps, Good! No matter what you do to this law the people who meet the criteria will still have the ailments, and the Law and Public Safety will still be what they are. So Sen. Lemans bill will be a waste of the voters time and the next time we vote and he is on the ballot I'll bet he will be out of a job. But remember this, that won't change the fact that some of us will never be cured of our medical problems or pain.

I wake up every day feeling like I have been hit by a truck. Anyone want to trade places with me? The best part of my life is my wife. She is still with me and her love is the only thing I have that the Law can't change. PROHIBITION DIDN'T WORK FOR 13 YEARS. AND THE TIME IT TOOK TO MAKE THIS LAW A LAW IS JUST BECOMING A JOKE ON THE AMERICANS. "YOU CAN VOTE IT IN... BUT "HA, HA"... YOU CAN'T HAVE IT. FOR REASONS JUST LIKE THIS IS WHY SO MANY DON'T VOTE... AND THAT IS A WASTE. I COULD TALK ABOUT THE LAW ALL DAY. SOME ARE GOOD SOME ARE NOT. US BEING HERE IS NOT THE WAY WE VOTED. IF YOU WATCH TV-ADVIIL, TYLENOL COUGH SYRUP, PEPTO-BISMOL, BEER ALL DRUGS YOU HAVE LOST THE FIGHT ALREADY. DRUG FREE HAS BEEN A LIE FOR YEARS,

SB 94:  
FROM: BOBBY KEATING

201 File

High School Diploma 1971  
 Certificate of Achievement 4  
 Certificates of Training - Four  
 Good Conduct Medal - Fourth Award  
 Acting Sargent - 22 Aug 83 MAY 84 E-5 Dec 84  
 Certificate of Appreciation Nixon, 2<sup>nd</sup> Infantry Division  
 Honorable Discharge - Five Times  
 NCO Academy - Wightman Level 1  
 South Korea  
 Letters of Commendation - Three  
 Letters of Appreciation - Two  
 Medical Supply Specialist - Diploma  
 Material Handling and Storage - Diploma  
 Logistics Management College Certificates - Four  
 U.S. Army Training Support Center Diploma - Two  
 Army Achievement Medal - Six Awards  
 Army Medal of Commendation 1  
 Overseas Medal - Three  
 Viet Nam Era National Defense Ribbon with Bronze Star  
 Gulf War  
 Motorcycle Better Biking Program - MSF

I WAS part of the Color or Honor Guard for  
 1 INF Div, 2nd INF Div, 4<sup>th</sup> INF, 172nd INF Bdegr.  
 6<sup>th</sup> INF Div Life. I MARCH IN THE Golden DAZE parade  
 2 times. And so many others I can not recall all.  
 I know Duty, Honor, Pride, Love, Honest work



# ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the SENATE H.E.S.

Committee on SR 94 Committee Name  
Bill / Subject Dated 3-24-99

THE "RAVIN DECISION" SHOULD GUIDE US IN ADDRESSING MEDICAL MARIJUANA ISSUES, OR FOR THAT MATTER ALL PRIVACY MATTERS.

SB 94 IS A SCURIOUS, IMPROPER, REPUDIATION OF THE RIGHTS OF ALL CITIZENS OF THE STATE. THAT ALASKANS WERE THREATENED AND PROSELITIZED TO SUBMIT TO TYRANNY, WHEN VOTERS RESPONDED OBEDIENTLY TO THE "RECRIMINALIZATION HYSTERIA", HAS INFORMED CITIZENS OF THEIR PERIL TODAY BEFORE YOU. MORE THAN A DOZEN CITIZENS IN FAIRBANKS WAIT TO TESTIFY, AT 2:23 P.M.

SIGNED: SCOTT TRAFFORD CAUDER  
Testifier  
P.O. 75011  
Representing  
FBI'S, AK. 99707 (907) 474-0174  
Address / Phone Number